FRANCHISE DISCLOSURE DOCUMENT

TENDER SOFTWARE, INC
A California Corporation
340 S Lemon Ave #6652N
Walnut, CA 91789
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RECEIVED
OCT 1 0 2017
Department of Business Oversight
Los Angeles Office

TENDER
SOFTWARE

We offer to you the right to operate a business providing software development resources to business IT departments, software companies and design studios through our professional offshore offices, under the name "Tender Software."

The total investment necessary to begin operation of a Tender Software franchise ranges from $8,300 to $28,700. These amounts include $2,000 to $10,000 that must be paid to us or our affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact. Brent Crysell, 340 S Lemon Ave #6652N, Walnut, CA 91789, 1-925-891-7850.

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

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

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

The date of issuance of this Franchise Disclosure Document is July 1, 2017

STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT PERMITS YOU TO ARBITRATE ONLY IN THE STATE OF CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE FRANCHISOR IN CALIFORNIA THAN IN YOUR HOME STATE.

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

3. THE FRANCHISE AGREEMENT REQUIRES YOU TO BRING SUIT IN CALIFORNIA. CERTAIN STATE LAWS MAY SUPERSEDE THIS PROVISION. SEE EXHIBIT D (State Specific Addendum), IF THIS IS REQUIRED BY YOUR STATE.

4. THE TERRITORIAL RIGHTS GRANTED IN THE FRANCHISE AGREEMENT ARE DEPENDENT ON ACHIEVING CERTAIN QUARTERLY PERFORMANCE STANDARDS.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

STATE	**EFFECTIVE DATE**	**ANNIVERSARY DATE**
California		
Hawaii		
Illinois		
Indiana		
Maryland		
Michigan		
Minnesota		
New York		
North Dakota		
Rhode Island		
South Dakota		
Virginia		
Washington		
Wisconsin		

In all the other states not requiring registration or filing, the effective date of this Franchise Disclosure Document is the issuance date of July 1, 2017.

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EXHIBITS

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this Franchise Disclosure Document "we," "our," "us" and "TS," means Tender Software, Inc., the Franchisor. "You" means the person, corporation, partnership or other entity who buys the franchise, the Franchisee. If a corporation, partnership or other entity is the Franchisee, "You" includes the Franchisee's owners. TS is a California corporation that was incorporated on July 12, 2013 but did not begin trading until October 22, 2015 for the primary purpose of offering and supporting franchisees of TS. Our principal business address is 340 S Lemon Ave #6652N, Walnut, CA 91789.

Our agent for service of process in California is Brent Crysell, 340 S Lemon Ave #6652N, Walnut, CA 91789.

Parents, Predecessors and Affiliates

We have no parent company, but our predecessor and affiliated company is Tender Software in Australia ("TSA"). Tender Software was developed to provide business development software for the auction house, Tender Center in Australia that Brent founded in 1996 in Australia and began franchising in 2000. In 2007, Brent partnered with Thirupathy Ragavan, Chief Operating Officer for the Development Office in India to establish a software development team in India for the sole purpose of providing software development to the Tender Center auction houses. In 2011 Brent began offering the software development services to businesses in Australia. The franchise business offered in this disclosure document is modeled after the software development services offered by TSA in Australia since 2011.

We have not previously offered franchises in this or any other line of business, but our founder, Brent Crysell has offered franchises for his auction houses in Australia under the brand Tender Center since 2000. The systems and processes we use were exclusively developed for TSA and it is our intent to continue to incorporate the experience, business practices and methods developed by TSA in our future business operations with our franchisees.

The Franchise Offered

We are a franchising company which sells and grants franchises for the purpose of providing professional software development resources to business IT departments, software companies and design studios. A franchisee will establish relationships with companies who have existing in-house IT departments and offer the software development services of individual software engineers of Tender Software's offshore software development office to them as outlined and agreed to in specific Software Development Service Agreements.

We offer franchises that authorize you to use our trademarks and to operate a Tender Software franchise. As a franchisee, you (or someone designated by you and approved by us, called an "Agent") will be trained to operate a business offering software development resources to business IT departments, software companies and design studios through our professional offshore offices, under the name "Tender Software" using our unique system which includes standards, specifications and procedures for operations; procedures for quality control; training and assistance; and advertising and promotional programs (the "System"). Customers are often companies with IT departments, software companies and design studios and other companies with internal IT staff, and referrals from existing customers or from us when we receive a request from your specific area. You will contact and visit customers in your territory to discuss their specific needs and what TS offers in the way of software development services, introduce the prospective company to TS and maintain the business relationship with ongoing customer communication.

You must operate your Tender Software franchise according to the standards, specifications, procedures and business format created, developed and designated by us within a Designated Market Area (the "DMA").

Industry-Specific Regulations

While we are not aware of any regulations specific to the industry; there may be laws or regulations in your state which apply to operating a business in general, including one that is normally home based. Additionally; your franchise may be subject to federal, state and local laws, regulations and guidelines relating to consumer protection and/or "truth in advertising." You may also be subject to general laws relating to businesses, including those relating to employment, labor and taxes. Please consult your accountant and/or attorney about all of these laws, rules and regulations.

You must comply with all local, state, and federal laws that apply to your Franchised Business's operations, including for example: business communication and "anti-SPAM", discrimination, employment, and sexual harassment laws.

Competition

You will compete with existing and other businesses and individuals performing similar services on a national or regional basis. The market for software development is developed in the US market and sales are not typically seasonal.

ITEM 2
BUSINESS EXPERIENCE

President, Owner and Founder – Brent Crysell

Brent Crysell is our President, Owner and Founder and has held his position since forming the company July 12, 2013 in California. Brent is also the director of Tender Software Pty Ltd. since forming the company in 2015 in Australia and Tender Center in Australia since 1996.

Chief Operating Officer for the Development Office in India - Thirupathy Ragavan.

Thiru has held his position since 2007. Prior to 2007, Thiru was completing his Doctorate in Computer Science in Tamil Nadu, India and is a Master of Computer Applications. Thiru works out of our software development office in India.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy, US or foreign is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

All franchisees pay an initial franchise fee (Initial Franchise Fee) of between ten thousand ($2,000) and ten thousand dollars ($10,000.00) based on the territory population. Upon signing the Franchise Agreement, we will schedule your training and receipt of your equipment and supplies as outlined below. The initial franchise fee of between $2,000 and $10,000 is due in full at the time of signing the franchise agreement and payable by bank draft/wire. **"Based on the franchisor's financial condition, the California Department of Business Oversight has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the franchise agreement."** The initial franchise fee may not be uniform in all cases for persons purchasing a franchise under this offering due to the population density differences for each area.

Upon signing the Franchise Agreement, the full amount of the Initial Franchise Fee will be deemed fully earned and non-refundable in consideration of administrative, marketing, legal expenses associated with preparing this and other documents required by the government to protect you and other expenses incurred by TS in granting the franchise and for our lost or deferred opportunity to other potential Franchisees.

Population	Initial Franchise Fee
3 M to 5 M	$10,000
1.5 M – 2.5 M	$7,500
600,000 – 1 M	$5,000
100,000 – 500,000	$2,000

The initial franchise fee includes a three-day training program at our offices in India or another location we may designate.

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Franchisee Commission	All billing is handled by TS in order to assure that all services provided by the software development team and related expenses are paid for. Franchisee is paid 25% commission for all paid invoices.	Franchisor will remit payment to Franchisee within 5 business days of the end of the month in which payment was received from Customer.	We will invoice all clients at the rates listed in our service agreements and in our manual and submit weekly reports to you of current work, billings and payments made by and received from Customers. Billing rates for services will be adjusted according to wage increases in India and other factors as determined by Franchisor.
Royalty Fee	5% of all services Franchisee bills directly to Customer who is also using TS services and 5% of the difference in any freelance services you will bill client for on behalf of freelance agents and other contractors and what they are paid	Franchisee will remit payment to Franchisor within 5 business days of the end of the month in which payment was	If Franchisee provides additional services, or contracts with freelance agents, project managers, systems analysts or other such agents to provide additional services to customers you will pay us a royalty of 5% of the amount billed to

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	by you.	received from Customer.	Customer
Bad Debt	5% of unpaid accounts by customers. This is 5% of the total customer project cost which is unpaid after 3 months post any invoice from us.	To be deducted from commission or by the 7th day of the month following the month when the debt is 3 months old.	If Customer fails to make payments when due and Franchisee fails to successfully follow-up to insure timely payments are made to TS
Marketing or National Ad Fund	5% of received commission to be spent by you in your area. When there are 5 franchisees in the system you will contribute 5.0% to a national ad fund and we will reimburse you out of those funds for 2.5% spent by you in your local area.	To be deducted from commission payments when established	
Training of Additional Persons	Then-current charges, currently $2,500 per additional person after first 2.	On demand.	Initial Training furnished to additional people, schedule permitting.
Transfer	$5,000 Transfer Fee	Before transfer.	Payable by you or transferee. No charge if franchise transferred to a corporation or limited liability company which you control.
Transfer Referral Fee	6% of sales price Franchisee will pay broker if one is involved in the sale See above for training of new franchisee	Before transfer.	If you request, we will assist in finding a transferee for you. If you sell to a buyer we find, you will owe us 6% of sale price. The $5,000 transfer fee will also be owed to us.
Renewal	$1	Before renewal.	See Section 2.2.5 of the Franchise Agreement.
Indemnification	You must pay us amounts we incur for any claims from your operation of the Business or misuse of the Marks.	On demand	You must defend, indemnify and hold us harmless. Includes all costs of defense of claims.
Local Advertising	A minimum of $250 per month averaged over 3 months	As agreed	You must spend this locally in your area.

NOTES TO ITEM 6:

All fees are payable to TS unless otherwise noted

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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
Franchise Fee[1]	$2,000 - 10,000	Lump Sum	Upon Signing FA	Us
Travel/Living Expenses for Training [2]	$3,000-6,000	As Incurred	As Incurred	Third Parties
Rent[3]	$0	As Incurred	Monthly	Third Parties
Security Deposit[4]	$0	As Incurred	As Incurred	Third Parties
Utility Deposits[5]	$0-500	As Incurred	As Incurred	Third Parties
Equipment/Fixtures[6]	$0-2,000	As Incurred	As Incurred	Third Parties
Business Licensing, Legal, Accounting[7]	$500-2,500	As Incurred	As Incurred	Third Parties
Phones and Internet Service[8]	$0-300	As Incurred	Monthly	Third Parties
Insurance Deposit[9]	$100-400	As Incurred	As Incurred	Third Parties
Initial Advertising[10]	$200-1,000	As Incurred	As Incurred	Third Parties
Marketing/Networking[11]	$500-1000	As incurred	As Incurred	Third Parties
Additional Funds (3 months) [12]	$2,000-5,000	As Incurred	As Incurred	Third Parties
Estimated Initial Investment[13]	**$ 8,300 - 28,700**			

Explanatory Notes

1 Franchise Fee - The Franchise Fee is between $2,000 and $10,000 based on the territory population and may not be uniform for all franchises now being offered by us. If you decide to purchase a second or subsequent franchise, you will pay the price for the second/subsequent franchise units in effect at that time which may be higher than the fees listed in Item 5 at this time. See Item 5 for state specific requirements.

2 Travel/Living Expenses for Training - These costs will vary depending on factors such as mode of travel, distance traveled to training and quality of hotel accommodations selected by you. These costs are not normally refundable. The low represents the estimates for one person from a close proximity to our training location and the high represents the estimates for two people traveling with air fare.

3 Rent - You are not required to establish an office in a commercial location for the franchise and we suggest that you operate from a home based office to control costs.

4 Security Deposit – As you are not required to establish an office in a commercial location there will be no security deposit associated with renting commercial premises.

5 Utility Deposits – As outlined in #4 above, we recommend that you operate from a home based office. You may elect to pay for some of your home office utility deposits and utility costs from the franchised business. These deposits will only be refundable with supplier approval.

6 Equipment and Fixtures – The low represents you already having a space with a desk and computer to operate your business and the high represents you buying a computer, desk, chair and all in one printer, fax and copy machine for use in your business. Refunds will be available upon supplier approval.

7 Business Licensing, Legal, Accounting - You must comply with all state and local laws, including those requiring persons and entities doing business within a state or locality to qualify to do business and,

if applicable in your situation, laws governing corporations or other business entities. You will incur costs to comply with these laws. These costs will vary from region to region and will also depend upon the form in which you do business (for example, as a sole proprietor or as a corporation). We cannot determine whether any of these expenses will be refundable.

[8] Phones and Internet Service – You will need to have a business phone number for the franchise and a cell phone.You are required to subscribe to an Internet Service Provider ("ISP") offering cable, DSL or some other form of high speed Internet. We recommend a high quality, reliable and nationally recognized ISP. We reserve the right to specify a mandatory ISP at any point in the future, and we reserve, in our sole discretion, the right to prohibit the use of specific ISPs whose level of service/method of operation may not be acceptable to us. Refunds for these expenses are available with supplier approval.

[9] Insurance Deposit – The estimate represents an initial deposit for the coverage necessary to operate the business and represents approximately 3 months of coverage. Insurance costs will vary depending on factors such as the size and location of the Franchised Business. Insurance deposits are only refundable with supplier approval. Your obligations with respect to insurance are more fully described in Item 8.

[10] Initial Advertising - The amount shown is for advertising to be conducted together with the opening of your franchise and does not include any contributions to the Advertising Fund. The opening advertising plan is to be approved by us and is payable to third party suppliers. Any initial advertising is only refundable with supplier approval.

[11] Marketing/Networking – We require to you join local networking clubs in your market and sign up for LinkedIn Pro to market to specific business clientele in your area.

[12] Additional Funds - You are required to have from $2,000 to $5,000 as initial additional funds for start-up expenses and miscellaneous operating costs for approximately 3 months. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. The additional funds requirements depend on several factors including, location of your franchise, if you hire employees, and other economic factors. This estimate does not include any amount for your salary or draw during that 3-month period. We relied on our founder's experience in setting up and operating a business of this type to complete this estimate. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We cannot determine whether any of these funds will be refundable.

[13] Estimated Initial Investment - This represents an estimate of the expenditures you will need to make to purchase the Franchise and operate during the first 3 months. We do not offer direct or indirect financing to franchisees for any item. None of the fees paid to us are refundable except as expressly stated in Item 5.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We are the only approved supplier of the software development services and programming that will be sold to customers. We will earn income for these services and pay you a commission for all payments received from customers. We will be responsible for all costs and expenses related to offices and tech salaries in India who will provide the software development services to customers.

Other than us for the software development services; we do not have any required sources, designated suppliers or approved suppliers for goods, services or real estate relating to the Franchised Business at this time. However, we reserve the right to institute new requirements in the future. For other purchases you may make in the operation of your business; we do not negotiate purchase arrangements with suppliers for you at this time, but may arrange them in the future. You may purchase all other products and supplies necessary for the operation of your franchise business from suppliers of your choosing. We do not grant or revoke approval of any of these suppliers.

The Franchise Agreement requires you to operate at a standard of excellence consistent with the requirement set forth in the Manual, with special emphasis on customer service, including the requirement to contact all leads within 24 hours, maintain customer relations and follow-up for any past due billing, customer issues and support. (Section 16.3.2 of Franchise Agreement) We may at any time use test customers, or communicate directly with customers to determine your compliance with these requirements.

We require that before opening and at all times during the term of the franchise, you shall maintain in force at your expense the following insurance, at a minimum limit based on the total value of your assets (including, fire, extended coverage, vandalism and malicious mischief) (Section14.1(a) of Franchise Agreement); primary general liability insurance with a minimum limit of $1,000,000.00 (including, coverage for personal injury, products and contractual liability) (Section 14.1 (b) of Franchise Agreement); primary automobile liability insurance with a minimum limit of $1,000,000.00 (including, owned automobiles titled or leased in your name, or your owner's and used at any time, whether principally or occasionally in you franchised business). (Section 14.1(c) of Franchise Agreement); workers compensation insurance (in your name); as required by applicable law; if you have employees. If no such law exists, then you must participate in such other comparable insurance as required by us. If your state recognizes and permits self-insurer programs, your participation in such a program will satisfy our requirements under this subparagraph. (Section 14.1(d) of Franchise Agreement). We will require You to carry errors and omissions insurance.

All insurance policies must be issued by an insurance carrier rated A, or better by Alfred M. Best & Company, Inc. All liability insurance policies must name us, and any subsidiaries and affiliates which we designate, as additional insureds entitled to the coverage afforded to all named insureds, without regard to the other insurance or self-insured program which we may have in effect, and must also provide that we receive 30 days written notice before termination, expiration, cancellation, modification, or reduction in coverage or limits of any such policy. We may also reasonably increase the minimum liability "limit" protection requirement annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in public, product or motor vehicle litigation or other relevant changes in circumstances. Before opening, and annually thereafter, you must submit to us a copy of the certification of renewal or extension of each such insurance policy or any modifications to any such insurance policy, which must describe the applicable deductibles for each such policy.

Except as described above, we will not derive revenue as a result of your purchases or leases in accordance with our specifications or standards or from approved suppliers. We do not provide material benefits to franchisees based on your use of designated or approved sources or your purchase of particular products or services.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

FRANCHISEE'S OBLIGATIONS

Obligation	Section(s) in Franchise Agreement	Item in Offering Circular
(a) Site selection and acquisition / lease	5	7 & 11
(b) Pre-opening purchases/leases	5	7 and 8
(c) Site development and other pre-opening requirements	5	8 and 11
(d) Initial and ongoing training	6	11
(e) Opening	5	11
(f) Fees	4 and 13	5 and 6
(g) Compliance with standards and policies/Operating Manual	8, 10, and 13	8, 11, and 14
(h) Trademarks and proprietary information	8.8, 8.10, 9, and 10.2	13 and 14
(i) Restrictions on products/services offered	1.3 and 8.6	5, 8 and 16
(j) Warranty and customer service requirements	23	16
(k) Territorial development and sales quotas	1	12
(l) On-going product/service purchases	8	8
(m) Maintenance, appearance and remodeling requirements	5 and 8	8
(n) Insurance	14	7 and 8
(o) Advertising	12	6, 7, 8, and 11
(p) Indemnification	21.4	Not Applicable
(q) Owner's participation / management and staffing	8.3 and 8.4	15
(r) Records/reports	12	6
(s) Inspections/audits	8.9	6 and 11
(t) Transfer	15	17
(u) Renewal	2.2	17
(v) Post-termination obligations	18.3 and 1.7	17
(w) Non-competition covenants	18	17
(x) Dispute resolution	27	17

ITEM 10
FINANCING

We do not presently offer direct or indirect financing, but we may do so in the future. We do not guaranty your notes, leases, or other obligations.

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

Except as listed below, we need not provide any assistance to you.

Pre-opening Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you.
Before you open your Franchised Business:

1. We will make available, at no charge to you, specifications for the basic business set-up, fixtures, furnishings and equipment required to operate the business, including suggested equipment manufacturers; though Franchisee is under no obligation to purchase from any specific supplier or manufacturer. (Section 3.1 of the Franchise Agreement)

2. We will provide you and one employee with our standard initial training. (Training is also discussed below in this Item 11 under the subheading "Training.") We will be responsible for the cost of instruction and materials, subject to the terms stated in the Franchise Agreement and you will be responsible for the costs related to travel, meals, lodging and other related expenses for you and your employee(s). (Sections 3.2 and 6 of the Franchise Agreement)

3. We will provide training for additional staff (after the first 2) at your request at the additional training fee of $2,500 per person or $500 per day; when attending the Initial Training at the same time that you attend, and you will be responsible for all related travel and lodging expenses and additional required equipment. (Section 3.2.1 of the Franchise Agreement)

4. We will loan to you during the term of the Franchise Agreement one copy of our confidential operations manual, which may contain one or more handbooks or manuals and other written materials (collectively, the "Manual"). The Manual will contain mandatory and suggested specifications, standards and operating procedures which we will intermittently prescribe for Franchise Units, and information about your other obligations under the Franchise Agreement. The Manual may be occasionally modified to reflect changes in the authorized services, standards, operating procedures, nonprofessional specifications and other aspects of the System and the operation of the Franchise Unit. (Section 3.3 of the Franchise Agreement)

5. We will provide you a list of our then-current designated or approved suppliers. (Franchise Agreement, Section 3.7)

6. We recommend that you operate the franchise from a home based office. We do not require you to operate the business from a commercial location. If you choose to operate from a location other than your home office, it must be located within your exclusive territory but we will not approve or disapprove of the location for you. (Section 3.10 of Franchise Agreement)

Continuing Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you.

