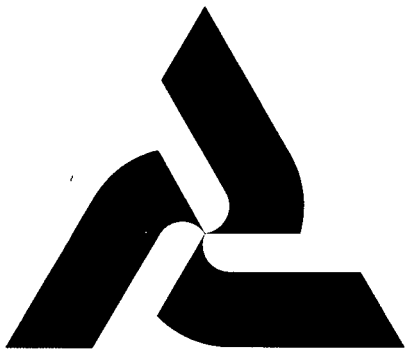

TeamLogicIT®

Your Technology Advisor

Franchise Documents

26722 Plaza • Mission Viejo, CA • 949/582.6300 • www.teamlogicIT.com

IFA®
INTERNATIONAL FRANCHISE ASSOCIATION

FRANCHISE DISCLOSURE DOCUMENT

TeamLogic, Inc.
A California Corporation
26722 Plaza, Mission Viejo, California 92691
(949)- 582-6300
franchise@TeamLogicIT.com
www.TeamLogicIT.com

Received
LA Mailroom

MAR 27 2019

Department of
Business Oversight

TeamLogicIT®
Your Technology Advisor

As a TeamLogic IT® franchisee you will independently own and operate an information technology usiness providing outsourced IT managed services targeted to small and medium-sized businesses via ualified technicians.

The total investment necessary to begin operation of a TeamLogic IT® franchised business is from 104,750 to $143,300. This includes $40,000 to $45,000 that must be paid to the franchisor or its ffiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for ou. To discuss the availability of disclosures in different formats, contact the Franchise Development epartment at 26722 Plaza, Mission Viejo, California 92691, (949) 582-6300.

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

Buying a franchise is a complex investment. The information in this disclosure document can help ou make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a ranchise," which can help you understand how to use this disclosure document, is available from the ederal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 ennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at ww.ftc.gov for additional information. Call your state agency or visit your public library for other sources f information on franchising.

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

Issuance Date: March 15, 2019.

STATE COVER PAGE

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

all the state franchise administrator listed in Exhibit "I" for information about the franchisor, or about anchising in your state.

IANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY FTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH IFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR USINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR RANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO ENEW.

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

THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO ARBITRATE/LITIGATE /ITH THE FRANCHISOR ONLY IN THE STATE OF CALIFORNIA. OUT OF STATE RBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE ETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH HE FRANCHISOR IN CALIFORNIA THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE GREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS S LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR LL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR POUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE OUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING OUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.

YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY O MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU RE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

/e use the services of one or more FRANCHISE BROKERS or referral services to assist us in selling our anchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling ur franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES
TEAMLOGIC, INC.

ome states require that the Franchise Disclosure Document be registered or filed with the state, or be xempt from registration:

he Franchise Disclosure Document is registered, on file or exempt from registration in the following tates having franchise registration and disclosure laws, with the following effective dates:

California	April 3, 2018 (amended June 18, 2018) (renewal pending)
Connecticut	May 21, 2018 (permanent exemption)
Florida	March 1, 2019 (exemption state)
Hawaii	April 6, 2018 (amended June 29, 2018) (renewal pending)
Illinois	March 27, 2018 (amended June 20, 2018) (renewal pending)
Indiana	March 28, 2018 (renewal pending)
Kentucky	May 15, 2005 (permanent exemption)
Maryland	April 27, 2018 (amended June 26, 2018) (renewal pending)
Michigan	January 18, 2019
Minnesota	April 2, 2018 (amended July 2, 2018) (renewal pending)
Nebraska	February 3, 2005 (permanent exemption)
New York	Amended June 19, 2018 (renewal pending)
North Dakota	April 3, 2018 (amended July 11, 2018) (renewal pending)
Rhode Island	May 1, 2018 (amended June 20, 2018) (renewal pending)
South Dakota	March 27, 2018 (renewal pending)
Texas	February 3, 2005 (permanent exemption)
Utah	February 13, 2019 (exemption state)
Virginia	March 21, 2018 (amended July 27, 2018) (renewal pending)
Washington	April 9, 2018 (amended June 18, 2018) (renewal pending)
Wisconsin	March 22, 2018 (amended June 20, 2018) (renewal pending)

In all other states, the effective date is March 15, 2019.

TEAMLOGIC, INC.
FRANCHISE DISCLOSURE DOCUMENT

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

To simplify the language of this disclosure document, "TeamLogic", "we," or "us", means TeamLogic, ıc., the franchisor. "You" means the person who acquires the TeamLogic IT® franchise, and each equity wner of the franchisee entity. If you are a corporation, limited liability company ("LLC") or other legal ntity, "you" includes each of your owners, who will sign as a party and will also sign a Guarantee of the ranchise Agreement.

TeamLogic, Inc. ("TeamLogic") incorporated on September 1, 2004 in California. TeamLogic has its rincipal place of business at 26722 Plaza, Mission Viejo, California 92691. TeamLogic began offering ranchises for computer consultation, maintenance, and proactive IT managed services in January 2005. It as not conducted business in any other line of business or offered franchises in any other line of business. eamLogic does not operate businesses of the type being franchised. As of December 31, 2018 ıere were 167 TeamLogic IT® franchised Businesses located in the United States and Canada.

TeamLogic has no predecessors. It is 100% owned by its parent company, Franchise Services, Inc., a alifornia corporation, also located at 26722 Plaza, Mission Viejo, California 92691. Franchise Services, ıc., established in 1996 as a service company, owns, operates, and manages a variety of well- known ıternational franchise brands and other companies. Franchise Services, Inc. is a wholly owned subsidiary of OAH, Inc., a Delaware corporation ("KOAH").

Franchise Services, Inc. owns, operates, and manages the following companies:

Sir Speedy, Inc., a California corporation, 26722 Plaza, Mission Viejo, CA 92691, which has franchised ıting, marketing and sign centers since 1968 and has 163 centers as of December 31, 2018;

Postal Instant Press, Inc., a California corporation ("PIP"), 26722 Plaza, Mission Viejo, CA 92691 which franchised printing, marketing and sign centers since 1968 and has 67 centers as of December 31, 2018;

MultiCopy BV, a Netherlands corporation, Postbus 16503, 1001 RA Amsterdam, Netherlands, which franchised printing, marketing and sign centers since 1981, and has 61 centers as of December 31, 2018;

Signal Graphics, Inc., a California corporation, 26722 Plaza, Mission Viejo, CA 92691 (949) 348-5000, ich has franchised printing, marketing and sign centers since April 11, 2000, and has 10 centers as of cember 31, 2018; and

Summit Marketing Communications, Inc. ("Summit"), 26722 Plaza, Mission Viejo, CA 92691, a ifornia corporation, which provides advertising and media services to all Franchise Services, Inc. affiliates. ne of these franchise companies has offered franchises in any other lines of business. Except as stated above, ıe of these affiliates provide any products and services to the TeamLogic franchises. Except as stated above, ther TeamLogic, nor any of its affiliates own or operate any TeamLogic IT® Businesses.

[continued on next page]

DESCRIPTION OF FRANCHISES

Our TeamLogic IT® Franchise (also referred to as "Business") is a license to independently own and perate an information technology business providing outsourced IT managed services targeted to small and ıedium-sized businesses via qualified technicians. You will offer a list of required Core Services that are utlined in the Franchise Agreement. Additional Non-Core Services can also be offered at your option, with ppropriately trained, qualified technicians. You will proactively work with your clients to help determine if ıey have the correct IT equipment to properly meet their current and future needs, and will partner with your lients on a reactive basis to help them repair their IT equipment and services when the systems fail. You will ffer SystemWatch IT® Managed Services to clients which will remotely monitor and manage servers and esktops to help to prevent problems, allow for local and remote back-up, and provide performance reports f the client's system.

CORE SERVICES

The Core Services that you will offer include:

- SystemWatch IT® Managed Services providing remote monitoring, management and support (Network Operations Center or NOC) Computer Systems Assessment
- Troubleshooting and Repair
  - On-Site
  - Remote
- Installation of Systems, Hardware and Software
- Data Backup System Installation and Maintenance
  - Local
  - Remote/On-line
- Data Recovery/Business Continuity
- IT Security
- Cloud Services
- Mobility Solutions
- E-mail Solutions
- Telephony solutions
- End-user support (Help Desk)
- IT Consulting/Strategic Advice

You will face competition from other computer repair businesses, and managed services providers ıcluding other franchised or non-franchised national chains as well as independent computer repair and ıanaged services businesses. The computer services market is highly developed in many states.

We utilize franchising as our business strategy for expansion in the United States. We grant franchises ıith care to individuals we believe are qualified financially, have acquired the business acumen to handle ınning one's own business, have the personality traits most desirable to follow the TeamLogic IT® System) enhance the brand, and have a desire for success.

You will need to obtain the proper business license(s) from the proper licensing agencies. In addition, ou may also be subject to federal, state, and local laws, regulations and ordinances generally applicable to ew, start-up businesses, and the continuing operation of your business. These laws may include the Health surance Portability and Accountability Act (HIPAA) and privacy laws. We urge you to investigate the laws, gulations, and ordinances applicable to your Business in your state.

See Exhibit "B" for our Agents for Service of Process.

ITEM 2.
BUSINESS EXPERIENCE

CHIEF EXECUTIVE OFFICER AND DIRECTOR: DON F. LOWE

on Lowe is the Chief Executive Officer and Director of TeamLogic, Inc., in Mission Viejo, California, a osition held since its inception in September 2004. Mr. Lowe has been the Chief Executive Officer of anchise Services, Inc. (parent of TeamLogic IT) in Mission Viejo, California since its inception in 1996, d has served as Chief Executive Officer of Sir Speedy, Inc. (affiliate of TeamLogic IT) since 1981, in lission Viejo, California.

PRESIDENT AND DIRECTOR: DAN SHAPERO

an Shapero joined TeamLogic, Inc., in Mission Viejo, California on February 19, 2018, and was appointed resident and Director. From 2014-2015, Mr. Shapero was the Head of Global Marketing-Cloud for Ingram licro, Inc. in Irvine, California. In 2012, Since 2011, Mr. Shapero founded and owns Clikcloud in Laguna each, California.

EXECUTIVE VICE PRESIDENT AND DIRECTOR: CHARLES R. LENNON

harles Lennon was appointed Executive Vice President and Director of TeamLogic, Inc., in Mission Viejo, alifornia, in February 2018. Previously Mr. Lennon was the President of TeamLogic, Inc. since its inception September 2004 to February 2018, at which time Mr. Lennon elected to relocate to the East Coast of the nited States.

SENIOR VICE PRESIDENT: FRANK PICARELLO

ank Picarello was appointed Senior Vice President for TeamLogic, Inc. in Mission Viejo, California on nuary 1, 2019. Previously, in January 2013, Mr. Picarello held the position of Chief Operating Officer for eamLogic, Inc. in Mission Viejo, California. From August 2011 to December 2012, Mr. Picarello was the nief Operations Officer for CMIT Solutions, Inc. in Austin, Texas, a franchisor of information technology rvices businesses.

DIRECTOR: RICHARD LOWE

ichard Lowe serves as a Director of TeamLogic, Inc., since its inception in September 2004, in Mission iejo, California. Mr. Lowe is the Chief Operating Officer of its parent company, Franchise Services, Inc. in ission Viejo, California. He has served as President of Sir Speedy, Inc., in Mission Viejo, California, since ay 1, 2006, and is a Director. Before becoming Sir Speedy's President, Mr. Lowe served as its Senior Vice esident since January 1, 2005, Vice President of Franchise Services, Inc., in Mission Viejo, California, nce March 1998, Assistant Vice President of Strategic Development from December 1994 to March 1998, d Western Region Operations Manager from 1992 to 1994. Mr. Lowe joined Sir Speedy in June 1989 as irector of Copies Now.

VICE PRESIDENT OF TECHNOLOGY ALLIANCES: MIKE CELAYETA

ike Celayeta was promoted to the Vice President of Technology Alliances in January 1, 2019 for eamLogic, Inc., in Mission Viejo, California. Previous to that, he held the position of Vice President from ay 2013 until December 31, 2018 for TeamLogic, Inc., in Mission Viejo, California. From March 2012 April 2013, Mr. Celayeta was employed as the Director of Product Development by CMIT Solutions, c., in Austin, Texas, a franchisor of information technology services.

VICE PRESIDENT OF BUSINESS DEVELOPMENT: KARL HOENECKE

arl Hoenecks joined TeamLogic, Inc. on January 1, 2019, and was appointed Vice President of Business evelopment, in Mission Viejo, California. Previously, Mr. Hoenecke was a Business Development anager/National Accounts Manager for Starbucks Coffee Company from July 1, 2013 – December 28, 18.

VICE PRESIDENT OF FRANCHISE SUPPORT AND TRAINING: LEE DYE

ee Dye joined TeamLogic, Inc. on February 1, 2018, and was appointed Vice President of Franchise ipport and Training, in Mission Viejo, California. Previously, Mr. Dye was Vice President of Operations Business Development for MWG Media., in West Hollywood, California, a non-profit dog adoption anchise. From 2010-2016, Mr. Dye served as Director of Franchise Stores, Director of Business evelopment, and Director of Franchise Operations at GNC, in Pittsburgh, Pennsylvania, a nutritional pplement franchisor.

CHIEF MARKETING OFFICER: DAVID ROBIDOUX

avid Robidoux was appointed Chief Marketing Officer of TeamLogic, Inc., in Mission Viejo, California, d Chief Marketing Officer of Franchise Services, Inc., both in January 2018. Mr. Robidoux was eviously appointed Vice President of Marketing of TeamLogic, Inc., in March 2015 of TeamLogic, Inc. 2008, Mr. Robidoux was hired as Vice President of Marketing of Franchise Services, Inc.

VICE PRESIDENT OF MARKETING: DENISE DENTON

enise Denton was appointed Vice President of Marketing for TeamLogic, Inc., in Mission Viejo, alifornia in January 2018 and was previously its Assistant Vice President of Marketing Communications nce March 2015. In 2005, Ms. Denton joined Franchise Services, Inc., in Mission Viejo, California and s held a series of marketing positions.

CHIEF FINANCIAL OFFICER, SECRETARY, TREASURER AND DIRECTOR: DANIEL J. CONGER

aniel Conger is the Chief Financial Officer, Secretary, Treasurer and Director of TeamLogic, Inc., in ission Viejo, California, since its inception in September 2004. Mr. Conger has served as Chief Financial fficer, Secretary, Treasurer and Director of Franchise Services, Inc., since inception and Chief Financial fficer, Secretary and Treasurer of Sir Speedy, Inc., in Mission Viejo, California since 1992.

ITEM 3.
LITIGATION

Litigation to Protect TeamLogic IT Brand and Proprietary Systems.

*Zacary King v. TeamLogic, Inc.(*former employee of Franchisee*)* in Texas 44th Judicial District petition, Case No. DC-16-08626. Filed July 19, 2016. This case was amicably resolved on July 26, 2017.

TeamLogic, Inc. v. Meredith Group IT, LLC, (former Franchisee) *GreenBean IT, LLC, Jon Miller, Matt Meredith and Karen Meredith* in U.S. District Court, Northern District of Texas, Case No. 3:16-cv-02542-L. Filed September 2, 2016. This case was amicably resolved on July 26, 2017.

Other than these actions described above, 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

Concurrently with the execution of this Agreement, Franchisee shall pay to Franchisor a non-fundable Initial Franchise Fee in the amount of $45,000. If Franchisee qualifies for a Vet★Fran discount, e Initial Franchise Fee is $40,000. For multiple franchise purchases, the Initial Franchise Fee is $45,000, ıless the multiple franchise will belong to a veteran in which the Franchise Fee would be $40,000. For a ɔnversion franchise, the Initial Franchise Fee is $45,000.

The Initial Franchise Fee covers the training, the fee for training for up to 2 people, 1 hotel room (with ɔuble occupancy), and transportation for 2 to attend training. The Initial Franchise Fee is fully earned by ; and is non-refundable, unless you do not satisfactorily complete the Initial Training, in which case, we ill refund your Franchise Fee less our direct costs associated with this Franchise, which may range :tween $2,500 to $38,000.

You may purchase additional TeamLogic IT® Franchises for the Initial Franchise Fee of $45,000. ou must obtain our prior written approval, and sign a new, then current Franchise Agreement for an ıdditional TeamLogic IT® Franchise. You must change the term of any pre-existing Franchise Agreements be co-terminus with your new Franchise Agreement for the additional TeamLogic IT® franchise. In order purchase additional franchises, you must not be in default of your existing Franchise Agreement and must eet our current financial requirements.

If you are converting an existing independent information technology business into a TeamLogic ®® franchise, your Initial Franchise Fee is $45,000, and you must sign the Conversion Addendum in Exhibit G" and the then current Franchise Agreement.

ITEM 6.
OTHER FEES *

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
CONTINUING RANCHISE FEES (1)(7)	Greater of 7% of Gross Sales or monthly minimum starting with the 13th month (1)	Monthly; collected electronically by us (7)	Subject to monthly minimums on Continuing Franchise Fees (1)
DVERTISING FUND (2)	Greater of 1.2% of Gross Sales or $200 per month	Monthly; collected electronically by us (7)	
ADVERTISING COOPERATIVE SSOCIATION FEE (SEE ITEM 11)	Ranges from $50-$500 monthly. Determined by local Advertising Cooperative Association ("ACA"). Paid directly to ACA	Defined by local ACA	We cannot form, change or dissolve an ACA without a majority vote of the ACA's members. See Item 11
MARKETING (2)	$2,000	Monthly; paid to various vendors	After the first 12-Month Marketing Program, you are required to spend a minimum of $2,000 per month on local advertising
HELP DESK ERVICE FEE	$1,200 (subject to change by vendor)	One-time set up/on-boarding fee	One time set-up fee if no lapse in use
YSTEMWATCH T® MANAGED ERVICES FEES FOR RMM (1) Remote Monitoring lanagement feature) (3)	RMM fees range from $6 down to $3 per agent, per month, depending on volume level, subject to change	Monthly; collected electronically by us (7)	You must maintain SystemWatch IT® managed services, specifically, RMM agents on at least 3 computers in your Business
ADDITIONAL RAINING FEE (4)	Currently $1,000 per person, subject to change	At time of additional training	Payable if more than 2 people attend Initial Training; you must also pay travel, hotel, and meals for additional trainee(s)
MULTI– FACTOR UTHENTICATION TOOL	MULTI-FACTOR $10 monthly	Monthly; collected electronically by us	Utilized to remotely access your clients' network

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
SOFTWARE FEES [9]	Currently $2,100 - $3,500 per year, subject to change	Monthly/Annually Portion payable to us	Payable to obtain various software programs; a portion is payable to us
E-MAIL HOSTING	Ranges from $3.36 to $16.80 per email user	Monthly	Payable to approved outside vendor
TRANSFER FEE [5]	$10,000	Before consummation of transfer	Payable when you sell your franchise. There is no charge if transferred to a member of Franchisee's immediate family who has actively participated in the operations of the Business. You must also sign a Transfer Release Agreement in the form of Exhibit H to your Disclosure Document
AUDIT FEE [6]	Cost of audit	Upon demand	You must pay only if audit shows an understatement greater than 2% of Gross Sales for any 2-month period
INTEREST	California Judgment Rate (currently 10%) or Maximum rate permitted by applicable law	Upon demand	Payable on overdue amounts
RENEWAL FEE	$2,000	When you sign the renewal Franchise Agreement. Upon renewal	You are qualified for renewal if you are in full compliance with your operating requirements, all fees are paid and you are not in breach of any term of your Franchise Agreement
QUICKBOOKS ONLINE	$100-$150/monthly	Payable to Vendor	Payable to Vendor

Except where otherwise specified, we impose all the fees in this table, you pay them to us, and we do not refund em.

otes:

(1) The Continuing Franchise Fees are 7% of Gross Sales and are collected electronically. There are no monthly minimums for the first twelve (12) months. Starting with sales from month thirteen (13), the monthly minimum will be $1,000 a month until the end of the term of the contract. All fees are payable to us and are non-refundable. The term "Gross Sales" includes all sales by your Business for all services and installation of hardware and software, including buyouts, whether for cash, check, credit, financed, leased or barter, without deduction for failure to collect. Gross Sales includes all Core and Non-Core Services sold. Gross Sales does not include revenue from the sale of Products, nor any sales or use taxes.

(2) Minimum Advertising Fund Fees are waived for the first 6 months in business if the 1.2% does not reach the monthly minimum of $200. All fees are payable to the TeamLogic IT® Advertising Fund, and are non-refundable. You must also spend a minimum of $2,000 per month on local marketing, except for the first 3 months.

(3) Fees for the SystemWatch IT® Managed Services Remote Monitoring and Management Software agents (RMM agents) are based on volume level and must be purchased from and are payable to us. You are required to install and maintain internal SystemWatch IT® Managed Services for a minimum of 3 RMM agents in your Business and pay the associated fees. We collect the SystemWatch IT® fees electronically on a monthly basis (on the last business day of the month) for all SystemWatch IT® Managed Services' RMM agents in place at the end of the prior month, without deduction for failure to collect from your client. If you want to use or sell any equivalent or subset of remote monitoring and management software, you are required to obtain our prior written approval and we may require you to purchase the equivalent or subset tool from us.

(4) The additional training fee applies to additional people sent to training by you over and above the 2 provided for in your Franchise Agreement. Currently, the additional training fee is $1,000 per person.

(5) If you transfer your Franchise, the transfer fee will be the current transfer fee charged in the year you seek to transfer your Franchise. Currently, the transfer fee is $10,000.

(6) An audit may cost anywhere from $0 to $3,500 depending on the scope of the audit. You are also responsible for Continuing Franchise Fees and Advertising Fees on all under-reported sales.

(7) The Franchise Agreement authorizes us to debit your bank account for Continuing Franchise Fees, Advertising Fees, SystemWatch IT® Managed Services fees, and other fees due.

(8) Continuing Franchise Fees for an independent computer service business converting to a TeamLogic IT® Business are waived on an average of the existing Gross Sales for the first 12 months.

(9) The Software Fees, which are subject to change, are required to obtain various software programs, and a portion of the fees are payable to us. The Professional Services Automation software fees described in item 11 are payable to us. Third parties develop all software. We currently do not develop or license our own proprietary software to you but may do so in the future. We do not make any warranties or guaranties upon which you may rely, and assume no liability or obligation to you for any third-party software. The various software vendors may change from time to time.

(Continued on next page)

ITEM 7.
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT*

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
INITIAL FRANCHISE FEE [1]	$40,000 to $45,000	Lump Sum.	Upon execution of the Franchise Agreement	Us
SOFTWARE FEE[3]	$2,100 to $3,500 (subject to change)	Monthly/ Lump Sum.	Prior to opening for business	Us & approved outside vendor
QUICKBOOKS ONLINE	$100-$150 per month	Per Vendors Direction	Prior to opening for business	Pay Vendor Directly
VEHICLE LEASE AND GRAPHICS [2]	$0 to $350 (lease)/ $100 to $3,000	Lease Payment/ Lump sum.	As agreed	Approved outside vendor
INITIAL EQUIPMENT [3]	$3,000 to $5,000	Lump sum.	Prior to opening for business	Various outside Suppliers
REAL ESTATE LEASEHOLD IMPROVEMENTS [4] MONTHLY RENT	$750 to $1,500	As incurred.	As agreed	Lessor
ADDITIONAL FUNDS [5] - 6 to 8 months	$58,700 to $84,800	As incurred.	As agreed	Various
TOTAL INITIAL INVESTMENT[6]	**$104,750 to $143,300**			

Unless otherwise stated, none of the expenses described in this chart are refundable.

our salaries, draws, or personal living expenses are not included in the above tables. You must have additional sums vailable (whether in cash, credit or collateral) to cover these expenses. No part of your initial investment in your eamLogic IT® franchise will be financed directly or indirectly by us.

otes:

) Initial Franchise Fee. This fee must be paid in full at the time indicated. In order to be eligible to sign the Franchise Agreement, you must provide us with reasonable proof of your financial ability to make the initial investment described above and you must authorize us to conduct a credit check to confirm your financial ability to purchase and develop the franchise. The Initial Franchise Fee is $45,000; Vet★Fran Discount franchise fee is $40,000; and the fee for a conversion franchise is $45,000. The Initial Franchise Fee includes training expenses for two people, including transportation, lodging (one room, double occupancy), and some meals.

) Vehicle. You may, but are not required to, lease a vehicle to be used in the Business. Any leased or personal vehicle used in the Business must be outfitted with, at a minimum, the approved vehicle signage. Any vehicle used in the Business must be maintained in a neat, clean, undamaged and safe condition. All damages must be repaired in a prompt and timely manner.

) Initial Equipment. You must purchase, lease or otherwise have certain hardware and software, and telephone equipment. We estimate this hardware and software package will range in cost from $3,000 to $5,000, subject to change. The software fees, which are subject to change, are required to obtain various software programs, and a portion of the fees are payable to us. The Professional Services Automation software fees described in item 11 are payable to us. All software is developed by third parties. We currently do not develop or licensee our own proprietary software to you but may do so in the future. We do not make any warranties or guaranties upon which you may rely, and assume no liability or obligation to you for any third-party software. The various software vendors may change from time to time. The current equipment configuration is 3 computers (1 must be a laptop) with Internet access, 2 smartphones, and a telephone system capable of forwarding calls to remote numbers with a voice mail system that can be easily accessed from the field.

) Real Estate Leasehold Improvements. You are required to lease office space for the Business in your territory. The terms of your rent and other lease expenses and improvements will depend on the size, location, condition and desirability of the space.

) Additional Funds. Additional funds is an estimate of the funds needed for initial employee wages, insurance (which includes general liability for $1,000,000 minimum, property for $300,000 minimum , automobile bodily for $1,000,000 minimum, automobile property for $300,000 minimum, worker's compensation as defined by your State, and errors and omission plus cyber security for $1,000,000 minimum all as detailed in Section 6 of the Franchise Agreement), marketing, dues (including dues for being a member of local community groups such as the Chamber of Commerce), TeamLogic IT®apparel, recruitment, high speed Internet connection, credit card processing, as well as additional operating capital for other variable costs (e.g. rent, utilities and telephone). Additional funds are also an estimate of the monies you will need on hand during the initial phase of the Business operations. We estimate that the amount given will be sufficient for a 6 to 8-month start-up phase. However, actual breakeven timing can vary based on many factors including how well you follow our systems, actual market conditions and demand, fixed costs, etc.

) These figures are estimates only and it is possible to significantly exceed costs in any of the areas listed. We cannot guarantee that you will not have additional expenses starting the franchise. Your costs will depend upon such factors as how much you follow our methods and procedures; your management experience and skills. The area in which your business is located; local economic conditions; prevailing wage rate; the physical size of a leased location; the amount of any tenant improvements required; and the sales level reached during the initial period. We relied on our 14 years of experience in the information technology business to compile these estimates and the working capital costs experienced by our franchisees. You should review these figures carefully with a business advisor before making any decision to purchase a Franchise.

ITEM 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must buy or lease certain basic computer hardware and software described in Item 11 to dequately serve your clients' needs. The hardware may be purchased or leased from any source. All ›ftware is developed by third parties. We currently do not develop or license our own proprietary software › you but may do so in the future. We do not make any warranties or guaranties upon which you may rely ıd assume no liability or obligation to you, for any third-party software. The various software vendors ıay change from time to time.

There are no suppliers in which any of our officers own an interest.

The TeamLogic IT® Managed Services solution consists of a variety of integrated services including :chnology that will proactively monitor the clients' IT infrastructure, help detect problems, and provide :mote control access. Additionally, the Network Operations Center (NOC) provides proactive technical ıpport, the Help Desk/Service Desk provides reactive end-user technical support and activity management,

nd our Business Continuity solutions provide back-up disaster recovery and account management support. ur Managed Services solution provides reports on performance optimization of the clients' systems gardless of whether the clients' technology is premised-based, in the cloud or a combination (hybrid).