During the operation of your Franchised Business:

1. We will review and will have the right to approve or disapprove all advertising and promotional materials that you propose to use. In the future when there are enough franchisees, we may establish and administer the National or Cooperative Ad Funds. (Section 3.4 of the Franchise Agreement)

2. We may provide periodic advice or offer guidance to you in the marketing, management, and operation of the Franchised Business as we determine at the time(s) and in the manner determined by us. (Section 3.5 of the Franchise Agreement)

3. We will conduct, as we deem advisable, inspections of the operation of the Franchised Business. (Section 3.6 of the Franchise Agreement)

4. We will, in the Manual(s) (or otherwise in writing as determined by us), provide you with a list of suppliers designated and/or approved by us to supply products, signage, materials and services to franchisees in the System. (Section 3.7 of the Franchise Agreement)

5. On a regular basis, for each customer you establish software development agreements with on our behalf, we will provide you weekly reports of hours worked for that customer, invoices issued and payments received. (Section 3.9 of the Franchise Agreement)

6. We will make available additional training programs, as we deem appropriate. (Sections 6.4, 6.7 of the Franchise Agreement)

7. We will give you periodic and continuing advisory assistance as to the operation and promotion of the Franchised Business, as we deem advisable. (Section 3.7 of Franchise Agreement)

8. We will have the right, at our sole discretion, to establish the TS Advertising Counsel who will administer the National Ad Fund as stated in the Franchise Agreement and as described below in this Item 11. (Section 13.2 of Franchise Agreement)

The Franchise Agreement does not require us to provide any other assistance or services to you during the operation of the Franchised Business.

Computer System and Proprietary Software

We recommend that you have a computer with specific software, internet connection and cell phone for communication. The suggested system is listed below in PC or Mac version:

PC: Win 10, Win 8.1, Win 8, Win 7, Win Vista
2.33 GHz or faster x86-compatible processor or Intel Atom™, 1.6 GHz or faster processor for Netbook class devices
1GB RAM
1280x720 minimum resolution
Or
Mac: Mac OS X v10.11 (El Capitan), Mac OS X v10.10 (Yosemite), Mac OS X v10.9 (Mavericks), Mac OS X v10.8 (Mountain Lion), Mac OS X v10.7 (Lion), Mac OS X v10.6 (Snow Leopard)
Intel® Core 2 Duo

1GB RAM
1280x720 minimum resolution

You may be obligated to upgrade or update and/or provide general maintenance to the computer system during the term of the franchise. We estimate that the cost of any these required updates or upgrades will not exceed $500 annually.

We have also established an Extranet providing private and secure communications between us, our franchisees, and other persons and entities that we determine appropriate, which requires you to have high speed internet access at all times. We require you to establish and maintain access to the Extranet in the manner we designate. Additionally, we may occasionally prepare agreements and policies concerning the use of the Extranet that you must acknowledge and/or sign. (Franchise Agreement, Section 7.5)

We have the right to independently access all information you collect or compile at any time without first notifying you.

Tender Software Websites

Tender Software websites are considered as "advertising" under the Franchise Agreement, and are subject (among other things) to our review and written approval before they may be used (as described above). As used in the Franchise Agreement (Section 7.6), the term "Tender Software website" means an interactive electronic document, contained in a network of computers linked by communications software that we operate or authorize others to operate and that refers to the Franchised Business, Proprietary Marks, Tender Software, or the System. The term Tender Software website includes, but is not limited to, Internet and World Wide Tender Software home pages. In connection with any website, the Franchise Agreement provides that you may not establish a competing website, nor may you offer, promote, or sell any products or services, or make any use of the Proprietary Mark, or derivative of the TenderSoftware.com domain name through the Internet except as approved by Tender Software.

Advertising

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the advancement of the goodwill and public image of the System, we reserve the right to require you to expend funds on advertising and promotion, or to participate in and contribute for the purpose of advertising and promotion, each year during the term of the Franchise Agreement (the "Advertising Obligations"). Additionally, you agree to spend a minimum of 5% of received commission per month until such time that a national ad fund is established and then you will contribute 5% to the National Ad Fund, out of which we will reimburse you monthly for local advertising expenses of up to 2.5% of commissions.

From our experience, we have determined that the best marketing for this business is networking and face to face meetings with the potential clients to fully describe the Tender Software franchise and discuss their individual needs. With that understanding, you will normally be required to focus on networking events and meetings that will allow you to meet with potential clients face to face. (Section 13.1.1 of the Franchise Agreement)

National Ad Fund

The TS Advertising Council may establish a National Ad Fund in the future and all franchisees are required to participate and contribute to the fund not to exceed 5.0% of received commissions per month. (Section 13.2 of the Franchise Agreement)

We expect that we will typically disseminate advertising in one or more of print, radio, television or other electronic media.

At the time that a National Ad Fund is established, we (or our designee, which might be a corporate subsidiary or an advertising agency or consulting firm) will maintain and administer the National Ad Fund, as follows: (Section 13.2 of the Franchise Agreement)

(a) We (or our designee) will direct all advertising programs, with the sole right to decide the concepts, materials, and media used in these programs and the placement and allocation of the programs. The National Ad Fund is intended to maximize general public recognition, acceptance, and use of the franchise system (the "System"). Other than reimbursing you out of the 2.5% of commissions set aside for your local advertising, neither we nor our designee will be obligated to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or *pro rata* from expenditures by the National Ad Fund. (Section 13.2.1 of the Franchise Agreement)

(b) The National Ad Fund, and all contributions to and earnings from the National Ad Fund, will be used exclusively to meet the costs of marketing and any other activities that we believe will enhance the System's image and, in our sole discretion, promote general public awareness of and favorable support for the System. This includes, among other things, the costs of preparing and conducting media advertising campaigns; providing an annual audited account of the ad fund to all franchisees who request it; direct mail advertising; marketing surveys and other public relations activities; developing and maintaining our website (except for the portion, if any, specifically relating to soliciting franchisees); employing advertising or public relations agencies; purchasing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; and providing promotional and other marketing materials and services to the Tender Software franchises operated under the System. (Section 13.2.2 of the Franchise Agreement)

(c) To the extent that your contribution has not been withheld from received commissions by us, you must contribute to the National Ad Fund by EFT (electronic fund transfer) by the 10th day of the month for the previous month (see also Item 6, note 2). All sums you pay to the National Ad Fund will be maintained in an account separate from our other monies. The National Ad Fund is not and will not be our asset, and we or our designee will maintain separate bookkeeping accounts for the National Ad Fund. We may charge the National Ad Fund for the reasonable administrative costs and overhead that we incur in activities reasonably related to the direction and implementation of the National Ad Fund and advertising programs for you and the System, and they will not exceed 15%. The National Ad Fund and its earnings will not otherwise inure to our benefit or be used to solicit the sale of franchises; except that we may make note on advertising for franchisees the following statement: "franchises available". All franchisees in the system will pay into the National Ad Fund at the same rate.

(d) We may make available to franchisees, marketing plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, and similar marketing and promotional materials produced from contributions to the National Ad Fund. Additionally, we may sell these items to franchisees in the System at a reasonable price, and any proceeds from any those sales will be contributed to the Fund. (Section 13.2.6 of the Franchise Agreement)

(e) If all of the money in the National Ad Fund is not used in the year in which it is received, these amounts will be used in the next fiscal year. Although the National Ad Fund is intended to be of perpetual duration, we maintain the right to terminate the National Ad Fund. The National Ad Fund will not be terminated, however, until all monies in the National Ad Fund have been spent for advertising or promotional purposes.

(e) We will provide you, upon request, with an accounting of the National Ad Fund on an annual basis that will be unaudited. (Section 13.2.4 of the Franchise Agreement)

(f) Up to 50% of the contributions made to the National Ad Fund can be utilized by you towards the territory local advertising requirements. We will reimburse you up to 2.5% of received commissions each month for approved local advertising expenses you incur.

Any franchise outlet or franchises owned by the principals will contribute to the National Ad Fund on the same basis as franchisees in the System, generally, are required to contribute. As of the date of this Disclosure Document, there are no franchisee advertising councils.

Local Advertising and Promotion

Certain criteria will apply to any local advertising and promotion that you conduct. All of your local advertising and promotion must be dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any advertising or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials. If we do not give our written disapproval within five days, we will have been deemed to have approved the plans or materials. (Sections 13.3 and 13.4 of the Franchise Agreement)

All copyrights in and to advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, require your independent contractors to sign the documents) that we deem necessary to implement this provision.

As used in the Franchise Agreement, the term "local advertising and promotion" refers to only the costs of purchasing and producing advertising materials (such as camera-ready advertising), media (space or time), promotion, and your direct out-of-pocket expenses related to costs of advertising and sales promotion in your local market or area. Local advertising and promotion also includes associated advertising agency fees and expenses, postage, shipping, telephone, and photocopying costs. "Advertising and sales promotion" does not, however, include any of the following: salaries and expenses of your employees; charitable, political, or other contributions or donations; and the value of discounts given to customers.

Training

Before your Franchised Business opens, you must complete all of our initial training requirements. You (or, if you are other than an individual, your Designated Principal) and, if applicable, an additional Facilitator, or General Manager must attend and successfully complete, to our satisfaction, the initial training program that we offer and which will take place at our tech facilities in India. We will normally run training programs on an as needed basis, or as required. (See Item 15 for details regarding our requirements for the management and operation of the Franchised Business). Additionally, we may also require that other persons, up to one additional person who will operate as the Agent and/or the General Manager if you will not directly run the day to day operations; must attend and successfully complete the initial training program. We will bear the cost of all training (instruction and required materials), for the initial training program and all other training, except as described below, additional training and assistance that we may provide at your Franchised Business. You will bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance (see Items 6 and 7 of this Disclosure Document). If we determine that you or your managers do not meet these requirements, we may require that your additional managers attend and complete the initial training program we provide for new franchisees.

Tender Software, Franchisee Training Schedule

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
DAY 1*			
Business Overview	30 minutes	None	India
Communication with the Development Office	30 minutes	None	India
Key Personnel – positions and responsibility	1 Hour		
Understanding the Client Service Agreement	2 Hours	None	India
Sales techniques	2 Hour	None	India
Client Introductions	1 hour	None	India
Maintaining Client Relationships	1 hour	None	India
DAY 2			
Review of Technical Skill set of the Development Office	4 Hours	None	India
Software Development Processes	4 Hours	None	India
DAY 3			
Review of the above. Questions. Examples. Role Playing.	8 Hours	None	India

*Typically a Tuesday

We offer basic computer training as it applies to using our process and software. If you require basic computer training in addition to the scheduled training it will be held the day prior to the first day of scheduled training at no additional cost.

Training by designated training personnel for each facility in which we train based on the specific background of the trainee. All training is overseen by Brent Crysell. Process and software training is done by Brent Crysell who has 20 years' experience in management, customer service.

Additionally, we may require that you or your Designated Principal and General Manager attend these refresher courses, seminars, and other training programs as we may require occasionally, on the condition that required refresher and additional training will not exceed (a) seven days (per trainee) each year at our headquarters in Australia, India or another location we may designate, and (b) three days (per trainee) each year to attend a convention for the franchise system. We may also offer voluntary training programs. If these refresher and additional training programs are conducted at our headquarters in Australia, India or another location we may designate, we will bear the costs associated with providing these training programs. However, if you request that we provide any of this training at your Franchised Business, and we do so, we may charge you our then-current per diem training fee for the additional training provided; and you will also have to reimburse Tender Software for all out of pocket costs and expenses associated with the additional training, including lodging, food and travel arrangements of the trainers. (See Item 6 regarding the costs).

At the orientation session, you will also have an opportunity to review our Operations Manual. You must strictly comply with the terms of the Operations Manual in operating your Franchise. We may change the Operations Manual and you must comply with those changes. The table of contents of the Operations Manual as of the date of this Disclosure Document is attached as Exhibit I to this Disclosure Document.

Opening of Franchised Business

We estimate that the time period between the signing of the Franchise Agreement and the start of operations will be approximately one to three months. Factors that may affect this time period include your ability to obtain financing, if required; your current situation of business and if you will operate the business yourself or hire a manager; and scheduling and attending the training. You will be open and ready for business upon completion of initial training.

ITEM 12
TERRITORY

The following describes how Territories are determined, and the rights that you and we have under the Franchise Agreement.

Franchise Agreement

You will receive an exclusive territory in a Demographic Market Area (DMA), with a minimum population of 100,000 people. You will operate from one official location and must receive permission from us if you intend to relocate your office. We will not operate units or grant franchises for a similar or competitive business within your DMA. Except when advertising cooperatively with appropriate franchisees, neither we nor you can advertise or solicit orders within another franchisee's DMA. You can accept orders from outside your DMA with a full commission if the customer is located outside of other franchisees DMAs, or on a split commission if the customer is located in another franchisee's DMA. Other franchisees may have secured customers from your DMA prior to the commencement of your Franchise Agreement and you will not be entitled to a commission from those customers. We will base the DMA on then-current United States Census (Censusstats.census.gov) information or other reliable type information.

If at any time the demographics change or your client capacity is beyond your ability to support, we may establish another facility within the area and we may offer you the first right of refusal, but we are not obligated to do so. Your territory cannot be modified except by mutual written agreement by both parties.

The continuing of your rights are dependent on you submitting a minimum number of new customers to TS on a monthly basis as determined by the population in your market and agreed to prior to signing the franchise agreement. This minimum is 3 customers per calendar quarter per 5,000,000 population in your DMA, rounded up to the closest whole number. Your failure to meet this minimum two consecutive calendar quarters will be a default under the Franchise Agreement and we may terminate the Franchise Agreement or remove or minimize your DMA.

DMA Population	Formula result	Minimum number of new customers to be referred to TS

100,000	0.06	rounded up to	1	per financial quarter
1,000,000	0.60	rounded up to	1	per financial quarter
2,500,000	1.50	rounded up to	2	per financial quarter
5,000,000	3.00	rounded up to	3	per financial quarter

We have not established other franchises or company-owned outlets or other distribution channels selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere. Neither we, nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will offer.

Subject to the above, we reserve the right to: (1) operate or grant others the right to operate Franchise Units outside of the DMA; (2) sell and license services and products of any type not licensed by the Franchise Agreement, using the Marks or other commercial symbols through any distribution channels; (3) engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

"Any distribution channels" include electronic presentations via computer networks (including the World Wide Web, other areas of the Internet or other on-line networks), satellite broadcasts, private cable hookups; audio tapes; videotapes; DVDs; CD-ROMs; catalogues; direct mail; books; newsletters; and other communications methods of any nature now devised or devised in the future.

ITEM 13
TRADEMARKS

We grant you the right to operate a business under the name Tender Software. You may also use our other current or future trademarks to operate your business. By trademark we mean trade names, trademarks, service marks and logos used to identify your business. We registered the below trademark on the United States Patent and Trademark Office principal register:

Mark	**Serial Number/ Registration Number**	**Filing Date/ Registration Date**	**Type of Mark**
TENDER SOFTWARE	86928236	02/29/2016	Service Mark

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

No agreements limit our right to use or license the use of our trademarks. There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court or any pending infringement, opposition or cancelation proceedings involving our Trademark.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. However, if we determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement. If there is any litigation relating to your use of the Proprietary Marks, you must sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action. Unless litigation results from your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement we will also reimburse you for your out-of-pocket costs.

There currently is no pending material federal or state court litigation regarding our use or ownership of the trademarks.

We reserve the right to substitute different proprietary marks for use in identifying the System and the Tender Software franchises operating under it if we, in our sole discretion, determine that substitution of different marks as Proprietary Marks will be beneficial to the System. You must promptly implement any substitution of new Proprietary Marks.

You must not use the Proprietary Marks (including our service marks) as part of your corporate, partnership, or other legal name, or to identify you or your Franchised Business in any other legal activity, or as part of any e-mail address, domain name, or other identification of you or your Franchised Business in any electronic medium, unless agreed to in advance, in writing, by us. As necessary to conduct the business of your Franchised Business and obtain business permits for the operation of your Franchised Business, you may indicate that your Franchised Business will be doing business under the trade name "Tender Software" on the condition that you clearly identify yourself as the owner and operator of the Franchised Business and properly identify the legal name under which you (or your business entity) will be acting.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents or patent applications are material to the Franchise offered to you in the Franchise Agreement.

Copyrights

We claim statutory copyright protection covering various materials used in our business and the development and operation of Tender Software franchises, including the Manual(s), training materials, certified reports we produce, any Proprietary Software, advertising and promotional materials, and similar materials. We have not registered these materials with the United States Registrar of Copyrights, but we are not required to do so.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditure you make because of any discontinuance or modification.

All rights, title, and interest in advertising and promotional materials that you develop or prepare (or that are prepared by someone on your behalf) or that bear any Proprietary Marks will belong to us. You must sign any documents we reasonably deem necessary to evidence our right, title, and interest in and to any advertising and promotional materials. We will have the right to use these materials and to provide them to other franchisees and advertising funds and programs of the System, without compensation to you, regardless of how the materials were developed. Additionally, we may occasionally require that you sign a license agreement for the use of proprietary materials that we provide to you in an electronic format.

Confidential Information

We possess and will develop and acquire certain confidential and proprietary information and trade secrets including: (a) the business methods, techniques, specifications, standards, procedures and formats of the System; (b) policies, procedures, information, concepts, systems, and knowledge of and experience in the development, operation and franchising of the Tender Software franchise businesses, including information which comprises the System; and (c) marketing programs for the Franchise Units (the "Confidential Information").

Except for the purpose of operating the Franchised Business under a Franchise Agreement, you may never (during Franchise Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the development and operation of the Franchised Business that may be communicated to you or that you may learn by virtue of your operation of a Tender Software franchise. You may divulge confidential information only to those of your employees who must have access to it to operate the Franchised Business. Any information, knowledge, know-how, or techniques that we designate as confidential will be deemed "confidential" for purposes of the Franchise Agreement. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, we may require you, your Designated Principal, other owners, managers, and your employees with access to confidential information to sign confidentiality and non-competition agreements. Each of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Franchised Business. These agreements must be in a form that we find satisfactory, and must include, among other things, specific identification of our company as a third party beneficiary with the independent right to enforce the covenants. Our current forms for this agreement are included in Exhibit D to the Franchise Agreement (which is included in this Disclosure Document).

Confidential Manual(s)

To protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must conduct your business in accordance with the Manual(s). We will lend you one set of our Manual for the term of the Franchise Agreement, which you must return to us at the expiration or termination of the Franchise Agreement. The Manual(s) may include multiple volumes of printed text, computer disks, other electronic stored data, videotapes, and periodic updates or bulletins that we issue to franchisees and others operating under the System. You must treat the Manual(s), all supplements and revisions to the Manual(s), including bulletins and the information contained in them, as confidential, and must use best efforts to maintain this information (whether in written or electronic format) as secret and confidential. You must not reproduce these materials (except for the parts of the Manual(s) that are meant for you to copy, which we will clearly mark as such) or otherwise make them available to any unauthorized person. The Manual(s) will remain our sole property. You must keep them in a secure place on the Franchised Business premises.

We may revise the contents of the Manual(s), and you must comply with each new or changed standard. We will notify you in writing of revisions to the Manual(s). You must ensure that the Manual(s) are kept current at all times. If there is a dispute as to the contents of the Manual(s), the terms of the master copies that we maintain at our home office will control.

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

Franchise Agreement

Under the Franchise Agreement, you (or if you are an entity, your Designated Principal) must be involved, and we recommend that you be involved, in the general oversight and management of the operations of the Franchised Business. If, however, you or your Designated Operator will not assume full-time responsibility for the daily supervision and operation of your Franchised Business, then you must employ a full-time general manager (the "General Manager"), with qualifications reasonably acceptable to us and who successfully completes (to our satisfaction) our initial training program. We will have the right to rely on the Designated Principal or General Manager to have the responsibility and decision-making authority regarding your business and operations.

You recognize that continuous marketing and availability of the products and services to customers and the public is essential to the adequate promotion of all Tender Software franchises and that any failure to provide such availability affects Tender Software and other franchisees both locally and nationally. You shall operate your business continuously though we cannot state that it will be a Monday through Friday, 9-5 operation as it will depend on customers' time frames. We will not specify specific times and days that you are to be operational. You will have to determine what schedule is best for you and for customers to market your franchised business successfully.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

To maintain a uniform standard of operation, you must conduct the Franchise in strict compliance with the Franchise Agreement. You may provide only and all of those services and products authorized and approved by us. You must use the materials and Software Agreements we provide to you.

We may modify the approved services at our sole discretion. We also reserve the right to add additional services, programs and materials to those you may currently offer and to withdraw services, programs and materials that are currently offered. To use new services, programs and materials, you may be required to attend additional training, meet new standards, pay a fee or make specific purchases. If you decline to offer the new services, programs and materials, we may or may authorize someone else to do so in your Market Area.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The tables list certain important terms of the franchise and related agreements. You should read these terms in the agreements attached to this Disclosure Document.

FRANCHISE AGREEMENT

	Provision	**Section in Franchise Agreement**	**Summary**
(a)	Length of the term of the franchise	Section 2.1	7 years.
(b)	Renewal or extension of the term	Section 2.2	Additional 5 year terms.
(c)	Requirements for you to renew or extend	Section 2.2	If you are in good standing you may apply to renew the franchise with us for an additional 5 years. You must sign a mutual release and a new Franchise Agreement (which may contain materially different terms from the original Agreement), pay renewal fee, and others; see §§ 2.2.1 - 2.2.9 in Franchise Agreement.
(d)	Termination by you	Not Applicable	
(e)	Termination by us without cause	Not Applicable	
(f)	Termination by us with cause	Section 16	Default under Franchise Agreement, bankruptcy, abandonment, and other grounds; failure to begin operations within 90 days; loss of right to transact business; unlawful transfer of rights; failure to comply with covenants; unlawful disclosure of Manuals, etc.; unauthorized use of proprietary materials and Marks; repeated defaults exceeding 3 or more within 12 months; failure to provide services within specified time frames; failure to pay fees; see § 16 of the Franchise Agreement. Under the U.S. Bankruptcy Code, we may not be able to terminate the agreement merely because of a bankruptcy filing.
(g)	"Cause" defined –defaults which can be cured	Sections 16.3 and 16.4	All other defaults not specified in §§ 16.1 and 16.2 of the Franchise Agreement
(h)	"Cause" defined – defaults which cannot be cured	Sections 16.1 and 16.2	Bankruptcy, abandonment, conviction of felony, and others; see §16.2 of the Franchise Agreement (Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.)
(i)	Your obligations on termination/non-renewal	Section 17	Cease operating the Franchised Business, payment of amounts due, return all manuals, Logo Specific materials, and others; see §§ 17.1 – 17.10 of the Franchise Agreement.

	Provision	Section in Franchise Agreement	Summary
(j)	Assignment of contract by Us	Section 15.1	There are no limits on our right to assign the Franchise Agreement.
(k)	"Transfer" by you-defined	Section 15.2	Includes transfer of any interest.
(l)	Our approval of transfer by you	Section 15.2	We have the right to approve transfers and can apply standards to determine (for example) whether the proposed transferee meets our requirements for a new franchisee.
(m)	Conditions for our approval of transfer by you	Sections 15.3 and 15.4	Release, signature of new Franchise Agreement, payment of transfer fee, and others; see §§ 15.3.1 – 15.3.11 and 15.4 of the Franchise Agreement.
(n)	Our right of first refusal to acquire your business	Section 15.6	We can match any offer.
(o)	Our option to purchase your business	Section 15.6	We reserve the right to purchase your business.
(p)	Your death or disability	Sections 15.7, 15.8, and 19.9	Your estate must transfer your interest in the Franchised Business to a third party we have approved, within a year after death or six months after the onset of disability.
(q)	Non-competition covenants during the term of the franchise	Sections 18.2 and 18.5	Includes prohibition on engaging in any other business offering offshore software development services or diverting customers to other businesses; and others; see §18.2 of the Franchise Agreement.
(r)	Non-competition covenants after the franchise is terminated or expires	Sections 18.3 and 18.5	Includes a Two year prohibition similar to "q" (above), within the DMA, or within 50 miles of any Tender Software franchises then-operating under the System anywhere.
(s)	Modification of the agreement	Section 25	Must be in writing signed by both parties.
(t)	Integration/merger clause	Section 25	Only the final written terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in the Franchise or any other agreement is intended to disclaim the representations made in this Disclosure Document.
(u)	Dispute resolution by arbitration or mediation	Section 27.2	Before bringing an action in court, the parties must first submit (except for injunctive relief) the dispute to non-binding mediation by the American Arbitration Association.
(v)	Choice of forum	Section 27.3	All arbitrations and litigations must be conducted in the city where we have our headquarters, currently, Walnut, CA; subject to state law.
(w)	Choice of law	Section 27.1	California; subject to state law.

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchises.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given if: (1) a franchisor provides that actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Representation One

(A) This representation relates to the performance of a single existing franchisee that has been operating since June 2016 in Houston servicing a territory of Dallas and Houston, Texas, USA.
(B) The commission payments detailed herein relate to the years 2016 and 2017
(C) During 2016 and 2017 there was one outlet operating in USA servicing all of USA
(D) The financial performance data was derived from one outlet only
(E) As the financial performance is based on the activities of one outlet, 100% of the outlets attained this level of financial performance.
(F) The characteristics of the outlet on which the financial representation is made may differ materially from those of the outlet that may be offered to a prospective franchisee.
(iii) this representation is not a forecast of future financial performance.
(iv) A new franchisee's individual financial results may differ from the result stated in the financial performance representation as commission amounts will differ. A franchisee will have sales expenses, but will not incur the software development costs paid by our affiliate.
(v) Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Commission Paid to Franchisee	
Jun-16	703.93
Jul-16	2248.21
Aug-16	2408.01
Sep-16	1667.23
Oct-16	1571.06
Nov-16	1593.94
Dec-16	498.42
Total 2016	10690.79
Jan-17	453.43
Feb-17	500.88
Mar-17	1678.68
Apr-17	1505.45
May-17	3075.96
Jun-17	3310.82
Jul-17	3767.26
Aug-17	3603.84
Total 2017	17896.31

Representation Two

(A)This representation relates to the performance of the single existing outlet that has been operating since 2011 in Australia servicing all of Australia. The population of Australia is estimated to be 24,009,866 as at February 25th 2016 (Source: Australian Bureau of Statistics). The prospective franchisee should note that:
- the service will be offered at a different price in the franchisee's territory,
- the service will be offered in a different currency. All amounts are shown in Australian Dollars. The exchange rate as at February 25th 2016 was USD $1 = AUD$1.382893 (Source: x-rates.com),
- the franchisee's territory will likely have a different (much smaller) population base,
- the Franchisee's territory will be operating in a different time zone relative to the location of service being provided when compared to Australia's time zone relative to the location of the service provided,
- the culture between Australia and the prospective franchisee's territory may differ in respect to being receptive to engaging the services,
- the franchisee will not receive the full revenue but will instead receive a 25% commission based on revenue from the customers

(B) The revenue figures detailed herein relate to the years 2014 and 2015

(C) During 2014 and 2015 there was one outlet operating in Australia servicing all of Australia and some International customers

(D) The financial performance data was derived from one outlet only

(E) As the financial performance is based on the activities of one outlet, 100% of the outlets attained this level of financial performance.

(F) The characteristics of the outlet on which the financial representation is made may differ materially from those of the outlet that may be offered to a prospective franchisee.

(iii) this representation is not a forecast of future financial performance.

(iv) A new franchisee's individual financial results may differ from the result stated in the financial performance representation as revenue amounts will differ, and the franchisee will not receive the full revenue but will instead receive a 25% commission based on revenue from the customers. A franchisee will have sales expenses, but will not incur the software development costs paid by our affiliate.

(v) Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Tender Software Australian Revenue - Australian Dollars		
	2015	2014
Invoices Issued by Item code (Excl Tax)	$971,133.67	$570,096.48
Invoices Issued by Item code (Incl Tax)	$1,065,821.56	$596,688.61
Payments Received (Incl Tax)	$1,017,844.21	$563,091.60
Credit Notes (Incl Tax)	$27,688.61	$28,727.77
Tax paid to Australian Tax Office	$80,824.27	$48,940.87
Net Revenue - after tax	$937,019.94	$514,150.73
All amounts shown in Australian Dollars		
Franchisee commission is 25% of Revenue		
Note on Tax: A 10% Goods and Services Tax is added to all Australian Domestic invoice amounts. Australian Domestic Business clients can claim the 10% tax back in their quarterly Business Activity Tax Statement and therefore effectively pay 0% tax. Australian Domestic non business clients cannot claim the tax back and therefore pay the 10% Goods and Services Tax. International Clients are not required to pay the 10% Goods and Services Tax.		

Item 20
OUTLETS AND FRANCHISEE INFORMATION
TABLE 1
System wide Outlet Summary For Years 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	0	0	0
	2015	0	0	0
	2016	0	1	0
Company-Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	2014	0	0	0
	2015	0	0	0
	2016	0	1	0

TABLE 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2014 to 2016

State	Year	Number of Transfers
ALABAMA	2014	0
	2015	0
	2016	0
ALASKA	2014	0
	2015	0
	2016	0
ARIZONA	2014	0
	2015	0
	2016	0
ARKANSAS	2014	0
	2015	0
	2016	0
CALIFORNIA	2014	0
	2015	0
	2016	0
COLORADO	2014	0
	2015	0
	2016	0
CONNECTICUT	2014	0
	2015	0
	2016	0
DELAWARE	2014	0

State	Year	Number of Transfers
	2015	0
	2016	0
DISTRICT OF COLUMBIA	2014	0
	2015	0
	2016	0
FLORIDA	2014	0
	2015	0
	2016	0
GEORGIA	2014	0
	2015	0
	2016	0
HAWAII	2014	0
	2015	0
	2016	0
IDAHO	2014	0
	2015	0
	2016	0
ILLINOIS	2015	0
	2016	0
	2014	0
INDIANA	2014	0
	2015	0
	2016	0
IOWA	2014	0
	2015	0
	2016	0
KANSAS	2014	0
	2015	0
	2016	0
KENTUCKY	2014	0
	2015	0
	2016	0
LOUISIANA	2014	0
	2015	0
	2016	0
MAINE	2014	0
	2015	0
	2016	0
MARYLAND	2014	0
	2015	0
	2016	0
MASSACHUSETTS	2014	0
	2015	0

State	Year	Number of Transfers
	2016	0
MICHIGAN	2014	0
	2015	0
	2016	0
MINNESOTA	2014	0
	2015	0
	2016	0
MISSISSIPPI	2014	0
	2015	0
	2016	0
MISSOURI	2014	0
	2015	0
	2016	0
MONTANA	2014	0
	2015	0
	2016	0
NEBRASKA	2014	0
	2015	0
	2016	0
NEVADA	2014	0
	2015	0
	2016	0
NEW HAMPSHIRE	2014	0
	2015	0
	2016	0
NEW JERSEY	2014	0
	2015	0
	2016	0
NEW MEXICO	2014	0
	2015	0
	2016	0
NEW YORK	2014	0
	2015	0
	2016	0
NORTH CAROLINA	2014	0
	2015	0
	2016	0
NORTH DAKOTA	2014	0
	2015	0
	2016	0
OHIO	2014	0
	2015	0
	2016	0

State	Year	Number of Transfers
OKLAHOMA	2014	0
	2015	0
	2016	0
OREGON	2014	0
	2015	0
	2016	0
PENNSYLVANIA	2014	0
	2015	0
	2016	0
RHODE ISLAND	2014	0
	2015	0
	2016	0
SOUTH CAROLINA	2014	0
	2015	0
	2016	0
SOUTH DAKOTA	2014	0
	2015	0
	2016	0
TENNESSEE	2014	0
	2015	0
	2016	0
TEXAS	2014	0
	2015	0
	2016	0
UTAH	2014	0
	2015	0
	2016	0
VERMONT	2014	0
	2015	0
	2016	0
VIRGINIA	2014	0
	2015	0
	2016	0
WASHINGTON	2014	0
	2015	0
	2016	0
WEST VIRGINIA	2014	0
	2015	0
	2016	0
WISCONSIN	2014	0
	2015	0
	2016	0
WYOMING	2014	0

State	Year	Number of Transfers
	2015	0
	2016	0
PUERTO RICO	2014	0
	2015	0
	2016	0
U. S. VIRGIN ISLANDS	2014	0
	2015	0
	2016	0
OTHER U. S. TERRITORIES AND POSSESSIONS	2014	0
	2015	0
	2016	0
TOTAL	2014	0
	2015	0
	2016	0

TABLE 3
Status of Franchised Outlets for Years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
ARIZONA	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
CALIFORNIA	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
COLORADO	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
CONNECTICUT	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
FLORIDA	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
ILLINOIS	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
MARYLAND	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
MASSACHUSETTS	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2016	0	0	0	0	0	0	0
NEW JERSEY	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
NEVADA	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
OKLAHOMA	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
OREGON	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
TEXAS	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
WASHINGTON	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Totals	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1

TABLE 5

Projected New Franchised Outlets as of December 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company – Owned Outlets In the Next Fiscal Year
CALIFORNIA	0	1	0
FLORIDA	0	0	0
GEORGIA	0	0	0
ILLINOIS	0	0	0
NEW YORK	0	0	0
PENNSYLVANIA	0	0	0
Total	0	0	0

Exhibit D lists the names of all of our operating franchisees and the addresses and telephone numbers of their Tender Software franchises as of July 1, 2017. Exhibit D also lists the franchisees who have signed Franchise Agreements with us which were not yet operational as of July 1 , 2017. Exhibit E lists the name, city and state, and business telephone number (of, if unknown, the last known telephone number) of every franchisee who had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

There currently are no known trade-mark specific franchisee organizations associated with the franchise system.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit F are the following financial statements for Tender Software, Inc. audited financial statements as December 31, 2015, December 31, 2016 and unaudited Balance Sheet and Profit and Loss as of August 31, 2017. "THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM."

ITEM 22
CONTRACTS

The following agreements are attached in to this Disclosure Document:
Exhibit A – Franchise Agreement and all related exhibits.

ITEM 23
RECEIPT

Two copies of an acknowledgment of your receipt for this Disclosure Document appear as the last pages of the Disclosure Document. Please date, sign, and return one copy to us and keep the other with this Disclosure Document for your records.

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

EXHIBIT A
FRANCHISE AGREEMENT

TENDER SOFTWARE, INC.

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EXHIBIT A	– DATA SHEET
EXHIBIT B	– LIST OF FRANCHISEE'S PRINCIPALS
EXHIBIT C-1	– GUARANTY
EXHIBIT C-2	– OWNERS
EXHIBIT D -1	CONFIDENTIALITY AND NON-COMPETE AGREEMENT FOR FRANCHISEE'S PRINCIPALS AND EXECUTIVES
EXHIBIT D-2	- CONFIDENTIALITY AND NON-COMPETE FOR FRANCHISEE'S EMPLOYEES
EXHIBIT E	-ZIP CODE AND COUNTY LISTING OF DEMOGRAPHIC MARKET AREA

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into on this ___day of _______, 20_ (the "**Effective Date**"), by and between:

- Tender Software, Inc. a California Corporation whose principal place of business is 340 S Lemon Ave #6652N, Walnut, CA 91789. ("**Franchisor**"); and

- ____ a [resident of] [corporation organized in] [limited liability company organized in] *[select one]*, having offices at ___________, ____ ____ ____("**Franchisee**").

BACKGROUND:

A. Franchisor owns a format and system (the "System") relating to the establishment and operation of a business designed to promote offshore software development services to local software companies and design studios in Franchisee's local market. The Tender Software franchises operate through a uniform system which has high standards of services, uses quality service, software technicians and operates under the business format created and developed by Franchisor (the "Services"), and which is known as Tender Software System (the Tender Software franchise); and feature and operate under the Proprietary Marks (as defined below) (each "Tender Software franchise").

B. The distinguishing characteristics of the System include, but are not limited to, the name and mark Tender Software together with all other, trade names, services marks, trademarks, copyrights, titles, symbols, trade dresses, emblems, slogans insignias, terms, designations, designs, diagrams, worksheets, techniques, rules, ideas, advertising and promotional materials, and other written materials as Franchisor has developed and designated for use in connection with the franchise ("Proprietary Assets"); and

C. Franchisee desires to enter into the business of operating a business as a 'Tender Software' franchise under the System and using the Proprietary Marks, and wishes to enter into this agreement with Franchisor for that purpose and to receive the training and other assistance provided by Franchisor in connection therewith.

D. Franchisee understands and acknowledges the importance of the high standards of Franchisor for quality, appearance, and service; and the necessity of operating the business franchised by this Agreement in conformity with the standards and specifications of Franchisor.

NOW, THEREFORE, the parties agree as follows:

SECTION 1 - GRANT

1.1 **Grant and Acceptance.** Franchisor grants to Franchisee the right, and Franchisee by this agreement undertakes the obligation, on the terms and conditions set forth in this Agreement to: (a) establish and operate a Tender Software franchise (the "Franchised Business"), (b) use, only in connection therewith, the Proprietary Marks and the System, as they may be changed, improved, or additionally developed by Franchisor; and (c) operate the Franchised Business only within the Demographic Market Area (as defined in Section 1.2 below) in accordance with this Agreement. Franchisee shall not purposefully solicit business in the DMA of another franchisee, other than business from or with pre-existing business associates or relationships, from referrals from existing customers, from unintentional meetings with potential customers located in the DMA of another franchisee, or other such chance encounters; Franchisee shall not solicit the business of customers in the DMA that have Services being supplied to them by another Franchisee where the supply of those services commenced prior to the start of this Franchise Agreement; Franchisee may solicit business in any area where no franchisee currently has a DMA.

1.2 **Demographic Market Area.** Franchisee agrees to develop and operate the Franchised Business within the area specified in Exhibit A to this Agreement as the Demographic Market Area ("DMA"). Franchisee will not relocate the Franchised Business without Franchisor's prior written consent. The DMA will include an area noted by zip codes consisting of a minimum of 100,000 population.

1.3 **Limit on Sales.** Franchisee's rights in this Agreement will be limited to offering and selling the Services of the Franchised Business. Franchisee will not, without the prior written approval of Franchisor, engage in any other type of sale of, or offer to sell, or distribution of Services, including: selling, distributing or otherwise providing, any Services not approved by Franchisor.

1.4 **DMA and Reserved Rights.** Except as otherwise provided in this Agreement, during the term of this Agreement, Franchisor will not establish or operate, nor license more than one franchisee per DMA. Franchisor retains the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights:

1.4.1 To own, acquire, establish, and/or operate and license others to establish and operate, Tender Software franchises under the System at any location outside the DMA;

1.4.2 To own, acquire, establish and/or operate and license others to establish and operate, similar businesses under the Proprietary Marks, at any location outside the DMA.

1.4.3 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether these businesses are similar or different from the Franchised Business, at any location outside the DMA.

SECTION 2 - TERM AND RENEWAL

2.1 **Initial Term.** This Agreement will be in effect on its acceptance and execution by Franchisor and, except as otherwise provided in this Agreement, this Agreement will expire 7 years from the Effective Date.

2.2 **Renewal.** Franchisee may apply to operate the Franchised Business for successive additional terms of 5 years each if the following conditions are met before each renewal:

2.2.1 Franchisee will give Franchisor written notice of Franchisee's election to renew at least six (6) months, but not more than 12 months, before the end of the term of this Agreement;

2.2.2 Franchisee will not have any past due monetary obligations or other outstanding obligations to Franchisor and its affiliate, the approved suppliers of the System, if any, or the landlord of the Franchised Location if you lease a location to operate the franchise;

2.2.3 Franchisee will not be in default of any provision of this Agreement, or successor of this Agreement, or any other agreement between Franchisee and Franchisor or its affiliate, the approved suppliers of the System, or the landlord of the Franchised Location; and Franchisee will have substantially complied with all the terms and conditions of the agreements during the terms of this Agreement;

2.2.4 Franchisee and Franchisor will sign a mutual general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees;

2.2.5 Franchisee will pay the renewal fee of $1 and sign the then-current form of franchise agreement offered by Franchisor, which will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including requirements to pay additional and/or higher fees;

2.2.6 Franchisee will comply with the then-current qualification and training requirements of Franchisor;

2.2.7 Franchisee will make or provide for, in a manner satisfactory to Franchisor, the renovation and modernization of the Premises, if a location has been leased, as Franchisor may reasonably require, including installation of new equipment and renovation of signs, furnishings, fixtures, and decor to reflect the then-current standards and image of the System;

2.2.8 Franchisee will present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises (or such other location) for the duration of the renewal term;

2.2.9 Franchisee, at the time of renewal, satisfies Franchisor's standards of financial responsibility and, if requested by Franchisor, Franchisee demonstrates to Franchisor that Franchisee has sufficient financial resources and means to continue to operate the Franchised Business during the renewal term.