SystemWatch IT® is our branded managed services offering. In order to maintain consistency and tegrity of our Managed Services solution, all core remote monitoring and management software agents RMM agents), within the SystemWatch® IT bundle, must be purchased from and are payable to us. Upon ior approval, software agents can be purchased from an approved supplier we designate. You are also quired to utilize a multi-factor authentication tool. The naming configuration/branding assigned to our anaged Services solution has no bearing on the requirement to purchase the software agents from us. If ou want to use or sell any equivalent or subset of remote RMM agents, you are required to obtain our prior ritten approval, and we may require you to purchase the equivalent or subset tool from us. The Professional rvices Automation software fees, which are described in Item 11, are also payable to us. Other hardware, ftware, and computer supplies may be purchased from any supplier.

We currently have only general criteria for approving suppliers and, conversely, revoking approval. n determining whether to approve a supplier or revoke approval, we consider the conformity of the pplier's products to our needs, customer service, price, quality, and our franchisees' satisfaction with the pplier's product. We do not maintain written criteria for approving suppliers, and thus these criteria are ot available to you or a proposed supplier. You may submit names of suppliers whom you would like us approve. We will then evaluate the supplier and inform you within 90 days whether we have approved disapproved the supplier. We do not charge you any fee to secure supplier approval. We ay in the future negotiate purchase arrangements and price terms with some suppliers for your benefit. e provide you with no material benefits based on your use of designated or approved suppliers, but doing is one of your obligations under the Franchise Agreement.

Prior to opening and operating the Business, and at all times during the conduct of the Business, ranchisee must have a minimum of one (1) qualified technician. Franchisee may hire this technician as n employee or use other resources, such as an independent contractor or an employment agency (subject applicable labor laws). Within 90 days after opening the business, and for the term of the Franchise greement, the Franchisee must have a minimum of one (1) technician that is a Kaseya Certified dministrator (KCA).The required purchase of a laptop, smartphones, and 3 software agents should account r less than 2-5% of all purchases and leases in establishing and operating your business on an ongoing asis, depending on the size of your customer base. Any other specifications or standards for operations are ntained in the Operations Manual, which is periodically updated. You will be notified electronically of ny updates and where they can be located.

We derive revenue from your purchase of SystemWatch IT Managed Services from us and your urchase of a portion of the software fees from us. In the year ending December 31, 2018; our gross profits om these purchases from us were $1,728,000, approximately 24.5% of our total revenues of $7,2132,000.

As an independently owned and operated franchisee, you are responsible for all costs or liabilities ising from the operation of your Outlet, and it is imperative you carry adequate insurance to protect ourself. The currently required minimum coverage and limits of insurance are (i) General Liability at inimum limits of $1,000,000 per occurrence / $3,000,000 annual aggregate, (ii) Auto Liability at inimum limits of $1,000,000 combined single limit covering all owned, hired and non-owned vehicles, nd (iii) Workers' Compensation to meet the statutory coverage of the state where your Outlet is located.

o the extent permissible under law, these insurance requirements may be satisfied with a combination of rimary, umbrella and/or excess policies. All insurance policies will name you as named insured and, with ıe exception of Workers' Compensation, will name us and any of our subsidiaries and affiliates of these ɔmpanies now existing or which may hereafter exist as additional insureds, including their employees, fficers and directors on additional insured endorsement forms. All required insurance must be purchased om insurance companies of good reputation with a rating of "A VII" or better by A. M. Best Company. he costs of premiums will vary based on location of the Outlet and any prior claim history.

ITEM 9.
FRANCHISEE'S OBLIGATIONS

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

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a.	Site selection & acquisition/lease	Sections 5.2, 10.2d	Item 11
b.	Pre-opening purchases/leases	Sections 6.3, 6.8, 6.9, 6.15	Item 8
c.	Site development & other pre- opening Requirements. in this table	Sections 6.2, 6.3, 6.6, 6.14, 6.16	Items 8 & 11
d.	Initial & ongoing training	Section 6.5	Item 11
e.	Opening	Section 3.6	Item 11
f.	Fees	Section 3	Items 5 & 6
g.	Compliance with standards & policies/Operations Manual	Section 6.11	Item 11
h.	Trademarks & proprietary information	Sections 2.1, 2.2, 6.18, 8, 10.3, 13	Items 13 & 14
i.	Restrictions on products/services offered	Section 6.1, 6.12	Item 16
j.	Warranty & customer service requirements	Not applicable	Not applicable
k.	Territorial development & sales quotas	Not applicable	Not applicable
l.	Ongoing product/service purchases.	Section 6.9, 6.12	Not applicable
m.	Maintenance, appearance & remodeling Requirements	Section 6.7	Item 11
n.	Insurance	Section 6.15	Item 7
o.	Advertising	Sections 3.4, 4.2, 6.4	Items 6 & 11
p.	Indemnification	Section 13.a	Not applicable
q.	Owner's participation/ management/staffing	Section 6.2	Items 11 & 15
r.	Records &/ reports	Section 6.10, 6.13, 6.21	Not applicable

	Obligation	Section in Franchise Agreement	Item in disclosure document
s.	Inspections &/ audits	Section 6.20	Item 6
t.	Transfer	Section 11	Items 6 & 17
u.	Renewal	Section 7.2	Item 17
v.	Post-termination obligations	Section 10	Item 17
w.	Non-competition covenants	Section 6.18	Item 17
x.	Dispute resolution	Section 12	Item 17

ITEM 10.
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. If ou obtain financing from a lender in which funding is provided with the assistance of the SBA, you must xecute the Addendum in Exhibit "I."

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

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

Pre-Opening Obligations:

Prior to the opening of your TeamLogic IT® Business, we will:

1. Provide you with one copy of our proprietary Operations Manual and provide you with updates and changes to the Operations Manual, which may be provided to you electronically (Franchise Agreement, Sections 4.1(a) and 6.11). This Manual is confidential and remains our property. We may modify, add to, or delete from the manual; the modifications will not alter your status or rights under the Franchise Agreement. The Table of Contents for the Operations Manual is attached as Exhibit "C."

2. Award you a territory as described in Item 12 (Franchise Agreement, Section 5);

3. Provide you Initial Training as described in this Item 11 below (Franchise Agreement, Section 4.1 c);

4. Provide you with signage specifications for any TeamLogic IT® leased location (Franchise Agreement, Section 4.1 d & 6.8);

5. Provide artwork and guidance for the vehicle signage (Franchise Agreement, Sections 4.1 e & 6.3)

6. Provide you with specifications for the required hardware and software (Franchise Agreement, Section 4.1 f);

7. Provide you with specifications for required software licenses (Franchise Agreement Section 4.1 g);

8. Provide you with access to the Franchisee Intranet Site (Franchise Agreement Sections 2.3 & 4.2 a).

Continuing Obligations:

Once your TeamLogic IT® Business is open, we will:

1. Provide you with current available resources, that include (Franchise Agreement, Section 4.2a):
   - Consulting and assistance by our representatives, including sales support, technical support and marketing and operations support;
   - Provide research and evaluation of technical products, services and vendors, including and not limited to servers, security, storage, backup and networking
   - Toll-free support line for telephone consulting;
   - Marketing materials and assistance;
   - Seminars and webinars;
   - Franchisee blog;
   - Advice and information about new developments in the managed IT services industry;
   - Advertising materials; and
   - Access to the Franchisee Intranet Site.

2. Administer the Advertising Fund (Franchise Agreement, Section 4.2b). See "Advertising" below.

3. Provide you with the initial supply of sales, marketing, and advertising tools and materials. Franchise Agreement, Section 4.2c).

4. Provide you with a dedicated TeamLogic IT® website for your location which will be linked o the master website at www.TeamLogicIT.com (Franchise Agreement, Section 4.2d and 6.14).

We are not obligated to perform these services to your particular level of satisfaction, but as a unction of our experience, knowledge and judgment. We have no contractual obligation to maintain, repair, pdate or upgrade your computer system.

(Continued on next page)

INITIAL TRAINING

Before opening your TeamLogic IT® Business, we will train you and one additional person at our orporate training facility located in Mission Viejo, California. The Initial Training is required for the 'eamLogic IT® owner. It consists of up to 6 days (48 hours)* of classroom training, and 26 hours of Pre-)pening Training and 8 hours of Post-Opening training, which are conducted online, or through webinars nd phone consultation. The Initial Training must be scheduled and completed within two (2) months after igning the Franchise Agreement, unless otherwise agreed to in writing by Franchisor. The instructional naterials include an Operations Manual, printed handouts, audio/visual presentations, hands- on instruction, ole-play, case studies, and group interaction. Your training fee will cover all training expenses for up to 2 eople to attend this Initial Training, including transportation for 2 people, 1 hotel room, and some meals. he second person will have up to 1 year after the date of the Franchise Agreement to attend Initial Training vith these costs covered by the training fee, except for the hotel room, which will be at your expense. ttendance by the second person at Initial Training after one year will be at your expense.

All franchise owners and employees who will be responsible for full-time management of the usiness are required to attend the Initial Training, which must be successfully completed to our satisfaction rior to opening, or taking over ownership of the Business.

Additional trainees beyond 2 initially will be charged $1,000 per person for the respective training ee that is offered and payable prior to attending training. The additional trainees will be responsible for all ransportation, lodging, and miscellaneous expenses.

*Number of days/hours will be dictated by the number of attendees and the prior experience of attendees. (Sessions with fewer attendees generally run shorter due to less one-on-one question time.)

The instructors for the Initial Training will consist of our and Franchise Services, Inc.'s officers and mployees as well as outside consultants. The Initial Training program is supervised by Dan Shapero, Larry Miller and Lee Dye. The current minimum experience of the instructors in the field, that is relevant to the ubject taught and our operations, is from 9-28 years.

Our Initial Training is held several times per year. Hours of instruction, per operating system are as ollows:

(Continued on next page)

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
RE-OPENING TRAINING • Setting up your Business • Preparing to Market your business • Professional Services Automation • Hiring a Technician • Preparing for University Training • Profit Mastery	N/A	14 hours 6 hours 2 hours 2 hours 2 hours 15 hours	On line, Webinars, Phone Consultation
ALES AND MARKETING MANAGEMENT TRAINING • Integrated Marketing Strategy • Organic and Paid Search/Web Presence • Implementing the Marketing Process • Lead Generation / Lead Management/Nurturing • Networking • Walking Person Program • Telemarketing • Sales Process • Preparing for the Meeting/Discovery/Proposal • Closing the Sale	16.5 hours	N/A	26722 Plaza, Mission Viejo, CA 92691
ECHNOLOGY MANAGEMENT TRAINING • Autotask: Basics and CRM • Portfolio of Service • On-boarding the New Client • Product Pricing / Procurement / Financing	7.5 hours	N/A	26722 Plaza, Mission Viejo, CA 92691
MPLOYEE MANAGEMENT TRAINING • Recruiting, Hiring and Managing Employees • Background Checks • Legal / HR Compliance • Employee Policy Manual	2.5 hours	N/A	26722 Plaza, Mission Viejo, CA 92691
USINESS & FINANCIAL MANAGEMENT TRAINING • TeamLogic IT® Strategic Overview • Managed Services Overview • Business Planning Workshops • Pricing Strategy • Customer Service / Retaining Client • Company Culture • Financial Management Process • Analyzing Your Financial Statements • Business Plan Presentations/90 Day Plan • Getting Your Business Open/Year One Expectations	15.75 hours	N/A	26722 Plaza, Mission Viejo, CA 92691
OST-OPENING TRAINING • Autotask Implementation Training • Technician On-boarding • Field Visit	N/A	24 hours	On line, Webinars, Phone Consultation

You will leave the Initial Training with the outline of a business plan to implement and follow uring the first year of operation.

If at the end of the Initial Training, we determine, in our sole discretion, that you are not qualified o operate a TeamLogic IT® Business, we have the right to unilaterally terminate the Franchise Agreement. n that case, we will refund your Franchise Fee less our direct costs associated with this Franchise.

At the present time we do not have any additional mandatory training programs beyond the initial aining. We may provide assistance, at our cost, but the nature, frequency and duration of this assistance is t our discretion. We are available by telephone and e-mail for specific concerns relating to the operation nd management of your TeamLogic IT® Business.

MARKETING MATERIALS AND ADVERTISING PROGRAMS

A major emphasis is placed on marketing the TeamLogic IT® System. You will be provided a omprehensive set of advertising, marketing and sales materials at no additional cost for your local narketing use. These materials currently include local advertising materials and templates, sales call leave-ehind materials, as well as sales tools, PowerPoint presentations and other marketing materials.

Also, at no additional cost to you, we currently have marketing materials designed to help promote ne SystemWatch IT® Managed Services including sales call leave-behind materials as well as proposal emplates. You will be provided with an Initial 12-Month Marketing Program consisting currently of direct nail, telemarketing, search engine marketing, and email marketing, subject to change. You must sign up or this Initial 12-Month Marketing Program directly with our approved vendors using a credit card. For the irst 3 months, we will pay the cost of this Marketing Program and you will not be required to spend the ninimum $2,000 per month on local marketing described in section 6.4 of the Franchise Agreement. You nust pay the cost for the remaining 9 months of this Marketing Program, which cost ranges from $2,000 to 2,400 per month which satisfies your obligation to spend a minimum of $2,000 per month on local dvertising.

After the Initial 12-Month Marketing Program is completed, you are required to spend a minimum f $2,000 per month on local marketing.

There are several other optional marketing tools and programs that are available for various charges ncluding advertising promotional products, and an extensive line of TeamLogic IT® apparel. The costs of nese items vary and are optional.

We maintain, for your benefit, a network-wide Internet presence at www.TeamLogicIT.com. The rimary purpose of this website is to build awareness of the capabilities of the TeamLogic IT® network, erve as a business locater so potential clients can locate the nearest TeamLogic IT® business, and drive rospective sales leads to your business. A website URL will be assigned to you and a standard TeamLogic T® website will be created for your TeamLogic IT® Business and will be linked and available from our naster website (www.TeamLogicIT.com). You are not authorized to maintain a separate website for your usiness without prior written approval from us. You may not buy a domain name to direct web traffic to our TeamLogic IT® website or otherwise. Our internet and website terms are described in further detail in ne Franchise Agreement, section 6.13.

We have a network advertising program to promote the TeamLogic IT® brand on a national basis Network Advertising Program). The Network Advertising Program will be funded through a network dvertising fund paid by all TeamLogic IT® Franchisees ("Ad Fund"). We do not contribute to this Ad Fund. 'ou must pay monthly advertising fees to the Ad Fund of 1.2% of your weekly gross sales, with a minimum ayment of $200 per month. The advertising fees are deposited into a separate bank account that we dminister. Any Franchisor-owned units will contribute the same basis as franchisees. The Ad Fund will be sed to support the advertising, marketing, public relations and sales activities of the network, as well as ıe development and maintenance of the network websites. The Network Advertising Program is created or national presence, and is not geared for any specific local or regional area, although certain activities ıay have presence in some areas more than in others. We are not required to spend any particular amount n advertising in any particular franchisee's territory.

All print advertising materials and collateral for the TeamLogic IT® Network Advertising Program re currently created by an affiliate of ours, Summit Marketing Communications, Inc. ("Summit"). ılthough we are not currently using any Network Advertising Program funds to purchase radio or television ıedia advertising, if and when we do, we will utilize the services of Summit to do so. When Summit urchases radio or television media advertising on our behalf, they will generate typical advertising ommissions for the placement of media and for creative development.

We allocate 100% of the Ad Fund revenue to the Network Advertising Program and reserve the right o allocate no more than 20% of the Ad Fund revenue for general administrative expenses. Of the Ad Fund xpenditures in 2018, 40% was spent on Lead Nurturing, 16% on Media, 15% on the web site, 14% on Jational Marketing Support, 6% on Search & Display, 5% on Content Marketing and 4% on other expenses including Public Relations and Production). The Ad Fund does not otherwise benefit us or any affiliate. ٨d Fund fees not spent in the fiscal year in which they were collected will be carried over to the next fiscal ear. We will send you an unaudited annual financial statement for the Ad Fund.

You may create and utilize your own independent advertising materials with our prior review and pproval.

We have an Owners' Marketing Advisory Council ("OMAC") for the purpose of consulting our dvertising, marketing and sales programs. There are four franchisee members that serve 2-year terms on)MAC. OMAC members serve in an advisory capacity and may be changed at our discretion.

COOPERATIVE ADVERTISING

Franchisees in the same geographic area may form a local Advertising Cooperative Association "ACA") to conduct cooperative local advertising. If a majority of the Franchisees in your area want to form n ACA, you must join and contribute dues agreed to by the majority. We will not be a member, but will ct in an advisory capacity. Any company-owned TeamLogic IT® Business located in the designated eographic area will also contribute dues. Geographic areas are defined by the Dominate Market Area "DMA") as may be defined by the radio and television industries. The ACA members themselves dminister the ACA, create the ACA rules and enforce those rules. (Generally, an ACA will have formal 3ylaws and Articles of Association prepared, but these are not required by us for an ACA formation.) We vill recognize an ACA upon a majority of signatures of Franchisees in the area and will provide consultation nd advice concerning cooperative advertising in the area. We cannot form, change or dissolve an ACA vithout a majority vote of that ACA's members. ACA's are not required to prepare annual financial tatements. If there is an ACA in existence in your prospective area, you must join it and should obtain

nformation concerning dues and advertising benefits. ACA dues are determined by the members and can ange from $50 to $500 per month.

COMPUTER REQUIREMENTS

When you start your new TeamLogic IT® Business, you are required to have several pieces of omputer equipment for you and your technicians to effectively operate your business.

At the onset of your Business, you are required to have a minimum of three computers, including at east one laptop. These can be one workstation and one laptop or two laptop computers. One is meant to emain with the owner at the Business and one stays with each Technician in the field for dealings with the lients. You will need to scale this inventory and add a laptop for each technician you hire. In addition, each echnician that is hired must have a smartphone. The other equipment that the Business will need is a elephone system that is capable of forwarding calls to remote numbers and is equipped with a voicemail ystem that can be easily accessed from the field. This equipment can be obtained from any source. You nust upgrade such equipment whenever necessary in order to maintain adherence to the specifications set ut by us. The cost for the computer equipment may range from $3,000 to $5,000. Overall cost for the pgrades or maintenance fees may range from $0 to $3,000.

You are also required to obtain our approved Professional Services Automation ("PSA") software nrough us to operate, record and manage your business activity. The monthly fees for the Professional ervices Automation software are payable to us. This software is developed by a third party. We do not nake any warranties or guaranties upon which you may rely, and assume no liability or obligation to you, or any third-party software.

We will have electronic access to most operational aspects of your Business through this software, ncluding client identity, appointments, invoicing and technician scheduling. Although there are no ontractual limits imposed on our access to this information, we will not use the information gained through nis software for any purposes not related to your Business or the TeamLogic IT® System.

SITE SELECTION

You are required to lease office space for the Business in your territory. When you obtain (by lease, urchase or otherwise) a business site for your TeamLogic IT® Business, it must be within your Territory as defined below), and we will provide you with site selection approval. We will consider zoning, signage equirements, traffic flow, parking, site size, the general location and neighborhood and nearness to ustomers, and proximity to other TeamLogic IT® Businesses. We will use our best efforts to approve or isapprove your selected site within 14 days from the date you submit a prospective site for approval. If ignage is allowed at the location, the TeamLogic IT® name and logo should be displayed following our ignage guidelines. We do not ensure or warrant that your Business will be profitable at a location utilizing ur guidelines, or at any location. You must open the Business within 90 days of the date your Franchise greement is signed or we may terminate the Franchise Agreement. We estimate that the typical length of ime between the signing of the Franchise Agreement and the opening of your Business is 60 to 90 days. actors affecting time to open include attendance at and satisfactory completion of our Initial Training rogram, arranging for any financing, complying with local ordinances, installation of equipment, and btaining a satisfactory business location.

ITEM 12.
TERRITORY

You will receive an exclusive territory; meaning we will not open a TeamLogic IT® franchise ocation in this territory during the term of your contract. We will grant you the right to operate a TeamLogic T® franchise in a specific geographical area we outline based on the number of businesses, up to 1,500 to ,000 of the type that we expect to be potential clients of TeamLogic IT®, and this geographic area will be esignated as your Territory. We currently use a business list provider to obtain these business counts but ay use a different source in the future. We have the right to terminate your Franchise Agreement if you o not maintain Gross Sales greater than two thousand five hundred dollars ($2,500) per week for twelve onsecutive weeks (except during the first twelve (12) months of operation). There are no circumstances nder which we may modify your Territory without your consent.

The Franchise Agreement grants you a license for a single TeamLogic IT® Business which can be perated from a single business location (or any approved business relocation) within your Territory. Your erritory is not a limitation on your marketing, or on the clients you may serve, and other franchisees may ervice clients in your Territory. There are no limits on your right to use other channels of distribution, such s the internet, catalog, telemarketing, or other direct marketing outside of your Territory.

We will not, during the term of the Franchise Agreement, establish, own or operate, or grant a ranchise for another person to own or operate another TeamLogic IT® Business within your Territory. Jpon prior written consent by us, it may be possible for you to acquire additional TeamLogic IT franchise(s) or an Initial Fee of $45,000, subject to the terms of the then-current franchise agreement.

We and our affiliates have and retain the right to directly or indirectly market within or outside of our Territory, products and/or services that are not sold through TeamLogic IT® Businesses, whether or ot they use the Marks without compensation to you. We currently have no present intention to market or ell TeamLogic IT® products or services, which are offered at your TeamLogic IT® Business, inside your erritory through alternative means of distribution (including the Internet) in the future. However, should his occur, we have no obligation to pay you for soliciting or accepting orders from inside your territory.

It is possible that we, or an affiliate may in the future, acquire or be acquired by, a competing chain f locations offering the same or similar services as those offered by a TeamLogic IT® Business. Should his happen, there may be a location of the acquired brand already existing in your Territory, and we reserve he right to maintain that other brand location, however we will not open or franchise any additional ocations of the other brand in your Territory.

ITEM 13.
TRADEMARKS

You are licensed to operate and identify the TeamLogic franchise business under the principal rademark "TeamLogic IT®" and the logotype displayed. As of the date-of cover of this disclosure document nd other current or future trademarks, we have the following domestic and international registered and ending trademarks. Except where indicated, all registrations are on the principal register. We have filed ll required affidavits. We are not aware of any prior or infringing uses that could affect your use of the rincipal trademarks in your state.

Domestic Trademarks

Description of Mark	Principal & Class Register of the United States Patent & Trademark Office	Registration Number#	Registration Date
TLIT	Principal (Class 42)	5,040,115	9/13/16
TeamLogicIT	Principal (Class 35, 37, 42)	3,022,738	12/06/05
TeamLogic	Principal (Class 35, 37, 42)	5,354,094	12/12/17
SystemWatchIT SystemWatch IT	Principal (Class 35, 42)	3,380,212	02/12/08 Renewed 10/19/17
Taking the worry out of your Technology	Principal (Class 42)	3,910,961	01/25/11
IT inflections	Principal (Class 35)	4,440,192	11/26/13
IT inflections Navigating Technology for Business	Principal (Class 35)	4,497,589	03/18/14
The Logical Advantage	Principal (Class 41)	4,560,449	07/01/14
TeamLogicIT Your Technology Advisor	Principal (Class 42)	4,567.441	07/15/14
The Color of Confidence	Principal (Class 35)	4,495,010	03/11/14

International Trademarks

Country/Province	Description of Mark	Class	Registration Number#	Registration Date
Benelux	(TeamLogicIT)	35, 37, 42	0784142	12/19/05
Benelux	(SystemWatchIT)	35, 42	0881122	07/12/10
Canada	(TeamLogicIT)	35, 37, 42	TMA676,866	11/14/06
Canada	(SystemWatchIT)	35, 37, 42	TMA894987	01/26/15
Ireland	(TeamLogicIT)	37, 42	236268	01/174/07
Ireland	(SystemWatchIT)	37, 42	236485	03/01/07
United Kingdom	(TeamLogicIT)	37	2383688	02/04/05
United Kingdom	(SystemWatchIT)	37	2448293	02/27/07

There currently are no effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator or court, nor is there any pending infringement, opposition or cancellation proceeding, nor any pending material litigation involving our trademarks.

There are no agreements that limit our right to use or license the use of the trademarks. We do not know of any prior superior rights or infringing uses that could materially affect your use of the Trademarks.

We are required to protect you against claims of infringement or unfair competition arising out of your use of the Trademarks. If you receive notice, or otherwise become aware of any claim, suit or demand against it by any party other than us on account of any alleged infringement, unfair competition or similar matter arising from its use of the Trademarks, you shall promptly notify us of any such claim, suit or demand. We shall determine, in our sole discretion, whether to defend, compromise or settle any such claim, suit or demand at our cost and expense, and you shall cooperate fully in such matter.

We may in our sole discretion, modify or discontinue the use of the trademarks and/or use one or more additional or substitute trademarks. If we decide to do so, you must do so also, at your expense, including, without limitation removing existing signage and purchasing and installing new signage.

ITEM 14.
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or copyrights. However, we claim a "common law" copyright in certain materials. Also, our Operations Manual, portions of our intranet site (the BMSS), vendor terms and contact information, business and marketing plans and processes are confidential and proprietary, and, we claim that these systems, compilations, lists, and processes are trade secrets. Used collectively, these trade secrets add value to franchisees and provide a competitive edge in the market place. You do not receive any rights in any proprietary or trade secret information, other than the uses granted in the franchise agreement. You must promptly tell us when you learn about any unauthorized use of this proprietary information. We are not obligated to take any action, but will respond as we deem appropriate. We will indemnify you for losses brought by a third party concerning your authorized use of this information.

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

You must directly supervise and participate in the day-to-day operations of the TeamLogic IT® Business. The TeamLogic IT® Business may be directly supervised "on-premises" by a manager who has successfully completed our Initial Training. The manager must sign a written agreement to maintain confidentiality of the information learned at the Initial Training. There is no limitation on who you may hire for a manager, except you cannot hire a person who concurrently works for a competing business. The manager need not have an equity interest in the Franchise. If Franchisee is an entity, all owners of an interest in the Franchisee entity and their spouse will be required to personally sign a guarantee of the entity (See signature pages of the Franchise Agreement).

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are authorized, and required, to offer the minimum required Core Services in connection with your TeamLogic IT® Business, and certain related Non-Core Services, as well as The SystemWatch IT® Managed Services. All services must be provided and sold through your TeamLogic IT® Business. You may not sell any products or provide any services on a wholesale basis.

You cannot offer Non-Core Services unless you can perform these services either through a brokered agreement or by qualified on-staff technicians.

You must offer and provide those services, and offer and sell those products that we designate from ime to time. Those services and products may or may not include the services and products currently rovided and sold by TeamLogic IT® Businesses. There is currently no restriction on the types of authorized oods and services we designate as Core Services.

You may not offer or provide any services, or offer and sell any products, not specifically approved n writing by us. In addition, you may not offer or provide any services, or offer and sell any products, in manner, form or configuration (including without limitation for resale) other than as specifically approved n writing by us. You may not use the premises on which your TeamLogic IT® franchise business is onducted for any business purpose other than the operation of your TeamLogic IT® Business and the sale f products approved by us, unless specifically approved in writing by us.

Failure to adhere to these restrictions shall constitute a material default of the Franchise Agreement, vhich default must be cured within 20 days of notice or the Franchise Agreement can be terminated.

(Continued on next page)

ITEM 17.
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The 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 AGREEMENT	SUMMARY
a.	Length of the Franchise Term	Section 7.1	The initial term of the Franchise Agreement is 10 years from date executed by us
b.	Renewal or Extension of Term	Section 7.2	10-year renewal terms
c.	Requirements to Renew or extend	Section 7.2	Give written notice of intent; not be in default; sign then current Franchise Agreement, which may contain terms and conditions materially different from your original contract; satisfy any current qualifications and training requirements; pay a renewal fee of $2,000
d.	Termination by You	Not applicable	No right for you to terminate
e.	Termination by Us without cause	Not applicable	Not applicable
f.	Termination by Us with Cause	Section 10.1 & 10.2	See remarks below under Cause defined that are Curable and non-curable
g.	"Cause" defined — curable defaults	Section 10.1	20 days to cure material breach of Agreement, and of monetary default; site not acquired in 90 days, loss of possession or abandon premises for more than 7 days; 3 defaults within 12 months even if cured
h.	"Cause" defined – non- curable defaults	Section 10.2	You file bankruptcy, commit a felony, maintain false books, commit fraud or material misrepresentation on application, conduct Business in a manner likely to impair our reputation
i.	Your obligations on Termination/Non-Renewal	Sections 10.3	Cease use of Marks, website, telephone listing/number and Franchisee Intranet Site, pay debts, notify suppliers/clients, cannot compete
j.	Assignment of Contract by Us	Section 13	No restriction on our right to assign
k.	"Transfer" by You – definition	Section 11	Includes transfer of Franchise or assets or ownership change
l.	Our approval of Transfer by You	Section 11	We have the right to approve all transfers, but will not unreasonably withhold approval

Note 1: See Exhibit "E," Multi-State Addendum for exceptions.

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
n.	Conditions for our approval of transfer	Section 11	With limited exceptions, the following conditions apply to all transfers: good standing; transferee meets all current qualifications; amounts due are paid in full; successful completion of training by transferee, purchase agreement approved, payment of transfer fee, release signed by you and current agreement signed by new Franchisee
i.	Our Right of First Refusal to acquire Your business	Section 11.5	We can match any offer for your business
).	Our option to purchase Your Business	Not applicable	Not applicable
).	Death or Disability of You	Section 11.6	Franchise may be assigned to an approved buyer who must complete training
l.	Non-Competition Covenants after the term of the franchise Terminates	Section 6.18	No competing business for 1 year within 25 miles of former Business or of another TeamLogic IT® Business for 1 year; Non-solicitation of clients/employees for 1 year
.	Non-Competition Covenants the franchise is-terminated-or expires	Section 10.3f	No competing business for 1 year within 25 miles of former Business or of another TeamLogic IT® Business for 1 year; Non-solicitation of clients/employees for 1 year
.	Modification of the Agreement	Section 13j	Automatic conformance to state law; otherwise only by signed amendment except that we may unilaterally revise the Manuals
.	Integration/Merger Clause	Section 13j	Only the terms of the Franchise Agreement, exhibits and all agreements signed with it are enforceable (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
i.	Dispute resolution by arbitration or mediation	Section 12	Except for certain claims, all disputes must be arbitrated in Orange County, California (See Note 1)
).	Choice of Forum	Section 13k	Litigation (or required arbitration) must be in California (See Note 1)
v.	Choice of Law	Section 13k	California law applies (See Note 1)

ITEM 18.
PUBLIC FIGURES

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

ITEM 19.
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide representations about the actual or potential financial performance of its franchised and/or franchisor-owned outlets if there is a reasonable basis for the representations, and if the representations are included in the disclosure document. Financial performance representations that differ 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 representation about performance at a particular location or under particular circumstances.

Some locations have sold or earned this amount. Your individual results may differ. There is no assurance that you will sell or earn as much.

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

You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the disclosure document, may be one source of information. The information presented in this item has not been audited to confirm its accuracy and we have relied on the information provided by each of the franchisees who reported sufficient 2017 financial statements to be included in this item. The characteristics of the included franchises do not differ materially from the franchises that are offered to prospective franchisees.

2017 Historic results for owners with single locations open 2 or more years

	Average (5)	*% of sales*	*Number of locations that met or exceeded this average $*	Median by line item (6)	Median subtotals for all data	Highest number *(subtotals will not add)* (7)	Lowest number *(subtotals will not add)* (8)
Businesses	**32**			**32**			
Hourly Services	$ 132.0	*18.4%*	*8 (25%)*	$ 96.8		$ 720.3	$ 9.8
Managed Services	372.3	*52.0%*	*10 (31%)*	233.3		1,447.4	28.4
Product resale	178.0	*24.9%*	*14 (44%)*	153.9		425.9	27.6
Project, consulting, other	33.8	*4.7%*	*14 (44%)*	20.6		133.9	(0.3)
Sales	716.1	*100.0%*	*10 (31%)*	n/a	$ 535.8	*2,601.5*	*111.3*
Gross Margin	507.0	*70.8%*	*10 (31%)*	n/a	344.0	2,001.6	84.1
Tech payroll & related	227.7	*31.8%*	*12 (38%)*	159.1		837.7	20.2
Selling expenses	37.5	*5.2%*	*10 (31%)*	24.4		205.8	3.1
General & Admin	123.5	*17.3%*	*8 (25%)*	$ 92.0		553.2	29.8
Subtotal SG&A	388.7	*54.3%*	*12 (38%)*	n/a	254.5	*1,596.7*	*69.0*
Net Owners Compensation ("NOC")	$ 118.3	*16.5%*	*13 (41%)*	n/a	$ 103.7	$ *504.9*	$ *(39.2)*

2017 Historic results for owners with multiple locations open 2 or more years

Businesses	Average (1) 18	% of sales	Number of locations that met or exceeded this average $	Median by line item (2) 18	Median subtotals for all data	Highest number (subtotals will not add) (3)	Lowest number (subtotals will not add) (4)
Hourly Services	$ 167.0	25.8%	8 (44%)	$ 178.9		$ 270.4	$ 54.3
Managed Services	317.2	49.0%	10 (56%)	298.6		472.0	160.0
Product resale	125.5	19.3%	9 (50%)	160.5		160.5	53.4
Project, consulting, other	38.2	5.9%	9 (50%)	13.7		65.8	3.2
Sales	647.9	100.0%	6 (33%)	n/a	$ 644.4	679.2	594.0
Gross Margin	502.6	77.5%	9 (50%)	n/a	503.0	546.0	476.1
Tech payroll & related	218.1	33.6%	7 (39%)	208.6		250.2	208.5
Selling expenses	38.7	6.0%	7 (39%)	31.7		53.3	26.4
General & Admin	119.2	18.4%	9 (50%)	$ 122.7		163.0	94.3
Subtotal SG&A	376.0	58.0%	9 (50%)	n/a	366.3	432.7	334.6
Net Owners Compensation ("NOC")	$ 126.6	19.5%	8 (44%)	n/a	$ 124.2	$ 141.5	$ 113.3

2017 Combined historic results for owners with multiple and single locations open 2 or more years

Businesses	Average (9) 50	% of sales	Number of locations that exceeded this average $	Median by line item (10) 50	Median subtotals for all data	Highest number (subtotals may not add) (11)	Lowest number (subtotals may not add) (12)
Hourly Services	$ 144.6	20.9%	16 (32%)	$ 127.7		$ 720.3	$ 9.8
Managed Services	352.4	51.0%	19 (38%)	298.6		1,447.4	28.4
Product resale	159.1	23.0%	25 (50%)	153.3		425.9	27.6
Project, consulting, other	35.4	5.1%	21 (42%)	29.7		133.9	(0.3)
Sales	691.5	100.0%	11 (22%)	n/a	$ 644.4	2,601.5	111.3
Gross Margin	502.1	72.6%	19 (38%)	n/a	476.1	2,001.6	84.1
Tech payroll & related	220.9	32.0%	19 (38%)	208.5		837.7	20.2
Selling expenses	37.9	5.5%	17 (34%)	31.7		205.8	3.1
General & Admin	122.0	17.6%	18 (36%)	$ 98.5		553.2	29.8
Subtotal SG&A	380.8	55.1%	21 (42%)	n/a	334.6	1,596.7	69.0
Net Owners Compensation ("NOC")	$ 121.3	17.5%	24 (48%)	n/a	$ 115.4	$ 504.9	$ (39.2)

On December 31, 2017, there were 135 TeamLogic IT Businesses open and in operation in the United States. These are all franchised units. To-date and since its inception, there has neither been a company owned outlet, nor a company managed outlet. To qualify for this financial performance representation ("FPR"), a Business must have been open for a minimum of 24 months on December 31, 2017 or provided the Company with a sufficient financial statement, or have been opened by an existing owner prior to November 1, 2017.

n 2017, 38 new Businesses opened in the United States; these are not eligible for this FPR except for the 5 ocations opened by existing franchisees. In 2016, 28 new Businesses opened in the United States; these are ıot eligible for this FPR except for the 2 locations opened by existing franchisees. Of the 76 eligible 3usinesses that were open in the United States prior to 2015, 36 franchisees representing 50 locations eported sufficient 2017 financial statements to be included in this FPR. The 50 Businesses in this FPR epresent 66% of the 76 eligible Businesses for this FPR.

135	Open domestic locations on December 31, 2017
-38	Open in 2017
+5	Open in 2017 by existing owners (add back to eligible count)
-28	Open in 2016
+2	Open in 2016 by existing owners (add back to eligible count)
76	Eligible for this FPR
32	An owner with a single Business
+4	An owner with multiple Businesses
+14	Additional Businesses owned by owners with multiple locations
50	Total Businesses in the FPR

Γhe 4 owners owning multiple Businesses provided a single financial statement. The values in these ïnancial statements have been divided by the number of locations of each owner. For example, if an owner ıas 2 (two) Businesses and reported a combined $100 for Hourly Services sales, this FPR will include 2 two) Businesses, each with Hourly Services sales of $50. The same calculation was performed for each ine item in this FPR.

Γhe 50 locations in this FPR opened in the following years. This includes multiple location/s opened by an ‹isting owner.

2005 1		2012 3	
2006 1		2013 1	
2007 4	1 multiple location	2014 4	1 multiple
2008 2		2015 17	6 multiples
2009 2		2016 3	3 multiples
2010 4		2017 2	2 multiples
2011 6	1 multiple	Total 50	14 multiple locations

Definitions

- General & Admin: This includes rent, telephone, insurance, royalty paid to TeamLogic Inc., general manager payroll, travel and software licenses needed to support the business.
- Gross Margin: this is the balance remaining after subtracting direct cost of goods from Gross Sales. Direct cost of goods are those costs that are specifically related to the Gross Sales; including software licenses, acquisition cost for hardware and acquisition cost for software that is resold to a client.
- Gross Sales: this is the sum of Hourly Services, Managed Services, and Project, consulting, and other sales. This excludes freight and sales tax, as do the line items Hourly service, Managed service, Project, consulting and other sales.
- Hourly Services: Services performed on a time and materials basis. This is often tied to equipment repair.
- Managed Services: Services that are billed on a scalable flat fee designated in a contractual agreement. Scalable flat fee means the customer is billed a flat monthly amount for overall network and computer integrity and will include patch management, proactive repairs, end point security, data backup and security offerings.

- Median: denotes the value or quantity lying at the midpoint of a frequency distribution of observed values or quantities, such that there is an equal probability of falling above or below it. For example, if there are 13 data points, the Median is the middle or 7th largest figure reported in the data set. When there is an even number of data points, the Median is the average of the 2 data points in the middle of the data range. For example, if there are 50 data points, the Median is the average of the 25th largest reported data point and the 26th largest reported data point.
- Net Owners Compensation ("NOC"): this is the Gross Margin less the expenses in SG&A. It will include payments to the owner, including consulting fees, salary, related payroll taxes and benefits or reimbursement for personal items.
- P&L: Profit & Loss statement, also referred to as a financial statement or an Income Statement.
- Product resale: Hardware or software that is bought wholesale and is resold to the customer; ownership changes hands, does not includes services.
- Project, consulting, other: Primarily labor revenue for all customer project support. This would include network design or strategic IT support. This also includes minor activity from commissions on web sites or other 3rd party sales.
- Sales: this is the sum of Hourly Services, Managed Services, Product resale and Project, consulting, and other sales. This excludes freight and sales tax, as do the line items Hourly service, Managed service, Project, consulting and other Product sales.
- Selling Expenses: includes advertising fees paid to the TeamLogic IT network advertising fund, local advertising, marketing and selling expenses, and the salary or commissions for outbound sales activities.
- Subtotal sales: the sum of Gross sales and Product sales this period. This excludes sales tax and freight.
- Subtotal SG&A: this is the sum of line items Tech payroll & related, Selling Expenses and General & Admin. This is an abbreviation for Selling General and Administrative expenses. This subtotal, and its components, excludes costs associated with the owner, which may include: salary, benefits, personal expenses and other related items.
- Tech payroll & related: includes the salary, benefits and payroll taxes for IT technicians as well as any payments to 3rd party IT technicians hired on a part time basis.

1) Disclosure for "2017 Average for owners with multiple locations" column

On December 31, 2017 there were 4 franchise owners that combined opened 14 additional locations, which are called multiple, or multiples, for this FPR. The data in this column is the combined total of their 2017 sales, divided by 18.

The "% of sales" is the percentage of each line item divided by the Sales amount.

The column titled "number of locations that met or exceeded this average $" is the number of Businesses whose results met or exceeded the average. If an owner with 7 locations whose calculated average was the only amount that met or exceeded the average value, the result is 7. The calculated % would be 39%, or 7 divided by the 18 total locations (multiples plus the original Business).

2) Disclosure for the "Median by line item" column for owners with multiple locations

This value is the median amount for the individual line items (see Median above). As there are 18 total locations, the median value is the average of the 9th and 10th largest values.

There are no subtotals in this column; a subtotal of median data is not statistically relevant.

The column showing "Median subtotals for all data" is the Median data point for the individual subtotals for these 18 Businesses.

(3) Disclosure for the "2017 Highest number per line item" column
The individual line items are the highest value for each line item of the 18 locations used in this FPR. Each subtotal is the highest subtotal from these 18 Businesses.

(4) Disclosure for the "2017 Lowest number per line item" column
The individual line items are the lowest value for each line item of the 18 locations used in this FPR. Each subtotal is the lowest subtotal from these 18 Businesses.

(5) Disclosure for "2017 Average" column for owners with a single location
On December 31, 2017 there were 32 franchise owners that owned a single location. These values are the combined total of the 32 individual 2017 financial statements divided by 32.

The "% of sales" is the percentage of each line item divided by the Sales amount.

The column titled "number of locations that met or exceeded this average $" is the number of franchisees whose results met or exceeded the average for each line item. The % on each line item is calculated by dividing this number by the 32 locations. For example, if 10 owners had Managed Services sales greater than the average of $372.3k, this % is 31% (=10/32).

(6) Disclosure for the "Median by line item" column
This amount is the median value for the individual line items (see Median above). As there are 32 total locations, the median value is the average of the 16th and 17th largest values.
There are no subtotals in this column; a subtotal of median data is not statistically relevant.

The column showing "Median subtotals for all data" is the Median data point for the individual subtotals for these 32 Businesses.

(7) Disclosure for the "2017 Highest number per line item" column
The individual line items are the highest value for each line item from the individual 32 Businesses used in this FPR. Each subtotal is the highest subtotal from these 32 Businesses.

(8) Disclosure for the "2017 Lowest number per line item" column
The individual line items are the lowest value for each line item of the individual 32 Businesses used in this FPR. Each subtotal is the lowest subtotal from these 32 Businesses.

(9) Disclosure for "2017 Average" column
On December 31, 2017 there were 38 franchise owners that either owned a single location or owned multiple Businesses. There were 50 Businesses that were eligible and that provided sufficient financial statements; 32 owners with a single Business and 4 owners that owned a combined 18 Businesses. The data in this column is the combined total of the 2017 financial statements provided by these 38 owners, divided by the 50 Businesses.

The "% of sales" is the percentage of each line item divided by the Sales amount.

The column titled "number of locations that met or exceeded this average $" is the number of individual Businesses whose financial statement data exceeded the average for each line item. The % on each line item is the number of Businesses that exceeded the average, divided by the 38 Businesses. For example, if

25 Businesses (single location plus multiple locations as defined above) had Product resale sales greater than the average of $159.1k, this % would be 50% (=25/50).

(10) Disclosure for the "Median by line item" column
This amount is the median value for the individual line items (see Median above). As there are 50 total locations, the median value is the average of the 25th and 26th largest values.

There are no subtotals in this column; a subtotal of median data is not statistically relevant.

The column showing "Median subtotals for all data" is the Median data point for the individual subtotals for these 50 Businesses.

(11) Disclosure for the "2017 Highest number per line item" column
The individual line items are the highest value for each line item from the 50 locations used in this FPR. Each subtotal is the highest subtotal from these 50 Businesses.

(12) Disclosure for the "2017 Lowest number per line item" column
The individual line items are the lowest value for each line item of the 50 locations used in this FPR. Each subtotal is the lowest subtotal from these 50 Businesses.

(13) Network Gross Sales. The 2017 total Gross sales for the network was $48,758,800. The sales included in this FPR is $35,575,000. The difference of $14,183,800 represents sales for either (1) the 33 ineligible single locations that opened in 2017, or (2) the 26 ineligible single locations that opened in 2016, or (3) Businesses that closed prior to December 31, 2017 or (4) Businesses that did not report sufficient financial data to be included in in this FPR.

ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

[Table No. 1]
System-wide Outlet Summary
For Years 2016-to 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
ranchised	2016	88	111	23
	2017	111	136	25
	2018	136	167	31
ompany- Owned	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
otal Outlets	**2016**	**88**	**111**	**23**
	2017	**111**	**136**	**25**
	2018	**136**	**167**	**31**

[Table No. 2]
Transfers of Outlets from Franchisees to New Owners (Other than Franchisor)
For 2016, 2017 and 2018

State	Year	Number of Transfers
California	2016	0
	2017	0
	2018	2
Ohio	2016	0
	2017	0
	2018	1
Texas	2016	0
	2017	0
	2018	1
Totals	**2016**	**0**
	2017	**0**
	2018	**40**

[Table No. 3]
Status of Franchised Outlets
For Years 2016, 2016 to and 2018

tate	Year	Outlets at start of year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
rizona	2016	2	1	0	0	0	0	3
	2017	3	1	0	0	0	0	4
	2018	4	2	0	0	0	0	6
rkansas	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
alifornia	2016	13	3	0	0	0	1	15
	2017	15	5	0	0	0	2	18
	2018	18	6	0	0	0	0	24
olorado	2016	2	0	0	0	0	0	2
	2017	2	4	0	0	0	0	6
	2018	6	0	0	1	0	2	3
onnecticut	2016	1	2	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
istrict of/ olumbia	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	1	0
	2018	0	0	0	0	0	0	0
lorida	2016	5	2	0	0	0	1	6
	2017	6	5	0	0	0	1	10
	2018	10	5	0	0	0	0	15

tate	Year	Outlets at start of year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
eorgia	2016	4	1	0	0	0	1	4
	2017	4	0	0	0	0	1	3
	2018	3	1	0	0	0	0	4
awaii	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	1	0
	2018	0	0	0	0	0	0	0
inois	2016	2	2	0	0	0	0	4
	2017	4	1	0	0	0	0	5
	2018	5	1	0	0	0	0	6
diana	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
wa	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
entucky	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
ouisiana	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2016	4	2	0	0	0	0	6
aryland	2017	6	0	0	0	0	1	5
	2018	5	2	0	0	0	0	7
assachusetts	2016	7	0	0	0	0	0	7
	2017	7	0	0	0	0	1	6
	2018	6	0	0	0	0	0	6
ichigan	2016	2	0	0	0	0	0	2
	2017	2	1	0	0	0	0	3
	2018	3	0	0	0	0	0	3
ississippi	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
innesota	2016	1	0	0	0	0	0	1
	2017	1	0	0	1	0	0	0
	2018	0	1	0	0	0	0	1

tate	Year	Outlets at start of year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
lissouri	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	2	0	0	0	0	3
ebraska	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	1	0
ew ampshire	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
ew Jersey	2016	3	3	0	0	0	0	6
	2017	6	3	0	0	0	0	9
	2018	9	2	0	0	0	0	11
ew York	2016	2	1	0	0	0	0	3
	2017	3	0	0	0	0	1	2
	2018	2	2	0	0	0	0	4
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
orth arolina	2016	1	2	0	0	0	0	3
	2017	3	3	0	0	0	0	6
	2018	6	3	0	0	0	0	9
klahoma	2016	1	2	0	0	0	0	3
	2017	3	0	1	0	0	0	2
	2018	2	0	0	0	0	0	2
hio	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
regon	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	1	0	0	0	0	3
ennsylvan	2016	7	1	0	0	0	1	7
	2017	7	2	0	0	0	0	9
	2018	9	1	0	0	0	1	9
uerto ico	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1

tate	Year	Outlets at start of year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
outh arolina	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	1	0	0	0	0	3
outh akota	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
ennessee	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
exas	2016	6	2	0	1	0	1	6
	2017	6	4	0	0	0	0	10
	2018	10	6	0	0	0	2	14
tah	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
irginia	2016	2	1	0	0	0	0	3
	2017	3	2	0	0	0	1	4
	2018	4	0	0	0	0	0	4
Vashingto	2016	0	0	0	0	0	0	0
	2017	0	5	0	0	0	0	5
	2018	5	0	0	0	0	1	4
Visconsin	2016	1	1	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	1	0	0	0	0	3
otal .S.	**2016**	**87**	**28**	**0**	**1**	**0**	**5**	**109**
	2017	**109**	**38**	**1**	**1**	**0**	**10**	**135**
	2018	**135**	**40**	**1**	**1**	**0**	**7**	**166**
nternatio al anada	2016	1	1	0	0	0	0	2
	2017	2	0	0	0	0	1	1
	2018	1	0	0	0	0	0	1
otal ystem-Vide	**2016**	**88**	**29**	**0**	**1**	**0**	**5**	**111**
	2017	**111**	**38**	**1**	**1**	**0**	**11**	**136**
	2018	**136**	**40**	**1**	**1**	**0**	**7**	**167**

[Table No. 4]
Status of Company- Owned Outlets
For Years 2016 to 2018

State	Year	Outlets at Start of year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Totals	**2016**	**0**	**0**	**0**	**0**	**0**	**0**
	2017	**0**	**0**	**0**	**0**	**0**	**0**
	2018	**0**	**0**	**0**	**0**	**0**	**0**

[Table No. 5]
Projected Openings as of December 31, 2018

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	1	4	0
Colorado	0	2	0
Florida	0	4	0
Illinois	0	2	0
Maryland	0	4	0
Michigan	1	2	0
New Jersey	0	4	0
New York	0	2	0
North Carolina	2	2	0
Ohio	0	2	0
Pennsylvania	0	3	0
Tennessee	0	0	0
Texas	1	5	0
Virginia	0	3	0
Washington	0	1	0
Totals	**5**	**40**	**0**

Current Franchise Owners

The following is a list of all franchise owners, addresses, and telephone numbers that are open and operating as of December 31, 2018:

NAME	TLI#	ADDRESS	CITY	ZIP	TELEPHONE
Arizona:					
Rob Fallows	60302	2730 W. Agua Fria Freeway, #202	Phoenix	85027	(602) 346-2750
Randy & Roberta Reed	60306	99 E. Virginia Ave., #255	Phoenix	85004	(928) 252-2057
Rob Fallows	60308	115 E. Goodwin Street	Prescott	86303	(928) 910-8900
Rob Fallows	60309	13794 W. Waddell Rd, Suite 203 - 212	Surprise	85379	(623) 219-4240
James & Christina Summers	60307	8687 Via de Ventura, Ste. 216	Scottsdale	85258	(480) 360-4005
Rebecca & Joseph Shope	60311	3011 S. Lindsay Rd, Suite 120	Gilbert	85295	(480) 407-4611
Arkansas:					
Scott Nelson	60401	4 McKissic Creek Road	Bentonville	72712	(479) 202-0019
California:					
Walter & Vicki Edmondson	60511	901 Campisi Way, #370	Campbell	95008	(408) 559-8548
Keith & Taco Cowan	60525	23785 El Toro Rd., #301	El Toro	92630	(949) 215-7628
Keith & Taco Cowan	60526	8583 Irvine Center Dr., Ste. 394	Irvine	92618	(949) 215-7629
Josh & Ellen Mendel	60531	111 N. Sepulveda Bvd., #250	Manhattan Bch.	90266	(424) 252-2015
Lewis & Victoria Knapp	60515	825 Oak Grove Ave., #204	Menlo Park	94025	(650) 763-3333
Keith & Taco Cowan	60504	25909 Pala, Suite 190	Mission Viejo	92691	(949) 784-0377
Ryan & Gina Mann	60508	958 San Leandro Ave., Suite 100	Mountain View	94043	(650) 336-7500
Justin & Amy Tsui	60509	283 S. Lake Ave., #219	Pasadena	91101	(626) 381-9983
Justin & Amy Tsui	60533	500 N. 1st Ave., Ste. 7	Arcadia	91006	(626) 657-0521
Raju Kotagiri	60528	3800 Watt Ave., Suite 275~~140~~	Sacramento	95821	(916) 727-6060
Raju Kotagiri	60530	770 L Street, #950	Sacramento	95814	(916) 877-6060
Evan Weiss, Michael Schwartz	60521	9089 Clairemont Mesa Blvd., #105	San Diego	92123	(858) 264-4677
Dave & Wendy Thompson	60513	12925 Alcosta Blvd. #9	San Ramon	94583	(925) 380-6038
Dave & Wendy Thompson	60536	4695 Chabot Drive, Suite 200	Pleasanton	94588	(925) 261-3928
Charu Mungale	60507	3140 De Le Cruz Blvd. #200-50	Santa Clara	95054	(925) 380-6038
Todd & Ruth Tolly	60516	2455 Bennett Valley Rd., #C-214	Santa Rosa West	95404	(707) 249-9525
Todd & Ruth Tolly	60510	2455 Bennett Valley Rd., #C-214	Santa Rosa East	95404	(707) 249-9525
Ryan & Gina Mann	60514	145 N. Wolfe St.	Sunnyvale	94086	(650) 336-7500
Josh & Ellen Mendel	60524	357 Van Ness Way #208	Torrance	90501	(424) 252-2016
RJ Ruggiero	60512	9021 Melrose Ave., #201	W. Hollywood	90069	(310) 385-8548
Arti Dutt, Amit Gupta	60520	5850 Canoga Ave., 4th Floor	Woodland Hills	91367	(818) 514-9060
Allen & Janet Licitra	60532	28936 Old Town Front St., Ste. 103	Temecula	92590	(951) 404-5800
Gary & Gwen Connolly	60534	5167 Clayton Rd, Suite B	Concord	94521	(925) 529-4500
Regis and Sophia Pei	60535	17316 Edwards Rd., Ste. B235	Cerritos	90703	(562) 263-9688
Colorado:					
Dawn and Mark Kelly	60602	3204 N. Academy Blvd. #230	CO Springs	80917	(719) 623-4008
Brian & Carol Schultz	60605	126 W. Harvard Street #5	Ft. Collins	80525	(970) 682-3838
Mark & Darla Searls	60604	401 E. Cleveland Street, Suite B	Lafayette	80026	(720) 449-3379