SECTION 3 - DUTIES OF FRANCHISOR

3.1 **Initial Business Set-up.** Franchisor will make available, at no charge to Franchisee, specifications for the basic business set-up, fixtures, furnishings and equipment required to operate the business, including suggested equipment manufacturers though Franchisee is under no obligation to purchase from any specific supplier or manufacturer. Franchisee acknowledges that these standard specifications will not contain the requirements of any federal, state or local law, code or regulation. Franchisee understands and acknowledges that Franchisor has the right to modify the required equipment specifications as Franchisor deems appropriate.

3.2 **Initial Training.** Franchisor will provide its initial 3-day training for Franchisee (**"Initial Training"**), as described in Section 6 of this Agreement.

3.2.1 Franchisee may request additional sales staff to attend the Initial Training with Franchisee and pay the additional training fee of $2,500 per additional person.

3.2.2 Franchisee is responsible for all travel, lodging and meal expenses for Franchisee and any employee(s) while attending training.

3.3 **Loan of Manuals.** Franchisor will provide Franchisee, on loan, copies of the Franchisor's confidential operations manuals and other manuals, instructional materials, and written policies and correspondence (collectively, the **"Manuals"**), as more fully described in Section 10 in this Agreement.

3.4 **Advertising Programs and Materials.** Franchisor will review and will have the right to approve or disapprove all advertising and promotional materials that Franchisee proposes to use, according to Section 13 below. Franchisor will administer the National Ad Fund, if this fund exists or is created, in the manner set forth in Section 13 below.

3.5 **Guidance.** Franchisor may provide periodic advice or offer guidance to Franchisee in the marketing, management, and operation of the Franchised Business as Franchisor determines at the time(s) and in the manner determined by Franchisor.

3.6 **Inspections.** Franchisor will conduct, as it deems advisable, inspections of the operation of the Franchised Business by Franchisee.

3.7 **List of Suppliers.** Franchisor will, in the Manuals (or otherwise in writing as determined by Franchisor), provide Franchisee with a list of suppliers designated and/or approved by Franchisor to supply products, signage, materials and services to franchisees in the System.

3.8 **Delegation**. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any distributor, designee, employee, or agent of Franchisor, as Franchisor may direct.

3.9 **On-Going Support**. Franchisor will, on a regular basis, for each customer you establish software development agreements with, invoice all customers directly and provide you weekly reports of hours worked for that customer, invoices issued and payments received.

3.10 **Site Selection**. Franchisee may operate from a home based office. If Franchisee determines to operate from a commercial location, Franchisee will be solely responsible for selecting the site of the Franchised Location for Franchisee's business, regardless of whether the Franchised Location is owned or leased by Franchisee. Accordingly, no provision of this Agreement will be construed or interpreted to impose any obligation upon Franchisor to locate a site for Franchisee, to assist Franchisee in the selection of a suitable site for the Franchised Location, or to provide any assistance to Franchisee in the purchase or lease of the Franchised Location.

3.11 **Site Selection Criteria**. Franchisee is not required to have a site preapproved by Franchisor so long as it is located within the DMA.

3.12 **Fulfillment of Obligations**. In fulfilling its obligations according to this Agreement, and in conducting any activities or exercising any rights according to this Agreement, Franchisor (and its affiliates) will have the right: (i) to take into account, as it sees fit, the effect on, and the interests of, other franchised businesses and systems and in which Franchisor has an interest and on Franchisor's (and its affiliates') own activities; (ii) to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which Franchisor (or its affiliates) has an interest, or with Franchisor's affiliates; (iii) to introduce proprietary and non-proprietary items or operational equipment used by the System into other franchised systems in which Franchisor has an interest; and/or (iv) to allocate resources and new developments between and among systems, and/or Franchisor's affiliates, as Franchisor sees fit. Franchisee understands and agrees that all of Franchisor's obligations under this Agreement are subject to this Section 3.12, and that nothing in this Section 3.12 will in any way affect Franchisee's obligations under this Agreement.

SECTION 4 - FEES

4.1 **Franchise Fee**. The initial franchise fee will be the amount specified in Exhibit A (the "**Franchise Fee**"), which is paid as specified in Exhibit A in consideration of the franchise granted in this Agreement. The Franchise Fee (as reflected in Exhibit A) will be between Two Thousand Dollars ($2,000) and Ten Thousand Dollars ($10,000), based on the territorial population. **"Based on the Franchisor's financial condition, the California Department of Business Oversight has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under this franchise agreement."**

4.2 **Refundability**. Payment of the Franchise Fee will be non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

4.3 **Service Fees**. During the term of the franchise, Franchisor will pay Franchisee a commission of Twenty-five percent (25%) of all revenues collected from customers for software development services provided to customers submitted to Franchisor by Franchisee. If a customer is in another franchisee's DMA, the commission shall be split between Franchisee and the other franchisee, with each franchisee to receive 12.5%. When in doubt, the customer's zip code will determine which DMA a customer is located in. If a customer is located outside of any franchisee's DMA and that DMA is later assigned to a new franchisee, the commission shall be "grandfathered" and the franchisee who originally signed the customer as a client shall receive the full 25% commission at all times. Franchisee will not receive a commission on revenues collected from customers in the DMA if the customer has been submitted to Tender Software by another franchisee prior to the commencement of this franchise agreement. Commissions will be paid on services, but not upon any other product or services billed by Franchisor or Franchisee to a customer at actual cost with no profit margin for TS. Franchisee agrees that all services contracted with customers will be done with Tender Software Development Service Agreements as included in the Operations Manuals and may include certain no-fee introductory periods and satisfaction guarantees as offered by Franchisor included minimum fees to be charged to customers. Franchisee agrees to pay Franchisor a royalty fee of Five Percent (5%) to Franchisor for any additional services provided to customers such as project managers and systems analysts where Franchisee bills customer directly.

4.3.1 Franchisor shall pay Franchisee commissions due on all paid invoices within five business days of the end of each month.

4.4 **Other Fees**. Franchisee agrees to subscribe to the following additional services from the preferred suppliers of Franchisor, and pay the following support and subscription fees directly to preferred suppliers:

4.4.1 While there currently is no Extranet cost or fee, if one is imposed in the future, Franchisee shall pay any monthly Extranet and Software support fee for the use and access to the Extranet and proprietary software that helps to manage contact relationships, on-line documentation storage, calendar, intra company communications, on-line operations manuals and other franchise support when an intranet system is established.

4.5 **Advertising Contributions**. Franchisee will make monthly advertising contributions for marketing and promotion as Franchisor may direct according to Section 13.1 when Franchisor establishes an Advertising fund.

4.6 **When Payments Due**. All payments required by Section 4.4 above are due upon invoice or as agreed to with preferred suppliers.

4.7 **Late Fees**. Any payment or contribution not paid within 10 days of the due date will be considered late. If any contribution or payment is considered late, Franchisee will pay Franchisor immediately on demand, in addition to the overdue amount: (i) a late payment fee in an amount equal to 10% of the overdue amount, and (ii) interest on the overdue amount from the date it was due until paid, at the rate of 1½ % per month, or the maximum rate permitted by law, whichever is less.

4.8 **Bad Debt**. Franchisee agrees that it is responsible for the continued relationship of customers it contracts with for Franchisor and that Franchisor will incur costs of all services offered to customers with which Franchisee has contracted. Franchisee agrees that it will follow up on any unpaid invoices when notified by Franchisor of such occurrence and will be required to pay 5% of any unpaid outstanding accounts for said customers for invoices past due by three or more months.

4.9 **No Subordination**. Franchisee will not subordinate to any other obligation its obligation to pay Franchisor the Service Fee and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

SECTION 5 - SITE AND OPENING OF BUSINESS

5.1 **Location**. Franchisor recommends that Franchisee operate from a home-based office. Franchisee is not required to receive approval of the site for the operation of the Franchised Business from Franchisor before signing any lease or purchasing any location to operate the Franchised Business. The site of the office must be within the DMA.

5.1.1 Franchisee will comply with all federal, state and local laws, codes and regulations, including the applicable terms of the Americans With Disabilities Act ("ADA") regarding the construction, design and operation of the Franchised Business. If Franchisee receives any complaint, claim, other notice alleging a failure to comply with the ADA, Franchisee will provide Franchisor with a copy of the notice within five days after receipt of the notice.

5.1.2 Franchisee will be responsible for obtaining all zoning classifications and clearances that may be required by state or local laws, ordinances, or regulations or that may be necessary to operate the business.

5.2 **Opening Date**. Unless delayed by the occurrence of events constituting "force majeure" as defined in Section 5.3 below, Franchisee will construct, furnish, and open the Franchised Business in accordance with this Agreement and will open the Franchised Business within 3 months following the execution of this Agreement.

5.3 **Force Majeure**. As used in this Agreement, **"force majeure"** means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, or other calamity, strike or other labor dispute, or any other cause beyond the reasonable control of Franchisee; provided, however, force majeure will not include Franchisee's lack of adequate financing or capital.

SECTION 6 - TRAINING

6.1 **Initial Training and Attendees**. Before opening the Franchised Business, Franchisee will have satisfied all initial training obligations required by Franchisor, which are as follows:

6.1.1 Franchisee (or, if Franchisee is other than an individual, the Designated Principal (defined in Section 8.3 below)), will attend and successfully complete, to Franchisor's satisfaction, the initial 3 day training program offered by Franchisor at a location designated by Franchisor. If any required attendee does not satisfactorily complete the training, Franchisor may require that a replacement person attend and successfully complete, to Franchisor's satisfaction, the initial training program.

6.2 **New or Replacement Designated Principal and Managers**. If the Franchisee's Designated Principal, or (if required) General Manager cease active employment in the Franchised Business, Franchisee will enroll a qualified replacement who is reasonably acceptable to Franchisor in Franchisor's training program reasonably promptly following cessation of employment of the individual, provided that Franchisee may train replacement General Managers in accordance with Section 6.3 below. The replacement Designated Principal, and any required managers will complete the initial training program as soon as is practicable and in no event later than any time periods as Franchisor may occasionally specify in the Manuals and otherwise in writing. Franchisor reserves the right to review any Franchisee trained personnel and require that the persons attend and complete, to the satisfaction of Franchisor, the initial training program offered by Franchisor at a location designated by Franchisor.

6.3 **Training by Franchisee of Additional Staff**. Franchisee will have the option of training any General Manager (following the training of the first General Manager by Franchisor) at the Franchised Business or other Tender Software franchises operated by Franchisee or its affiliates, provided that the training is conducted: (a) by the Designated Principal or other personnel who has completed Franchisor's initial training program, to the satisfaction of the Franchisor (and who remain acceptable to Franchisor to provide the training); (b) in accordance with any requirements or standards as Franchisor may occasionally establish in writing for the training; and (c) Franchisee is in compliance with all agreements between Franchisee and Franchisor.

6.4 **Refresher Training**. Franchisor may also require that Franchisee or its Designated Principal and General Manager attend the refresher courses, seminars, and other training programs as Franchisor may reasonably require, provided that the training will not exceed 7 days per person each year, and attendance for up to 3 days per person each year at conventions, if any, conducted for Franchisor's franchisees.

6.5 **Training Costs**. The cost of all training (instruction and required materials) will be borne by Franchisor, except as provided in Section 6.5.1 below. All other expenses incurred in connection with training, including without limitation the costs of additional equipment, transportation, lodging, meals, wages, and worker's compensation insurance, will be borne by Franchisee. Franchisor may charge an additional fee for the training of more than 2 people during the initial training program attended by Franchisee. Additionally, training requested by Franchisee after the initial 3 day training may incur additional charges not included in the initial franchise fee.

6.6 **Location of Training**. All training programs will be at the times as may be designated by Franchisor. Training programs will be provided at Franchisor's headquarters in India and/or the other locations as Franchisor may designate.

SECTION 7 -TECHNOLOGY

7.1 **Computer Systems and Required Software**. The following terms and conditions will apply with respect to the Computer System and Required Software:

7.1.1 Franchisee will own or secure a computer system that will be at the minimum a PC with Windows 10, 8 or 7 with the minimum of 2.33 GHz or faster x86-compatible processor or Intel Atom™, 1.6 GHz or faster processor for Netbook class devices, 1GB RAM, 1280x720 minimum resolution; or Mac OS X v10.11 (El Capitan), Mac OS X v10.10 (Yosemite), Mac OS X v10.9 (Mavericks), Mac OS X v10.8 (Mountain Lion), Mac OS X v10.7 (Lion), Mac OS X v10.6 (Snow Leopard), Intel® Core 2 Duo, 1GB RAM and 1280x720 minimum resolution.

7.1.2 Franchisee may require the use of a proprietary software (the "Software") in the future.

7.1.3 Franchisee agrees to use the Extranetor other programs as instructed by Franchisor to record all sales, client data and information related to the operation of the Tender Software franchise as outlined in the Manuals.

7.1.4 Franchisee will make the upgrades and other changes to the Computer System and Required Software as Franchisor may request in writing (collectively, "Computer Upgrades").

7.1.5 Franchisee will comply with all specifications issued by Franchisor, in the Manual(s), with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. Franchisee will also afford Franchisor unimpeded access to Franchisee's Computer System and Required Software as Franchisor may request, in the manner, form, and at the times requested by Franchisor.

7.2 **Data**. Franchisor may, from time-to-time, specify in the Manual or otherwise in writing the information that Franchisee will collect and maintain on the Computer System provided to Franchisee, and Franchisee will provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Business, and all data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the business (including without limitation data pertaining to or otherwise concerning the Franchisor's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use the data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of the data must be provided to Franchisor on Franchisor's request. Franchisor by this agreement licenses use of the data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

7.3 **Privacy**. Franchisee will abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("**Privacy**"), and will comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Franchisee will: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of the conflict; and (c) promptly and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request to assist Franchisor in its determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

7.5 **Extranet**. Franchisor may establish an Extranet providing private and secure communications between Franchisor, Franchisee, franchisees, licensees and other persons and entities as determined by Franchisor, in its sole discretion (an "**Extranet**"). Franchisee will comply with Franchisor's requirements (as outlined in the Manual or otherwise in writing) with respect to connecting to the Extranet, and utilizing the Extranet in connection with the operation of the Franchised Business. The Extranet may include, without limitation, the Manuals, training, other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee will purchase and maintain the computer software and hardware as may be required to connect to and utilize the Extranet.

7.6 **Websites**. As used in this Agreement, the term "**Website**" (www.tendersoftware.com) means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, Franchisee agrees to the following:

7.6.1 Franchisor has established and maintains a Website, which may, without limitation, promote the Proprietary Marks, any or all of the Services, Tender Software franchises, the franchising of Tender Software franchises, and/or the System. Franchisor will have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; Franchisor will also have the right to discontinue operation of the website.

7.6.2 Franchisor will have the right, but not the obligation, to designate one or more web page(s) to describe Franchisee and/or the Franchised Business, with these web page(s) to be located within Franchisor's Website. Franchisee will comply with Franchisor's policies with respect to the creation, maintenance and content of any the web pages; and Franchisor's will have the right to refuse to post and/or discontinue posting any content and/or the operation of any webpage.

7.6.3 Franchisee will not establish a separate Website using any derivative of the domain name tendersoftware.comor its web based key words

7.6.4 Franchisor will have the right to modify the terms of this Section 7 relating to Websites as Franchisor will solely determine is necessary or appropriate.

7.7 **Online Use of Marks**. Franchisee will not use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any e-mail address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without Franchisor's prior written consent as to Franchisee's plan for transmitting the advertisements to avoid issues with SPAM and junk mail filters and will make use of appropriate email marketing such as newsletter programs or similar programs.

7.8 **Changes to Technology**. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. To provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it will abide by those reasonable new standards established by Franchisor as if this Section 7 were periodically revised by Franchisor for that purpose.

SECTION 8 - OTHER DUTIES OF FRANCHISEE

8.1 **Details of Operation**. Franchisee understands and acknowledges that every detail of the System and this Agreement is important to Franchisee, Franchisor, and other franchisees to develop and maintain high operating, quality and service standards, to increase the demand for the Services sold by all operators, to protect Tender Software franchisees operating under the System, and to protect the reputation and goodwill of Franchisor.

8.2 **Comply with the Agreement, including the Manuals**. Franchisee will operate the Franchised Business in strict conformity with this Agreement and the standards and specifications as Franchisor may occasionally prescribe in the Manuals or otherwise in writing, and will refrain from deviating from the standards, specifications, and procedures without the prior written consent of Franchisor.

8.3 **Management of Business & Designated Principal**. If Franchisee is other than an individual, before beginning training, Franchisee will comply with the following:

8.3.1 Franchisee will designate, subject to Franchisor's reasonable approval, one Principal who is both an individual person and owns at least a 10% beneficial interest in Franchisee, and who will be responsible for general oversight and management of the operations of the Franchised Business on behalf of Franchisee (the "**Designated Principal**"). If the person designated as the Designated Principal dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, Franchisee will promptly designate a new Designated Principal, subject to Franchisor's reasonable approval.

8.3.2 Franchisee will inform Franchisor in writing whether Franchisee (or, if Franchisee is other than an individual, the Designated Principal) will assume full-time responsibility for the daily supervision and operation of the Franchised Business. If not, Franchisee will employ a full-time unit manager (the "**General Manager**") whose qualifications will be reasonably acceptable to Franchisor (including, the requirement that the individual possess sufficient experience in the management of a business) to assume full-time responsibility for the daily supervision and operation of the Franchised Business.

8.3.3 Franchisee acknowledges and agrees that Franchisor will have the right to rely on either or both the Designated Principal or General Manager to have been given by Franchisee the responsibility and decision-making authority regarding the Franchised Business's operation and Franchisee's business.

8.4 **Use of Premises**. Franchisee will use the Premises, also known as the "Franchised Location" if such facilities are leased and not operated from a home based office, solely for the operation of the Franchised Business; will keep the Franchised Business open and in normal operation for the minimum hours and days as Franchisor may specify; will refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

8.5 **Conformity to Standards**. To insure that the highest degree of quality and service is maintained, Franchisee will operate the Franchised Business in strict conformity with the methods, standards, and specifications as Franchisor may occasionally prescribe in the Manuals or otherwise in writing. Without limitation, Franchisee agrees as follows:

8.5.1 Franchisee will purchase and install before the opening of the Franchised Business, and thereafter maintain, all fixtures, furnishings, equipment, and signs, as Franchisor may prescribe in the Manuals or otherwise in writing. Franchisee will refrain from deviating from these guidelines by the use of any unapproved item without the prior written consent of Franchisor.

8.5.2 Franchisee will offer and sell only Services that Franchisor specifies, unless otherwise approved in writing by Franchisor; and Franchisee will offer and sell all Services as Franchisor may specify occasionally as required offerings at the Franchised Business. Franchisee will offer and sell the Services utilizing the standards and techniques, as specified by Franchisor. Franchisee is prohibited from offering or selling any products or services at or from the Franchised Business that have not previously been authorized by Franchisor, and will discontinue selling and offering for sale any Services which Franchisor will have the right to disapprove, in writing, at any time. If Franchisee wishes to offer or sell any products or services that have not previously been authorized by Franchisor, Franchisee must first make a written request to Franchisor, requesting authorization to offer or sell the products or services in accordance with Section 8.7 below. Franchisor may deny this approval for any reason.

8.5.3 Franchisee will participate in all customer surveys and satisfaction audits. Additionally, Franchisee will participate in any complaint resolution and other programs as Franchisor may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

8.5.4. In some situations, Franchisor will believe that a particular customer is not one that should be in the System and may decline the opportunity to perform work for that customer. This shall be in Franchisor's sole discretion.

8.6 **Trademarked Items.** Franchisee will ensure that all advertising and promotional materials, signs, forms and stationery used in the Franchised Business), products, and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

8.7 **Obligations to Third Parties**. Franchisee must at all times pay its distributors, contractors, suppliers, trade creditors, employees and other creditors promptly as the debts and obligations to these persons become due, and failure to do so will constitute a breach of this Agreement.

8.8 **Notice of Legal Actions**. Franchisee will notify Franchisor in writing within 10 days of the start of any suit to foreclose any lien or mortgage, or any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality which (i) relates to the operation of the Franchised Business, (ii) may adversely affect the operation or financial condition of the Franchised Business, or (iii) may adversely affect Franchisee's financial condition.

8.9 **Franchisee Advisory Councils.** If Franchisor should, during the term of this Agreement, form or require the formation of a franchisee advisory council or association (the "**Advisory Council**") or the successor council to serve as an advisory council to Franchisor with respect to advertising, marketing, and other matters relating to franchised Tender Software franchises, Franchisee will, upon the request of Franchisor, become a member of the Advisory Council. In such event, Franchisee will pay to the Advisory Council all dues and assessments authorized by the Advisory Council and will otherwise abide by the rules and regulations of the Advisory Council and will at all times maintain its membership in the Advisory Council in good standing.

8.10 **Ownership of Customer Accounts/Pricing.** Franchisor shall own all customer accounts. Upon termination or expiration of this Agreement, all customer accounts and relationships shall remain the property of Franchisor. Franchisor shall determine and set, in its sole discretion, pricing for services to be provided to customers.

SECTION 9 - PROPRIETARY MARKS

9.1 **Ownership**. Franchisor represents with respect to the Proprietary Marks that:

9.1.1 Franchisor is the owner of, or has full rights to use and license to Franchisee for its use, all right, title, and interest in and to the Proprietary Marks.

9.1.2 Franchisor will take all steps reasonably necessary to preserve and protect the ownership and validity in and to the Proprietary Marks.

9.2 **License to Franchisee.** Franchisee's right to use the Proprietary Marks is limited to the uses as are authorized under this Agreement, and any unauthorized use of the Proprietary Marks will constitute an infringement of rights of Franchisor.

9.3 **Terms of Franchisee's Usage**. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees to:

9.3.1 Use only the Proprietary Marks designated by Franchisor, and to use them only in the manner authorized and permitted by Franchisor;

9.3.2 Franchisee will use the Proprietary Marks only for the operation of the business franchised by this Agreement and only at the location authorized by this Agreement, or in Franchisor-approved advertising for the business conducted at or from that location;

9.3.3 Operate and advertise the Franchised Business only under the name "Tender Software" and "Tender Software franchise," and use the Proprietary Marks without prefix or suffix, unless otherwise authorized or required by Franchisor.

9.3.4 Franchisee will not use the Proprietary Marks as part of its corporate or other legal name, or as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium. Franchisee may, as necessary to conduct the business of the Franchised Business and to obtain governmental licenses and permits for the Franchised Business, indicate that Franchisee will be operating the Franchised Business under the trade name "Tender Software," provided that Franchisee will also clearly identify itself as the owner and operator of the Franchised Business;

9.3.5 Identify itself as the owner of the Franchised Business (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including on invoices, order forms, receipts, and business stationery, as well as at the conspicuous locations on the Premises as Franchisor may designate in writing;

9.3.6 Not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

9.3.7 Sign any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

9.3.8 Promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, the right of Franchisor to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor has the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement of the proceeding. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor will defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor, in its sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by Franchisor. If Franchisor, in its sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by Franchisee. If any litigation relating to Franchisee's use of the Proprietary Marks takes place, Franchisee will sign any and all documents and do the acts as may, in the opinion of Franchisor, be necessary to carry out the defense or prosecution, including, becoming a nominal party to any legal action. Except to the extent that the litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing the acts.

9.4 **Franchisee Acknowledgments.** Franchisee expressly understands and acknowledges that:

9.4.1 Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and that Franchisor has the sole right to use, and license others to use, the Proprietary Marks;

9.4.2 During the term of this Agreement and after its expiration or termination, Franchisee will not directly or indirectly contest the validity of Franchisor's ownership of, or right to use and to license others to use, the Proprietary Marks;

9.4.3 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

9.4.4 Any and all goodwill from Franchisee's use of the Proprietary Marks will inure solely and exclusively to the benefit of Franchisor, and on expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

9.4.5 The right and license of the Proprietary Marks granted by this Agreement to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others: (a) to use the Proprietary Marks itself in connection with selling the Services; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses to that Agreement without providing any rights to that Agreement to Franchisee; and

9.4.6 Franchisor will have the right, in its sole discretion, to substitute different proprietary marks for use in identifying the System and the businesses operating under the System.

SECTION 10 - MANUALS

10.1 **The Manuals and Furnishings to Franchisee.** To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee will operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manuals, which Franchisee will receive on loan from Franchisor, via electronic access or otherwise, for the term of this Agreement on completion by Franchisee of initial training. The Manuals may be set forth in several volumes, including the amendments to the Manuals, as Franchisor may publish occasionally. Additionally, Franchisee acknowledges and agrees that Franchisor may provide a portion or all (including updates and amendments) of the Manuals, and other instructional information and materials in, or via, electronic media, including without limitation, through the use of computer disks, or the Internet.

10.2 **The Manuals are Proprietary and Confidential.** Franchisee will treat the Manuals, any other materials created for or approved for use in the operation of the Franchised Business, and the information contained in the Manuals, as confidential, and will use all reasonable efforts to maintain the information (both in electronic and other formats) as proprietary and confidential. Franchisee will not download, copy, duplicate, record, or otherwise reproduce the Manuals, in whole or in part, or otherwise make the same available to any unauthorized person.

10.3 **The Manuals Remain Franchisor's Property.** The Manuals will remain the sole property of Franchisor and will be accessible only from a secure place on the Premises, and will be returned to Franchisor, as described in Section 17.8 below, on the termination or expiration of this Agreement.

10.4 **Revisions to the Manuals.** Franchisor may occasionally revise the contents of the Manuals, and Franchisee expressly agrees to comply with each new or changed standard. Franchisee will ensure that the Manuals are kept current at all times. In the event of any dispute as to the contents of the Manuals, the terms of the master copies maintained at the home office of Franchisor will be controlling.

SECTION 11 - CONFIDENTIAL INFORMATION

11.1 **Agreement with respect to Confidentiality.** Franchisee acknowledges and agrees that it will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or know-how concerning all customers contracted with Franchisor, Franchisor, the System, the Services and/or the marketing, management or operations of the Franchised Business that may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee will divulge the confidential information only to those of its employees as must have access to it to operate the Franchised Business. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential will be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention before disclosure of this Agreement by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

11.2 **Individual Covenants of Confidentiality.** At Franchisor's request, Franchisee will require its manager and any personnel having access to any confidential information of Franchisor to sign covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchised Business. These covenants will be in a form satisfactory to Franchisor (the current forms of which are included in Exhibit D to this Agreement), which will include specific identification of Franchisor as a third-party beneficiary of these covenants with the independent right to enforce them.

11.3 **Remedies for Breach**. Franchisee acknowledges that any failure to comply with the requirements of this Section 11 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

11.4 **Grantback**. Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques and products conceived or developed by Franchisee, its affiliates, owners or employees during the term of this Agreement relating to the development and/or operation of the Franchised Business. Franchisee by this agreement grants to Franchisor and agrees to procure from its affiliates, owners or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques in all businesses operated by Franchisor or its affiliates, franchisees and designees. Franchisor will have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining Franchisor's prior written approval.

SECTION 12 - ACCOUNTING AND RECORDS

12.1 **Books and Records**. With respect to the operation and financial condition of the Franchised Business, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manual or otherwise in writing. Franchisee will maintain; for not less than six (6) years during the term of this Agreement, and, for not less than six (6) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor in the Manuals or otherwise in writing, including but not limited to: (i) weekly sales reports; (ii) cash receipts journal and general ledger; (iii) customer account details and complete contact information; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) supplier's invoices (paid and unpaid); (vii) dated daily and Monthly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; (ix) such other records as Franchisor may occasionally request. Franchisor may require Franchisee to utilize accounting software such as QuickBooks. Franchisee will promptly implement such use upon instructions to do so from Franchisor.

12.2 **Franchisee's Reports to Franchisor**. Franchisee is required to provide Franchisor with any and all reports as outlined in the Operation Manual and other manuals through the Extranet and Proprietary Software of Franchisor.

SECTION 13 - MARKETING AND PROMOTION

13.1 **Franchisee's Advertising Obligations**. Recognizing the value of marketing and promotion, and the importance of the standardization of marketing and promotion programs to the advancement of the goodwill and public image of the System, Franchisee and Franchisor agree as follows:

13.1.1 Franchisee understands and agrees that the best marketing for this business is networking and face to face meetings with the potential clients to fully describe the Tender Software franchise and discuss their individual needs. With that in mind, Franchisee or Designated Manager of Franchisee agrees to join local area networking groups, attend networking meetings and make every effort to meet with prospective clients face to face, on a regular basis.

13.1.2 With that said, Franchisee agrees, during each Month, to spend a minimum amount of no less than 5% of received commissions per month, on local advertising of the franchised business.

13.2 **National Ad Fund**. Franchisor will have the right at any time, in its sole discretion to establish a fund for system-wide advertising and promotion of the System (the "**National Ad Fund**"). During the existence of the National Ad Fund, Franchisee will contribute to the National Ad Fund in the manner specified in Section 4.6

above, the amounts as the Advertising Council may specify, not to exceed 5.0% of received commissions per month, with Franchisor reimbursing Franchisee for 2.5% of received commissions per month for monies actually spent by Franchisee on approved local advertising; reimbursement is made promptly following receipt by Franchisor of documentation of expenses. The National Ad Fund will be maintained and administered by the Advertising Council as follows:

13.2.1 The Advertising Council will direct all marketing programs, with sole discretion over the concepts, materials, and media used in the programs and the placement and allocation for them. Franchisor is not obligated, in administering the National Ad Fund, to make expenditures for Franchisee which is equivalent or proportionate to Franchisee's contribution, or to ensure that any particular Franchisee benefits directly or pro rata from expenditures by the National Ad Fund.

13.2.2 The National Ad Fund, all contributions to the National Ad Fund, and any earnings thereon, will be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing marketing, advertising, public relations, and/or promotional programs and materials, and any other activities including socially responsible activities, which the TS Advertising Council believes will enhance the image of the System, including, the costs of preparing and conducting media marketing campaigns; direct mail advertising; marketing surveys and other public relations activities; or public relations agencies to assist in the enhancement of the System; sponsorship of organizations and events; purchasing promotional items; and providing promotional and other marketing materials and services to the Tender Software franchises operating under the System. Up to 50% of the contributions made to the National Ad Fund can apply to the local advertising specified in 13.1.2.

13.2.3 Franchisee will contribute to the National Ad Fund by separate payment made payable (or as otherwise directed for payment) to Franchisor by electronic fund transfer via QuickBooks direct pay invoicing. All sums paid by Franchisee to the National Ad Fund will be accounted for separately and will not be used to defray any of the expenses of Franchisor, except for the reasonable costs, salaries and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the System Ad Fund and marketing programs for operators and the System, including costs of personnel for creating and implementing marketing, advertising, and promotional programs. The National Ad Fund and any earnings from it will not otherwise inure to the benefit of Franchisor. Franchisor will maintain separate bookkeeping accounts for the National Ad Fund.

13.2.4 Franchisor, on request, will provide Franchisee with an annual accounting of National Ad Fund receipts and disbursements.

13.2.5 Franchisor reserves the right, at its sole discretion, to discontinue the National Ad Fund on written notice to Franchisee.

13.2.6 Franchisor may, but is not required to, make available to Franchisee, marketing plans and promotional materials, including newspaper mats, merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, and similar marketing and promotional materials produced from contributions to the National Ad Fund. Franchisee acknowledges and agrees that it will be reasonable for Franchisor to not provide any such materials to Franchisee during any period in which Franchisee is in not in full compliance with its obligations to contribute to the National Ad Fund. Additionally, if monies of the National Ad Fund are used to produce point of sale materials, or other samples or other promotional materials and items, Franchisor may, on the behalf of the National Ad Fund, sell the items to franchisees in the System at a reasonable price, and any proceeds from the sale of the items or materials will be contributed to the National Ad Fund.

13.3 **Standards for Advertising**. All advertising, marketing and promotion to be used by Franchisee, the National Ad Fund or any Cooperative Ad Fund will be in the media and of the type and format as Franchisor may approve, will be conducted in a dignified manner, and will conform to the standards and requirements as Franchisor may specify. Franchisee will not use any marketing or promotional plans or materials that are not provided by Franchisor unless and until Franchisee has submitted the materials to Franchisor, according to the procedures and terms set forth in Section 13.4 in this Agreement.

13.4 **Franchisor's Approval of Proposed Plans and Materials.** If Franchisee desires to use marketing and promotional plans and materials that have not been provided or previously approved by Franchisor, Franchisee will submit samples of all the marketing and promotional plans and materials to Franchisor for prior approval. If written notice of disapproval is not received by Franchisee from Franchisor within 5 business days of the date of receipt by Franchisor of the samples or materials, Franchisor will be deemed to have approved them.

13.5 **Directory Listings.** Franchisee will be required to obtain listings in and/or advertise with Franchisor and other franchisees in the System, on electronic yellow page directories and other on-line directories as Franchisor may designate. Franchisor reserves the right to place such, and subsequently modify or remove, on-line listings and advertisements on behalf of Franchisee. For any listings or advertisements posted by or on behalf of Franchisee, Franchisee will promptly pay, on demand by Franchisor, its pro-rata share of the costs. Additionally, these activities may be carried out through the use of the System Ad Fund.

13.6 **Ownership of Advertising Plans and Materials.** Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee which bear the Proprietary Marks will be the sole property of Franchisor, and Franchisee agrees to sign the documents (and, if necessary, require its independent contractors to sign the documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Business or the System and approved by Franchisor may be used by Franchisor and other operators under the System of Franchisor without any compensation to Franchisee.

SECTION 14 - INSURANCE

14.1 **Insurance.** Before opening and at all times during the term of the franchise, Franchisee shall maintain in force at Franchisee's sole expense:

(a) property insurance on a replacement cost basis at a minimum limit based on the total value of Franchisee's assets (including, fire, extended coverage, vandalism and malicious mischief);

(b) primary general liability insurance with a minimum limit of $1,000,000.00 (including, coverage for personal injury, products and contractual liability and errors and omissions insurance);

(c) primary automobile liability insurance with a minimum limit of $1,000,000.00 (including, owned automobiles titled or leased in the name of Franchisee or Franchisee's owners and used at any time, whether principally or occasionally in Franchisee's business). If Franchisee or Franchisee's owners do not use a vehicle owned or leased in the name of Franchisee or any of Franchisee's owners in Franchisee's business, Franchisee must provide written evidence of that fact, satisfactory to us;

(d) workers compensation insurance (in Franchisee's name) as required by applicable law. If no such law exists, then Franchisee must participate in such other comparable insurance as required by Franchisor. If Franchisee's state recognizes and permits self-insurer programs, Franchisee's participation in such a program will satisfy our requirements under this subparagraph (d). If deductible plans are approved and used in Franchisee's state, coverage may be purchased on this basis subject to the requirements of Franchisee's insurance carrier; and

(e) errors and omissions insurance as specified by Franchisor.

All insurance polices must be issued by an insurance carrier rated "A" or better by Alfred M. Best & Company, Inc. All liability insurance policies must name Franchisor, and any subsidiaries and affiliates which Franchisor designates, as additional insureds entitled to the coverage afforded to all named insureds, without regard to any other insurance or self-insured program which we may have in effect, and also provide that Franchisor receives 30 days prior written notice of termination, expiration, cancellation, modification, or reduction in coverage or limits of any such policy. Franchisor may also reasonably increase the minimum liability "limit" protection requirement annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in public, product or motor vehicle litigation or other relevant changes in circumstances. Franchisee must submit to Franchisor annually, a copy of the certificate of insurance or evidence of the renewal or extension of each such insurance policy or any modifications to any such insurance policies, which must describe the applicable deductibles for each such policy. If at any time Franchisee fails or refuses to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence of this insurance, Franchisor may, at Franchisor's option and in addition to other rights and remedies Franchisor may have, obtain insurance coverage, on Franchisee's behalf, and Franchisee agrees to promptly sign any applications or other forms or instruments required to obtain any such insurance and pay to Franchisor on demand any cost and premiums incurred by Franchisor. Franchisee's obligations to obtain and maintain the insurance described in this Agreement shall not be limited in any way by reason of any insurance maintained by Franchisor.

SECTION 15 - TRANSFER OF INTEREST

15.1 **Franchisor's Rights to Transfer**. Franchisor will have the right to transfer or assign this Agreement and all or any part of its rights or obligations in this Agreement to any person or legal entity, and any designated assignee of Franchisor will become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. In addition, and without limitation to the previous statement(s), Franchisee expressly affirms and agrees that Franchisor may sell its assets, its Proprietary Marks, or its System; may sell its securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring.

15.2 **No Transfers Without Franchisor's Approval**. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee or the Principals of Franchisee if Franchisee is not an individual, and that Franchisor has granted this franchise in reliance on Franchisee's or Franchisee's Principals' business skill, financial capacity, and personal character. Accordingly:

15.2.1 Franchisee will not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber: (a) the rights and/or obligations of Franchisee under this Agreement; or (b) any material asset of Franchisee or the Franchised Business.

15.2.2 If Franchisee is a corporation or limited liability company, Franchisee will not, without the prior written consent of Franchisor, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities will become a Principal under this Agreement, if so designated by Franchisor.

15.2.3 If Franchisee is a partnership or limited partnership, the partners of the partnership will not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner will automatically be deemed a Principal of Franchisee.

15.2.4 A Principal will not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber any interest of the Principal in Franchisee, as such is identified in Exhibit B.

15.3 **Conditions on Transfer**. Franchisor will not unreasonably withhold any consent required by Section 15.2 above; provided, that if the proposed transfer alone or together with other previous, simultaneous, or proposed transfers would have the effect of changing control of Franchisee, results in the assignment of the rights and obligations of Franchisee under this Agreement, or transfers the ownership interest in all or substantially all of the assets of the Franchised Business or the business franchised by this Agreement, Franchisor will have the right to require any or all of the following as conditions of its approval:

15.3.1 All of Franchisee's monetary obligations and all other outstanding obligations to Franchisor, its affiliates, and any approved suppliers of the System have been satisfied in full;

15.3.2 Franchisee will not be in default under any provision of this Agreement, any other agreement between Franchisee and Franchisor or its affiliate, the approved suppliers of the System, or the landlord (or sub-landlord) for the Premises;

15.3.3 Each transferor (and, if the transferor is other than an individual, the transferor and the owners of beneficial interest in the transferor as Franchisor may request) will have signed a general release in a form satisfactory to Franchisor of any and all claims against Franchisor and its affiliates and their respective officers, directors, agents, and employees;

15.3.4 The transferee of a Principal will be designated as a Principal and each transferee who is designated a Principal will enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as a Principal under the terms of this Agreement if the person or entity owns any interest in Franchisee. Additionally, the transferee and/or the owners of the transferee as Franchisor may request, will guaranty the performance of the transferee's obligations in writing in a form satisfactory to Franchisor;

15.3.5 The transferee will demonstrate to Franchisor's satisfaction that the terms of the proposed transfer do not place an unreasonable financial or operational burden on the transferee, and that the transferee (or, if the transferee is other than an individual, the owners of beneficial interest in the transferee as Franchisor may request) meets Franchisor's then-current application qualifications (which may include educational, managerial, socially responsible, and business standards, good moral character, business reputation, and credit rating); has the aptitude and ability to operate the Franchised Business and absence of conflicting interests; and has adequate financial resources and capital to operate the Franchised Business;

15.3.6 At Franchisor's option, Franchisee will sign the form of franchise agreement then being offered to new System franchisees, and the other ancillary agreements required by Franchisor for the business franchised by this Agreement, which agreements will supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher and/or additional fees;

15.3.7 If so requested by Franchisor, Franchisee, at its expense, will upgrade the Franchised Business, and other equipment to conform to the then-current standards and specifications of new Tender Software franchises then-being established in the System, and will complete the upgrading and other requirements within the time specified by Franchisor.

15.3.8 The transferor will remain liable for all of the obligations to Franchisor in connection with the Franchised Business that arose before the effective date of the transfer and will sign any and all instruments reasonably requested by Franchisor to evidence such liability;

15.3.9 The transferee (and, if the transferee is not an individual, the Principals of the transferee as Franchisor may request) and the transferee's manager (if applicable) will, at the transferee's expense, successfully attend and successfully complete any training programs then in effect for operators and managers on the terms and conditions as Franchisor may reasonably require;

15.3.10 Franchisee will pay a transfer fee in an amount of $5,000 to compensate Franchisor for its expenses incurred in connection with the transfer. There is no charge if the transferee is a corporation or limited liability company controlled by Franchisee. If Franchisee requests Franchisor to assist in finding a transferee, Franchisee will pay a transfer fee of 6% of the selling price of the franchise and the $5,000 transfer fee to cover review, approval and training of the transferee. If a Broker is used to find a transferee, Franchisee will be responsible for paying any Broker fees directly.