NAME	TLI#	ADDRESS	CITY	ZIP	TELEPHONE
Connecticut:					
Tom & Mami Florio	60702	15 East Putnam Ave., #348	Greenwich	06830	(475) 299-8554
Tom & Mami Florio	60703	1177 Summer Street, 3rd Floor	Stamford	06905	(475) 299-8554
Sandeep and Brenda Kaushal	60701	428 Hartford Turnpike, Suite 107	Vernon	06066	(860) 858-1232
Florida:					
Robert & Marguarite Roloff	60914	10501 Six Mile Cypress Pkwy., Ste. #405118	Ft. Myers	33966	(239) 774-1603
Davilson Rodrigues	60918	203 SW 3rd Avenue	Gainesville	32601	(352) 745-3993
Bruce & Patti Eichman	60915	3947 Blvd Center Dr., Ste. 1	Jacksonville	32207	(904) 660-0001
Long Hoang	60909	1540 International Pkwy., Ste. 2000 #6	Lake Mary	32746	(407) 330-0811
R. Anthony (Tony) Lee	60927	1550 Creighton Rd, Suite 5	Pensacola	32504	(850) 427-2070
Poznanski / Salomon	60917	20855 NE 16th Ave., #C-27	Miami	33179	(305) 602-4024
Brian & Cathy Bonacci	60911	1016 Collier Way #103	Naples	34110	(203) 293-9832
Brian & Cathy Bonacci	60922	202 N. Rhodes Ave., #101	Sarasota	34237	(941) 548-9388
Brian Bonacci	60923	6151 Lake Osprey Drive	Sarasota	34240	(941) 444-2154
Donald Zurbrick	60919	463 30th Street N	St. Petersburg	33713	(727) 308-3300
Frank Fender	60921	300 Colorado Ave., 210	Stuart	34994	(772) 266-3111
Mark Inda	60920	1211 Tech Blvd., Suite 151	Tampa	33619	(813) 603-1000
Sylvester & Linda Williams	60924	6996 Piazza Grande Ave., Ste. 201	Orlando	32835	(407) 333-0293
James & JoAnn Gusewelle	60925	611 N. Wymore Rd., Ste. 221	Winter Park	32789	(407) 907-6616
C. Elizabeth McCarty	60926	13770 58th St. N, Suite 308	Clearwater	33760	(727) 275-2752
Georgia:					
Fahim Dangra	61006	5665 Atlanta Hwy. 9, Suite 103B-430	Alpharetta	30004	(678) 893-4011
Ruth Levy, David Lombrozo	61002	1150 Grimes Bridge Rd., #500	Marietta	30075	(770) 993-5428
Richard Higgins	61005	3990 Flowers Rd., #550	Atlanta	30360	(770) 847-9611
Howard Page	61007	2221 Peachtree Rd. NE, Ste. X2	Atlanta	30309	(770) 450-0910
Illinois:					
Edward Trauth	61307	1240 Iroquois Ave., #204	Naperville	60563	(331) 204-5010
Erik & Tiffany Person	61304	1363 Shermer Road #331	Northbrook	60062	(847) 461-3800
William & Laura Breese	61303	15774 S. LaGrange Rd., #221	Orland Park	60462	(708) 942-4266
Erik and Tiffany Person	61305	5600 N. River Road #800	Rosemont	60018	(708) 617-2004
Erik and Tiffany Person	61302	1990 E. Algonquin Rd. #211	Schaumburg	60173	(847) 925-8400
Erik and Tiffany Person	61306	2021 Midwest Rd., Ste. 200	Oak Brook	60523	(630) 216-4800
Indiana:					
Lezlie & Brett Richards	61402	3209 Smith Valley Road, #211	Greenwood	46142	(317) 677-4722
Iowa:					
Eric Summers	61501	102 SE 30th Street #2	Ankeny	50021	(515) 318-7411
Louisiana:					
Jimmy Brown	61801	315 S. College Road #215	Lafayette	70503	(337) 593-9539
Jon & Kim Walton	61802	3642 Youree Dr., Ste.2	Shreveport	71105	(318) 771-7776
Kentucky:					
Naresh Shah	61701	1708 Jaggie Fox Way, #114	Lexington	40511	(859) 252- 0001

NAME	TLI#	ADDRESS	CITY	ZIP	TELEPHONE
Maryland:					
Sunil Raina	62006	8658 Baltimore National Pike #O	Ellicott City	21043	(443) 574-7280
Andre Linares	62005	3204 Tower Oaks Blvd., #100	Rockville	20852	(240) 273-7540
Upreet Bhandari	62004	4948 St. Elmo Ave., #207	Bethesda	20814	(240) 630-3555
Sunil Raina	62007	2657-G Annapolis Road #454	Hanover	21076	(443) 574-7281
C. Wagner, B. Wagner & L. Davis	62003	8441 Belair Rd., #201	Nottingham	21236	(410) 650-4839
C. Wagner, B. Wagner & L. Davis	62008	2 S. Hays Street, Ste. B	Bel Air	21014	(443) 214-2002
Chip-Yong Ng & Sandy Wong	62011	12105 Darnestown Rd., Ste. 10	Gaithersburg	20878	(240) 261-7677
Massachusetts:					
Jim Hackett, Andy Hackett	62105	101 Middlesex Turnpike #6 PMB318	Burlington	01803	(781) 791-3016
Jim Hackett, Andy Hackett	62106	1770 Massachusetts Ave. #158	Cambridge	02140	(781) 791-3016
Jim Hackett, Andy Hackett	62102	9 Bartlett Street #152	Merrimack Vly.	01810	(781) 791-3016
Jim Hackett, Andy Hackett	62104	25 Storey Ave., # 8 PMB350	Newburyport	01950	(781) 791-3016
Jim Hackett, Andy Hackett	62107	738 Main Street #234	Waltham	02451	(781) 791-3016
Jim Hackett, Andy Hackett	62101	12 Office Tower Park	Woburn	01810	(781) 791-3016
Michigan:					
Nassar Halwani	62201	42180 Ford Road, Suite 250	Canton	48187	(734) 666-6276
Max & Gail Gibbard	62203	5180 Kalamazoo Ave. SE, #D	Kentwood	49508	(616) 727-0107
Nick Zafer	62202	7950 Moorsbridge Rd., Ste. 450	Portage	49024	(269) 492-7400
Minnesota:					
Srikant & Veena Lakkundi	62303	542 Snelling Ave. S, Ste. 103	St. Paul	55116	(651) 321-1445
Mississippi:					
Mike Omoregie, Harold Loving	62401	2980 Davis Road, Suite D	Terry	39170	(601) 878-1900
Missouri:					
Marc Evans	62501	10502 NW Ambassador Drive, #215	Kansas City	64153	(816) 673-6334
Jeffrey & Karen Kleinsasser	62502	216 South Sunrise Dr.	Raymore	64083	(816) 542-0777
Sunil & Jasleen Thakkar	62503	1100 Corporate Square Drive, Suite 133	St. Louis	63132	(314) 594-4000
New Hampshire:					
Joseph and Joyce Taurus	62901	908 Hanover Street, #8	Manchester	03104	(603) 505-4665
New Jersey:					
Stewart Paul	63005	923 Haddonfield Road #300	Cherry Hill	08002	(856) 238-5655
Stewart Paul	63006	103 Carnegie Cener #300	Princeton	08540	(609) 337-1136
Stewart Paul	63007	309 Fellowship Rd., Ste. 200	Mt. Laurel	08054	(856) 234-2136
Deborah Service	63009	361 Route 31, Unit 1101	Flemington	08822	(908) 968-9223
Len Leach	63004	2 University Plaza, Ste. 1000	Hackensack	07601	(201) 373-6778
Jibu Mathews	63002	1572 US Route 130	N. Brunswick	08902	(732) 253-0990
Todd Harrell	63003	7 Campus Drive	Parsippany	07054	(973) 656-0085
James Kimberlin	63011	525 Wanaque Ave. #203	Pompton Lakes	07442	(973) 437-3748
James Kimberlin	63010	45 N. Broad Street	Ridgewood	07450	(201) 439-8444
Joe Higgins & Nick Ilacqua	63012	556 Eagle Rock Ave., Ste. 101	Roseland	07068	(973) 486-4585
Jacob & Jini Samuel	63013	2414 Morris Avenue, Suite 304	Union	07083	(908) 271-8787

NAME	TLI#	ADDRESS	CITY	ZIP	TELEPHONE
New York:					
David Israel	63206	708 3rd Ave., 6th Floor	New York	10017	(646) 893-1180
Roger Noakes & Mark Jones	63203	3771 Nesconset Hwy. #209	S. Setauket	11720	(631) 277-1368
Allen Chu	63207	170 Hamilton Ave. #204	White Plains	10601	(914) 768-8061
Michael & Justine Montalbano	63209	32 Adele St., Ste. 2	Staten Island	10305	(917) 636-4200
Nevada:					
Larry & Sandra Trujillo	62802	7477 W. Lake Blvd., Ste. 260	Las Vegas	89128	(702) 550-7111
North Carolina:					
John & Tami Griffith	63301	9741 Southern Pine Blvd., #K	Charlotte	28273	(704) 601-7454
Marty Cayton	63305	4424 Bragg Blvd., #101	Fayetteville	28405	(910) 500-1392
Marty Cayton	63303	749 SE Greenville Blvd., #400-274	Greenville	27858	(252) 347-0130
Marty Cayton	63304	3824 Barrett Dr., #201	Raleigh	27609	
Marty Cayton	63302	2901 N. Kerr Ave.	Wilmington	28405	(910) 500-1392
John & Sheila Fox	63306	1100 S. Stratford Rd., Bldg. C, #190	Winston-Salem	27103	(336) 793-8555
John & Sheila Fox	63307	2918 N. Main Street, Unit F	High Point	27265	(336) 823-6750
John & Sheila Fox	63308	717 Green Valley Rd, Suite 200	Greensboro	27408	(336) 355-3630
Daniel & Becky Thomas	63311	3308 Durham-Chapel Hill Blvd, Ste. 10	Durham	27707	(919) 893-4701
Ohio:					
Jon Colvin	63502	3860 Race Road #310	Cincinnati	45211	(513) 574-3400
Dwight & Allison Blankenship	63504	7716 Rivers Edge Drive	Columbus	43235	
Eric & Kathleen Quinn	63501	815 Crocker Rd., #4	Westlake	44145	(440) 808-8200
Oklahoma:					
Floyd Merrey Jr.	63601	5909 NW Expressway, #155	Oklahoma City	73132	(405) 840-1545
Floyd Merrey Jr.	63602	11 NE 11th, Suite 216K	Oklahoma City	73104	(405) 792-6982
Oregon:					
Stephanie Verzasconi & Steven Serna	63702	1827 NE 44th Ave.	Portland	97232	(503) 445-4997
Jenna & Raymond Bayer	63703	9900 SW Wilshire, #230	Portland	97225	(503) 919-7900
Cindy McPike & Cameron Nelson	63704	2195 Hyacinth St., NE Ste. 130	Salem	97301	(503) 389-3888
Pennsylvania:					
George & Judy Sanchez	63810	5000 w. Tilghman ST., #204	Allentown	18104	(484) 838-7740
Stewart Paul	63804	93 Old York Road	Jenkintown	19046	(267) 454-6009
Stewart Paul	63809	630 Freedom Business Ctr., 3rd FL	King of Prussia	19406	(610) 624-3553
Stewart Paul	63802	2 Swamp Road	Newtown	18940	(215) 968-4376
Stewart Paul	63805	702 N. 3rd Street	Philadelphia	19123	(215) 550-1551
Stewart Paul	63806	1500 Market St.	Philadelphia	19102	(215) 515-2303
Stewart Paul	63807	1700 Market St.	Philadelphia	19103	(267) 448-0205
Michael Williams	63811	3218 Pittston Ave., Suite 3	Scranton	18505	(570) 260-2500
Stewart Paul	63803	828 West Street Road	Warminster	18974	(215) 968-4376
Puerto Rico:					
Miguel Nieves	65901	Metro Office Park Bldg. 7, Suite 204	Guaynabo	00968	(787) 520-5239
South Carolina:					
William & Debra Galinsky	64002	732 Wade Hampton Road, Ste. B	Greenville	29609	(631) 664-4624
Kimico Myers	64003	810 Dutch Square Blvd., #234	Columbia	29229	(803) 638-8662
Christopher & Judith Bianco	64004	116 Hwy 17 N, Ste. A	Surfside Beach	29575	(803) 232-9200

NAME	TLI#	ADDRESS	CITY	ZIP	TELEPHONE
South Dakota:					
Ryan Gallagher/Robert Kiecksee	64102	4705 Oxbow #29	Sioux Falls	57016	(605) 988-8600
Tennessee:					
Don & Nancy Warden	64204	1550 W. McEwen Drive #300	Franklin	37064	(615) 243-5510
Nancy & Jack MacRae	64203	10105 Sherrill Blvd.	Knoxville	37932	(865) 342-7839
Drayton Mayers	64202	763 E. Brookhaven Cir. #201	Memphis	38117	(901) 572-1355
Don and Nancy Warden	64205	412 N. Front Street	Murfreesboro	37129	(615) 396-3056
Texas:					
Taron & Victoria Hart	64314	721 E. Texas Avenue	Baytown	77520	(281) 839-2829
Todd Grace, David Hernandez	64309	4762 Benbrook Blvd.	Benbrook	76116	(682) 286-8445
Scott & Lori Kelley	64312	11511 Katy Fwy., Suite 409	Houston	77079	(832) 910) 8540
Scott & Lori Kelley	64313	12335 Kingsride Lane, Suite 154	Houston	77024	(832) 910-8541
Anthony & Cynthia Wheeler	64316	1241 Prosper Commons Blvd., Unit 110	Prosper	75078	(469) 284-8548
Mohammad & Kathleen Nilforoushan	64310	400 Chisholm Place, #214	Plano	75075	(469) 573-3743
Alan Harlan, Dan Sawyers & Wes Johnson	64304	2904 Corporate Circle, Suite 110	Flower Mound	75028	(972) 234-8978
Frank Jones	64305	500 Turtle Cove Blvd., #130	Rockwall	75087	(972) 961-7711
Roma & Paras Desai	64308	101 Southwestern Bld., #116	Sugar Land	77478	(281) 201-1798
Hunt & Susan Waddell	64317	1450 Hughes Rd., Ste. 107	Grapevine	76051	(469) 751-8904
Neil Penberthy	64318	706 W. Ben White Blvd, Suite B230	Austin	78704	(512) 991-1599
Greg & Christy Torosian	64319	600 Round Rock West Dr., Ste. 606	Round Rock	78681	(737) 717-0304
Jesus & Wilma Gonzalez	64320	16601 Blanco Rd, Suite 202	San Antonio	78232	(210) 742-8210
Vinayak (Vinny) Kamath	64321	6401 West Eldorado Pkw Suite 223	McKinney	75070	(469) 325-3999
Utah:					
Kenneth & Jami Hughes	64402	9131 South Monroe Plaza Way #B	Sandy City	84070	(801) 726-3359
Virginia:					
Alan Abbott	64611	100 Arbor Oaks Dr., #302	Ashland	23005	(804) 554-1400
Robert Moore	64609	2113 Canvasback Dr.	Suffolk	23435	(757) 942-1652
Scott Chandler	64605	35571 Suffolk Ln.	Purcellville	20132	(703) 777-3551
Ken & Pamela Blackwell	64610	199 Sulky Drive, Suite 2	Winchester	22602	(540) 592-1058
Washington:					
Regi John	64705	14400 Bel-Red Road, #203	Bellevue	98007	(425) 484-0480
Michael & Janet Hlavaty-LaPosa	64707	22722 29th Drive SE, Ste. 100	Bothell	98021	(425) 697-9707
Michael & Janet Hlavaty-LaPosa	64708	4620 200th St. SW, Suite A	Lynwood	98036	(425) 697-9708
Regi John	64706	11335 NE 122nd Way, Ste. 104	Kirkland	98035	(425)999-3030
Wisconsin:					
Kirk & Lisa Gramoll	64902	W175 N 11081 Stonewood Dr., #102	Germantown	53022	(262) 834-6207
Kirk & Lisa Gramoll	64903	N19W24400 Riverwood Dr. Suite 350	Waukesha	53188	(262) 502-1283
Todd and Bianca Dehn	64901	3019 Holmgren Way, Suite 201	Green Bay	54304	(920) 393-9496
INTERNATIONAL					
Canada:					
Alex & Anna Lachine	67001	8171 Yonge St., #141, Thornhill	Ontario	L3T 2C6	(905) 488-9045

Former Franchise Owners

The following lists the names, city and state, and the current business telephone number (or, if unknown, the last known telephone number) of every franchisee who had a TeamLogic IT franchise business-terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent completed fiscal year, or who has not communicated with us within 10 weeks of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Name	TLI#	City, State & Telephone
Gary Gaw	60601	Centennial, CO 80112 (303) 771-1407
Taylor Bartels & C. Word	60606	Denver, CO 80206, (720) 316-3060
Taylor Bartels & C. Word	60607	Denver, CO 80231, (720) 325-5010
David & Natasha Listak	64315	Houston, TX 77024, (281) 720-8400
Allen Atkinson	64311	Tyler, TX 75703, (903) 630-2547
Bruce Walters & Tod Traub	63808	Camp Hill, PA, (717) 219-8548
Edward & Bethan Weniger	62701	Omaha, NE 68154, (402) 431-2755
Michael Monaghan	63505	Dayton South, Ohio, (949) 348-5178
Scott Beld	64704	Vancouver, WA, (360) 818-4151

Transfers

Name	TLI #	City, State & Telephone
Steve & Elaine Giordano	63501	Westlake, OH, (440) 808-8200
John Wesley Johnson	64304	Richardson, TX, (972) 234-8978
Jon Simms & Adrienne Wong	60508	Mountain View, CA, (650) 336-7500
Jon Simms & Adrienne Wong	60514	Sunnyvale, CA, (650) 336-7500

During the last three fiscal years we have signed no confidentiality agreements with current or former franchisees which restrict their ability to speak openly about their experience with us.

There are no Franchisee organizations associated with the TeamLogic IT® system that have been sponsored or endorsed by us, or that have been organized under state law or that have been asked to be included in this disclosure.

The following list are franchisees that signed a franchise agreement, but their territorial franchise business was not open and operating as of December 31, 2018:

Name	TLI#	City and State	Zip Code
Randall & Angela Wilson	60101	Decatur, AL	
Stewart Paul	63008	Burlington, NJ	08016
Keith & Takako Cowan	60527	Santa Ana, CA	92701
C. Wagner, B. Wagner & L. Davis	62009	Reisterstown, MD	21136
C. Wagner, B. Wagner & L. Davis	62010	Rosedale, MD	24280

ITEM 21.
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit "A" are our audited financial statements for fiscal years ending December 31, 2018, December 31, 2017, and December 31, 2016.

ITEM 22.
CONTRACTS

Attached as Exhibits to this Franchise Disclosure Document are the following contracts:

Exhibit D – Franchise Agreement
Exhibit E – Multi-State Addendum to Disclosure Document and Franchise Agreement
Exhibit F – Amendment to Franchise Agreement for Existing and New Multiple
Exhibit G – Conversion Addendum
Exhibit H – Transfer Release Agreement
Exhibit J - SBA Addendum

"D" is a copy of the Franchise Agreement. The Multi-State Addendum is attached as Exhibit "E," the Conversion Addendum is attached as Exhibit "G," the Transfer Release Agreement is attached as Exhibit "H," and the SBA Addendum is attached as Exhibit "J".

ITEM 23.
RECEIPTS

You will find two copies of the detachable acknowledgement receipt at the end of this disclosure document. Please sign and date both copies and keep one for your records, and the other must be returned to us at TeamLogic, Inc., Attn: Legal Dept., 26722 Plaza, Mission Viejo, CA 92691.

EXHIBIT "A"

FINANCIAL STATEMENTS

TEAMLOGIC, INC.
Audited Financial Statements
December 31, 2018, 2017 and 2016

INDEPENDENT AUDITORS' CONSENT

To the Board of Directors of
TeamLogic, Inc.

We consent to the inclusion of our report dated March 19, 2019, with respect to the financial statements of TeamLogic, Inc. as of December 31, 2018, 2017, and 2016, and for the years then ended, in TeamLogic, Inc.'s Franchise Disclosure Document dated March 15, 2019. This consent should not be regarded in any way as updating the aforementioned report or representing that we performed any procedures subsequent to the date of such report. Such consent is given provided the report is presented with the audited financial statements and all notes related thereto.

White Nelson Diehl Evans LLP

Irvine, California
March 19, 2019

TEAMLOGIC, INC.

(A wholly owned subsidiary of Franchise Services, Inc.)

Financial Statements

For years ended December 31, 2018, 2017 and 2016

With Independent Auditors' Report

TEAMLOGIC, INC.
(A wholly owned subsidiary of Franchise Services, Inc.)
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December 31, 2018, 2017, and 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
TeamLogic, Inc.

We have audited the accompanying financial statements of TeamLogic, Inc., a wholly owned subsidiary of Franchise Services, Inc., (the "Company"), which comprise the balance sheets as of December 31, 2018, 2017, and 2016, and the related statements of operations, changes in stockholder'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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 Company'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 Company'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 the Company as of December 31, 2018, 2017, and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

White Nelson Diehl Evans LLP

Irvine, California
March 19, 2019

TEAMLOGIC, INC.
(A wholly owned subsidiary of Franchise Services, Inc.)
Balance Sheets
December 31, 2018, 2017, and 2016

ASSETS

	2018	2017	2016
Current Assets:			
Cash And Cash Equivalents	$ 774,000	$ 742,000	$ 495,000
Other Receivables	-	-	1,000
Prepaid Expenses And Other Current Assets	190,000	269,000	224,000
Total Current Assets	964,000	1,011,000	720,000
Property And Equipment:			
Autos	51,000	51,000	23,000
Furniture And Fixtures	23,000	23,000	22,000
Office Equipment	140,000	120,000	116,000
Leasehold Improvements	30,000	29,000	29,000
Total Property And Equipment, At Cost	244,000	223,000	190,000
Less: Accumulated Depreciation	(185,000)	(169,000)	(156,000)
Property And Equipment, At Net Book Value	59,000	54,000	34,000
Total Assets	$ 1,023,000	$ 1,065,000	$ 754,000

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

TEAMLOGIC, INC.
(A wholly owned subsidiary of Franchise Services, Inc.)
Balance Sheets (Continued)
December 31, 2018, 2017, and 2016

LIABILITIES AND STOCKHOLDER'S EQUITY

	2018	2017	2016
Liabilities:			
Accounts Payable And Accrued Expenses	$ 630,000	$ 526,000	$ 516,000
Deferred Revenue	175,000	160,000	40,000
Income Taxes Payable	24,000	26,000	29,000
Due To Ad Fund	-	1,000	-
Due To Affiliates	14,000	13,000	5,000
Total Liabilities	843,000	726,000	590,000
Stockholder's Equity:			
Common Stock, $.01 Par Value; 1,000 Shares Authorized, Issued, and Outstanding	-	-	-
Additional Paid-In Capital	2,099,000	4,949,000	6,304,000
Accumulated Deficit	(1,919,000)	(4,610,000)	(6,140,000)
Total Stockholder's Equity	180,000	339,000	164,000
Total Liabilities And Stockholder's Equity	$ 1,023,000	$ 1,065,000	$ 754,000

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

TEAMLOGIC, INC.
(A wholly owned subsidiary of Franchise Services, Inc.)
Statements Of Operations
Years ended December 31, 2018, 2017, and 2016

	2018	2017	2016
Revenues:			
Initial Franchise Fees	$ 1,475,000	$ 1,215,000	$ 1,019,000
Continuing Franchise Fees	3,022,000	2,247,000	1,722,000
Managed Services	2,775,000	2,230,000	1,700,000
Interest And Other Income	-	1,000	-
Total Revenue	7,272,000	5,693,000	4,441,000
Cost of Sales	1,973,000	1,735,000	1,353,000
Gross Profit	5,299,000	3,958,000	3,088,000
Expenses:			
Selling, General And Administrative	2,556,000	2,380,000	2,056,000
Depreciation And Amortization	23,000	19,000	12,000
Total Operating Expenses	2,579,000	2,399,000	2,068,000
Income Before Provision For Income Taxes	2,720,000	1,559,000	1,020,000
State and Foreign Income Taxes	29,000	29,000	35,000
Net Income	$ 2,691,000	$ 1,530,000	$ 985,000

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

TEAMLOGIC, INC.
(A wholly owned subsidiary of Franchise Services, Inc.)
Statements of Changes in Stockholder's Equity
Years ended December 31, 2018, 2017, and 2016

	Common Stock		Additional Paid-In	Accumulated	Total Stockholder's
	Shares	Amount	Capital	Deficit	Equity
Balance At December 31, 2015	1,000	$ -	$ 7,354,000	$ (7,125,000)	$ 229,000
Repayment Of Capital Contribution	-	-	(1,050,000)	-	(1,050,000)
Net Income	-	-	-	985,000	985,000
Balance At December 31, 2016	1,000	-	6,304,000	(6,140,000)	164,000
Repayment Of Capital Contribution	-	-	(1,355,000)	-	(1,355,000)
Net Income	-	-	-	1,530,000	1,530,000
Balance At December 31, 2017	1,000	-	4,949,000	(4,610,000)	339,000
Repayment Of Capital Contribution	-	-	(2,850,000)	-	(2,850,000)
Net Income	-	-	-	2,691,000	2,691,000
Balance At December 31, 2018	1,000	$ -	$ 2,099,000	$ (1,919,000)	$ 180,000

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

TEAMLOGIC, INC.
(A wholly owned subsidiary of Franchise Services, Inc.)
Statements of Cash Flows
Years ended December 31, 2018, 2017, and 2016

	2018	2017	2016
Cash Flows From Operating Activities:			
Net Income	$ 2,691,000	$ 1,530,000	$ 985,000
Non-Cash Items Included In Net Income:			
Depreciation And Amortization	23,000	19,000	12,000
Changes In Operating Assets And Liabilities:			
Other Receivables	-	1,000	4,000
Prepaid Expenses And Other Current Assets	79,000	(45,000)	(95,000)
Accounts Payable And Accrued Expenses	104,000	10,000	215,000
Deferred Revenue	15,000	120,000	(80,000)
Income Taxes Payable	(2,000)	(3,000)	13,000
Net Cash Provided By Operating Activities	2,910,000	1,631,000	1,054,000
Cash Flows From Investing Activities:			
Payments From Advertising Fund	(1,000)	1,000	-
Purchases Of Property And Equipment	(28,000)	(39,000)	(9,000)
Net Cash Used In Investing Activities	(29,000)	(38,000)	(9,000)
Cash Flows From Financing Activities:			
Increase In Due To Parent Or Affiliates	1,000	8,000	4,000
Repayment Of Capital Contribution	(2,850,000)	(1,355,000)	(1,050,000)
Net Cash Used In Financing Activities	(2,849,000)	(1,347,000)	(1,046,000)
Increase (Decrease) In Cash And Cash Equivalents	32,000	247,000	(1,000)
Cash And Cash Equivalents At Beginning Of Year	742,000	495,000	496,000
Cash And Cash Equivalents At End Of Year	$ 774,000	$ 742,000	$ 495,000
Supplemental Disclosure Of Cash Flow Information:			
Cash Paid For:			
State And Foreign Income Taxes	$ 31,000	$ 32,000	$ 22,000

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

TEAMLOGIC, INC.
(A wholly owned subsidiary of Franchise Services, Inc.)
Notes To Financial Statements
December 31, 2018, 2017, and 2016

NOTE A: Nature Of Business And Summary Of Significant Accounting Policies

(1) Nature Of Business - TeamLogic, Inc. (the "Company") was incorporated on September 1, 2004, in the state of California. The Company is a wholly owned subsidiary of Franchise Services, Inc. ("FSI" or the "Parent"). The Company is engaged in the sale and services of domestic and international franchises that provide outsourced IT services for small and mid-sized businesses using the brand name "TeamLogic IT".

(2) Affiliate Companies - FSI also owns the following subsidiaries:

Sir Speedy, Inc., headquartered in Mission Viejo, California, which sells and provides support to domestic and international franchised quick printing and marketing services centers using the brand name "Sir Speedy".

Postal Instant Press, Inc., headquartered in Mission Viejo, California, which sells and provides support to domestic and international franchised quick printing and marketing services centers using the brand name "PIP Printing".

Signal Graphics, Inc., headquartered in Mission Viejo, California, which sells and provides support to domestic franchised quick printing and marketing services centers using the brand name "Signal Graphics".

Franchise Services Europe BV, headquartered in Amsterdam, The Netherlands, operates under the brand name "Multicopy". Multicopy sells and provides support to franchised quick print centers.

Summit Marketing Communications, Inc., headquartered in Mission Viejo, California, which is an advertising agency.

NOTE A: **Nature Of Business And Summary Of Significant Accounting Policies** - (Continued)

(3) Financial Statement Presentation – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") 810-10, *"Consolidation"* addresses the consolidation of an entity whose equity holders either (a) have not provided sufficient equity at risk to allow the entity to finance its own activities or (b) do not possess certain characteristics of a controlling financial interest. FASB ASC 810-10 requires the consolidation of such an entity, known as a variable interest entity (VIE), by the primary beneficiary of the entity. The primary beneficiary is the entity, if any, that is obligated to absorb a majority of the risk of loss from the VIE's activities, entitled to receive a majority of the VIE's residual returns, or both. The principal type of entities in which the Company would possess a variable interest includes franchise entities. The Company does not possess any ownership interests in franchise entities. Additionally, the Company does not provide financial support to franchise entities in a typical franchise relationship. As a result, the Company did not consolidate any franchise entities.

The Company manages a network advertising fund "Ad Fund" in which its franchisees make contributions. The Company reports all assets and liabilities of the Ad Fund as "Prepaid Expenses And Other Current Assets" and "Accounts Payable And Accrued Expenses" in the accompanying "Balance Sheets." The contributions to this Ad Fund are both designated to and segregated for advertising, the Company administers the Ad Fund. Thus, in accordance with FASB ASC 952-605, *Franchisors*, the Company does not reflect, and has not reflected in the past, franchisee contributions to this Ad Fund in the accompanying "Statements of Operations".

(4) Cash And Cash Equivalents - For purposes of reporting cash flows, cash and cash equivalents include cash on hand and in banks and all highly liquid debt instruments purchased with original maturities of three months or less.

NOTE A: **Nature Of Business And Summary Of Significant Accounting Policies** - (Continued)

(5) Property And Equipment – Property and equipment are stated at cost. Major improvements and betterments are capitalized. Maintenance and repairs are expensed as incurred. Property and equipment are depreciated over estimated useful lives of 3 to 10 years. Depreciation is computed using straight-line method for financial purposes and accelerated methods for income tax purposes. Depreciation expense for the years ended December 31, 2018, 2017, and 2016 totaled $23,000, $19,000, and $12,000, respectively.

(6) Revenue Recognition – The Company's revenue includes initial franchise fees, continuing franchise fees, and other revenue relating to various managed services.

In 2018, the initial franchise fee was $40,000 for a new franchise, $35,000 for eligible veterans, $30,000 for any subsequent franchises opened by the same franchisee, and $40,000 for a conversion franchise. Starting in 2019, the initial franchise fee is $45,000 for a new franchise, a conversion franchise, or for any subsequent franchises opened by the same franchisee, and $40,000 for eligible veterans. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee. Any expected revenues for pre-opening services that have not been fully performed at year-end, are recorded as "Deferred Revenue." Deferment of initial fees required in 2018 is not necessarily an indication that deferment of fees will occur in 2019. At December 31, 2018, 2017, and 2016, the amount of deferred revenue was $175,000, $160,000, and $40,000, respectively.

The Company collects continuing franchise fees from its franchisees based on the greater of a fixed amount or a percentage of their reported sales. Continuing franchise and other fees are recorded as revenue when received.

The Company collects fees for managed services from its franchisees based on the numbers of licenses used. Fees from managed services are recorded as revenue when received.

The total number of new franchises opened during 2018, 2017 and 2016 was 40, 38, and 29, respectively. The Company does not have any franchisor-owned units during these years. The Company had 167 operating franchise locations at December 31, 2018.

NOTE A: **Nature Of Business And Summary Of Significant Accounting Policies** - (Continued)

(7) Income Taxes - For federal tax purpose, an election was made to treat the Company and its Parent (Franchise Services, Inc.) as Qualified Subchapter S Subsidiaries (QSSS). As a QSSS, the Company and its Parent are not treated as separate corporations and all assets, liabilities, items of income, deduction, and credit of the Company and its Parent are treated as assets, liabilities, items of income, deduction, and credit of the parent of Franchise Services, Inc.

The Company provides for state taxes for various jurisdictions that either treat the Company as a separate corporation or impose a franchise tax.

(8) Long-Lived Assets – The Company accounts for impairment and disposition of long-lived assets in accordance with FASB ASC 360-10, *"Property, Plant, and Equipment."* FASB ASC 360-10 requires impairment losses to be recognized for long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows are not sufficient to recover the assets' carrying amount. There was no impairment of the value of such assets for the years ended December 31, 2018, 2017, and 2016.

(9) Advertising Costs - Advertising and promotional costs are charged to operations when incurred. Advertising and promotional costs totaled $271,000, $258,000, and $247,000, for the years ended December 31, 2018, 2017, and 2016, respectively. Advertising and promotional costs are included in "Selling, General And Administrative" expenses in the accompanying "Statements Of Operations".

(10) Use Of Estimates - The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE A: **Nature Of Business And Summary Of Significant Accounting Policies** - (Continued)

(11) New Pronouncements - In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *"Revenue from Contracts with Customers (Topic 606)"*. The ASU establishes a comprehensive revenue recognition standard for virtually all industries in accounting principles generally accepted in the United States of America, including those that previously followed industry-specific guidance, such as the real estate, construction, and software industries. The ASU core principle is to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. During 2014-2016, the FASB has issued various amendments to this topic and the amendments clarified certain positions and extended the implementation date until annual periods beginning after December 15, 2018. Early adoption is permitted, but no earlier than periods beginning after December 15, 2016. The Company is currently evaluating the impact of the provisions of these pronouncements on the presentation of its financial statements.

In February 2016, the FASB issued ASU 2016-02, *"Leases (Topic 842)"*. ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous standards. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of asset not to recognize lease assets and lease liabilities. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, early application is permitted. The Company is currently evaluating the impact of the provisions of ASU 2016-02 on the presentation of its financial statements.

NOTE B: **Concentrations** - The Company maintains its cash account in a financial institution. The account at this institution is insured by the Federal Deposit Insurance Corporation up to $250,000 for 2018, 2017 and 2016. The amount of uninsured cash balances at this institution was $574,000, $633,000, and $394,000 for the years ended December 31, 2018, 2017, and 2016, respectively.

The company incurred 33 percent of its total purchases from two vendors during 2018. During 2017, 17 percent of its total purchases came from 1 vendor and 23 percent of its total purchases came from two vendors during 2016. At December 31, 2018, 2017, and 2016, payable amounts are current with these vendors.

NOTE C: **Prepaid Expenses And Other Current Assets** – At December 31, 2018, 2017, and 2016 prepaid expenses and other current assets include a restricted cash account for Advertising Fund contributions. The balance of the restricted cash account was $87,000, $143,000, and $155,000, respectively.

NOTE D: **Provision For Income Taxes** – The Company has adopted the provisions of Accounting Standards Codification Topic 740-10, *Accounting for Uncertainty in Income Taxes,* (ASC740-10). As of December 31, 2018, 2017 and 2016, the unrecognized tax benefit accrual was zero.

The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense, if incurred.

The Company undergoes an annual analysis of its various tax positions, assessing the likelihood of those positions being upheld upon examination with relevant tax authorities, as defined by ASC 740-10.

At December 31, 2018, 2017, and 2016, the components of the provision for income taxes reflected in the "Statements Of Operations" are as follows:

	2018	2017	2016
Current:			
State, net	$ 22,000	$ 22,000	$ 31,000
Foreign	7,000	7,000	4,000
	29,000	29,000	35,000
Deferred:			
State	-	-	-
State And Foreign Income Taxes	$ 29,000	$ 29,000	$ 35,000

NOTE E: **Commitments And Contingencies**

(1) Litigations – The Company experiences routine litigation in the normal course of its business. Management does not believe that any pending or threatened litigation will have a material adverse effect on its financial statements.

NOTE E: **Commitments And Contingencies**

(2) Indemnities And Guarantees – During the normal course of business, the Company has made certain indemnities and guarantees under which it may be required to make payments in relation to certain transactions. These indemnities include certain agreements with the Company's officers, under which the Company may be required to indemnify such person for liabilities arising out of their employment relationship. The duration of these indemnities and guarantees varies and, in certain cases, is indefinite. The majority of these indemnities and guarantees do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated to make any payments for these obligations and no liabilities have been recorded for these indemnities and guarantees in the accompanying balance sheets.

(3) Purchase Commitment - In September 2018, the Company entered into a 5 years $2,300,000 minimum commitment with one of its suppliers. At December 31, 2018 the amount remaining on this commitment was $2,033,000. The Company entered into a similar agreement in 2015 with the same supplier. At December 31, 2017 and 2016 the amount remaining on that commitment was $0, and $258,000, respectively.

NOTE F: **Related Party Transactions** – In 2018, 2017, and 2016, the Company made repayments of $2,850,000, $1,355,000, and $1,050,000, respectively of capital contributions provided by its Parent.

During the years ended December 31, 2018, 2017 and 2016, the Parent and other affiliates incurred certain costs related to selling, general and administrative expenses on behalf of the Company. At December 31, 2018, 2017 and 2016, total amounts that had not been repaid was $14,000, $13,000, and $5,000, respectively, which are included in "Due To Affiliates" in the accompanying "Balance Sheets".

Included in "Selling, General and Administrative" expenses for the years ended December 31, 2018, 2017 and 2016 are $4,000, $2,000, and $3,000, respectively, of costs incurred by the Company and paid to Summit Marketing Communications, a wholly owned subsidiary of the Company's Parent, for advertising agency services provided.

The Parent provides certain administrative support functions of the Company and did not charge any management fees for the years ended December 31, 2018, 2017 and 2016.

NOTE F: **Related Party Transactions** – (Continued)

The Parent charged the Company $9,000, $8,000, and $8,000, respectively for printing related expenses in 2018, 2017 and 2016 which are included as part of "Selling, General and Administrative" expenses in the accompanying "Statements Of Operations".

NOTE G: **Employee Benefit Plan** - The Company sponsors a qualified 401(k) plan for all eligible employees. In addition, the Company, at the option of the Board of Directors, may make a discretionary contribution to the Plan, subject to the limit prescribed by law. The Company's expenses in connection with the Plan were $102,000, $84,000, and $67,000, respectively during the years ended December 31, 2018, 2017, and 2016, which is included in "Selling, General And Administrative" expenses in the accompanying "Statements of Operations."

NOTE H: **Subsequent Events** – Events occurring after December 31, 2018 have been evaluated for possible adjustment to the financial statements or disclosure as of March 19, 2019, which is the date the financial statements were available to be issued.

EXHIBIT "B"

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

California:
Commissioner of Business Oversight
320 W. 4th St., Ste. 750
Los Angeles, CA 90013-2344
(213) 576-7500

Hawaii:

Hawaii Commissioner of Securities,
Dept. of Commerce and Consumer
Affairs, Business Registration Div.
335 Merchant St., Rm. 205
Honolulu, HI 96813
(808) 586-2744

Illinois:
Illinois Attorney General
500 S. 2nd St.
Springfield, IL 62701
(217) 782-4465

Indiana:
Indiana Secretary of State
200 W. Washington St., Rm. 201
Indianapolis, IN 46204
(317) 232-6681

Maryland:
Maryland Securities Commissioner
200 Saint Paul Pl.
Baltimore, MD 21202
(410) 576-6360

Michigan:
Consumer Protection Division
G. Mennen Williams Bldg.
525 W. Ottawa St.
Lansing, MI 48909
(517) 373-7117

Minnesota:
Minnesota Commissioner of Commerce
85 7th Pl. E., Ste. 280
Saint Paul, MN 55101-3165
(651) 539-1600

New York:
New York Secretary of State
One Commerce Plaza
99 Washington Ave., 6th Flr.
Albany, NY 12231-0001
(518) 473-2492

North Dakota:
North Dakota Securities Commissioner
600 E. Boulevard Ave., 5th. Flr.
Bismarck, ND 58505
(701) 328-4712

Rhode Island:
Director, Rhode Island Department of
Business Regulations
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota:
Division of Insurance
Securities Regulation
124. S. Euclid Ave., Ste. 104
Pierre, SD 57501-3168
(605) 773-3563

Virginia:
Clerk, Virginia State Corporation Commission
1300 E. Main St., 1st Flr.
Richmond, VA 23219
(804) 371-9733

Washington:
Dept. of Financial Institutions
Securities Division – 3rd Flr.
150 Israel Rd. SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:
Administrator, Wisconsin
Division of Securities
4822 Madison Yards Way, North Tower
Madison, WI 53705-9100
(608) 261-9555

In all other states, you may serve TeamLogic IT® at the following address:

Attn: President, TeamLogic, Inc., 26722 Plaza, Mission Viejo, CA 92691.

EXHIBIT "C"

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TeamLogicIT®
Your Technology Advisor

TEAMLOGIC IT OPERATIONS MANUAL

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EXHIBIT "D"

FRANCHISE AGREEMENT

TeamLogic IT® Business #_____
Contract Date:_____
Date Executed by Franchisor
Expiration Date:_____

FRANCHISE OFFERED:

TeamLogicIT®
Your Technology Advisor

The Parties to this Franchise Agreement are:

FRANCHISOR: TeamLogic, Inc.
a California corporation
26722 Plaza
Mission Viejo, CA 92691

AND

FRANCHISEE: _____

_____

_____

HOME ADDRESS: _____

_____

_____

TELEPHONE NUMBER: _____

TERRITORY DESIGNATION
(with map attached)

TeamLogic IT® BUSINESS NUMBER: _____

The following is a description of Franchisee's territory, if any, as outlined on the attached map. The physical boundaries as represented by the written description and shall remain the territory for the term of the Franchise Agreement in the event street names, city borders, or zip codes become obsolete or change.

SAMPLE

BUSINESS ADDRESS: _____

_____

_____

TEAMLOGIC, INC.
FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

This TeamLogic IT® Franchise Agreement is entered into between TeamLogic, Inc., a California corporation (hereinafter "Franchisor") and the undersigned (hereinafter "Franchisee"), with reference to the following facts:

RECITALS

A. Franchisor has developed and is engaged in the ongoing development and operation of a "System" (as defined in Section 1 hereof) under certain Trademarks (as defined in Section 1 hereof) operated in accordance with the provisions of this Agreement and Franchisor's "Operations Manual" (as defined in Section 1 hereof), as it may be amended.

B. Franchisor grants to persons that meet Franchisor's qualifications, and are willing to undertake the investment and effort, a franchise to operate a TeamLogic IT® Business (as defined in Section 1 hereof) and to utilize the System.

C. Franchisor is the sole and exclusive owner of all proprietary and other rights and interests in and to the trade names and trademarks, "TeamLogic IT®," and all other names, phrases and logos associated with or having acquired a secondary meaning by use with the TeamLogic IT® network and all variations, similarities and likenesses together with signs, emblems, insignia, color schemes and patterns used and/or associated with, or as part of, the TeamLogic IT® System; Franchisor also owns proprietary rights in a number of trade secrets such as operations manuals, instruction materials, compilations, vendor terms and contact information, information, knowledge and know-how, business and marketing processes and methods; and

D. Franchisee desires to acquire the right to become a part of the TeamLogic IT® network and use the TeamLogic IT® System, trademarks, trade names and trade secrets in connection with the operation of a TeamLogic IT® Business.

Acknowledging the above recitals, the parties mutually agree as follows:

SECTION I.
DEFINITIONS

1. The following terms shall have the following meanings when they appear capitalized in this Agreement.

Business – The term "Business" shall mean the business operations of the TeamLogic IT® Franchise subject to this Franchise Agreement.

Client Management Tools – The term "Client Management Tools" shall mean the collection of any and all software systems and other online or offline data repositories that store customer information and data including client's contact information, sales information, service history, and more.

Core Services –Franchisor will maintain a list of the products and services that are considered to be standard and that all TeamLogic IT® Franchisees must offer their clients, "Core Services." This list will be used for marketing materials and sales efforts. It is the responsibility of the Franchisee to ensure that they have the technical skills on staff to perform all Core Services. This list may be modified from time to time.

Franchisee Intranet Site – The Franchisee Intranet Site supports the business operations of TeamLogic IT® franchisees. This site facilitates communication between the franchisees and franchisor. It is a repository for documentation, articles and forms related to all aspects of a TeamLogic IT® Business that a franchisee may need from time-to-time and is accessible 24/7/365. The components making up the Franchisee Intranet Site may be modified or changed by Franchisor as needed.

Gross Sales – Except as provided below, the term "Gross Sales" shall mean all sales by your Business (for all services, labor charges related to the installation of hardware or software, including buyouts), revenues from all SystemWatch IT® Managed Services, Core and Non-Core Services, whether for cash, check, credit, financed, leased or barter, and without deduction for failure to collect. Gross Sales does not include revenue from the sale of hardware or software and associated sales or use tax ("Product"), unless such hardware or software is sold as a service.

Network – The term "Network" shall mean all of the TeamLogic IT® franchisees and any Franchisor-owned TeamLogic IT® locations.

Non-Core Services – The term "Non-Core Services" shall mean, in addition to the Core Services listing of products and services, additional IT-related services that Franchisee may offer their clients, assuming Franchisee can perform these services either through a brokered agreement or by qualified on-staff technicians.

Operations Manual – The term "Operations Manual" shall mean the proprietary manual containing policies and procedures to be adhered to by Franchisee in performing under this Agreement, including all updates and supplements provided to Franchisee by Franchisor.

Product - A "Product" is defined as hardware or software or other technology in which the ownership for the technology is moved to the customer and the transaction is handled as a single event, and the Product is not sold as a service.

Professional Services Automation - The term "Professional Services Automation" shall refer to the software system which Franchisee shall use to operate, record and manage all business operational activity.

Proprietary Information – The term "Proprietary Information" means all information deemed confidential by the Franchisor, including its trade secrets which are contained within the System (defined below) and are not generally known to the public, such as survey results, know-how, compilations, methods, techniques, "best practices" and processes that are gathered, assimilated and made available to Franchisee specifically to gain an advantage over their competitors or to be more successful in their Business. Proprietary Information made available to the Franchisee, and not to the public, shall be deemed confidential and will be protected by Franchisee.

Service – A Service is recurring revenue that has the ownership of the technology residing with someone other than the end user or customer, including, but not limited to, software as a service (SaaS) and hardware as a service (HaaS). The customer procuring the services does not generally, except by exclusive contract, obtain exclusive ownership. Service also includes consulting, labor and installation charges to the customer.

System – The term "System" shall mean the comprehensive marketing, sales, financial, technology and employee management systems prescribed by Franchisor, to be used in the conduct of the Business in this Agreement and the Operations Manual, as amended from time to time. All elements of the System are confidential and proprietary and are considered trade secrets, and belong to Franchisor. Franchisee shall not receive any rights to the System other than a conditional license to use the System outlined herein. The

System shall include, among other things, the Trademarks, Core Services, Non-Core Services, the Operations Manual, the Franchisee intranet site, and all Franchisor-produced advertising, marketing and sales programs, methods and techniques, vendor compilations, knowledge and know-how, survey results, customer and customer data obtained utilizing the System, TeamLogic IT® websites, URL's and domain names. In its sole discretion, Franchisor may improve and/or change the System from time to time for the intended purpose of making the System more effective, efficient, economical, or competitive.

SystemWatch IT® Managed Services – SystemWatch IT® is Franchisor's branded Managed Services offering. The TeamLogic IT® Managed Services solution consists of a variety of integrated services including technology that will proactively monitor the clients' IT infrastructure, help detect problems and provide remote control access. Additionally, the Network Operations Center (NOC) provides proactive technical support, the Help Desk/Service Desk provides reactive end-user technical support and activity management, and the Business Continuity solutions provide back-up and disaster recovery and account management support. Franchisor's Managed Services solution provides reports on performance optimization of the clients' systems regardless of whether the clients' technology is premised-based, in the cloud or a combination (hybrid). The revenue generated from these SystemWatch IT® Managed Services each month will be recurring revenue for the Franchisee.

Territory – The term "Territory" shall mean that designated geographical area defined on the Territory Designation Sheet.

Trademarks – The terms "Trademarks" shall mean the proprietary marks owned by Franchisor and registered or pending registration with the United States Patent and Trademark Office, and common law trademarks and service marks, trade names, logos, tag lines, descriptors, designs and other commercial symbols which Franchisor now uses, or uses in the future to identify the TeamLogic IT® Business.

SECTION II.
GRANT OF FRANCHISE

2.1 Grant of Franchise. Subject to the terms of this Agreement, Franchisor hereby grants and the Franchisee does hereby accept a franchise to operate one (1) TeamLogic IT® Business office space within Franchisee's territory throughout the term of this Agreement. Franchisee further agrees to continuously operate the Business only under the brand name TeamLogic IT® throughout the term of this Agreement, and will not operate any other business under any other trademark, service mark, name or license, except that of a TeamLogic IT® Business, at said franchised location during the term of this Agreement, without prior authorization from Franchisor.

2.2 License of Trademarks. Franchisor hereby grants to Franchisee the right, during the term hereof, to use and display the Trademarks in accordance with this Agreement and the Operations Manual, solely in connection with the operation of the Franchised Business. Franchisee acknowledges that the Trademarks are the exclusive property of Franchisor and Franchisee does not, and will not in the future, assert any claim to any goodwill, reputation, or ownership of the Trademarks virtue of Franchisee's use thereof. The rights granted herein by Franchisor is a non-exclusive, revocable, royalty-free license.

2.3 Access to Franchisee Intranet Site. Franchisor hereby grants to Franchisee conditional and non-exclusive access to use and utilize the then current Franchisee Intranet Site in connection with the TeamLogic IT® Business, for the term of this Agreement and only as authorized by Franchisor.

SECTION III.
PAYMENTS BY FRANCHISEE

3.1 Initial Franchise Fee. Concurrently with the execution of this Agreement, Franchisee shall pay to Franchisor a non-refundable Initial Franchise Fee in the amount of $45,000. If Franchisee qualifies for a Vet★Fran discount, the Initial Franchise Fee is $40,000. For multiple franchise purchases, the Initial Franchise Fee is $45,000, unless the multiple franchise will belong to a veteran in which the Franchise Fee would be $40,000. For a conversion franchise, the Initial Franchise Fee is $45,000.

3.2 Software License Fees. The annual software licenses fees are between $2,100 and $3,500 (subject to change), depending on the particular software, and a portion of the fees is payable to Franchisor and billed to franchisee on a monthly basis. The Professional Services Automation ("PSA") software fees are payable to Franchisor.

3.3 Minimum and Continuing Franchise Fees. Franchisee shall pay to Franchisor or its designees a Continuing Franchise Fee equal to seven percent (7%) of Franchisee's monthly Gross Sales (as defined in Section 1), subject to the monthly minimums stated below. Continuing Franchise Fees are collected electronically on a monthly basis via automatic withdrawal from a pre-authorized account, without deduction for failure to collect from Franchisee's clients. No offset is permitted against Continuing Franchise Fees for amounts due or allegedly due Franchisor by Franchisee.

3.4 Minimum Advertising Fees. Franchisee shall pay to Franchisor or its designees a monthly Advertising Fee equal to the greater of (a) 1.2% of the Business's monthly Gross Sales, or (b) $200 per month. The Advertising Fee is collected electronically on a monthly basis via electronic withdrawal from a pre-authorized account. The minimum monthly fee of two hundred dollars ($200) is waived for the first six (6) months of operation, subject to Section 3.6, (beginning the first day after the first full month following completion of training or sooner, or the month the Franchisee takes over the business ownership). These amounts will be deposited in an Advertising Fund and used by the Franchisor to conduct advertising, public relations, and promotional programs designed to develop brand awareness and build sales volumes of all TeamLogic IT® Businesses on a Network-wide basis and not in any specific geographic area. Methods and media employed, contents of advertising, and terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of Franchisor. Franchisee shall not offset any advertising fees based upon Franchisee's dislike or non-use of the marketing and advertising programs and materials created from the Network-wide Advertising Fund. No offset is permitted against advertising fees for amounts due or allegedly due Franchisor by Franchisee. Franchisor does not guarantee that the Network-wide advertising will appear in Franchisee's geographic area in proportion to Franchisee's specific contributions in any given year. The purpose of the Advertising Fund is to promote the brand on a national basis. Franchisor reserves the right to allocate no more than 20% of the Advertising Fund revenue for its general administrative expenses, including, without limitation, collection agency fees and expenses incurred in collecting the Funds from past and present franchisees.

3.5 SystemWatch IT® Managed Services Fees. Franchisee shall pay to Franchisor a fee on all SystemWatch IT® Managed Services Remote Monitoring and Management (RMM) Software agents used directly or indirectly by the franchisee. Currently, fees paid to Franchisor range from six dollars ($6) down to three dollars ($3) per RMM agent per month depending on volume, and may change from time to time. In order to maintain consistency and integrity of Franchisor's managed services solution, all core remote monitoring and management software agents must be purchased from and are payable to Franchisor. Upon

prior approval, software agents may be purchased from an approved supplier Franchisor designates. If Franchisee wants to use or sell any equivalent or subset of remote monitoring and management software, Franchisee must obtain Franchisor's prior written approval to use or sell the equivalent or subset RMM tool.

Franchisee must maintain SystemWatch IT® Managed Services on a minimum of three (3) computers in Franchisee's Business and pay the associated monthly fees. SystemWatch IT® Managed Services fees are collected on a monthly basis via electronic withdrawal from a pre-authorized account, on the last business day of the month for all SystemWatch IT® Managed Services agents in place at the end of the prior month, without deduction for failure to collect from Franchisee's client. No offset is permitted against any other amounts due or allegedly due Franchisor by Franchisee.

3.6. Monthly Minimums. Beginning with the first day after the first full month following completion of training, or sooner ("open date"), or the month Franchisee takes over ownership:

Months in Business	Combined Monthly Minimums
First 12 months	$0.00
Months 13 to end of franchise agreement	$ 1,000.00

3.7 E-Mail Hosting Fee. Franchisee shall pay to an approved outside vendor a monthly, e-mail hosting fee based on the number of Franchisee's email addresses. The current email address fee ranges from $3.36 to $16.80 per email user per month and is subject to change.

3.8 Interest on Delinquent Charges. If Franchisee fails to pay Franchisor any amount when due under this Agreement, or any other agreement with Franchisor, Franchisee must pay interest on the delinquent amount at the California Judgment Rate, currently 10%, or the maximum rate permitted by any applicable law. In addition, Franchisee shall pay any expenses incurred by Franchisor in the collection of such delinquent amounts.

3.9 Multi-Factor Authentication Fee. Utilized to remotely access your clients' network. Collected electronically by us, $10 monthly.

SECTION IV.
OBLIGATIONS OF FRANCHISOR

4.1 Pre-Opening Obligations. Prior to the opening of your TeamLogic IT® Business, TeamLogic will:

a. Provide one copy of our proprietary Operations Manual and provide updates and changes to the Operations Manual, which may be provided for you electronically. This Manual is confidential and remains TeamLogic's property. TeamLogic may modify, add to, or delete from the manual; the modifications will not alter your status or rights under the Franchise Agreement.

b. Award a Territory. A review of Franchisee's preferred market area will be conducted to determine if the territory is available and if it meets the business count requirements of the Franchisor for a TeamLogic IT® Business.

c. Provide Initial Training. This Initial Training includes up to 6 days of classroom instruction

at TeamLogic headquarters in Mission Viejo, California, and up to 26 hours of pre-opening training and 8 hours of post-opening training online and through webinars and phone consultation. The objective of the Initial Training is to train you in the four operating systems for your Business: Technology Management, Employee Management, Marketing and Sales Management, and Financial Management. The Initial Training must be scheduled and completed within two (2) months after signing the Franchise Agreement. Franchisee and any appropriate management personnel must take this training prior to the opening of the TeamLogic IT® Business. Your Franchise Fee, or the Transfer Fee, pays for the Initial Training at Franchisor's headquarters for up to two people, including travel, 1 hotel room (double occupancy) and some meals. The second person can have up to one year after the signing of the Franchise Agreement to attend Initial Training with these costs covered by the Franchise Fee or the Transfer Fee, except for the hotel room, which is at the Franchisee's expense. Attendance by the second person at Initial Training after one year will be at the Franchisee's expense. The Franchise Fee, or the Transfer Fee, is not refundable or pro-rated. Additional trainees beyond two (2) must pay the current training fee for the Initial Training, as well as transportation, lodging, meals, and any additional expenses.

d. Provide signage specifications for any TeamLogic IT® office space location. The latest version of signage specifications including layout and color options will be made available to help you prepare the most appropriate layout to meet the requirements of your landlord or building management firm.

e. Provide artwork and guidance for the vehicle signage. It is important that consistency of vehicle signage and graphics be maintained throughout the TeamLogic IT® Network in order to build brand awareness as the network grows.

f. Provide you with specifications for the required hardware and software you will need to operate your TeamLogic IT® Business.

g. Provide the specifications for required third-party vendor software licenses. To operate your TeamLogic IT® Business, you must have several software licenses. These specific licenses may change from time to time as the vendor's upgrade/modify their software licenses. Franchisor will provide Franchisee with the specific list and accompanying costs of the necessary current versions, which are available at the time, you sign this Agreement. Franchisor does not develop or license its own proprietary software but may do so in the future. Franchisor does not make any warranties or guaranties upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, for any third-party software.

h. Provide training on our Professional Services Automation software database. TeamLogic will ensure that you have the proper access to training for you to use this software system that will help you manage the day-to-day operations of your TeamLogic IT® Business as well as enable you with the tools you will need to track and engage your clients with the SystemWatch IT® Managed Services.