15.3.11 The transferor(s), at the request of Franchisor, will agree in writing to comply with the covenants set forth in Section 18 below.

15.4 **Additional Terms.** For any transfer not covered by Section 15.3, each transferee will, in addition to the requirement of obtaining Franchisor's consent as provided in Section 15.2, be subject to the requirements of Sections 15.3.3 and 15.3.4 above (with respect to execution of releases and personal guarantees).

15.5 **Security Interests.** Neither Franchisee nor any Principal will grant a security interest in, or otherwise encumber, any of the assets or securities of Franchisee, including the Franchised Business unless Franchisee satisfies the requirements of Franchisor, which include, without limitation, execution of an agreement by the secured party in which it acknowledges the creditor's obligations under this Section 15, and agrees that if there are any defaults by Franchisee under any documents related to the security interest, Franchisor will have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, if Franchisor exercises this option, any acceleration of indebtedness due to Franchisee's default will be void.

15.6 **Right of First Refusal.** If Franchisee or any Principal desires to accept any bona fide offer from a third party to purchase franchisee, or any material asset of the Franchisee, Franchisee or the Principal will promptly notify Franchisor, and will provide the information and documentation relating to the offer as Franchisor may require. Franchisor will have the right and option, exercisable within 30 days after receipt of the written transfer request and the required information and documentation related to the offer (including any information that Franchisor may reasonably request to supplement or clarify information provided to Franchisor with the written transfer request), to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party; provided, however, a spouse, domestic partner, parent or child of the seller will not be considered a third party for purposes of this Section 15.6. If Franchisor elects to purchase the seller's interest, closing on the purchase will occur within forty-five (45) days from the date of notice to the seller of the election to purchase by Franchisor, or, if longer, on the same timetable as contained in the *bona fide* offer.

15.6.1 Any material change thereafter in the terms of the offer from the third party or by Franchisee, or a change in the identity of the third party will constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 15.6 will not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 15, with respect to a proposed transfer.

15.6.2 If the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, Franchisor will designate an independent Agent to make a binding determination. The cost of any such appraisal will be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this Section 15.6, Franchisor will have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

15.7 **Death of a Principal.** Upon the death of a Principal, the deceased's executor, administrator, or other personal representative will transfer the deceased's interest to a third party approved by Franchisor within 12 months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the deceased's estate, then the recipient of such interest must be approved by Franchisor, which approval will not be unreasonably withheld. If the recipient is not approved by Franchisor, then the recipient will transfer the deceased's interest to a third party approved by Franchisor within 12 months after the deceased's death.

15.8 **Permanent Disability of Controlling Principal.** Upon the permanent disability of any Principal with a controlling interest in Franchisee, Franchisor will have the right to require such interest to be transferred to a third party in accordance with the conditions described in this Section 15 within six (6) months after notice to Franchisee. "**Permanent Disability**" will mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent disability will be determined by a licensed practicing physician selected by both the

Franchisor and Franchisee. If both parties cannot agree on a physician, then both parties will select a physician and the two physician's will select a third physician who's determination shall be binding. Both parties will split the cost of the physician.

15.9 **Notice to Franchisor of Death or Permanent Disability.** Upon the death or permanent disability of any Principal of Franchisee, such person or his representative will promptly notify Franchisor of such death or claim of permanent disability. Any transfer on death or permanent disability will be subject to the same terms and conditions as any *inter vivos* transfer.

15.10 **Limited Exceptions.** Notwithstanding anything to the contrary in this Section 15:

15.10.1 Franchisee will not be required to pay the transfer fee due under Section 15.3.10 above, if the transferee: (a) is a spouse, domestic partner, parent, or direct lineal descendant or sibling of Franchisee or of a Principal of Franchisee (or more than one of such persons), provided that the transferee has been involved in, and is knowledgeable regarding, the operations of the Franchised Business; (b) is a Principal of Franchisee; or (c); is a transferee under Sections 15.7 or 15.8 above.

15.10.2 If Franchisee is an individual and seeks to transfer this Agreement to a corporation, partnership, or limited liability company formed for the convenience of ownership, the conditions of Sections 15.3.6 (signing a new franchise agreement), 15.3.7 (upgrading the Franchised Business), and 15.3.10 (transfer fee) will not apply, and Franchisee may undertake the transfer, provided that Franchisee owns 100% of the equity interest in the transferee entity, and the Franchisee personally guarantees, in a written guaranty satisfactory to Franchisor, the performance of the obligations of the Franchisee under the Franchise Agreement.

15.11 **Securities Offerings.** All materials required for any offering of securities or partnership interests in Franchisee by federal or state law will be submitted to Franchisor by the offering party for review before filing with any government agency; and any materials to be used in any exempt offering will be submitted to Franchisor for review before their use. No offering will imply, by use of the Proprietary Marks or otherwise, that Franchisor is participating in an underwriting, issuance, or offering of securities of either Franchisee or Franchisor; and review by Franchisor of any offering will be limited solely to the subject of the relationship between Franchisee and Franchisor. At its option, Franchisor may require the offering materials to contain written statements or disclaimers prescribed by Franchisor including, any limitations stated above in this paragraph. Franchisee and the other participants in the offering must fully indemnify Franchisor in connection with the offering. For each proposed offering, Franchisee will reimburse Franchisor for its actual costs and expenses associated with reviewing the proposed offering materials, including legal and accounting fees. Franchisee will give Franchisor written notice at least sixty (60) days before the date of commencement of any offering or other transaction covered by this Section 15.11. Any such offering will be subject to prior written consent of Franchisor and right of first refusal as provided in Section 15.6.

15.12 **No Waiver.** The consent of Franchisor to any transfer according to this Section 15 will not constitute a waiver of any claims it may have against the transferring party, nor will it be a waiver of the right of Franchisor to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

15.13 **Bankruptcy.** If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of the ownership of Franchisee, Franchisee's obligations and/or rights by this Agreement and/or any material assets of Franchisee, will be subject to all of the terms of this Section 15.

15.14 **No Transfers in Violation of Law.** Notwithstanding anything to the contrary in this Agreement, no transfer will be made if the transferee, any of its affiliates, or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

SECTION 16 - DEFAULT AND TERMINATION

16.1 **Automatic Termination.** Franchisee will be in default under this Agreement, and all rights granted to Franchisee in this Agreement will automatically terminate without notice to Franchisee, if Franchisee will become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part of the assets or property, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against Franchisee and not dismissed within 30 days; or if the real or personal property of the Franchised Business will be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 **Termination Upon Notice.** Franchisee will be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted by this Agreement, without affording Franchisee any opportunity to cure the default, effective immediately on the provision of notice to Franchisee (in the manner provided under Section 24 in this Agreement), on the occurrence of any of the following events of default:

16.2.1 If Franchisee fails to complete all pre-opening obligations and to open the Franchised Business within the time limits as provided in Section 5.2 above;

16.2.2 If Franchisee or any of its Principals is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the Services, the goodwill associated to the System, the Proprietary Marks, the Services, or the interest of Franchisor to the System, the Proprietary Marks and the Services;

16.2.3 If Franchisee's action or inaction, at any time, results in the loss of Franchisee's right to do or transact business in the jurisdiction where the Franchised Business is located;

16.2.4 If Franchisee or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 15 in this Agreement;

16.2.5 If, contrary to the terms of Sections 9 or 10 of this Agreement, Franchisee discloses or divulges the contents of the Manuals or other confidential information provided to Franchisee by Franchisor;

16.2.6 If Franchisee fails to comply with the covenants in Section 18.2 below or fails to timely obtain execution of the covenants required under Section 18.5 below;

16.2.7 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or if Franchisee otherwise operates the Franchised Business in a manner that materially impairs the reputation or goodwill associated with the System, Proprietary Marks, Services, or the rights of Franchisor in those matters;

16.2.8 If Franchisee, after curing a default according to Sections 16.3 or 16.4 of this Agreement, commits the same default again, whether or not cured after notice.

16.2.9 If Franchisee commits 3 or more defaults under this Agreement in any 12 month period, whether or not each such default has been cured after notice; (this provision in no way limits Section 16.2.8 above);

16.2.10 If Franchisee at any time ceases to operate or otherwise abandons the Franchised Business for 30 consecutive days, or more; unless the closure is approved in writing by Franchisor, or excused by *force majeure*.

16.2.11 If Franchisee breaches any material provision of this Agreement which breach is not susceptible to cure.

16.3 **Notice and Opportunity to Cure – 7 Days**. Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement by giving written notice of termination (in the manner set forth in Section 24 in this Agreement) stating the nature of the default to Franchisee at least 7 days before the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure the default, curing it to the satisfaction of Franchisor, and by promptly providing proof of it to Franchisor within the 7 day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement will terminate without additional notice to Franchisee, effective immediately on the expiration of the 7 day period or such longer period as applicable law may require.

16.3.1 If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its affiliates when due; including service and/or minimum service fees as outlined above in Section 4.3 of this Franchise Agreement;

16.3.2 If Franchisee fails to provide satisfactory customer service to customers, fails to contact potential customer leads received from Franchisor within 24 hours of receipt of lead, and/or fails to schedule appointments within 72 hours of customer contact, except at customer's request; and this infraction occurs more than two times in a given one month period.

16.4 **Notice and Opportunity to Cure – 30 Days**. Except as otherwise provided in Sections 16.1 and 16.2 of this Agreement, on any other default by Franchisee, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 in this Agreement) stating the nature of the default to Franchisee at least 30 days before the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure the default, curing it to the satisfaction of Franchisor, and by promptly providing proof of it to Franchisor within the 30 day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement will terminate without additional notice to Franchisee, effective immediately on the expiration of the 30 day period or such longer period as applicable law may require.

16.4.1 If Franchisee receives consistently poor reviews from surveys of client(s) by Franchisor, Franchisee will be put on notice. Client surveys are based on actual franchise services.

16.4.2 If Franchisee fails to submit to Franchisor a minimum number of new customers per quarter for 2 consecutive calendar quarters, Franchisor may declare Franchisee in default of this Agreement, or at Franchisor's option, Franchisee will be put on notice and may lose its exclusive DMA. The required minimum number of customers to be secured is 3 customers per calendar quarter per 5,000,000 population in Franchisee's DMA, rounded up to the nearest whole number. As an example only: (i) if the DMA population is 5,000,000, 3 new customer submissions per quarter are required; (ii) if the DMA is 1,000,000, (3/5,000,000) X 1,000,000 = 3/5 customer, which is rounded up to one new customer submission per quarter.

SECTION 17 – OBLIGATIONS ON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted by this Agreement to Franchisee will terminate, and:

17.1 **Stop Operating**. Franchisee will immediately cease to operate the Franchised Business, and will not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former operator of Franchisor in connection with the promotion or operation of any other business.

17.2 **Stop Using the System.** Franchisee will immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System; the Proprietary Mark "Tender Software" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee will cease to use all signs, marketing materials, displays, stationery, forms, products, and any other articles which display the Proprietary Marks.

17.3 **Cancel Assumed Names.** Franchisee will take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark "Tender Software" or any other Proprietary Marks, and Franchisee will furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within 5 days after termination or expiration of this Agreement.

17.4 **The Premises.** Franchisee will, at the option of Franchisor, assign to Franchisor any interest which Franchisee has in any lease or sublease for the Premises; if outside offices are leased. If Franchisor does not elect to exercise its option to acquire the lease or sublease for the Premises, Franchisee will make the modifications or alterations to the Premises immediately on termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of Tender Software franchises under the System, and will make the specific additional changes to Premises as Franchisor may reasonably request for that purpose. If Franchisee fails or refuses to comply with the requirements of this Section 17.4, Franchisor will have the right to enter the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay on demand. Additionally, if Franchisor does not elect to exercise the option to acquire the lease/sublease, Franchisee will comply with Section 18.3 below regarding a Competitive Business (as defined in Section 18.2.3 below).

17.5 **Phone Numbers and Directory Listings.** In addition, Franchisee will cease use of all telephone numbers and any domain names, websites, e-mail addresses, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating the Franchised Business, and will promptly sign the documents or take the steps necessary to remove reference to the Franchised Business from all trade or business telephone directories, including "yellow" and "white" pages, or at Franchisor's request transfer same to Franchisor. Franchisee by this agreement authorizes Franchisor to instruct issuers of any telephone and internet domain name services, and other providers to transfer any such telephone numbers, domain names, websites, addresses, and any other identifiers to Franchisor on termination of this Agreement, without need for any additional approval from Franchisee. Without limiting the previous statement; if requested by Franchisor, Franchisee will provide, during the term or on termination of this Agreement, written confirmation of Franchisor's rights under this Section 17.5. Franchisee agrees that it will sign the documents and do the things (without cost to Franchisee) that may be reasonably requested by Franchisor to implement this Section 17.5.

17.6 **No Use of Proprietary Marks or Trade Dress in other Businesses.** Franchisee agrees, if it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion of it, which, in the sole discretion of Franchisor, is likely to cause confusion, mistake, or deception, or which, in the sole discretion of Franchisor, is likely to dilute the rights of Franchisor in and to the Proprietary Marks. Franchisee also agrees not to utilize any designation of origin, description, or representation (including but not limited to reference to Franchisor, the System, or the Proprietary Marks) which, in the sole discretion of Franchisor, suggests or represents a present or former association or connection with Franchisor, the System, or the Proprietary Marks.

17.7 **Pay Franchisor All Amounts Due.** Franchisee will promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, these sums will include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default and termination, which obligation will give rise to and remain, until paid-in-full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the Premises at the time of default.

17.8 **Return Manuals and Confidential Information.** Franchisee will, at its own expense, immediately deliver to Franchisor the Manuals and all other records, correspondence, and instructions containing confidential information relating to the operation of the Franchised Business (and any copies of it, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor.

17.9 **Franchisor's Option to Purchase Certain Assets.** Franchisor will have the option, to be exercised within 30 days after termination, to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory of Franchisee related to the operation of the Franchised Business, at the lesser of Franchisee's cost or fair market value. If Franchisor elects to exercise any option to purchase by this agreement provided, it will have the right to set off all amounts due from Franchisee. To the extent of any disagreement regarding fair market value, Franchisor may appoint a qualified CPA or appraiser to appraise that value; the parties will share the expense of any appraisal equally.

17.10 **Comply with Covenants.** Franchisee and Principals will comply with the covenants contained in Section 18.3 of this Agreement.

SECTION 18 - COVENANTS

18.1 **Full Time and Best Efforts.** Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is not an individual, the Designated Principal) or Franchisee's fully-trained General Manager will devote full time and best efforts to the management and operation of the Franchised Business.

18.2 **During the Agreement Term.** Franchisee specifically acknowledges that, according to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

18.2.1 Divert or attempt to divert any present or prospective business or customer of any Tender Software franchises to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

18.2.2 Employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise encourage the person to leave his or her employment; or

18.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a 1% interest in (as owner or otherwise) any Competitive Business (as defined below). A "**Competitive Business**" will be considered to be any offshore software development service and related services similar to Tender Software franchise. Additionally, Franchisee acknowledges and agrees that Franchisee will be considered in default under this Agreement and that this Agreement will be subject to termination as provided in Section 16.2.8 in this Agreement, if a person in the immediate family (including spouse, domestic partner, parent or child) of Franchisee (or, if Franchisee is other than an individual, each Principal that is subject to these covenants) engages in a Competitive Business that would violate this Section 18.2.3 if the person was subject to the covenants of this Section 18.2.3.

18.3 **After the Agreement and After a Transfer.** Franchisee covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of 2 years commencing on the date of: (a) a transfer permitted under Section 15 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the previous statements; or with respect to enforcement of this Section 18.3; or (e) any or all of it:

18.3.1 Franchisee will not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located at the DMA, within the Territory, within a radius of 50 miles of any other Tender Software franchises located anywhere; provided, however, that this provision will not apply to the operation by Franchisee of any business under the System under a franchise agreement with Franchisor; or

18.3.2 Franchisee will not sublease, assign, or sell Franchisee's interest in any lease, sublease, or ownership of the Premises or assets of the Franchised Business to a third party for the operation of a Competitive Business, or otherwise arrange or assist in arranging for the operation by a third party of a Competitive Business.

18.3.3 Franchisee shall not solicit the business of any customer with which Franchisee had material contact within the two year period preceding termination or expiration.

18.3.4 Franchisee shall not solicit or employ, nor cause any others to solicit or employ, the services of Franchisor's staff or contract software developers.

18.4 **Exception for Ownership in Public Entities**. Sections 18.2.3 and 18.3 will not apply to ownership by Franchisee of a less than 5% beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

18.5 **Covenants as Independent Clauses**. The parties agree that each of the previous covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 18 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 18.

18.6 **Franchisor's Right to Reduce Scope of the Covenants**. Franchisee understands and acknowledges that Franchisor will have the right, at its sole discretion, to reduce the scope of any covenant set forth in this Section 18, or any portion of it, without Franchisee's consent, effective immediately on receipt by Franchisee of written notice of it; and Franchisee agrees that it will comply immediately with any covenant as so modified, which will be fully enforceable notwithstanding the terms of Section 25 in this Agreement.

18.7 **Covenants Survive Claims**. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not from this Agreement, will not constitute a defense to the enforcement by Franchisor of the covenants in this Section 18; provided, however, any claims Franchisee may have against Franchisor may be brought in a separate proceeding. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 18.

SECTION 19 - CORPORATE, LIMITED LIABILITY COMPANY, OR PARTNERSHIP FRANCHISEE

19.1 **List of Principals**. If Franchisee is a corporation, limited liability company, or partnership, each Principal of Franchisee, and the interest of each Principal in Franchisee, will be identified in Exhibit B of this Agreement. Franchisee will maintain a list of all Principals and immediately furnish Franchisor with an update to the information contained in Exhibit B on any change, which will be made only in compliance with Section 15 above.

19.2 **Guaranties**. The Principals as Franchisor may request will sign a guaranty, indemnification, and acknowledgment of Franchisee's obligations under this Agreement in the form attached to this Agreement as Exhibit C. In Section 8.3, the Designated Principal will at all times have at least a 10% interest in Franchisee.

19.3 **Corporations and Limited Liability Companies**. If Franchisee is a corporation or limited liability company, Franchisee will comply with the following requirements:

19.3.1 Franchisee will be newly organized and its governing documents will at all times provide that its activities are confined exclusively to operating the Franchised Business.

19.3.2 Franchisee will, on request of Franchisor, promptly furnish to Franchisor copies of Franchisee's Articles of Incorporation, Bylaws, Articles of Organization, Operating Agreement and/or other governing documents, and any amendments to the governing documents, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

19.3.3 Franchisee will maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate or issued securities of Franchisee will conspicuously endorse on its face a statement, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 19.3.3 will not apply to a publicly-held corporation.

19.4 Partnerships and Limited Liability Partnerships. If Franchisee or any successor to or assignee of Franchisee is a partnership or limited liability partnership, Franchisee will comply with the following requirements:

19.4.1 Franchisee will be newly organized and its partnership agreement will at all times provide that its activities are confined exclusively to operating the Franchised Business.

19.4.2 Franchise will furnish Franchisor with a copy of its partnership agreement as well as the other documents as Franchisor may reasonably request, and any amendments to the documents.

19.4.3 The partners of the partnership will not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

SECTION 20 - TAXES, PERMITS, AND INDEBTEDNESS

20.1 **Taxes.** Franchisee will promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business. Franchisee will pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

20.2 **Dispute about Taxes.** In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event will Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises of the Franchised Business, or any improvements thereon.

20.3 **Compliance with Laws.** Franchisee will comply with all federal, state, and local laws, rules, and regulations, and will timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

SECTION 21 - INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 **No Fiduciary Relationship.** Franchisee is an independent contractor. Franchisor and Franchisee are completely separate entities and are not fiduciaries, partners, joint ventures, or agents of the other in any sense and neither will have the power to bind the other. No act or assistance given by either party to the other according to this Agreement will be construed to alter the relationship. Franchisee will be solely responsible for compliance with all federal, state, and local laws, rules and regulations, and for Franchisee's policies, practices, and decisions relating to the operation of the Franchised Business.