4.2 Continuing Obligations. Once your TeamLogic IT® Business is open, TeamLogic will:

a. Provide you with current available resources, that include:

- Consulting and assistance by TeamLogic support representatives, including sales support, technical support, and marketing and operations support;
- Provide research and evaluation of technical products, services and vendors, including but not limited to servers, security, storage, backup and networking;
- Toll-free support line for telephone consulting;
- Marketing materials and assistance;

- Seminars and webinars;
- Franchisee blog;
- Advice and information about new developments in the computer consultation, repair and managed services industry;
- Advertising materials;
- Access to the Franchisee Intranet Site;
- Provide access to the Professional Services Automation software;
- End-user Help Desk and NOC; and
- IT Consulting/Strategic Advice.

b. Administer the Network-wide Advertising Fund.

c. Provide the initial supply of sales, marketing, and advertising tools and materials for Franchisee to use to implement the TeamLogic IT® Marketing and Sales Management System in Franchisee's area. The initial supply is intended to last for the first three months of the Business operation. Additional tools and materials will be available if desired by Franchisee for ordering and purchases through Franchisor's marketing department or outside vendors, on an as-needed basis.

d. Provide an Initial 12-Month Marketing Program consisting currently of direct mail, telemarketing, search engine marketing, and email marketing, subject to change. Franchisee must sign up for the Initial 12-Month Marketing Program directly with TeamLogic approved vendors using a credit card. For the first 3 months, TeamLogic will pay the cost of this Marketing Program and Franchisee will not be required to spend the minimum $2,000 per month on local marketing described in section 6.4 of this Agreement. Franchisee must pay the cost for the remaining 9 months of this Marketing Program, which cost ranges from $2,000 to $2,400 per month and will satisfy Franchisee's obligation to spend a minimum of $2,000 per month on local advertising. After the Initial 12-Month Marketing Program is completed, Franchisee is required to spend a minimum of $2,000 per month on local marketing.

e. Provide, host and maintain the master website www.TeamLogicIT.com. TeamLogic will also provide a local website with corresponding URL for your business on the master website, as well as the content management tools that you can use to customize your local website.

TeamLogic is not obligated to perform these services to your particular level of satisfaction, but as a function of our experience, knowledge, and judgment.

SECTION V.
TERRITORY AND LOCATION OF BUSINESS

5.1 Territory. Franchisor hereby grants to Franchisee the right to locate the Business from a business office space within the geographical boundaries defined in the Territory Designation Sheet (the "Territory") according to the following conditions:

a. Franchisor shall not, during the term of this Agreement and any renewal hereof, own or operate, or grant a franchise to a third party to own or operate a TeamLogic IT® Business located in the Territory;

b. Franchisee expressly acknowledges and agrees that Franchisor, its parent company, and its

affiliates have and retain the rights, among others to: (i) own and/or operate a TeamLogic IT® Business located outside of the Territory, (ii) grant a franchise, or other rights, to third parties to own and/or operate TeamLogic IT® Businesses located outside of the Territory, (iii) directly or indirectly market and/or sell, within or outside the Territory, products and services that are not sold through TeamLogic IT® Businesses, whether or not they use the Trademarks, (iv) maintain other existing brand locations offering the same or similar products and services as a TeamLogic IT® Business in the Territory (but Franchisor will not open or franchise any additional locations of the other brand in the Territory), and (v) market and negotiate pricing for National Accounts, as described below, within or outside the Territory;

c. The Territory is usually designated by street description with a map and will be identified in the Territory Designation Sheet, which may be identified and completed after the Franchise Agreement is signed; and

d. The Territory shall not be construed as a limitation on Franchisee's marketing, or on the clients Franchisee may serve (except for National Account clients, as defined in Section 9 below), and Franchisee may service clients located in another franchisee's Territory (except for National Account clients), and other franchisees may service clients in your Territory (except for National Account clients).

5.2 Business Location. Franchisee is required to obtain an office space business location within the Territory. Franchisee must maintain such business location, approved by Franchisor, throughout the term of the Franchise Agreement.

5.3 Relocation. Franchisee must request Franchisor's approval to relocate its Business. Franchisee must make a written request to Franchisor at least thirty (30) days prior to any relocation, for Franchisor's approval, which will not be unreasonably withheld. Franchisor will notify Franchisee in writing of its approval or disapproval. Franchisee may not relocate outside its Territory or inside another TeamLogic IT® franchisee's Territory.

SECTION VI.
FRANCHISEE'S OBLIGATIONS FOR MAINTENANCE AND OPERATION OF BUSINESS

6.1 Authorized Sales and Services. Franchisee is authorized and obligated to sell TeamLogic IT® products, services, and equipment including Core Services, Non-Core Services, and SystemWatch IT® Managed Services in accordance with this Agreement and the Operations Manual.

6.2 Technician. Prior to opening and operating the Business, and at all times during the conduct of the Business, Franchisee must have a minimum of one (1) qualified technician. Franchisee may hire this technician as an employee or use other resources, such as an independent contractor or an employment agency (subject to applicable labor laws). Within 90 days after opening the business, and for the term of the Franchise Agreement, the Franchisee must have a minimum of one (1) technician that is a Kaseya Certified Administrator (KCA).

6.3 Vehicle Signage/Graphics. Prior to opening and operating the Business, Franchisee is required to obtain, at a minimum, approved vehicle signage, or, at Franchisee's option, the graphics for any leased or personal vehicle to be used in the Business using any approved vendor, at Franchisee's cost.

6.4 Local Marketing. Franchisee shall spend a minimum of $2,000 per month on local marketing, except

for the first 3 months as described in section 4.2.d of this Agreement.

6.5 Training. Prior to opening the Business, Franchisee must attend and successfully complete Franchisor's Initial Training.

6.6 Bank Account. Prior to the opening date, the Business Franchisee must establish a bank account for the TeamLogic IT® Business that will allow electronic transfer of funds with Franchisor's account; and shall execute all documents necessary to set up such preauthorized transfers.

6.7 Maintenance and Repairs. Franchisee must at all times maintain the Business location and any vehicle used in the Business in a clean, orderly condition and in accordance with all maintenance and operating standards in the Operations Manual. Franchisee must make all repairs, upgrades, and replacements, at Franchisee's expense, as Franchisor deems reasonably necessary.

6.8 Equipment. Franchisee must at all times maintain equipment for providing the services of the Business in accordance with the specifications prescribed by Franchisor from time to time. The current required equipment is: three (3) computers, including at least one laptop. In addition, each technician that is hired must have a smartphone. The other equipment that the Business will need is a telephone system that is capable of forwarding calls to remote numbers and has a voicemail system that can be easily accessed from the field. This equipment may be obtained from any source. Franchisee must upgrade such equipment whenever necessary in order to maintain adherence to the specifications set out by Franchisor.

6.9 SystemWatch IT® Managed Services. SystemWatch IT® is Franchisor's branded Managed Services offering. In order to maintain consistency and integrity of Franchisor's managed services solution, all core remote monitoring and management software agents must be purchased from and are payable to Franchisor. Upon prior approval, software agents can be purchased from an approved supplier Franchisor designates. The naming configuration/branding assigned to Franchisor's Managed Services solution has no bearing on the requirement to purchase the software agents from Franchisor. If Franchisee wants to use or sell any equivalent or subset of remote monitoring and management software, Franchisee is required to obtain Franchisor's prior written approval and Franchisor may require Franchisee to purchase the equivalent or subset tool from Franchisor.

The TeamLogic IT® Managed Services solution consists of integrated services including technology that proactively monitors the clients' IT infrastructure, helps detect problems, and provides remote control access. Additionally, the Network Operations Center (NOC) provides proactive technical support, the Help Desk/Service Desk provides reactive end-user technical support and activity management, and the Business Continuity solutions provide back-up disaster recovery and account management support. Franchisor's Managed Services solution provides reports on performance optimization of clients' systems regardless of whether the clients' technology is premised-based, in the cloud or a combination (hybrid). Franchisee may charge any price for SystemWatch IT® Managed Services, but Franchisee must use Franchisor's form of Contract and Terms and Conditions. Franchisee may modify the Franchisor's Contract or Terms and Conditions, or create its own contract or own terms and conditions, with the prior written approval from Franchisor.

6.10 Operations Manual. Franchisee shall operate the Business in accordance with the Operations Manual, a copy of which shall be loaned to Franchisee at training. Franchisor has the right to modify the Operations Manual at any time by addition, deletion, or other modification. All such additions, deletions, or modifications may be posted on the company intranet and shall be effective three (3) business days after

such posting. Franchisee shall timely implement and adhere to all modifications. Franchisee acknowledges that the Operations Manual contains trade secrets and confidential information and Franchisee may not disclose such information to any other person except employees and agents of Franchisee. Franchisee shall regularly check the Franchisee intranet site for such modifications.

6.11 Professional Services Automation Software. Franchisee understands and agrees Franchisee shall operate, record and manage all operational Business activity through the Professional Services Automation software. The monthly fees for the Professional Services Automation software are payable to Franchisor. Franchisee must utilize this system for, among other things, scheduling of all sales appointments, customer service and repair history, and technician scheduling. Franchisee must purchase and maintain other general third-party software licenses, such as QuickBooks. These specific licenses may change from time to time as the vendors upgrade/modify their software. Franchisor will provide Franchisee with the specific list and accompanying costs of the necessary current versions, which are available at the time Franchisee signs this agreement. Franchisor does not make any warranties or guaranties upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, for any third-party software.

6.12 Reporting Sales to Franchisor. Franchisee shall report to Franchisor by the seventh (7^{th}) calendar day of the following month, all Gross Sales, as well as hardware and software sales, on forms and methods approved by Franchisor, as outlined in the Operations Manual or elsewhere, and which may change from time to time.

6.13 Internet and Website. Franchisee must have and maintain, at its expense, high-speed Internet access. Prior to opening and operating the Business, Franchisor will assign a website URL to the Business. Upon opening the Business, a standard TeamLogic IT® website will be created for the Business and be linked and available from the Franchisor website (www.TeamLogicIT.com). Franchisee may not maintain a separate website for Franchisee's business without prior written approval from Franchisor. The Franchisee cannot establish and use a different URL address to promote any aspect of the TeamLogic IT® Business without obtaining Franchisor's prior written consent. Franchisee must cease using any URL address which in Franchisor's sole opinion causes, or may cause, confusion among Franchisees, or be misleading or misrepresentative to the origin of the services, even if such URL was previously approved by Franchisor. Franchisee may not buy a domain name to direct web traffic to Franchisee's TeamLogic IT® website or otherwise without Franchisor's prior written consent. All URL's and domain names to be used by Franchisee in connection with Franchisee's TeamLogic IT® Business must be owned by Franchisor and, if approved by Franchisor, will be licensed to Franchisee.

6.14 Credit Cards. Franchisee must accept payment for sales and services from the Business by way of credit cards, including Visa®, MasterCard®, and American Express®, and take all such steps necessary to set up required accounts with those vendors at Franchisee's cost prior to opening the Business.

6.15 Business Insurance. Franchisee must procure, prior to commencing the Business, and must maintain in full force and effect during the term of this agreement, at Franchisee's sole expense, the following insurance coverage, and any other coverage as indicated in the Operations Manual:

a. Comprehensive general liability insurance, including coverage for business operations, contractual liability, personal injury, fire damage, medical expenses, with limits per occurrence for bodily injury and general liability of one million dollars ($1,000,000), and for property damage of three hundred thousand dollars ($300,000);

b. Automobile liability coverage for owned, non-owned, scheduled, and hired vehicles having limits for bodily injuries of one million dollars ($1,000,000) per accident, and property damage limits of three hundred thousand dollars ($300,000) per occurrence;

c. Employer's liability and worker's compensation insurance as required by the state where the TeamLogic IT® Business is located; and

d. Errors and Omissions insurance, including cyber liability insurance, in an amount not less than one million dollars ($1,000,000).

All such coverage will be on an occurrence basis, except for errors and omissions which is on a claims-made basis, and will provide for waivers and subrogation. TeamLogic must be an additional named insured on each policy of insurance. Franchisee must deliver a certificate of insurance evidencing each policy to Franchisor within ten (10) days after each policy is issued or renewed. Each policy must contain a provision that it cannot be canceled without thirty (30) days written notice to Franchisor.

6.16 Compliance with Law. Franchisee must operate the Business in compliance with all federal, state, and local laws, regulations and ordinances including obtaining and maintaining all necessary permits, certificates, licenses and registrations, at Franchisee's expense.

6.17 Covenant Not to Compete. Franchisee must use the System and the Trademarks for operation of the TeamLogic IT® Business only and must not use them in connection with any other operation, business, or activity. Franchisee shall not, during the time of this Agreement, be involved in any capacity, directly or indirectly, or cause any third party to be involved in any capacity, directly or indirectly, in or with any operation, business or activity which provides products and services the same or similar to the products and services of a TeamLogic IT® Franchise within a one hundred (100) mile radius of any TeamLogic IT® location without prior written consent from Franchisor. The foregoing shall not apply to ownership of stock in a publicly held company. Franchisee acknowledges that the use, duplication or disclosure of any part of the System, except as expressly permitted by this Agreement, would constitute an unfair method of competition and that Franchisor and its other franchisees will suffer irreparable injury thereby.

6.18 Confidentiality of the System. Franchisee acknowledges that the System is proprietary and confidential and contains trade secrets. Franchisee shall not disclose or disseminate to any third parties, without the express written consent of Franchisor, any part of the Proprietary Information or System, including but not limited to, the Operations Manual, customer data or customer lists that Franchisee obtains using the System, vendor terms and contact information, processes, know-how, programs, techniques, newsletters, bulletins, or other confidential information that is not readily accessible to the public and provides a competitive or economic advantage to the Business, whether such advantage is tangible or intangible, whether used individually or collectively. Franchisee shall at all times keep these items in a safe place and treat them as confidential. Further, Franchisee agrees not to copy, publish, post or otherwise duplicate any part of the Proprietary Information or the System nor permit others to do so. Some parts of the System, such as contract templates, marketing collateral and content for site posts, are intended to be used with customers or posted on your site, and may be disclosed in the ordinary course of business as necessary and used for the sole purpose of promoting and building your Business. This information may be copyrighted under federal or common laws, and authorship and ownership remains with Franchisor. Franchisor remains the owner of the System and all components thereof. If employees of Franchisee are given access to any part of the System or Proprietary Information, each employee shall be required to

execute a confidentiality agreement, with Franchisor listed as a third-party beneficiary. Failure to obtain a confidentiality agreement from an employee does not limit your liability in respect to protecting the Proprietary Information, and Franchisee shall indemnify Franchisor from employee's improper use of Proprietary Information or System.

6.19 Franchisor's Right to Electronic Access of Records/Inspection and Audit. Franchisee acknowledges that Franchisor has electronic access to most operational aspects of Franchisee's business through the Professional Services Automation software, including but not limited to client identity, appointments, invoicing, technician scheduling, etc. Franchisee shall not take any steps to block or disengage Franchisor's access in any manner. Franchisor will not use the information gained through the Professional Services Automation software for any purposes not connected to the TeamLogic IT® System. Franchisee acknowledges that Franchisor may use this information for internal audit purposes of Franchisee's Business, and may also conduct on site audits and inspections as well, during reasonable hours upon reasonable notice. Any discrepancy between the on-site information and the online information shall be reconciled accordingly. Costs of audits, which result in discrepancies of sales revenues under-reported to Franchisor, will be borne by Franchisee; if discrepancy is more than 2%. In addition, Continuing Franchise Fees and Advertising Fees shall be immediately due on all under-reported sales.

6.20 Financial Statements. Franchisee is required to submit to Franchisor a monthly financial statement to include a balance sheet and a profit and loss statement by the 25th day of the month following the end of each month. Franchisee is required to submit to Franchisor an annual year-end financial statement by March 15th for the prior calendar year.

SECTION VII.
TERM

7.1 Initial Term. The initial term of this Agreement shall be for ten (10) years from the date TeamLogic, Inc. signs this Agreement.

7.2 Additional Terms. Franchisee shall have the right to extend the TeamLogic IT® Franchise Agreement for additional ten (10) year terms upon the following terms and conditions:

a. Franchisee must notify Franchisor of its intent not to renew not less than six (6) months and not more than twelve (12) months prior to the expiration of this Agreement;

b. Franchisee must not be in material default of this Agreement or any other agreement with Franchisor;

c. Franchisee must be current with all monetary obligations to Franchisor, its affiliates, approved vendors, or other TeamLogic IT® Franchisees;

d. Franchisee must execute Franchisor's then current form of Franchise Agreement, which may contain terms and conditions materially different from those in this Agreement;

e. Franchisee must pay a two thousand dollar ($2,000) franchise renewal fee;

f. Franchisee must satisfy Franchisor's then current qualifications and training requirements for new Franchisees, at franchisee's expense;

g. Franchisee must bring the TeamLogic IT® Business location, vehicle signage and any graphics up to current standards for look, design, and function as is required of all new TeamLogic IT® Franchisees; and

h. Franchisee must execute a general release, in the form prescribed by Franchisor, of any and all claims against Franchisors and its officers, affiliates and agents.

SECTION VIII.
TRADEMARKS

8.1 Use of Trademarks. Franchisee must use the Trademarks in connection with the operation of the TeamLogic IT® Business in the manner authorized by Franchisor and in no other manner, and must prominently display the Trademarks in the manner as designated by Franchisor and may not use other trademarks, service marks, logotypes, trade dress, product identifiers, tag lines, etc., other than the Trademarks, as designated from time to time.

8.2 Corporate Name. Franchisee may not use the name "TeamLogic IT®" (or any substantially similar name) or "SystemWatch IT®" or any of the Trademarks now or hereafter utilized by Franchisor as a part of the legal name of Franchisee's corporation or other entity, but must obtain the fictitious or assumed name registrations that may be required under applicable law. Franchisee must be identified as the owner of the Business by displaying Franchisee's legal name on all licenses and permits for the Business and on all checks, invoices, receipts, contracts, and other documents that bear any of the Trademarks. On all printed materials, Franchisee's name must be followed by the phrase "An independently owned and operated franchise of TeamLogic, Inc." or such other phrase as designated from time to time. In addition, use of the Trademarks must be accompanied by the registration®, service mark℠, trademark™ or other symbol, as designated by Franchisor, in close proximity to the Trademarks.

8.3 Franchisor Retained Rights. Franchisee's usage of the Trademarks granted hereunder is nonexclusive, and Franchisor retains the right to, among other things: (a) use the Trademarks in connection with selling products and services; (b) grant other licenses for the Trademarks, in addition to those licensees already granted to existing franchisees; (c) develop and establish other systems using the same or similar marks, or any other proprietary marks, and (d) grant licenses or franchises in those systems without providing any rights to Franchisee.

8.4 Acts in Derogation of the Trademarks. Franchisee agrees that it will not, and its employees and agents will not, do or permit any act or thing to be done in derogation of any of the Trademarks nor engage in any acts or conduct that materially impair or impugn the name, reputation, market recognition or goodwill associated with the TeamLogic IT® network, the System or the Trademarks.

8.5 Modification of Trademarks. Franchisor may add to, substitute, modify, or delete any or all of the Trademarks from time to time, by directive in the Operations Manual. Franchisee will accept, use, display, or cease using, as may be applicable, the Trademarks, including but not limited to, any such modified or additional trade names, trademarks, service marks, descriptors, logos, or commercial symbols, at Franchisee's expense.

8.6 Franchisors Rights in Event of Termination. Franchisee's usage of the Trademarks and any goodwill established thereby is to Franchisor's exclusive benefit and Franchisee retains no right or rights in the Trademarks upon the termination or expiration of this Agreement. Upon termination or expiration of this Agreement, Franchisee must completely and permanently discontinue all usage of all of the Trademarks, and Franchisor may, if Franchisee does not do so, execute in Franchisee's name and on Franchisee's behalf any and all documents necessary, in Franchisor's judgment, to end and cause a discontinuance of the use by Franchisee of the Trademarks including any fictitious or assumed name registrations and Franchisor is hereby irrevocably appointed and designated as Franchisee's attorney-in- fact to do so.

8.7 Trademark Infringement Claims and Defense of Trademarks. If Franchisee receives notice or otherwise becomes aware of any claim, suit or demand against it by any party other than Franchisor on account of any alleged infringement, unfair competition or similar matter arising from its use of the Trademarks, Franchisee shall promptly notify Franchisor of any such claim, suit or demand. Franchisor shall determine, in its sole discretion, whether to defend, compromise or settle any such claim, suit or demand at Franchisor's cost and expense, and Franchisee shall cooperate fully in such matter.

SECTION IX.
NATIONAL ACCOUNTS

Franchisee may contract with companies that have a national or multi-location regional presence that may desire TeamLogic IT goods and/or services through a uniform pricing structure for all or many of their locations ("National Accounts" or "National Account").

Franchisees drive and manage the activity of the National Accounts program. Franchisor has provided franchisees with recommended operating guidelines, an inter-company payments schedule, and suggested SLAs. These guidelines are maintained in the TeamLogic IT Operations Manual.

Further, the National Account may use any TeamLogic IT office regardless of geographic proximity to the franchisee. If a franchisee chooses not to participate in a specific National Account program or does not adhere to agreed-upon pricing for the National Account, they may opt-out and that business will be offered to another TeamLogic IT franchisee.

SECTION X.
TERMINATION OF THE FRANCHISE

10.1 Termination With Opportunity to Cure. Franchisor may terminate the Franchise Agreement and Franchise for the defaults for which Franchisee has not cured:

a. Franchisee fails to open the Franchised Business within ninety (90) days of execution of this Agreement, unless approved in writing by Franchisor;

b. Franchisee commits a material breach of the Franchise Agreement or materially defaults in the payment of any indebtedness to the Franchisor or to Franchisee's suppliers arising out of the purchase of supplies or equipment and this default is not cured within twenty (20) days of written notice to Franchisee;

c. Franchisor determines that Franchisee is conducting business in a manner likely to impair the value or reputation of the TeamLogic IT® Network and fails to cure same within seven (7) days written

notice to Franchisee; Franchisee commits three (3) or more defaults in payment to Franchisor within a twelve (12) month period even though cured within the twenty (20) day period on each occasion; and

d. Franchisee loses possession of a Business premises (through no fault of Franchisee) and fails to open for business at a new Franchisor-approved location within ninety (90) days thereafter; or abandons the franchise location and such abandonment remains uncured for seven (7) days after notice by Franchisor (Abandonment is defined to include instances where Franchisee allows his or her Business to remain unmanned and clients remain without service for more than seven (7) consecutive days (other than for a planned vacation), or fails to respond to an email or voicemail of Franchisor within seven (7) days, and such closing is not beyond the control of Franchisee and/or without consent of Franchisor). It shall not be considered abandonment if Franchisee transfers or relocates the assets of the TeamLogic IT® Business without the TeamLogic IT® name or changes the name of the TeamLogic IT® Business and continues the operation. In such case, Franchisor may obtain injunctive relief in an appropriate Court, or elect to hold Franchisee responsible for wrongful repudiation of the Franchise Agreement; and

LAWS APPLYING TO FRANCHISES OF THE STATE WHERE THE BUSINESS IS LOCATED MAY DIFFER FROM THIS AGREEMENT REGARDING DEFAULT, CURE TIME, NON-RENEWAL AND CAUSE FOR TERMINATION. Should any term of this Agreement be contrary to judicially determined public policy or be considered void or inconsistent with the franchise laws of state wherein the Franchisee's Business is located, then any term or portion thereof so void and any inconsistency shall be construed and governed by that state's law to the extent so void or inconsistent.

Where notice of default and demand for performance is not given when and to the extent required, failure to give such notice or demand shall not be a waiver of any other term hereof.

10.2 Termination Without Opportunity to Cure. The Franchisor may terminate the Franchise Agreement immediately without opportunity to cure if:

a. Franchisee becomes insolvent or makes a general assignment for benefit of creditors; a petition in bankruptcy is filed by Franchisee or a petition is filed against Franchisee and consented to by Franchisee; Franchisee is adjudicated bankrupt; a receiver is appointed; or proceedings for composition with creditors is instituted;

b. If Franchisee is convicted of a felony;

c. If Franchisee knowingly maintains false books or records or submits false reports to Franchisor;

d. If Franchisee commits fraud upon Franchisor by making a material misrepresentation on the franchise application or related documents which misrepresentation materially affected Franchisor's determination in accepting Franchisee's application for a TeamLogic IT® Franchise; or

e. Franchisee commits three (3) or more defaults in payment to Franchisor within a twelve (12) month period even though cured within the twenty (20) day period on each occasion; or

f. Franchisee fails to conduct business having Gross Sales greater than two thousand five hundred dollars ($2,500) per week for twelve (12) consecutive weeks (except during the first (1st) twelve (12) months of operation).

g. Franchisor determines that Franchisee is conducting business in a manner likely to impair the value or reputation of the TeamLogic IT® Network and fails to cure same within seven (7) days written notice to Franchisee.