21.2 **Public Notice.** During the term of this Agreement, Franchisee will hold itself out to the public as an independent contractor operating the Franchised Business according to a franchise agreement from Franchisor. Franchisee agrees to take the action as may be necessary to do so, including exhibiting a notice of that fact in a conspicuous place at the Premises, the content of which Franchisor reserves the right to specify.

21.3 **No Assumption of Liability.** Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on the behalf of Franchisor, or to incur any debt or other obligation in the name of Franchisor; and Franchisor will in no event assume liability for, or be deemed liable by this Agreement as a result of, any such action; nor will Franchisor be liable by reason of any act or omission of Franchisee in its operation of the Franchised Business or for any claim or judgment from the operation of the Franchised Business against Franchisee or Franchisor.

21.4 **Indemnification By Franchisee.** Franchisee will indemnify and hold Franchisor, Franchisor's owners and affiliates, and their respective officers, directors, and employees (the **"Indemnitees"**) harmless against any and all causes of action, claims, losses, costs, expenses, liabilities, litigation, damages or other expenses (including, settlement costs and attorneys' fees) arising directly or indirectly from, as a result of, or in connection with the operation of the Franchised Business and/or Franchisee's conduct under this Agreement (notwithstanding any claims that the Indemnitees are or were negligent). Franchisee agrees that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnitees, the Indemnitees will have the right, but not the obligation, in their discretion, to: (i) choose counsel, (ii) direct, manage and/or control the handling of the matter; and (iii) settle on behalf of the Indemnitees, and/or Franchisee, any claim against the Indemnitees. All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnitee will be taken as prima facie evidence of Franchisee's obligation by this Agreement.

21.5 **Indemnification By Franchisor.** Franchisor will indemnify and hold Franchisee, Franchisee's owners and affiliates, and their respective officers, directors, and employees (the **"Indemnitees"**) harmless against any and all causes of action, claims, losses, costs, expenses, liabilities, litigation, damages or other expenses (including, settlement costs and attorneys' fees) arising directly or indirectly from, as a result of, or in connection with the use of the Proprietary Marks in the operation of the Franchised Business. All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnitee will be taken as prima facie evidence of Franchisor's obligation by this Agreement.

SECTION 22 - APPROVALS AND WAIVERS

22.1 **Approval Requests.** Whenever this Agreement requires the prior authorization, approval or consent of Franchisor, Franchisee will make a timely written request to Franchisor, and the approval or consent must be obtained in writing.

22.2 **Non-waiver.** No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist on strict compliance by Franchisee with any obligation or condition by this Agreement, and no custom or practice of the parties in variance with the terms of this Agreement, will constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee will not be binding unless in writing and signed by the party sought to be charged and will not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor will any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, terms, or covenants of this Agreement, affect or impair Franchisor's rights nor will this constitute a waiver by Franchisor of any right by this Agreement or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it by this Agreement will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

SECTION 23 - WARRANTIES OF OPERATOR

23.1 **Reliance by Franchisor**. Franchisor entered into this Agreement in reliance on the statements and information submitted to Franchisor by Franchisee in connection with this Agreement. Franchisee represents and warrants that all the statements and information submitted by Franchisee in connection with this Agreement are true, correct and complete in all material respects. Franchisee agrees to promptly advise Franchisor of any material changes in the information or statements submitted.

23.2 **Compliance with Laws**. Franchisee represents and warrants to Franchisor that neither Franchisee (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

SECTION 24 - NOTICES

Any and all notices required or permitted under this Agreement will be in writing and will be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery.

SECTION 25 - ENTIRE AGREEMENT

This Agreement, the attachments of this Agreement, and the documents referred to in this Agreement constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement, and supersede any prior agreements, no other representations having induced Franchisee to sign this Agreement. Except for those permitted to be made unilaterally by Franchisor by this Agreement, no amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing. Nothing in this or any other agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

SECTION 26 - SEVERABILITY AND CONSTRUCTION

26.1 **Severable Parts**. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term, and/or provision of this Agreement will be considered severable; and if, for any reason, any section, part, term, and/or provision in this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, these will not impair the operation of, or have any other effect on, the other portions, sections, parts, terms, and/or conditions of this Agreement as may remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties of this Agreement; and the invalid portions, sections, parts, terms, and/or conditions will be deemed not to be a part of this Agreement.

26.2 **Terms Surviving this Agreement**. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), or assignment will survive the expiration, termination.

26.3 **No Rights on Third Parties**. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor will be deemed, to confer on any person or legal entity other than Franchisee, Franchisor, officers, directors, shareholders, agents, and employees of Franchisor, and the successors and assigns of Franchisor as may be contemplated by Section 15 in this Agreement, any rights or remedies under or by reason of this Agreement.

26.4 **Full Scope of Terms**. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the terms of this Agreement any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an un-appealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant if required to comply with such a court or agency order.

26.5 **Franchisor's Application of its Rights**. Franchisor will have the right to operate, develop and change the System in any manner that is not specifically precluded by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its rights, on the basis of the information readily available to Franchisor, and its judgment of what is in its best interests and/or in the best interests of the Franchisor's franchise network, at the time its decision is made, without regard to whether: (i) other reasonable or preferable alternative decisions could have been made by Franchisor; (ii) the decision or action of Franchisor will promote its financial or other individual interest; (iii) Franchisor's decision or the action it take applies differently to Franchisee and one or more other franchisees or Franchisor's company-owed operations; or (iv) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations by this Agreement.

26.6 **Captions Only for Convenience**. All captions in this Agreement are intended solely for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision of this Agreement.

SECTION 27 - APPLICABLE LAW AND DISPUTE RESOLUTION

27.1 **Governing Law**. This Agreement takes effect on its acceptance and execution by Franchisor, and will be interpreted and construed under the laws of the State of California. In the event of any conflict of law, the laws of California will prevail, without regard to, and without giving effect to, the application of California conflict of law rules. Nothing in this Section 27.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of California or of any other state to which it would not otherwise be subject.

27.2 **Non-Binding Mediation**. Before any party may bring an action in court against the other, the parties must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. Notwithstanding anything to the contrary, this Section 27.2 will not bar either party from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation. Mediation by this Agreement will be concluded within 45 days of Franchisee's receipt of the notice specifying the designated mediator or such longer period as may be agreed on by the parties in writing. All aspects of the mediation process will be treated as confidential, will not be disclosed to others, and will not be offered or admissible in any other proceeding or legal action. Franchisor and Franchisee will each bear its own costs of mediation, and each will bear one-half the cost of the mediator or mediation service.

27.3 **Arbitration**. Franchisor and Franchisee agree that, except for controversies, disputes, or claims related to or based on improper use of the Marks or Confidential Information, all controversies, disputes, or claims between Franchisor and Franchisor's affiliates, and Franchisor's and their respective shareholders, members, officers, directors, agents, and/or employees, and Franchisee (and/or Franchisee's owners, guarantors, affiliates, and/or employees) arising out of or related to:

(1) this Agreement or any other agreement between Franchisee and Franchisor;

(2) Franchisor's relationship with Franchisee;

(3) the validity of this Agreement or any other agreement between Franchisee and Franchisor; or

(4) any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association in the United States ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Subsection otherwise provides, according to the AAA's then current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a 5 mile radius of Franchisor's then current principal place of business. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment on the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or applicable law), provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Subsection 27.5 below, award any punitive, exemplary or multiple damages against either party (Franchisor and Franchisee by this agreement waiving to the fullest extent permitted by law, except as expressly provided in Subsection 27.6. below, any right to or claim for any punitive, exemplary or multiple damages against the other).

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

Franchisor and Franchisee agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Franchisor's affiliates, and Franchisor's and their respective shareholders, officers, directors, agents, and/or employees, and Franchisee (and/or Franchisee's owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between Franchisor and any other person.

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

The terms of this Subsection are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

27.4 **No Rights Exclusive of Other Rights**. No right or remedy conferred on or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy provided in this Agreement or permitted by law or equity, but each will be cumulative of every other right or remedy.

27.5 **Waiver of Jury Trial**. Franchisor and Franchisee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchised Business, brought by either party of this Agreement against the other, whether in mediation, or a legal action, will begin within 2 years from the occurrence of the facts giving rise to the claim or action, or the claim or action will be barred.

27.6 **Waiver of Punitive Damages**. Franchisor and Franchisee by this agreement waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other.

27.7 **Injunctive Relief**. Nothing in this Agreement contained will bar the right of Franchisor to obtain injunctive relief against threatened conduct that will cause it loss or damages, including violations of the terms of Sections 9, 10, 11, 15, and 18 under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

SECTION 28 - ACKNOWLEDGEMENTS

28.1 **Franchisee's Investigation of the Business Possibilities**. Franchisee acknowledges that it has conducted an independent investigation of the business of operating a Tender Software franchise, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on the ability of Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, the ability of its principals) as (an) independent businessperson(s). Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guaranty, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

28.2 **Receipt of FDD and Complete Agreement**. Franchisee acknowledges that it received a complete copy of this Agreement, the attachments of this Agreement, and agreements relating to this Agreement, if any, at least 7 days before the date on which this Agreement was signed. Franchisee also acknowledges that it received the disclosure document required by the Federal Trade Commission's Franchise Rule found at 16 CFR Section 436.1 at least 14 days before the date on which this Agreement was signed or any payment by Franchisee for the franchise rights granted under this Agreement.

28.3 **Franchisee Read the Agreement and Consulted**. Franchisee acknowledges that it has read and understood this Agreement, the attachments of this Agreement, and agreements relating to this Agreement, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

28.4 **Franchisee's Responsibility for Operation of Business**. Although Franchisor retains the right to establish and periodically modify System standards, which Franchisee has agreed to maintain in the operation of the Franchised Business, Franchisee retains the right and sole responsibility for the day-to-day management and operation of the Franchised Business and the implementation and maintenance of system standards at the Franchised Business.

28.5 **No Conflicting Obligations**. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict the party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

28.6 **Different Franchise Offerings to Others**. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

28.7 **Success Depends on Franchisee**. Franchisee acknowledges that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, on Franchisee's ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, quality of services provided as well as other factors. Franchisor does not make any representation or warranty express or implied as to the potential success of the business venture contemplated by this agreement.

28.8 **No Guaranties**. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received nor relied on, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.

IN WITNESS WHEREOF, the parties of this Agreement has duly signed this Agreement in duplicate on the date first above written and is only binding when signed and signed by an officer of Franchisor.

Tender Software, Inc., Franchisor
By:______________________________
Name:______________________________
Title:______________________________

Franchisee
By:______________________________
Name:______________________________
Title:______________________________

____
Franchisee
By:______________________________
Name:______________________________
Title:______________________________

Franchisee
By:______________________________
Name:______________________________
Title:______________________________

Address for Notices:

Tender Software, Inc.
340 S Lemon Ave. #6652N
Walnut, CA 91789
(925) 891-7850
Attn: Department of Franchising

Address for Notices:

____

____
Telephone:________________________
Fax:____________________________
Attn:___________________________

TENDER SOFTWARE, INC.
FRANCHISE AGREEMENT
EXHIBIT A
DATA SHEET

1. The Designated Marketing Area ("DMA") for the Franchised Business will include the following zip code addresses (the Franchised Zip Code Areas being) listed in Exhibit E, together having approximately __________ population. (See Franchise Agreement, Section 1.2).

2. The DMA will be (subject to the terms of the Franchise Agreement, including but not limited to Section 1.4 of the Agreement) as follows, and which DMA is reflected on the map attached to this Exhibit A:

3. Franchise Fee. The initial franchise fee will be $__________ (See Franchise Agreement, Section 4.1). The initial franchise fee is determined and payable as follows *(check the appropriate set of boxes)*:

The FRANCHISEE shall be responsible for the following closing costs at the time of signing the Franchise Agreement:

i. Initial Franchise fee: $__________

Total: $______________

Initial: ___________ Date: _________
Franchisee

Initial: ___________ Date: _________
Tender Software, Inc.

TENDER SOFTWARE, INC.
FRANCHISE AGREEMENT
EXHIBIT B
LIST OF PRINCIPALS AND DESIGNATED PRINCIPAL

The following identifies all of Franchisee's Principals (as defined in Section 6.1 of the Franchise Agreement):

Name of Principal	**Address**	**Interest (%) with description**
		Total: 100%

FRANCHISEE'S DESIGNATED PRINCIPAL

The following identifies Franchisee's Designated Principal (as defined in Section 8.3 of the Franchise Agreement):

Name and Title	**Address, telephone number, and e-mail address**	**Interest (%) (with description) if any**

TENDER SOFTWARE, INC.
FRANCHISE AGREEMENT

EXHIBIT C-1
GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to Tender Software, Inc. ("**Franchisor**") to enter the into a Franchise Agreement between Franchisor and ______________________________ ("**Franchisee**"), dated ________, 20__ (the "**Agreement**"), the undersigned, jointly and severally, by this agreement unconditionally guaranty to Franchisor and Franchisor's successors and assigns that all of Franchisee's monetary and non-monetary obligations under the Agreement will be punctually paid and performed.

Upon demand by Franchisor, the undersigned each by this agreement jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each by this agreement jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each by this agreement jointly and severally agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment to this Agreement, or any other agreement signed by Franchisee referred to in this Agreement.

The undersigned each by this agreement jointly and severally acknowledge and expressly agree to be individually bound by all of the covenants contained in Sections 11, 15, 17, and 18 of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Tender Software" and "Tender Software" marks or system licensed to Franchisee under the Agreement.

This Guarantee will terminate on the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of the termination will remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement will remain in force according to their terms. Upon the death of an individual guarantor, the estate of the guarantor will be bound by this Guaranty, but only for defaults and obligations by this Agreement existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Guarantor represents and warrants to Franchisor that neither Guarantor (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

Any and all notices required or permitted under this guaranty provision will be in writing and will be personally delivered, in the manner agreed to under Section 24 of this Agreement. The alternative dispute resolution provisions contained within the Franchise Agreement, including any requirements for arbitration, shall apply equally under this Guarantee.

Unless specifically stated otherwise, the terms used in this Guaranty will have the same meaning as in the Agreement, and will be interpreted and construed in accordance with Section 27 of the Agreement. This Guaranty will be interpreted and construed under the laws of the State of California. In the event of any conflict of law, the laws of the State of California will prevail (without regard to, and without giving effect to, the application of California conflict of law rules).

IN WITNESS WHEREOF, the undersigned has signed this guaranty provision as of the date of this Agreement.

GUARANTOR(S)

____

____

____

TENDER SOFTWARE, INC.
FRANCHISE AGREEMENT
EXHIBIT C-2
OWNERS

1. **Owners**: List the full name and mailing address of each person or entity who directly or indirectly owns an equity or voting interest in the Franchisee, and describe the nature of the interest.

Name:____________________	Number of Ownership Interests Owned:__________
Address:____________________	% of Total Ownership Interests:_______________
________________________	Number of Ownership Interests Owner is Entitled to Vote: ____________
________________________	Other Interest (Describe): __________________

Name:____________________	Number of Ownership Interests Owned:__________
Address:____________________	% of Total Ownership Interests:_______________
________________________	Number of Ownership Interests Owner is Entitled to Vote: ____________
________________________	Other Interest (Describe): __________________

Name:____________________	Number of Ownership Interests Owned:__________
Address:____________________	% of Total Ownership Interests:_______________
________________________	Number of Ownership Interests Owner is Entitled to Vote: ____________
________________________	Other Interest (Describe): __________________

Name:____________________	Number of Ownership Interests Owned:__________
Address:____________________	% of Total Ownership Interests:_______________
________________________	Number of Ownership Interests Owner is Entitled to Vote: ____________
________________________	Other Interest (Describe): __________________

Name:____________________	Number of Ownership Interests Owned:__________
Address:____________________	% of Total Ownership Interests:_______________
________________________	Number of Ownership Interests Owner is Entitled to Vote: ____________
________________________	Other Interest (Describe): __________________

2. **Designated Principal Owners**: The following individuals named in Paragraph 1 are designated as Principal Owners, although they do not hold 5% or more of the equity ownership interests in Franchisee:

Name: ____________________	Name:________________________________
Name: ____________________	Name:________________________________
Name: ____________________	Name:________________________________
Name: ____________________	Name: ____________________

3. **Management**: As required according to Paragraph G of Section 10 of this Agreement, the following Principal Owners will have supervisory responsibilities in connection with the operation of the Outlet:

Name:________________________

Name:________________________

Name:________________________

4. **Ownership Structure and Initial Capitalization**: Franchisee and its Owners represent and warrant that the ownership structure and initial capitalization of Franchisee is as follows:

OWNERSHIP STRUCTURE

Owner	**Number of Ownership Interests**	**Percentage Ownership**
________	________	________
________	________	________
________	________	________
________	________	________
________	________	________

As of the date of this Agreement there are ______________ (_________) Ownership Interests authorized and there are _____________ (_________) Ownership Interests which are issued and outstanding. There are no other authorized classes of shares.

INITIAL CAPITALIZATION

____

____

____

FRANCHISOR: ____________________

TENDER SOFTWARE, INC.,
a California CORPORATION

By:________________________
Print Name:________________
Title: ____________________

FRANCHISEE:________________________

:

____
[Name]

By:____________________________
Print Name:____________________
Title:_________________________

INDIVIDUALS:

____
[Print Name]

____
[Print Name]

TENDER SOFTWARE, INC.
FRANCHISE AGREEMENT
EXHIBIT D - 1
CONFIDENTIALITY AND NON-COMPETE AGREEMENT
FOR FRANCHISEE'S PRINCIPALS AND EXECUTIVES

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("Agreement") is made this _____ day of _________, 20___, by and between Tender Software, Inc., a California Corporation ("**Tender Software**" "**we**" "**our**") and ______________________________ the "**Franchisee**", and __________________________, who is a Principal, member, partner, or officer of Franchisee ("**you**" or the "**Member**").

Introduction

Tender Software, Inc. (the "**Franchisor**") and its affiliates developed and own a format and system (the "**System**") relating to the establishment and operation of a business designed to promote offshore software development services to local software companies and design studios in Franchisee's local market. The Tender Software franchises operate through a uniform system which has high standards of services, uses quality products, operates under the business format created and developed by Franchisor (the "Services"), and which is known as Tender Software System (the Tender Software franchise); and feature and operate under the Proprietary Marks (as defined below) (each "Tender Software franchise").

Franchisor and Franchisee have signed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate an Tender Software franchise (the "**Franchised Business**") under the terms and conditions of the Franchise Agreement.

In connection with your ownership and position with Franchisee, you will be trained by Tender Software and/or you will learn of Franchisor's confidential information and know-how concerning the methods of operation of an Tender Software franchise and the System.

Now, therefore, it is agreed that as a consideration your relationship with Franchisee and the rights granted to Franchisee under the Franchise Agreement, you acknowledge and agree that you will comply with all of the following obligations:

1. **Tender Software franchises Confidential Information**. You agree that you will not, at any time (whether during or after the term of the Franchise Agreement or the time of your relationship with Franchisee), communicate or divulge Tender Software franchises Confidential Information to any Person, and that you will not use Tender Software franchises Confidential Information for your own benefit or for the benefit of any other Person.

2. **Definitions**. As used in this Agreement, the following terms are agreed to have the following meanings:

a. The term "**Tender Software franchises Confidential Information**" means any information, knowledge, or know-how concerning the methods of operation of the Franchised Business and the System that may you may learn of or that otherwise becomes known to you during the term of the Franchise Agreement or the time of your relationship with Franchisee (whether or not Franchisor or we have specifically designated that information as "confidential"). Tender Software franchises Confidential Information may include, among other things, operational, sales, promotional, marketing, and administrative methods, procedures, and techniques. However, Tender Software franchises Confidential Information does not include information that you can show came to your attention before it was disclosed to you by Tender Software or Franchisor; and Tender Software franchises Confidential Information also does not include information that, at or after the time when we or Franchisor disclosed it to you, is a part of the public domain through no act on your part or through publication or communication by other Persons who are lawfully entitled to publish or communicate that information.

b. The term **"Person"** means any person, persons, partnership, entity, association, or corporation (other than the Franchisor or Franchisee).

c. The term **"Post-Term Period"** means a continuous uninterrupted period of two years from the date of: (a) a transfer permitted under Section 15 of the Franchise Agreement; (b) expiration or termination of the Franchise Agreement (regardless of the cause for termination); (c) termination of your relationship with Franchisee for any reason; and/or (d) a final order of a court of competent jurisdiction enforcing this Agreement.