10.3 Effect of Termination by Franchisor. Upon termination, for any reason, or upon expiration of this Agreement, all Franchisee's rights hereunder shall terminate.

a. Trademarks and Proprietary Information. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, Franchisee shall cease any and all use (including Internet use) of the Trademarks and shall remove all items, graphics, signs and other material bearing the Trademarks and any other items identifying Franchisee as having been associated with Franchisor or the TeamLogic IT® System including ceasing to wear apparel bearing any of the TeamLogic IT® Trademarks and removing all Trademarks from any vehicles and any business premises; shall cease to use and shall return to Franchisor all proprietary information, materials with trade secrets, Operations Manuals, advertising and marketing materials, and all other manuals and instruction materials owned by Franchisor as described in other sections of this Agreement whether written or in electronic form; and shall turn over to Franchisor all customer lists and customer data whether written or in electronic form. Should Franchisee fail to voluntarily comply with this section upon demand, Franchisor is authorized to enter the premises without notice and physically remove all signs, emblems, markings, displays, manuals and other items bearing Franchisor's Trademarks and remove all confidential or Proprietary Information, including assigning the customer relationship and/or contract to Franchisor or Franchisor's designated agent, at Franchisee's expense.

b. Telephone listings and numbers. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, all telephone and other online directory identification shall be canceled. Further, all telephone and fax line number(s) servicing the Business shall be disconnected without referral, or at the discretion of the Franchisor, transferred or referred to any other TeamLogic IT® Business owner (or as otherwise directed by Franchisor). Franchisor shall have the absolute right to notify the telephone company and all listing agencies of the termination of Franchisee's right to use all telephone numbers and all classified and other directory listings under the TeamLogic IT® name and to authorize the telephone company and all listing agencies to transfer to Franchisor or to any other TeamLogic IT® Business (or as otherwise directed by Franchisor) all telephone numbers and directory listings for the Franchisee's business. Franchisee acknowledges that Franchisor has the absolute right and interest in and to all telephone numbers and directory listings associated with the TeamLogic IT® brand and Franchisee agrees to cooperate and execute any documentation necessary to effect said disconnection, transfer or referral. Franchisor is hereby appointed as Franchisee's irrevocable Attorney in Fact to effect same in name of Franchisee and Franchisee hereby holds the telephone company harmless from acting on this Power of Attorney, which shall supersede any subsequent instructions by Franchisee. This Agreement is evidence of the exclusive rights of Franchisor to such telephone numbers and directory listings and this Agreement shall constitute the authority for the telephone company to transfer the telephone numbers and directory listings as directed by Franchisor. Franchisee shall not use the disconnected number(s) at any time thereafter.

c. Web Site, Franchisee Intranet Site, E-mail and URL addresses, Internet use and SystemWatch IT®. Upon closing of the business or termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, Franchisee shall cease all internet use of TeamLogic IT® including removing all URLs using any Franchisor's trademarks, including "TeamLogic" or TeamLogic IT® or any variation thereof, or any other URLs used in the Business or licensed to Franchisee by Franchisor for use in the Business. Franchisee is required to terminate the use of and close business listing and/or online

directory accounts, including, but not limited to, Google Adwords, Google+, Google My Business, Google Places for Business, Google Maps, Yahoo, Bing, LinkedIn, Mapquest, Yelp, Merchant Circle, Yellow Pages, Yellowbook, YP, Superpages, Whitepages, DexKnows, Manta, Local.com, Angie's List, Foursquare, Citysearch and Facebook. Franchisee shall initiate a domain transfer process to Franchisor within 5 business days for any such URLs; if Franchisee does not initiate the process, Franchisee grants to Franchisor the right to contact the registrar and initiate a transfer to Franchisor. Franchisee's access shall immediately cease to (i) Franchisor's Intranet web site, (ii) the Franchisor-provided URL address for a Franchisee web site, (iii) the Professional Services Automation software, and (iv) any e-mail addresses with the name TeamLogic IT®. Franchisee acknowledges and agrees that all information contained in or obtained through the Professional Services Automation software regarding Franchisee's clients and Franchisee's TeamLogic IT® Business (the Electronic Information) has been gathered and created under Franchisor's name, System, Trademarks, and Franchisor's good will and therefore belongs to the Franchisor, and upon closing, termination or expiration of the Franchise Agreement, shall revert solely to Franchisor.

d. Franchisee must immediately assign to Franchisor, and allow access to, all SystemWatch IT® Managed Services agents, the Professional Services Automation software, and any other customer relationship management ("CRM") software, or the like (collectively referred to as "Client Management Tools") used in relation to in Franchisee's Business and its past and current customers. Franchisee hereby assigns to Franchisor (such assignment effective only upon closing, termination or expiration of the Franchise Agreement) all Franchisee's interest in and to, Franchisee's Client Management Tools, and in such case Franchisor shall step into the shoes of Franchisee with regard to those Client Management Tools, including any customer contracts, and Franchisee have no further obligation to service such clients, and shall not attempt to service such clients nor purport to represent that it will continue to service such clients. Franchisee acknowledges that Franchisor may further assign its position in the Client Management Tools or customer contracts to any third party without the consent of Franchisee and without any consideration to Franchisee. Franchisee shall not be entitled to any revenues from any software, contracts or relationships after termination or expiration of the Franchise Agreement. Franchisor or its assignee will pay for any ongoing fees associated with any Client Management Tools. Franchisee is not entitled to copies of any of the electronic information and all such copies shall be immediately returned to Franchisor. Franchisor may use such electronic information in any manner in connection with its TeamLogic IT® franchise network.

e. Monies Owed. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, Franchisee shall immediately pay all monies due Franchisor.

f. Client, Supplier Notification. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, Franchisee shall immediately notify all suppliers and clients that, as of the date of termination/expiration of the Agreement, Franchisee is no longer associated with Franchisor and the TeamLogic IT® Network and that such clients will be transferred to a nearby TeamLogic IT® Business (or as otherwise directed by Franchisor). Franchisee shall provide Franchisor with a list of all such suppliers and clients in hard copy, electronic form or in whatever form or media contained, and shall cooperate in an orderly transfer of the client files and client list to the nearby TeamLogic IT® (or as directed by Franchisor). Franchisor shall have the right to notify such suppliers and clients and/or verify that such notification has been given by Franchisee.

g. Non-Competition, Non-Solicitation Agreement. Upon termination or expiration of the Franchise Agreement, the Franchisee shall not be associated directly or indirectly as employee, proprietor, stockholder (other than a publicly traded company), partner, agent, officer, director or consultant with the

operation of any business which is the same or substantially similar to the business covered by this Agreement (except with a TeamLogic IT® Business), within a radius of twenty-five (25) miles of the subject assigned Territory or of any TeamLogic IT® Business for a period of one (1) year from the date Franchisee has complied with all of the above requirements upon termination. For a period of one (1) year from the date of termination, Franchisee shall not solicit, or cause anyone to solicit, business from or make any contact with, the former TeamLogic IT® Business's clients, nor hire, or cause anyone to hire any of the former TeamLogic IT® Business employees. Franchisor shall have the right to enforce this provision by way of obtaining an injunction against Franchisee in the state the Business is located. It is agreed that this provision shall specifically survive the termination of the Franchise Agreement, and the rejection of the Franchise Agreement in any bankruptcy proceeding. Franchisee shall be responsible to pay Franchisor Continuing Franchise Fees and other damages during any period of violation of this section.

h. Prohibited Actions. If Franchisee, or any agent, association, relative, or employee of Franchisee, takes any action to terminate this Agreement or to convert Franchisee's Business to another business at the same or different location (whether during the term or upon expiration or termination of Franchise Agreement), then such action by Franchisee shall be deemed a wrongful repudiation of the Franchise Agreement and Franchisee shall continue to be obligated to the Franchisor for all anticipated and estimated fees due hereunder until such time as this Agreement expires.

SECTION XI.
TRANSFER BY FRANCHISEE

11.1 Consent to Transfer Required. The Franchisee shall not, without the Franchisor's prior written consent, which will not be unreasonably withheld, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey to any person, firm or corporation, or encumber any portion of his interest in this Agreement, and/or in the franchise granted hereby, or in the assets of the business, or in any location lease, or offer to do so, or permit the same, and any purported transfer without Franchisor's consent shall constitute a material default hereunder and shall be null and void.

11.2 Requirements to Obtain Franchisor's Approval of a Transfer. Franchisor may reasonably refuse approval to a proposed transfer unless all the following are met:

a. Transferee must meet those standards of qualification as expected of all Franchisees purchasing a new TeamLogic IT® Franchise;

b. All of Franchisee's debts and obligations owing to Franchisor including Continuing Franchise Fees, Advertising Fees, SystemWatch IT® fees, software license fees, etc., must be paid before or concurrently with the transfer;

c. Franchisee or the transferee must bring the Business and the vehicle signage and/or any graphics up to the current standards of appearances required by the Franchisor;

d. Before the effectiveness of the transfer, Franchisee must pay to the Franchisor the then current non-refundable transfer fee of ~~(~~$10,000. in year 2019). The transfer fee is waived in the event the TeamLogic IT® Business is transferred to a member of Franchisee's immediate family who has actively participated in the operations of the Business;

e. The proposed transferee must attend and complete the training specified in Section 4.1.c;

f. Franchisee must enter into a Transfer Release Agreement (attached as Exhibit "H" to this Disclosure Document) with Franchisor. Franchisee hereby consents to Franchisor releasing any information concerning the Business to the transferee (new Franchisee) which Franchisee has reported to Franchisor; and

g. Franchisor and the transferee must enter into a new Franchise Agreement upon the then current standard form being offered by Franchisor to new Franchisees and the old Franchise Agreement will be deemed terminated subject to all post-termination obligations.

h. Franchisee must pay Franchisor any broker referral or commission fee due as a result ofthe buyer being first referred to Franchisor to purchase a new franchise, but instead decides to buy Franchisees' business after visiting or talking with Franchisee. In such case if Franchisor is contractually obligated to pay the broker, then Franchisor's consent will be reasonably withheld unless Franchisee pays the broker fee as part of the consummation of the sale to the buyer.

11.3 Transfer to a related corporation/limited liability company. A transfer may be made to a related corporation/limited liability company, without a transfer fee, providing that Franchisee shall remain the legal and beneficial owner of at least fifty-one percent (51%) of all the shares of stock of such corporation/limited liability company during the term and/or renewal term of this Agreement and shall personally guarantee the franchise obligations of the corporation/limited liability company and shall remain jointly liable along with the corporation/limited liability company. Further, the names and home addresses of any proposed shareholders/members, along with the percentage and amount of shares/membership interests transferred shall be forwarded to Franchisor in writing. Any transferee of shares/membership interests shall be bound by this Franchise Agreement as though they had signed individually. All stock/membership certificates shall include a legend setting forth these restrictions in order to effect a binding restriction on transferability in accordance with the corporate law of the state in which the corporation/limited liability company is formed. Any such transfer to a corporation/limited liability company shall be effected on forms prescribed by Franchisor. Franchisee may not transfer the assets of the business to a corporation/limited liability company without the prior consent of Franchisor and any purported transfer shall be a violation of the Franchise Agreement; and Franchisor may elect to hold such corporation/limited liability company jointly responsible with Franchisee for the obligations under this Franchise Agreement, as if such corporation/limited liability company originally signed the Franchise Agreement, jointly with Franchisee.

11.4 Indemnity. In any transfer or proposed transfer, in this Section 11, Franchisee indemnifies and holds Franchisor harmless from any and all actions, causes of action, liabilities, losses, costs, expenses and fees, incurred by Franchisor as a result of any action or inaction, or any misrepresentations made by Franchisee to the transferee or proposed transferee in connection with the transfer or proposed transfer of the TeamLogic IT® Business. This indemnification shall survive the termination or cancellation of this Agreement.

11.5 Franchisor's Right of First Refusal. If Franchisee receives and desires to accept from a thirdperson a bona fide written offer to purchase the TeamLogic IT® Business, the Franchisor shall have the option, exercisable within thirty (30) days after written notice and receipt of a copy of such complete offer, to purchase the TeamLogic IT® Business, including any location lease, on the same terms and conditions as offered by said third party. If Franchisor does not respond within such thirty (30) day period, then Franchisor's option

hall be waived. (Franchisee must still obtain Franchisor's approval for the transfer).

11.6 Death of Franchisee. If Franchisee dies, his personal representative may sell and assign his interest herein (or if Franchisee is or shall then be a corporation and its controlling stockholder dies, Franchisee's personal representative may sell Franchisee's shares) only with the prior written consent to sale or assignment to a qualified person who will conform to the Franchisor's training requirements and assume Franchisee's obligations, is of good character and reputation and economic stability, from whom a bona fide offer to purchase has been received, provided the Franchisor shall have the right and option to acquire the decedent's interest in this Agreement and any location lease at said offered price; said option to be exercised within thirty (30) days after the Franchisor is notified in writing of said bona fide offer.

11.7 Unauthorized Transfers. It is agreed and understood that any attempted transfer of only the assets and/or the phone numbers and/or website addresses/URLs of the Business without the transfer of the franchise itself is strictly prohibited and may be voided. Such action may be treated by Franchisor, in its sole discretion, as a wrongful repudiation of the Franchise Agreement by Franchisee, entitling Franchisor to damages which are hereby agreed upon as the amount of the anticipated and estimated Continuing Franchise Fees and SystemWatch IT® Managed Services fees for the remaining term of the Franchise Agreement by utilizing the current Continuing Franchise Fees and SystemWatch IT® Managed Services fees as a base. Alternatively, Franchisor shall have the right to void the purported transfer by way of injunction or restraining order in a State or Federal Court where the Business is located.

SECTION XII.
DISPUTES/ARBITRATION

12.1 Except as provided below, any controversy or claim arising out of or relating to this Franchise Agreement or the breach hereof, including a claim for emergency relief, shall be settled by arbitration with the American Arbitration Association in accordance with the Commercial Arbitration Rules then in effect. The arbitration of any dispute between the parties shall be conducted with regard to Franchisee only and not with regard to any collective group of franchisees or class action. This arbitration provision shall survive the expiration or earlier termination of this Agreement.

a. Arbitrator. There shall be a single arbitrator who shall be an existing or former judge of a court of record within the United States or an attorney in good standing admitted to practice for a period of at least ten (10) years within the United States. A corporation/limited liability company to which an individual Franchisee has transferred some or all of the assets comprising the TeamLogic IT® Business shall be considered either a joint Franchisee or successor Franchisee (at Franchisor's option) and bound by this arbitration agreement.

b. Location. The site of the arbitration shall be in Orange County, California.

c. Absence of party. The arbitration may proceed in the absence of either party, providing that notice of the filing of the arbitration has been sent to the other party in accordance with this Agreement.

d. Decision/Jurisdiction. The decision of the arbitrator shall be final and binding upon the parties, and judgment upon the award rendered by the arbitrator, may be entered in any court having jurisdiction thereof. Franchisee hereby consents to California personal jurisdiction for himself and any corporation owning some or all of the assets of the TeamLogic IT® Business, and hereby consents to service of process by way of certified mail, return receipt requested, or by recognized courier (such as FedEx or

JPS) sent to the TeamLogic IT® Business location, signed by a duly employed employee of Franchisee, or by personal service or by substitute service in accordance with California law. The parties agree that punitive damages shall not be available as a remedy for a breach of this Agreement or any dispute relating to this Agreement.

e. Fees. If any party commences an action, either arbitration or court proceedings, against any other party arising out of or in connection with this Franchise Agreement, the prevailing party or parties shall be entitled from the losing party or parties, both attorney's fees and costs of the arbitration and/or suit as part of the judgment rendered, along with attorney's fees and costs incurred in enforcing any such judgment.

f. Trademarks. Notwithstanding the above, the arbitrator shall have no power or authority to diminish Franchisor's complete and exclusive right, title and interest in its patents, trademarks, service marks, trade names, copyrights and other trade secrets, or to vary the terms, condition or payments which Franchisor has designated for licensing the same.

22 This section shall survive and remain in full force and effect subsequent to termination or expiration of this Agreement.

23 Except where contrary to a specific law in Franchisee's state, written notice of any alleged default by Franchisor of this Agreement must be given by Franchisee to Franchisor within eighteen (18) months of the alleged default or Franchisee is precluded from raising such alleged default thereafter in any proceeding involving Franchisor or Franchisee. Franchisor and Franchisee both hereby waive the right to assert the principles of collateral estoppel in any action between them. Franchisor and Franchisee hereby waive any right to a jury trial.

SECTION XIII.
MISCELLANEOUS

3. The parties further agree as follows:

a. Independence of Franchisee/Indemnity. Franchisee is, and shall be at all times during the term of this Agreement, an independent contractor and not an agent or employee of the Franchisor. The Franchisee is not a partner or joint venturer with the Franchisor. This Agreement does not create a fiduciary relationship between the parties. Franchisee is solely responsible for the day-to-day control of Franchisee's TeamLogic IT® Business. Neither Franchisee nor any of Franchisee's employees are in any way, directly or indirectly, expressly or by implication, to be construed to be Franchisor's employees for any purpose. Franchisee is solely responsible for all terms of employment of Franchisee's employees and personnel. Any requirements, restrictions or specifications which Franchisee 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 Franchisor controls any aspect or element of the day-to-day operations of the Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising Franchisee's control of the day-to-day operations of Franchisee's Business. Franchisee shall defend, indemnify and hold harmless Franchisor, its affiliates, and their respective shareholders, directors, officers, employees, representatives, and agents from and against any and all actions, causes of actions, claims, suits, fines, demands, losses, liabilities, costs, and fees (including attorney fees) of any kind arising out of or in connection with Franchisee's TeamLogic IT® Business, including but not limited to personal

njury, property damage, violation of the rights of others, negligent or intentional corruption of data, joint employer liability issues, or any wrongful use of System, Proprietary Information or other Franchisor- owned material by electronic medium or otherwise.

b. Abandonment or Surrender by Franchisee/Close of Business. If Franchisee shall, for any reason, abandon (as defined in Section 10.2d above) or surrender all or any part of its rights and privileges under this Agreement, all such rights shall revert to the Franchisor. However, Franchisee shall not have the right to abandon its obligations under this Agreement.

c. Waiver. No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option or power arising out of any breach or default by Franchisee, or by any other Franchisee, of any of the terms, provisions or covenants contained herein, shall constitute a waiver by Franchisor thereof to enforce any such right, option or power as against Franchisee, or as to a subsequent breach or default by Franchisee.

d. Severability. Should any provision of the Agreement for any reason be construed or declared to be invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated.

e. Right of Successors. The Franchisor has the right to assign the Franchise Agreement and all its rights and privileges thereunder, to any other person, firm, or corporation, provided that the assignee is financially responsible and economically capable of performing the obligations of the Franchisor. The Assignee must also assume and agree to perform all obligations of the Franchisor under the Franchise Agreement. The Franchisee's consent is not required for any such assignment.

f. Previous Agreements and Representations. Upon execution of this Agreement by both parties, all previous agreements, contracts, arrangements or understandings of any kind relative to the franchise herein granted are canceled and all claims and demands thereon are fully satisfied.

g. No Representations. No agent or representative of Franchisor has authority to make any representations, statements, warranties, or agreements not herein expressed and Franchisee agrees that no such representations, statements, warranties or agreements have been made, or if made, that no reliance thereon has been considered in the signing of this Agreement.

h. Notice. Whenever, under the terms of this Agreement, notice is required, the same shall be given in writing and delivered personally or by certified mail (postage prepaid) or by recognized courier (UPS, FedEx). Notice shall be deemed delivered three (3) business days after notice has been sent by certified mail (whether or not the return receipt has been returned to the sender) and deemed delivered by courier when delivered to the recipient or his/her/its agent, representative, spouse or employee. All such notices intended for the Franchisor shall be addressed to it at:

TeamLogic, Inc. / Attn: President
26722 Plaza
Mission Viejo, California 92691

or as may be designated in writing by Franchisor. Notice to Franchisee shall be directed to the Business address or to the Franchisee's home address.

i. Terminology and Construction. All terms and words used in this Agreement regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular and plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any section, paragraph or clause herein may require, as if such words had been fully and properly written in the appropriate number and gender. If Franchisee consists of two (2) or more individuals or entities, such individuals and/or entities shall be jointly and severally liable hereunder.

j. Entire Agreement; Modification. The Franchise Agreement and the accompanying Disclosure Document together contain the entire Agreement of the parties and there are no representations, inducements, promises, or agreements, other than those duly executed in writing. This or any other agreement of any kind or any addendum or exhibit, amending, altering or changing the context of any portion hereof, shall not be binding unless it is executed by an appropriate officer at TeamLogic IT® Corporate offices and by Franchisee or Franchisee's representative. Certain aspects of the franchise relationship may be affected by changes in the Franchisor's Operations Manuals. The Franchisor may make such modifications without Franchisee's approval, so long as they are reasonable and apply uniformly to all Franchisees. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

k. Performance, Applicable Law and Forum. It is stipulated this Agreement has been negotiated, executed and delivered within the State of California and is to be performed at Franchisor's offices in the County of Orange, California. Except as otherwise provided for hereunder, this Agreement shall be interpreted and the rights and obligations of the parties hereunder governed in accordance with the laws of the State of California, except for Section 10.3(f) of this Agreement which shall be governed by the laws of the State where the TeamLogic IT® Business is located.

l. Headings. The headings of the paragraphs herein are inserted for convenience only and are not intended to be construed as part of the Agreement or to limit the scope of a particular paragraph.

m. Signature. This Agreement may be originally signed by an individual if unmarried or if married, individuals and their spouses as the Franchisee, or if signed by a Corporation or Limited Liability Company ("LLC"), must be personally guaranteed by the shareholders/members and their spouses. It is acknowledged that should an individual Franchisee subsequently transfer some or all of the assets of the TeamLogic IT® Business to a corporation/LLC, then Franchisee agrees that such corporation/LLC shall be considered either a joint or successor Franchisee (at Franchisor's option) to this Franchise Agreement, and shall, along with all shareholders/members, be bound hereby, as if the corporation/LLC and shareholders/members each executed this Agreement.

n. Warranty as to Original Document. Franchisee hereby warrants that he has not caused any electronic modification, scanning or manipulations of the Franchise Agreement received from Franchisor and that this document is the same document received from Franchisor, and agrees that any such modifications or manipulation shall be void.

(continued on next page)

SECTION XIV.
ACKNOWLEDGEMENTS AND SIGNING

Acknowledgements. Franchisee acknowledges and agrees that:

14.1 Risk. Purchasing a franchise in the business to be operated under this Agreement involves business risks. I am assuming those risks and understand that my active participation in the TeamLogic IT® Business is vital to its success.

14.2 Information from Representatives/Earnings Claims. I have not relied on any representation, promise or guarantee from any representative of Franchisor regarding potential or expected sales, profits or revenues of the Business, and have performed my own due diligence in investigating this franchise opportunity.

14.3 Acceptance of Agreement. I have read all of the foregoing Agreement and hereby accept and agree to each and all of the provisions, covenants and conditions therein contained.

14.4 Opportunity for Legal Counsel. I have received, read, and understood the Franchise Disclosure Document, which includes a copy of this Agreement and have been advised to, and afforded ample opportunity to, review and discuss the terms herein and consult with my legal or other counsel before affixing my signature.

14.5 Effectiveness of Agreement. The submission of this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both you and us. Our date of execution will be considered the Effective Date of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties executed this Agreement, which shall be effective when executed by Franchisor, at Franchisor's corporate offices, County of Orange, State of California.

I HAVE READ THIS AGREEMENT AND ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS, AND CONDITIONS CONTAINED IN THIS AGREEMENT.

I HAVE RECEIVED A COPY OF THIS AGREEMENT AND HAVE BEEN AFFORDED AMPLE OPPORTUNITY TO REVIEW AND DISCUSS THE TERMS, AND CONSULT WITH MY LEGAL OR OTHER COUNSEL BEFORE AFFIXING MY SIGNATURE.

APPROVED AND ACCEPTED FOR TEAMLOGIC, INC.

_____ Effective as of:_____

SIGN BELOW IF YOU WANT YOUR FRANCHISE AGREEMENT TO BE IN YOUR INDIVIDUAL NAME(S).

_____ Dated:_____
Name

_____ Dated:_____
Name

OR

SIGN BELOW IF YOU WANT YOUR FRANCHISE AGREEMENT TO BE IN A CORPORATION OR LLC. YOU MUST SIGN THE PERSONAL GUARANTY ON THE NEXT PAGE:

CORPORATION or LIMITED LIABILITY COMPANY: _____
(Personal Guaranty Required) (Corporate Name or "TBD")

By:_____ Dated: _____

_____
Print Name

By:_____ Dated: _____

_____
Print Name

PERSONAL GUARANTY OF FRANCHISEE

(Required if Franchisee is a Corporation or Limited Liability Company)

The undersigned, being the sole owners of the corporation or limited liability company ("LLC"), _____, a_____corporation or LLC, ınd their spouses of the owners, hereby unconditionally and irrevocably guarantee the performance of said :orporation or LLC of all obligations contained in the foregoing Franchise Agreement and shall be jointly ınd severally obligated, along with the corporation or LLC, as if the undersigned were the original 'Franchisees," and further agree that TeamLogic, Inc., may enforce such obligations directly against the ınndersigned without first looking to the corporation or LLC. This Guaranty is given in connection with the 'ranchise Agreement and any other documents executed in connection with the Franchise Agreement ncluding, without limitation, any amendments, addendums, extensions and renewals to the Franchise Agreement (whether entered into now, previously or in the future), relating to the TeamLogic IT® Business ›perated pursuant to the Franchise Agreement (the "Obligations").

_____ Date:_____

Signature

_____

Print Name)

_____ Date:_____

Signature of Spouse

_____

Print Name)

_____ Date:_____

Signature

_____

Print Name)

_____ Date:_____

Signature of Spouse

_____

Print Name)

EXHIBIT "E"

MULTI-STATE ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

MULTI-STATE ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following states have laws that override the provisions stated in this Disclosure Document and the Franchise Agreement: **California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin:**

CALIFORNIA

Item 17 Disclosure Document

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 is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Business Oversight before a solicitation of a proposed material modification of an existing franchise.

Covenant Not to Compete
Item 9 Disclosure Document; Section 6.18 Franchise Agreement

Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of California.

Termination of the Franchise
Item 17 Disclosure Document; Section 10 Franchise Agreement

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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

Neither TeamLogic, Inc. any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in the association or exchange.

THE FRANCHISE AGREEMENT REQUIRES BINDING ARBITRATION. THE ARBITRATION WILL OCCUR IN ORANGE COUNTY, CALIFORNIA WITH THE COSTS BEING BORNE BY THE LOSING PARTY. PROSPECTIVE FRANCHISES 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 PROCEDURES SECTION 1281, AND THE FEDERAL ARBITRATION ACT) TO ANY PROVISIONS OF A FRANCHISE AGREEMENT RESTRICTING VENUE TO A FORUM OUTSIDE THE STATE OF CALIFORNIA.

CONTINUATION OF CALIFORNIA)

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

WE MAINTAIN A WEB SITE AT THE FOLLOWING ADDRESS: www.teamlogicit.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

HAWAII

Effect of Termination by Franchisor
Item 17 Disclosure Document; Section 10 Franchise Agreement

As to comply with Section 482E-6(3), Hawaii Revised Statutes: Upon termination or refusal to renew the franchise, the Franchisee shall be compensated for the fair market value, at the time of the termination or expiration of the franchise, of the Franchisee's inventory, supplies, equipment and furnishings purchased from the Franchisor or a supplier designated by the Franchisor; provided that personalized materials which have no value to the Franchisor need not be compensated for. If the Franchisor refuses to renew a franchise for the purpose of converting the Franchisee's business to one owned and operated by the Franchisor, the Franchisor, in addition to the remedies provided in this paragraph, shall compensate the Franchisee for the loss of goodwill. The Franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the Franchisee's inventory, supplies, equipment, and furnishings, and may offset from such compensation any moneys due the Franchisor.

ILLINOIS

Illinois law governs the agreement 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.

Franchisor has disclosed that it has no obligation to perform any service to you as a franchisee, to your satisfaction.

INDIANA

Obligations and Duties of Franchisor; Territory; Operating Limitation, Remedies, Venue, Waiver, Indemnification
Items 12 and 17 Disclosure Document; Section 4, 5, 6.10, 11 and 12 Franchise Agreement

In accordance with Indiana Code Sections 23-2-2.7-1(2) and 23-2-2.7-2(4), the franchisor is prohibited from operating a substantially identical business to that of the Franchisee's within the Franchisee's territory regardless of trade name. According to Indiana Code Sections 23-2-2.7-10(10) and 23-2-2-27-1(5), the reservation of right to injunctive relief or any specified remedy, limitation of the remedies available to either party, stipulation as to forum or venue and waiver or release of any rights with regard to the Franchise Agreement are prohibited. Further, the post-termination covenant not to compete is limited by IC 23-2-2.7-1(9). Further, indemnification by the Franchisee shall

CONTINUATION OF INDIANA)

xclude any indemnification for liability caused by the Franchisee's proper reliance on or use of procedures or naterials provided by the Franchisor or caused by Franchisor's negligence.

Termination
tem 17.r. Disclosure Document; 6.18 Franchise Agreement

The post-termination covenant not to compete complies with the limitations in the Indiana Code Section IC 23-2-.7(9).

Obligations and Duties of Franchisee; Transfer by Franchisee; Miscellaneous
ection 5.6.7, 8, 11, 13

The reservation of right to injunctive relief or any specified remedy, limitation of the remedies available to either arty, and stipulation as to appropriate forum or venue are prohibited according to Indiana Code Section 23-2-2.7-(10). Further, the waiver or release of any rights with regard to the Franchise Agreement is prohibited according to ndiana Code Section 23-2-2.7-1(5).

MARYLAND

Renewal, Termination and Transfer
tem 17 Disclosure Document; Section 10, 11 Franchise Agreement

n accordance with Maryland Law, Item 17, the appropriate sections of the Franchise Agreement are amended to state hat the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any iability under the Maryland Franchise Registration and Disclosure Law.

Previous Agreements and Representations, Sections 13f and 13g Franchise Agreement
Acknowledgement, Section 14 Franchise Agreement

The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective ranchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any isclaimer regarding the occurrence and/or acknowledgment of the non-occurrence of acts that would constitute a iolation of the Franchise Law in order to purchase the franchise are not intended to nor shall they act as a release, stoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. This mends Section 14 of the Franchise Agreement.

Arbitration
tem 17 Disclosure Document; Section 12 Franchise Agreement

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation tates that it is unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland laiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as o whether this forum selection requirement is legally enforceable.

tem 17 of the Disclosure Document and Section 12.3 of the Franchise Agreement are amended to state that any laims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years fter the grant of the franchise.

(CONTINUATION OF MARYLAND)

Termination
Item 17 Disclosure Document

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law.

FRANCHISEE:

Date:_____ By:_____

By:_____

FRANCHISOR:
TEAMLOGIC, INC.

Date:_____ By:_____

MICHIGAN

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

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

b. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in 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 before 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.

CONTINUATION OF MICHIGAN)

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 be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

ONTINUATION OF MICHIGAN)

he fact that there is a notice of this offering on file with the attorney general does not constitute approval, ecommendation, or endorsement by the attorney general.

ny questions regarding this notice should be directed to: *State of Michigan, Department of Attorney General, onsumer Protection Division, Franchise and Antitrust Unit, PO Box 30213, Lansing, MI 48909 - (517) 373-7117.*

IINNESOTA

enewal of the Franchise
em 17 Disclosure Document; Section 7.2 Franchise Agreement

he Franchise Agreement gives the Franchisee the right to renew the franchise for one 10 year term by giving written otification to the Franchisor not less than 180 days before the expiration of the current term and not more than 360 ays prior to the expiration of current term.

ermination of the Franchise
em 17 Disclosure Document; Section 10 Franchise Agreement

he Franchisor may terminate or cancel this Agreement and the franchise if (i) Franchisee is given written notice etting forth all the reasons for the termination or cancellation at least 180 days in advance of termination or ancellation, and (ii) the Franchisee fails to correct the reasons stated for termination or cancellation in the notice ithin 60 days of receipt of this notice; except that the notice is effective immediately upon receipt where the alleged rounds for termination or cancellation are: (1) Voluntary abandonment of the franchise relationship; (2) the onviction of the Franchisee of an offense directly related to the business conducted in accordance with the franchise; r (3) failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with he Franchisor's trade name, trademark, service mark, logotype or other commercial symbol after the Franchisee has eceived written notice to cure of at least 24 hours in advance thereof.

ranchisor may not terminate or cancel a franchise except for good cause. "Good Cause" means failure by Franchisee o substantially comply with the material and reasonable franchise requirements imposed by the Franchisor including: 1) the bankruptcy or insolvency of the Franchisee; (2) assignment for the benefit of creditors or similar description f the assets of the franchise business; (3) voluntary abandonment of the franchise business; (4) Conviction or a plea f guilty or no contest to a charge of violating any law relating to the franchise business; or (5) any act by or conduct f the Franchisee which materially impairs the goodwill associated with the Franchisor's trademark, trade name, ervice mark, logotype or other commercial symbol.

Vith respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. Sec. 80C.14, ubds, 3, 4 and 5 which require, except in certain specified cases, that a Franchisee be given 90 days' notice of ermination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

rbitration
em 17 Disclosure Document; Section 12 Franchise Agreement

he Franchise Agreement provides for arbitration in accordance with the rules of the American Arbitration ssociation. According to Minnesota law, the site of the arbitration shall be held in the county or city of the franchise ocation, State of Minnesota.

em 17 of Disclosure Document and Section 12.3 of the Franchise Agreement are amended to say: "any claims rising under the Minn. Stat. 80C must be commenced within three (3) years from when the cause of action accrues."

ransfer of the Franchise
em 17 Disclosure Document; Section 11 Franchise Agreement

CONTINUATION OF MINNESOTA)

According to Minn. Stat. 2860.4400, Item 17 and the transfer sections of the Franchise Agreement are amended to state, "It shall be unfair and inequitable for any person to require a franchisee to assent to a release assignment, novation, or waiver that would relieve any person from liability imposed by Minn. Statutes 1973 Supp., Sections 80C.01 to 80C.22."

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT I OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

CONTINUATION OF NEW YORK)

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

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

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

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

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

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

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

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

. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by ranchisor**":

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

. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 7(w), titled "**Choice of law**":

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

NORTH DAKOTA

Addendum to North Dakota Disclosure Document and Franchise Agreement.

The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota Franchisees Section 51-19-09 of the North Dakota Century Code):

Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting ompetition contrary to Section 9-08, N.D.C.C., without further disclosing that such covenants will be subject to this tatute.

itus of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of isputes at a location that is remote from the site of the franchisees' business.

(CONTINUATION OF NORTH DAKOTA)

Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

Liquidated Damages and Termination Penalties: Requiring North Dakota Franchisees to consent to liquidated damages or termination penalties.

Applicable Laws: Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota.

Waiver of Jury Trial: Section 12.3 of the Franchise Agreement requiring franchisees to consent to a waiver of jury trial is deleted.

RHODE ISLAND

Performance, Applicable Law and Forum/Disputes/Arbitration
Item 17 Disclosure Document; Sections 12. and 13k. Franchise Agreement

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

SOUTH DAKOTA

Termination of the Franchise
Item 17 Disclosure Document; Section 10 Franchise Agreement

Franchisee commits a material breach of the Franchise Agreement; or materially defaults in the payment of any indebtedness to the Franchisor, or Franchisee's suppliers arising out of the purchase of the supplies or equipment and this default is not cured within 30 days of notice to Franchisor.

Covenant Not to Compete
Item 9 Disclosure Document; Section 6.17 Franchise Agreement

Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.

Disputes/Arbitration
Section 12. Franchise Agreement

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages or any provision that provides that parties waive their right to a jury trial may not be enforceable under South Dakota law.

Transfer by Franchisee
Section 11 Franchise Agreement

SDCL 53-9-5 voids liquidated damages provisions from contracts unless it would be impractical or extremely difficult to fix actual damages.

Arbitration/Performance, Applicable Law and Forum
Item 17 Disclosure Document; Section 12 and 13k. Franchise Agreement

(CONTINUATION OF SOUTH DAKOTA)

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the state of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing law of California.

Any provision in the franchise agreement and/or development agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

VIRGINIA

Termination of the Franchise
Section 10 Franchise Agreement

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for the 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.

THE INDEPENDENT AUDITOR'S REPORT DATED MARCH 18, 2015 STATES: THE PARENT COMPANY HAS CONTINUED TO PROVIDE FINANCIAL SUPPORT TO THE COMPANY, SUCH THAT THE COMPANY WILL BE ABLE TO MEET ITS OPLIGATIONS AS THEY COME DUE THROUGH JANUARY 1, 2016.

WASHINGTON

Rider

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. These may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. In the event of a conflict of laws, the provisions of Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed in connection with a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

WISCONSIN

Termination of the Franchise
Item 17 Disclosure Document; Section 10 Franchise Agreement

The laws of the various states may differ regarding notice periods, time to cure defaults, causes for non-renewal, and causes whereby Franchisor may terminate. Franchisor shall comply with the requirements of the state in which Franchisee's Center is located in that event. (See Section 10 of the Franchise Agreement). The Wisconsin Fair Dealership Law, Chapter 135, Wis. Stats., supersedes any provision of the franchise contract or agreement if such provisions are in conflict with the law.

Each provision of these Addenda to the Disclosure Document and Franchise Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the respective state's laws are met independently, without reference to these Addenda to the Disclosure Document or Franchise Agreement.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:

Date:_____ By:_____

By:_____

FRANCHISOR:
TEAMLOGIC, INC.

Date:_____ By:_____

EXHIBIT "F"

AMENDMENT TO FRANCHISE AGREEMENT FOR EXISTING AND NEW MULTIPLE

Multiple TeamLogicIT Business # _____
Main TeamLogicIT Busniess # _____

AMENDMENT TO FRANCHISE AGREEMENT
For TeamLogic IT Business Nos. EXISTING # and NEW MULTIPLE #

Franchisee: _____

is Amendment is made by and between TeamLogic, Inc., ("Franchisor") and the undersigned ("Franchisee"), in connection :h that certain Franchise Agreement(s) the parties have entered into whereby Franchisee is authorized to own and operate amLogic IT Businesses in the areas of ORIGINAL TERRITORY NAME and NEW TERRITORY NAME, STATE 'ranchise Agreement").

HEREAS, the parties believe it is in their respective best interests to amend the Franchise Agreement in accordance with terms of this AMENDMENT and supersedes all other amendments.

)W THEREFORE, for valuable consideration, the receipt and sufficiency are hereby acknowledged, the parties hereby ee that the following terms and conditions shall amend the Franchise Agreement:

Section 3.1 Initial Franchise Fee is amended to read: "For multiple franchise purchases, the Initial Franchise Fee is 5,000.

Section 3.5 System WatchIT Managed Services Fees is amended to read: "Franchisee may aggregate the Managed rvices Agents from Franchisee's TeamLogic IT Business #60____ and #60____, subject to the monthly minimums set th in the Franchise Agreement."

Section 6.20 Financial Statements is amended to read: "Franchisee must maintain separate financials for each anchise location and report revenue separate for each location."

Section 7.1 Initial Term is amended to read: "Expiration Date of Franchise Agreements. The expiration date of the anchise Agreements shall be coterminous for #60____ <INSERT MAIN BUSINESS ORIGINAL TERRITORY NAME> d #60____ <INSERT NEW TERRITORY NAME> and shall expire ten (10) years after the last TeamLogic IT franchise ens for business as provided in this Agreement."

Section 6.3 Vehicle Signage/Graphics is amended to read: "Franchisee is required to lease or own a vehicle for use each of the TeamLogic IT franchise locations. Each vehicle must be wrapped with the approved TeamLogic IT graphics ckage, using any approved vendor, at Franchisee's cost."

Section 5.2 Business Location is amended to read: "Franchisee must maintain a separate mailing address and phone mber for each franchise location."

cept as modified herein, all terms of the Franchise Agreement shall remain in full force and effect. This Amendment shall deemed effective as of the Effective Date of the Franchise Agreement.

is Amendment may be executed and exchanged in counterparts by fax or email and the faxed/emailed generated executed pies shall have the same legal force and effect for all purposes as copies bearing original signatures of the parties.

anchisor
AMLOGIC, INC.

: _____

te:_____, 2019

Franchisee:
CORPORATE NAME:

By: _____
Franchisee Name

By: _____
Franchisee Name

Date:_____, 2019

EXHIBIT "G"

CONVERSION ADDENDUM

CONVERSION ADDENDUM

TeamLogic IT® Business # _____

This Addendum is entered into on the Effective Date by and between TeamLogic, Inc. ("Franchisor") and _____, ("Franchisee"), with respect to the following recitals.

RECITALS

WHEREAS, Franchisee currently owns and operates an independent (non-franchised) computer repair/consultation business located at_____the "Existing Business") and desires to convert the Existing Business into a TeamLogic IT® Business; and

WHEREAS, Franchisor and Franchisee have entered into, or are about to enter into a Franchise Agreement ("the Franchise Agreement") for Franchisee to own and operate a TeamLogic IT® Business to be operated by converting the Existing Business to the TeamLogic IT® Business; and

WHEREAS, Franchisor desires to consummate such a conversion, on the terms and conditions provided for herein, which terms and conditions shall supersede any conflicting provision in the Franchise Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

1. Section I Definitions, Section 3.5 SystemWatch IT® Managed Services Fees, Section 6.9 SystemWatch IT® Managed Services: The following language is added to these sections: Franchisee must convert/migrate any existing managed services clients to SystemWatch IT® within 90 days of the Effective Date.

2. Section 3.1 of the Franchise Agreement Initial Franchise Fee: The first sentence is replaced by and shall read: Concurrently with the execution of this Agreement, Franchisee shall pay to Franchisor a non-refundable Initial Franchise Fee in the amount of $45,000.

3. Section 3.3 Minimum and Continuing Fees: The Continuing Franchise Fee outlined in Sections 3.3 of the Franchise Agreement shall be modified as follows: For the first 12 months from the Effective Date of the Franchise Agreement, Continuing Franchise Fees shall be payable on only those Gross Sales that exceed an amount equal to: *the average annual gross sales of Franchisee's independent business, as calculated from the prior 36 months* ("the Excluded Amount"). If Franchisee has been in business less than 36 months then the Excluded Amount shall be the average of all the months Franchisee has been in business for a monthly average multiplied by twelve. Franchisee shall pay the Continuing Franchise Fees as indicated

n Section 3.3 on all Gross Sales in excess of the Excluded Amount, for the first 12 months, according to he terms of the Franchise Agreement. After the first 12 months, Continuing Franchise Fees shall be payable s indicated in section 3.3 on all Gross Sales (as that term is defined in the Franchise Agreement).

. Section 3.4. Minimum and Continuing Advertising Fees. It is acknowledged that the advertising ees outlined in section 3.4 of the Franchise Agreement shall apply on all Gross Sales by all clients, existing nd new.

. Section 4.1.d. of the Franchise Agreement shall be modified as follows: Franchisor will provide an nitial 12-Month Marketing Program consisting currently of direct mail, telemarketing, paid search narketing, and email marketing, subject to change. Franchisee must sign up for the Initial 12-Month Marketing Program directly with TeamLogic approved vendors using a credit card. Franchisee must pay he cost of this Marketing Program, which cost ranges from $2,000 to $2,400 per month and will satisfy ranchisee's obligation for the first 12 months to spend a minimum of $2,000 per month on local advertising escribed in section 6.4 of the Franchise Agreement.

. Section 6.3 Vehicle Signage/Graphics. Franchisee must have the approved vehicle signage, at a ninimum, installed on any leased or personal vehicle used in the Business within forty-five (45) days of he Effective Date of the Franchise Agreement.

. Section 10.3.f. Non-Competition, Non-Solicitation Agreement. This section is deleted in its entirety.

. Except as modified herein, the terms of the Franchise Agreement shall remain as originally written. The Franchise Agreement, together with this Conversion Addendum may not be modified except in writing igned by the President of Franchisor and Franchisee.

. The Effective Date of this Addendum shall be the Effective Date of the Franchise Agreement.

RANCHISOR:
EAMLOGIC, INC.

FRANCHISEE:

By:_____

Date:_____

By:_____

Date: _____

By:_____

Date:_____

EXHIBIT "H"

TRANSFER RELEASE AGREEMENT

TRANSFER RELEASE AGREEMENT

This Agreement is entered into by and between TeamLogic, Inc., a California corporation, TEAMLOGIC") and_____("FRANCHISEE") with reference to the following facts:

A. WHEREAS, TEAMLOGIC and FRANCHISEE entered into a Franchise Agreement dated _____whereby FRANCHISEE is authorized to own and operate TeamLogic IT® Business _____currently located at_____("Franchise Agreement"); and

B. WHEREAS, FRANCHISEE is about to sell FRANCHISEE'S TeamLogic Business and esires for Franchisor to consent to the transaction and TEAMLOGIC desires to consent to such transfer on the terms and conditions below; and

C. WHEREAS, TEAMLOGIC and FRANCHISEE desire to mutually terminate their franchise lationship upon the sale of FRANCHISEE'S TeamLogic IT® Business and, except as provided for below, mutually release one another from any presently-existing disputes or claims between them, whether nown to them or not, and any other disputes or claims which the parties have or could have asserted against ne another at any time in the past, or at any time in the future.

NOW THEREFORE, in consideration of the covenants and promises each to the other made herein, e parties agree as follows:

1. TEAMLOGIC hereby consents to the transfer by FRANCHISEE of TeamLogic IT® usiness #___to_____(buyer) and upon the consummation of the transfer, the Franchise Agreement shall e deemed mutually terminated, subject to all of Franchisee's obligations through the termination date and ost-termination covenants and obligations under the Franchise Agreement.

2. Upon the consummation of the sale of the TeamLogic IT® Business, TEAMLOGIC, on the ne hand and FRANCHISEE, on the other, and subject to the obligations in section 1 above, hereby utually release and forever discharge each other and all of each other's respective heirs, executors, dministrators, affiliates, officers, directors, employees, representatives, agents, consultants, successors, ssigns and attorneys, of and from any and all claims, demands, actions, causes of action, liabilities, losses, xpenses, costs and fees of whatsoever kind, nature or description, whether known or unknown, which now xist or which may hereafter arise, based on, relating to, or in connection with any matter between the arties, including but not limited to: (a) the performance, non-performance, breach, enforceability or alidity of any provision of the Franchise Agreement and any other agreement between the parties; (b) any nd all activities of FRANCHISEE or TEAMLOGIC relating to FRANCHISEE'S TeamLogic IT® usiness; (c) any statements or representations allegedly made to TEAMLOGIC by FRANCHISEE; (d) ny statements or representations allegedly made to FRANCHISEE by TEAMLOGIC; and (e) any atements, acts or omissions by any person on behalf of TEAMLOGIC to FRANCHISEE their epresentatives or any third party relating to the purchase of FRANCHISEE'S TeamLogic IT® Business. *RANCHISEE specifically releases TEAMLOGIC from any restriction on disclosing any and all financial*

formation relating to FRANCHISEE'S TeamLogic IT® Business to the buyer and expressly authorizes ıch disclosures at any time. TEAMLOGIC and FRANCHISEE hereby waive any and all rights they may ɔw or hereafter have under Section 1542 of the California Civil Code, as presently worded or as hereafter nended, (and any similar statute of any other jurisdiction) which section presently reads as follows:

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

othing contained in this general release shall operate to waive or release any claims arising from any reach or non-performance of this Agreement, nor of any of FRANCHISEE'S obligations through the rmination date and post-termination obligations under the Franchise Agreement.

3. FRANCHISEE hereby agrees to defend and indemnify TEAMLOGIC for and against any ıd all losses, liabilities, costs, expenses, etc. as a result of any alleged claims of misrepresentation by RANCHISEE to the purchaser of the TeamLogic IT® Business, either orally or in writing and whether eritorious or not.

4. This Agreement reflects the entire agreement of the parties, and all prior oral or written greements, statements, and representations made by any of the parties are intended to be merged with this greement. All of the parties acknowledge that no other statements or representations have been made to ıch party by any other party concerning any matter that is the subject of this Agreement. This Agreement ay be executed and exchanged in counterparts by fax or email and the faxed/emailed generated executed ɔpies shall have the same legal force and effect as copies bearing original signatures of the parties.

RANCHISOR:
EAMLOGIC, INC.

y:_____

ate:_____

FRANCHISEE:

By:_____

Date:_____

By:_____

Date:_____

EXHIBIT "I"

STATE FRANCHISE ADMINISTRATORS

STATE FRANCHISE ADMINISTRATORS

California:
Department of Business Oversight
320 W. 4th St., Ste. 750
Los Angeles, CA 90013-2344
(213) 576-7500 or Toll Free (866) 275-2677

Hawaii:
Commissioner of Securities,
Dept. of Commerce and Consumer
Affairs, Business Registration Div.,
Securities Compliance Branch
335 Merchant St., Rm. 205
Honolulu, HI 96813-2921
(808) 586-2722

Illinois:
Office of the Attorney General
Franchise Division
500 S. 2nd St.
Springfield, IL 62701-1771
(217) 782-4465

Indiana:
Indiana Securities Division
Franchise Section
302 W. Washington St., Rm. E111
Indianapolis, IN 46204-2738
(317) 232-6681

Maryland:
Office of the Attorney General
Division of Securities
200 Saint Paul Pl.
Baltimore, MD 21202-2020
(410) 576-6360

Michigan:
Michigan Attorney General
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909-7713
(517) 373-7117

Minnesota:
Commissioner of Commerce
85 7th Pl. E., Ste. 280
Saint Paul, MN 55101-3165
(651) 539-1638

New York:
Office of New York Attorney General
Investor Protection Bureau
Franchise Section
28 Liberty St., 21st. Flr.
New York, NY 10005-1495
(212) 416-8236

North Dakota:
Securities Department
600 E. Boulevard Ave., 5th. Flr.
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island:
Dept. of Business Regulations
Division of Securities
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920-4407
(401) 462-9527

South Dakota:
Dept. of Labor and Regulation
Division of Insurance - Securities Regulation
124 S. Euclid Ave., 2nd Flr.
Pierre, SD 57501-3171
(605) 773-3563

Virginia:
State Corporation Commission
Div. of Securities & Retail Franchising
1300 E. Main St., 9th Flr.
Richmond, VA 23219-3630
(804) 371-9051

Washington:
Dept. of Financial Institutions
Securities Division
150 Israel Rd. SW
Tumwater, WA 98501-6456
(360) 902-8760

Wisconsin:
Department of Financial Institutions
Securities Division
4822 Madison Yards Way, North Tower
Madison, WI 53705-9100
(608) 266-8557

Exhibit "I"

EXHIBIT "J"

SBA ADDENDUM

ATTACHMENT

ADDENDUM TO FRANCHISE AGREEMENT

HIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____ and _____ ("Franchisee"), located at _____.

nchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with amendments, the "Franchise Agreement"). Franchisee is applying for a loan ("Loan") from a lender in which funding is vided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this dendum as a condition for obtaining the SBA-assisted financing.

consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

HANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

ORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

OVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.

IPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees.

s Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no ger has any interest in the Loan.

cept as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

ANCHISOR:

_____

nt Name: _____

FRANCHISEE:

By: _____

Print Name: _____

e to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the licant Franchisee and the franchise system must meet all SBA eligibility requirements.

EXHIBIT "K"

ITEM 23 RECEIPT

ITEM 23 RECEIPT

TLI Business #_____

his disclosure document summarizes certain provisions of the franchise agreement and other information in lain language. Read this disclosure document and all agreements carefully. If TeamLogic IT offers you a ranchise, it must provide this disclosure document to you 14 calendar days before you sign a binding greement with, or make a payment to, the franchisor or an affiliate in connection with the proposed ranchise sale.

f TeamLogic IT does not deliver this disclosure document on time, or if it contains a false or misleading tatement or a material omission, a violation of federal law and state law may have occurred and should be eported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency listed n Exhibit "H".

ranchise sellers offering the franchise: The following are located at 26722 Plaza, Mission Viejo, CA 92691, elephone (949) 582-6300, and check below for the seller for this offering:

____ Don F. Lowe	____ Richard Lowe	____ Alisa Kunz	____ Chris Chinnery
____ Charles R. Lennon	____ Lee Dye	____ Denise Denton	____ Patrick Spaan
____ Frank Picarello	____ Daniel J. Conger	____ Rob Levig	____ Benjamin Purcell
____ David Robidoux	____ Mike Celayeta	____ Dan Shapero	____ Karl Hoenecke

Signature page on next page

Date of Issuance: _March 15, 2019.

See Exhibit "B" for our registered agents authorized to receive service of process in your state.

I have/ received a disclosure document dated___March 15, 2019 (see applicable State Effective Dates page located after the State Cover Page) in this disclosure document. that includes the following Exhibits:

A. Financial Statements
B. Agents for Service of Process
C. Operations Manual Table of Contents
D. Franchise Agreement
E. Multi-State Addendum to Disclosure Document and Franchise Agreement
F. Amendment to Franchise Agreement for Existing and New Multiple
G. Conversion Addendum
H. Transfer Release Agreement
I. State Franchise Administrators
J. SBA Addendum
K. Item 23 Receipt

Dated: By:_____ _____
(Signature of Prospective Franchisee) (Printed Name)

Dated: By: _____ _____
(Signature of Prospective Franchisee) (Printed Name)

Please date and sign this receipt page, and then keep it for your records.

_____ of *Franchoice, Inc., 7500 Flying Cloud Dr., Eden Prairie, MN 55344 (770) 552-9661.
_____ of *FranNet LLC, 10302 Brookridge Village Blvd., Louisville, KY 40291 (502) 753-2380.
_____ of *Franchise Alliance, Inc., 400 Galleria Pkwy., #1500, Atlanta, GA 30339 (678) 385-6750.
_____ of *Entrepreneur Authority, 5800 Granite Pkwy., #300, Plano, TX 75024 (972)731-6766.
_____ of *E-Path Advisors, 26153 N. 104th Place, Scottsdale, AZ 85255 (810) 496-6225.
_____ of *One Dakota, Inc., dba Executive Franchise Specialists, 710 Prairie Blvd., Dakota Dunes, SD 57049, (605) 422-1139.
_____ of *The You Network, 21001 N. Carrillo Trail, Surprise, AZ 85387, (623)975-9703.
_____ of *Murphy Business & Financial Corporation (MBFC) 3715 Lindenleaf Ct., Winston-Salem, NC 27106.
_____ of *Personal (Business) Advisors, LLC, 14008 Antonio Dr., Helotes, TX 78023 (210) 695-8340.
_____ of *FranServe, Inc. / Greenline Franchise Consulting, LLC, 48 Glen Road, Yarmouth, ME 04096 (866) 568-1278.
_____ of *Richard LeBrun, LeBrun Advisory Group, 1155 St. Andrews Ct., Algonquin, IL 60102
_____ of *Franchise Consulting Company, 3735 SW 8th Street, Ste. 207, Miami, FL33134 (800) 321-6072.
_____ of *Your Own Deal, 16864 Island Avenue, Rockville, MN 55044 (800) 214-1279.

*These brokers have not been appointed by Franchisor as its Franchise Broker in the State of Washington and cannot make offers to prospective Franchisees for a franchise in Washington.

ITEM 23 RECEIPT

TLI Business #_____

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 TeamLogic IT offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If TeamLogic IT does not deliver this disclosure document on time, or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency listed in Exhibit "H".

Franchise sellers offering the franchise: The following are located at 26722 Plaza, Mission Viejo, CA 92691, telephone (949) 582-6300, and check below for the seller for this offering:

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____ Frank Picarello	____ Daniel J. Conger	____ Rob Levig	____ Benjamin Purcell
____ David Robidoux	____ Mike Celayeta	____ Dan Shapero	____ Karl Hoenecke

Signature on next Page

Date of Issuance: __March 15, 2019.

See Exhibit "B" for our registered agents authorized to receive service of process in your state.

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H. Transfer Release Agreement
I. State Franchise Administrators
J. SBA Addendum
K. Item 23 Receipt

Dated: By:_____ _____
(Signature of Prospective Franchisee) (Printed Name)

Dated: By: _____ _____
(Signature of Prospective Franchisee) (Printed Name)

Please date and sign this receipt page, and then keep it for your records.

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_____ of *Franchise Alliance, Inc., 400 Galleria Pkwy., #1500, Atlanta, GA 30339 (678) 385-6750.
_____ of *Entrepreneur Authority, 5800 Granite Pkwy., #300, Plano, TX 75024 (972)731-6766.
_____ of *E-Path Advisors, 26153 N. 104th Place, Scottsdale, AZ 85255 (810) 496-6225.
_____ of *One Dakota, Inc., dba Executive Franchise Specialists, 710 Prairie Blvd., Dakota Dunes, SD 57049, (605) 422-1139.
_____ of *The You Network, 21001 N. Carrillo Trail, Surprise, AZ 85387, (623) 975-9703.
_____ of *Murphy Business & Financial Corporation (MBFC) 3715 Lindenleaf Ct., Winston-Salem, NC 27106.
_____ of *Personal (Business) Advisors, LLC, 14008 Antonio Dr., Helotes, TX 78023 (210) 695-8340.
_____ of *FranServe, Inc. / Greenline Franchise Consulting, LLC, 48 Glen Road, Yarmouth, ME 04096 (866) 568-1278.
_____ of *Richard LeBrun, LeBrun Advisory Group, 1155 St. Andrews Ct., Algonquin, IL 60102
_____ of *Franchise Consulting Company, 3735 SW 8th Street, Ste. 207, Miami, FL33134 (800) 321-6072.
_____ of *Your Own Deal, 16864 Island Avenue, Rockville, MN 55044 (800) 214-1279.

*These brokers have not been appointed by Franchisor as its Franchise Broker in the State of Washington and cannot make offers to prospective Franchisees for a franchise in Washington.