3. Covenants Not to Compete.

a. You understand and acknowledge that due to your relationship with Tender Software, you will receive valuable specialized training and access to Tender Software franchises Confidential Information.

b. You covenant and agree that during the term of the Franchise Agreement, unless Franchisor gives you prior written approval, you will not, either directly or indirectly, for yourself, or through, on behalf of, or together with any Person:

i. Divert or attempt to divert any current or potential business account or customer of the Franchised Business (or of any Tender Software franchises) to any Person, whether by direct or indirect suggestion, referral, inducement, or otherwise;

ii. Do or perform, directly or indirectly, any act that might injure or be harmful to the goodwill associated with Franchisor and the System;

iii. Employ or seek to employ any individual who is then employed by Tender Software, Franchisor, or employed by any of Franchisor's franchisees, licensees, developers, or to otherwise directly or indirectly induce any such individual to leave his or her employment; and/or

iv. Directly or indirectly for yourself or on behalf of, or together with any Person, own, maintain, operate, engage in, or have any interest in any Competitive Business. A Competitive Business means any business which provides outsourced software development to businesses, software companies or design studios.

c. You covenant and agree that during the term Post-Term Period, unless Franchisor gives you its prior written approval, you will not, either directly or indirectly, for yourself, or through, on behalf of, or together with any Person:

i. Own, maintain, operate, engage in, or have any interest in any business that is a Competitive Business, if that business is located (or if it is intended to be located) within the Territory or within a radius of fifty (50) miles of any other Tender Software franchises located anywhere; and/or.

ii. Employ or seek to employ any individual who is then employed by Tender Software, Franchisor, or employed by any of Franchisor's franchisees, licensees, developers, or to otherwise directly or indirectly induce any such individual to leave his or her employment.

4. Legal and Equitable Remedies. You understand, acknowledge, and agree that if you do not comply with the requirements of this Agreement, you will cause irreparable injury to Franchisor, and that:

a. Tender Software will have the right to enforce this Agreement and any of its terms by going to a court and obtaining an injunction, specific performance, or other equitable relief, without prejudice to any other rights and remedies that we may have for breach of this Agreement;

b. You will not raise wrongful termination or other defenses to the enforcement of this Agreement (although you will have the right to raise those issues in a separate legal action); and

c. You must reimburse Franchisor for any court costs and reasonable attorney's fees that Franchisor incurs as a result of your violation of this Agreement and having to go to court to seek enforcement.

5. **Severability.** Each of the terms of this Agreement may be considered severable from the others. If a court should find that we or Franchisor may not enforce a clause in this Agreement as written, but the court would allow Tender Software or Franchisor to enforce that clause in a way that is less burdensome to you, then you agree that you will comply with the court's less-restrictive interpretation of that clause.

6. **Delay.** No delay or failure by Tender Software or Franchisor to exercise any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that right or any other right set out in this Agreement. No waiver of any violation of any terms and conditions of this Agreement will be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

7. **Third-Party Beneficiary.** You acknowledge and agree that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, Member has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this __ day of _____, 20__.

MEMBER

Signature:________________________________

Printed Name:____________________________

TENDER SOFTWARE, INC.
FRANCHISE AGREEMENT
EXHIBIT D - 2
CONFIDENTIALITY AND NON-COMPETE FOR FRANCHISEE'S EMPLOYEES

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("Agreement") is made this _____ day of _________, 20___, by and between Tender Software, Inc. ("**Tender Software**" "**we**" "**our**" and ______________________________________ the "**Franchisee**"), and __________________________, an employee of Franchisee ("**you**" or the "**Employee**").

Introduction

Tender Software, Inc. (the "**Franchisor**") and its affiliates developed and own a format and system (the "**System**") relating to the establishment and operation of a business designed to promote offshore software development services to local software companies and design studios in Franchisee's local market. The Tender Software franchises operate through a uniform system which has high standards of services, uses quality products, operates under the business format created and developed by Franchisor (the "Services"), and which is known as Tender Software System (the Tender Software franchise); and feature and operate under the Proprietary Marks (as defined below) (each "Tender Software franchise").

Franchisor and Franchisee have signed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a "Tender Software franchise" (the "**Franchised Business**") under the terms and conditions of the Franchise Agreement.

In connection with starting or continuing your employment with Franchisee, you will be trained by Tender Software and you will learn of Franchisor's confidential information and know-how concerning the methods of operation of an Tender Software franchises and the System.

Now, therefore, it is agreed that as a consideration of starting or continuing your employment, as a condition to your employment and the compensation that we have paid to you (and/or will pay you after today), you acknowledge and agree that you will comply with all of the following obligations:

1. **Tender Software franchises Confidential Information**. You agree that you will not, at any time (whether during or after your time of employment with Tender Software), communicate or divulge Tender Software franchises Confidential Information to any Person, and that you will not use Tender Software franchises Confidential Information for your own benefit or for the benefit of any other Person.

2. **Definitions**. As used in this Agreement, the following terms are agreed to have the following meanings:

a. The term "**Tender Software franchises Confidential Information**" means any information, knowledge, or know-how concerning the methods of operation of the Franchised Business and the System that may you may learn of or that otherwise becomes known to you during the time of your employment with Tender Software (whether or not the Franchisor or we have specifically designated that information as "confidential"). Tender Software franchises Confidential Information may include, among other things, operational, sales, promotional, marketing, and administrative methods, procedures, and techniques. However, Tender Software franchises Confidential Information does not include information that you can show came to your attention before it was disclosed to you by Tender Software or Franchisor; and Tender Software franchises Confidential Information also does not include information that, at or after the time when we disclosed it to you, is a part of the public domain through no act on your part or through publication or communication by other Persons who are lawfully entitled to publish or communicate that information.

b. The term "**Person**" means any person, persons, partnership, entity, association, or corporation (other than the Company or Franchisor).

c. The term "**Post-Term Period**" means a continuous uninterrupted period of (check as applicable) ☐ 1 year if you are a manager or perform managerial responsibilities, or six (6) months a non-managerial employee from the date of: (a) termination of your employment with Tender Software for any reason; and/or (b) a final order of a court of competent jurisdiction enforcing of this Agreement.

3. Covenants Not to Compete.

a. You understand and acknowledge that due to your employment with Tender Software, you will receive valuable specialized training and access to Tender Software franchises Confidential Information.

b. You covenant and agree that during the term of your employment, unless Franchisor gives you its prior written approval, you will not, either directly or indirectly, for yourself, or through, on behalf of, or together with any Person:

i. Divert or attempt to divert any current or potential business account or customer of the Franchised Business (or of any Tender Software franchises) to any Person, whether by direct or indirect suggestion, referral, inducement, or otherwise;

ii. Do or perform, directly or indirectly, any act that might injure or be harmful to the goodwill associated with Franchisor and the System;

iii. Employ or seek to employ any individual who is then employed by Tender Software, or employed by Franchisor or any of Franchisor's franchisees, licensees, developers, or to otherwise directly or indirectly induce any such individual to leave his or her employment; and/or

iv. Directly or indirectly for yourself or on behalf of, or together with any Person, own, maintain, operate, engage in, or have any interest in any Competitive Business. A Competitive Business means any business which provides outsourced software development services to businesses, software companies or design studios.

c. You covenant and agree that during the term Post-Term Period, unless Franchisor gives you its prior written approval, you will not, either directly or indirectly, for yourself, or through, on behalf of, or together with any Person:

i. Own, maintain, operate, engage in, or have any interest in a Competitive Business, if that business is located (or if it is intended to be located) within a radius of fifty (50) miles of any other Tender Software franchises located anywhere at that time; and/or;

ii. Employ or seek to employ any individual who is then employed by Tender Software, Franchisor, or by any of Franchisor's franchisees, licensees, developers, or to otherwise directly or indirectly induce any such individual to leave his or her employment.

4. Legal and Equitable Remedies. You understand, acknowledge, and agree that if you do not comply with the requirements of this Agreement, you will cause irreparable injury to Franchisor, and that:

a. Tender Software will have the right to enforce this Agreement and any of its terms by going to a court and obtaining an injunction, specific performance, or other equitable relief, without prejudice to any other rights and remedies that we may have for breach of this Agreement;

b. You will not raise wrongful termination or other defenses to the enforcement of this Agreement (although you will have the right to raise those issues in a separate legal action); and

c. You must reimburse Franchisor for any court costs and reasonable attorney's fees that Franchisor incurs as a result of your violation of this Agreement and having to go to court to seek enforcement.

5. **Severability**. Each of the terms of this Agreement may be considered severable from the others. If a court should find that we or Franchisor may not enforce a clause in this Agreement as written, but the court would allow Tender Software or Franchisor to enforce that clause in a way that is less burdensome to you, then you agree that you will comply with the court's less-restrictive interpretation of that clause.

6. **Delay**. No delay or failure by Tender Software or Franchisor to exercise any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that right or any other right set out in this Agreement. No waiver of any violation of any terms and conditions of this Agreement will be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

7. **Third-Party Beneficiary.** You acknowledge and agree that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Tender Software.

IN WITNESS WHEREOF, Employee has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this _ day of _____, 20__.

EMPLOYEE

Signature:_______________________________

Printed Name:____________________________

EXHIBIT B
TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

CALIFORNIA	MARYLAND
Department of Business Oversight One Sansome Street, Ste. 600 San Francisco, CA 94104 (415) 972-8559 Department of Business Oversight 320 W. 4th Street, Suite 750 Los Angeles, California 90013 Department of Business Oversight 1515 K. Street, Suite 200 Sacramento, California 95814 (866) 275-2677 Toll Free Agent: Commissioner of Business Oversight	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 Agent: Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020

HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2744 Agent: Commissioner of Securities of the Department of Commerce and Consumer Affairs	MICHIGAN Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913 (517) 373-7177 Agent: Michigan Department of Commerce Corporations and Securities Bureau

ILLINOIS Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Agent: Illinois Attorney General	MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328 Agent: Minnesota Commissioner of Commerce
INDIANA Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681 Agent: Indiana Secretary of State Indiana Securities Division 201 State House Indianapolis, IN 46204	NEBRASKA Nebraska Department of Banking and Finance 1200 N Street P.O. Box 95006 Lincoln, Nebraska 68509-5006

NEW YORK Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway New York, NY 10271 (212) 416-8211 Agent: New York Secretary of State 99 Washington Avenue Albany, New York 12231	SOUTH DAKOTA Division of Securities c/o 118 West Capitol Pierre, South Dakota 57501 (605) 773-4013 Agent: Director of South Dakota Division Securities
NORTH DAKOTA Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, North Dakota 58505 (701) 328-2910 Agent: North Dakota Securities Commissioner	TEXAS Secretary of State P.O. Box 12887 Austin, Texas 78711
OREGON Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387 Agent: Director of Oregon Department of Insurance and Finance	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 Agent: Clerk of the State Corporation Commission 1300 E Main St., 1st. Fl. Richmond, VA 23219 Tel: (804) 371-9733
RHODE ISLAND Division of Securities Suite 232 233 Richmond Street Providence, Rhode Island 02903 (401) 222-3048 Agent: Director of Rhode Island Department of Business Regulation	WASHINGTON Director Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760 Agent: Securities Administrator, Director of Department of Financial Institutions
WISCONSIN Securities and Franchise Registration Securities Division of the Wisconsin Department of Financial Institutions P.O. Box 1768 Madison, Wisconsin 53703 (608) 266-8559 Agent: Wisconsin Commissioner of Securities	NORTH CAROLINA Department of the Secretary of State PO Box 29622 Raleigh, NC 27626-0622
CONNECTICUT State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner	

EXHIBIT C
TO THE DISCLOSURE DOCUMENT
STATE SPECIFIC ADDENDUM

IF REQUIRED BY YOUR STATE

EXHIBIT C TO THE FDD

STATE SPECIFIC ADDENDA FOR CALIFORNIA

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

OUR WEBSITE, http://www.perspiresaunastudio.com **HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov**

1. The following paragraph is added to the end of Item 3:

   Neither the Franchisor nor any person listed in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 14 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

2. **Item 5 and Item 7 of the disclosure document, and Section 3.2 and Section 6 of the Franchise Agreement are amended to state that Franchisor will defer the initial franchise fee until it has fulfilled its initial obligations to the Franchisee as outlined in Item 11, Pre-Opening Obligations of the FDD.**

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination (Franchise Agreement, Section 12), or non-renewal of a franchise (Franchise Agreement, Section 12). If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Disclosure/ Section	**Agreement Section**
Item 17.h	The franchise agreement provides for termination upon bankruptcy (Franchise Agreement, Section 16.1) This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. sec. 101 et seq.).
Item 17.r	The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. (Franchise Agreement, Section 18.3) This provision may not be enforceable under California law.

The Franchise Agreement requires application of the laws of Arizona. This provision may not be enforceable under California Law.

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

Franchisee: ______________________________ Date: ____________

Franchisor: ______________________________ Date: ___________

EXHIBIT C TO THE FDD
STATE APPENDIX NEW YORK

The Disclosure Document is modified and/or clarified as follows for franchisees and prospective franchisees in New York.

Disclosure Document

1. The following language is added to Risk Factors on the cover page:

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE IN THIS PROSPECTUS.

AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2015, THE FRANCHISOR HAD A NET WORTH OF $10,117.

2. Item 3 of the FDD is revised to include the following:

   Other than as described in the FDD, neither we nor any person identified in Item 2 has any 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 or misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

   Neither we nor any person identified in Item 2 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: a felony; a violation of a franchise; antitrust or securities law; fraud; embezzlement, fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

   Neither we nor any person identified in Item 2 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 department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 4 of the FDD is revised to include the following:

   Neither we nor any predecessor, officer or general partner of ours has, during the 10-year period immediately before the date of the FDD: (1) 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 of a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of ours held this position in the company or partnership.

4. Item 17.j. of the FDD is revised to include the following:

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

5. Item 17.s. of the FDD is revised to include the following:

   Revisions to the Manual will not unduly affect your obligations, including economic requirements, under the Franchise Agreement.

6. Item 17.w. of the FDD is revised to include the following:

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

Franchisee: ______________________________ Date: ___________

Franchisor: ______________________________ Date: ___________

EXHIBIT C-2

State-Specific Amendments to the Franchise Agreement

STATE SPECIFIC ADDENDA TO CALIFORNIA FOR FRANCHISE AGREEMENT IS INCLUDED IN EXHIBIT C PAGE D7

EXHIBIT C-2 TO THE FDD
FOR THE FRANCHISE AGREEMENT TO TENDER SOFTWARE, INC.
STATE APPENDIX NEW YORK

The Franchise Agreement is modified and/or clarified as follows for franchisees and prospective franchisees in New York.

Franchise Agreement

1. Section 27 of the Franchise Agreement is revised to include the following language:

"Provided, however, that all rights arising in your favor from the provisions of Article 22 of the GBL of the State of New York and the regulations issues thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL sections 687.4 and 687.5 be satisfied."

2. Section 15 of the Franchise Agreement is revised to include the following:

We will not make an assignment except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. Section 3 of the Franchise Agreement is revised to include the following:

Revisions to the Manual will not unduly affect your obligations, including economic requirements, under this Agreement.

Franchisee: ______________________________ Date: ___________

Franchisor: ______________________________ Date: ___________

EXHIBIT D
TO THE DISCLOSURE DOCUMENT

List of Franchisees

American ADM, LLC (Signed June 2016)
Spring, TX
Eric W. Lambeth 417.351.8530

EXHIBIT E
TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

As of December 31, 2016

EXHIBIT G
TO THE DISCLOSURE DOCUMENT

FRANCHISEE COMPLIANCE CERTIFICATION

FRANCHISEE COMPLIANCE CERTIFICATION

As you know, Tender Software, Inc. (the "**Franchisor**") and you are preparing to enter into a Franchise Agreement and/or Development Agreement for the establishment and operation of an "Tender Software franchise" franchised Outlet (a "**Tender Software franchise**"). For ease of reference, we refer to the Franchise Agreement and Development Agreement as the "Franchise Agreement." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I had my first face-to-face meeting with one of the Franchisor's representatives on _________, 20__.

2. Have you received and personally revised the Franchise Agreement and each related agreement attached to it?

   Yes _____ No _____

3. Do you understand all of the information contained in the Franchise Agreement and each related agreement provided to you?

   Yes _____ No _____

   If no, what parts of the Franchise Agreement and/or related agreement do you not understand? (Attach additional pages, as needed.)

   ____

   ____

   ____

4. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document ("FDD") that was provided to you?

   Yes _____ No _____

5. Did you sign a receipt for the FDD indicating the date you received it?

   Yes _____ No _____

6. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

   Yes _____ No _____

   If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, as needed).

7. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating an Tender Software franchise as a franchised business?

   Yes _____ No _____

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

   Yes _____ No _____

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

Yes _____ No _____

9. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the actual or possible revenues, profits or operating costs of a Tender Software franchise operated by the Franchisor or any of its franchisees, that is contrary to the information contained in the FDD?

Yes _____ No _____

10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the amount of money you may earn in operating the Tender Software franchise as a franchised business?

Yes _____ No _____

11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the total amount of revenue the Tender Software franchises will or may generate?

Yes _____ No _____

12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) regarding the costs you may incur in operating the Tender Software franchise, that is contrary to or different from, the information contained in the FDD?

Yes _____ No _____

13. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the likelihood of success that you should or might expect to achieve from operating a Tender Software franchise as a franchised business?

Yes _____ No _____

14. Has any employee or other person speaking on behalf of the Franchisor made any statement, agreement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

15. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

16. Have you paid any money to the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

17. Do you understand that the territorial rights you have been granted?

Yes _____ No _____

18. Do you understand that Franchisor and its affiliates retain the right, directly or through others, to develop and franchise other similar franchises (but not under the "Tender Software franchise" name) or different franchise systems inside or outside of your territory?

Yes _____ No _____

19. Do you understand that all disputes or claims you may have arising out of or relating to the Franchise Agreement must be heard in the courts of California (if not resolved informally or by mediation)?

Yes _____ No _____

20. Do you understand that the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and not any consequential or punitive damages?

Yes _____ No _____

21. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the franchise for the Tender Software franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes _____ No _____

22. If you have answered "Yes" to any of questions 9-16, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 9-16, then please leave the following lines blank.

23. I signed the Franchise Agreement and Addenda (if any) on ____________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO TENDER SOFTWARE AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FRANCHISE APPLICANT

____
Signed

____
Printed Name

____
Date

EXHIBIT H
TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE

In consideration of, and as an inducement to, the renewal of that certain Franchise Agreement, and any revisions, modifications and amendments to them, collectively the "Agreement") dated _______________,20____, by and between Tender Software, Inc., a California Corporation, (the "Franchisor") and (the "Franchisee"), the undersigned agrees as follows:

To release Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents and employees of any and all claims Franchisee may have against Franchisor, its subsidiaries and affiliates, and their respective officers, directors, agents and employees.

Franchisee intends to renew the Franchise Agreement with Franchisor for an additional 5 year term under the current terms of that certain New Franchise Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have duly signed, sealed and delivered this Agreement on the day and year first above written.

ATTEST:

____
Secretary

FRANCHISOR:
Tender Software, Inc.

By: ____________________________

Title: ____________________________

WITNESS: ____________________________

FRANCHISEE:

By: ____________________________

EXHIBIT I
TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS TO THE OPERATIONS MANUAL

TABLE OF CONTENTS OF OPERATIONS MANUAL

Each section of the basic Operations Manual only includes one or two pages.
More detailed training is hands on and in the field manual which Table of Contents follows this section

Receipt *(Your Copy)*

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, Washington and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Tender Software, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit B.

The franchisor is Tender Software, Inc., 340 S Lemon Ave #6652N, Walnut, CA 91789. Telephone: 925-891-7850.

Issuance date: July 1, 2017.

The franchise seller for this offering is Brent Crysell for Tender Software Inc. at 340 S Lemon Ave #6652N, Walnut, CA 91789.Telephone: 925-891-7850.

Tender Software authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I received a disclosure document dated _____________ that included the following Exhibits:

A	Franchise Agreement	F	Financial Statements
B	List of State Administrators/Agents for Service of Process	G	Franchisee Compliance Certification
		H	Sample of General Release
C	State Specific Addendum		
D	List of Franchisees	I	Table of Contents to the Operations Manual
E	List of Franchisees Who Have Left the System		

Date: _______________
(Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

You may return the signed receipt either by signing, dating, and mailing it to Tender Software, Inc. at 340 S Lemon Ave #6652N, Walnut, CA 91789. Or emailing to: mrtender@tendersoftware.com

Receipt (*Our Copy*)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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