FRANCHISE DISCLOSURE DOCUMENT

NATIONAL INTERNET CORPORATION
a Delaware Corporation
d/b/a WSI
16192 Coastal Highway
Lewes, Delaware 19958
1-(888)-678-7588
www.wsiworld.com
www.wsicorporate.com
Email: support@wsiworld.com
http://alc.wsifranchise.com
Twitter: www.twitter.com/wsiworld
Facebook: www.facebook.com/wsiworld
YouTube: http://www.youtube.com/wsibizopp

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The franchise is for WSI Businesses which provide full service digital marketing systems to businesses (the "System") under the trademark WSI®, and other authorized marks.

The total investment necessary to begin operation of a WSI Business ranges from $64,450 to $94,550. This includes an initial franchise fee that must be paid to us, which is calculated based on the type of license you elect, as follows: (i) $49,700 for a Local Territory License, (ii) $59,700 for a Regional Territory License, and (iii) $69,700 for a National Territory License.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Administrative Department at 1660 Tech Avenue, Unit 2, Mississauga, Ontario, Canada L4W 5S9 or (905) 678-7588 or admin@wsicorporate.com.

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

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

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

Date of Issuance: March 20, 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN TORONTO, ONTARIO, CANADA OR AT A MUTUALLY AGREED LOCATION AND BY ARBITRATION ONLY AT A LOCATION TO BE SELECTED BY THE ARBITRATOR. ANY DISPUTES (OTHER THAN OUR INJUNCTIVE CLAIMS WHICH MAY BE BROUGHT IN ANY COMPETENT COURT) NOT FULLY RESOLVED BY MEDIATION OR ARBITRATION MUST BE LITIGATED ONLY IN LEWES, DELAWARE. OUT OF STATE MEDIATION, ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN TORONTO OR TO ARBITRATE OR LITIGATE WITH US IN DELAWARE THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT DELAWARE 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. IF YOU PURCHASE A REGIONAL TERRITORY OR A NATIONAL TERRITORY, YOU MAY BE SELLING TO CUSTOMERS LOCATED IN ANY SMALLER TERRITORY OF ANOTHER FRANCHISEE THAT IS INCLUDED IN THE LARGER TERRITORY.

4. YOUR TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

5. IF YOUR SPOUSE IS A PARTY TO THE FRANCHISE AGREEMENT, YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more franchise brokers or referral sources, including our Franchisees, to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

See the following state effective date summary page for state effective dates.

NATIONAL INTERNET CORPORATION

STATE EFFECTIVE DATE SUMMARY PAGE

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:

California	-	Effective Date: ________________________
Hawaii	-	Effective Date: ________________________
Illinois	-	Effective Date: ________________________
Indiana	-	Effective Date: _______________________
Maryland	-	Effective Date: ________________________
Michigan	-	Effective Date: March 20, 2017
Minnesota	-	Effective Date: ________________________
New York	-	Effective Date: ________________________
North Dakota	-	Effective Date: ________________________
Rhode Island	-	Effective Date: ________________________
South Dakota	-	Effective Date: ________________________
Virginia	-	Effective Date: ________________________
Washington	-	Effective Date: ________________________
Wisconsin	-	Effective Date: ________________________

ADDENDUM TO NATIONAL INTERNET CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN

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

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

(b) a requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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

(d) a provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

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

The fact that there is a notice of this franchise disclosure document on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.

Address for notices to the Michigan Attorney General:

Department of the Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, MI 48909
517-373-7117

Notwithstanding paragraph (f) of these Michigan cover pages, we intend to enforce the provisions of the litigation section of the Franchise Agreement including without limitation the selection of the site for any litigation.

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EXHIBITS

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "we," "us," "our," or "NIC" means National Internet Corporation, the franchisor. "You" means the person who is awarded the franchise and includes your owners if you are a corporation, partnership, limited liability company or other business entity.

NIC, its Parents, Predecessors and Affiliates

NIC was incorporated on December 31, 1996 in the State of Delaware. We do business under our corporate name and the Proprietary Marks described in this Disclosure Document. Our Canadian head office address is 1660 Tech Avenue, Unit 2, Mississauga, Ontario, Canada L4W 5S9. Our U.S. principal business address is located at 16192 Coastal Highway, Lewes, Delaware, 19958. We do not do business under any other names.

We have not operated a business of the type being franchised. We began offering franchises in the U.S.A. for a business which offers similar services as your Franchised Business but under the mark Worldsites in 1998. Beginning in March 2001, we offered a franchise for a similar business under the mark MyWorldsites. We no longer offer franchises under either of those marks. We began offering WSI Businesses in September 2001. In December 2003 we sold our roster of all then existing U.S. franchisees who use the Worldsites or MyWorldsites mark and the related franchise agreements to Global Express Exchange Inc., a Delaware corporation. Neither we nor our affiliates have offered franchises in any other line of business.

Our affiliate, Research and Management Corporation ("RAM"), was incorporated in the Province of Ontario, Canada on July 18, 2003. RAM shares our head office address and provides all management services to us, including support, training, accounting, administration, marketing, sales and supply chain management. RAM also provides certain training and e-marketplace and management services to our franchisees. Although RAM has previously operated two corporate owned locations in Canada from March 2005 to December 2006, RAM has never offered franchises for nor operated a business of the type being franchised in the U.S.

Our parent is World Technology Group Inc. ("WTG"), a corporation organized under the laws of the State of Delaware on July 12, 2000. Before its existence in Delaware, WTG was known as IIS Inc. and was incorporated in the Bahamas on February 21, 1997. WTG's office address is at 16192 Coastal Highway, Lewes, Delaware, 19958. Except as described above, we have no parents that exercise control over the policies and direction of the franchise system.

Affiliates of our parent company, WTG, have granted franchises and licenses for WSI Businesses outside the U.S.A. since 1997 under the marks WSI ICE®, Worldsites and MyWorldsites. Commencing in 2006, franchises have also been granted under the WSI IM mark and, more recently, under the WSI mark. The principal business address for RAM and each of the following companies is 1660 Tech Avenue, Unit 2, Mississauga, Ontario, Canada L4W 5S9.

WSI Worldwide Ltd., an Ontario corporation, was incorporated in November 2004 to sell franchises in countries outside of North America with the exception of jurisdictions having specific franchise legislation where country-specific franchisors instead offer the WSI franchise opportunities. WSI Worldwide Ltd. commenced selling franchises in January 2005. Before January 2005, WSI Worldwide Inc., a Delaware corporation incorporated in July 2003, and prior to that Worldsites International, Inc., sold similar but not identical franchises in the same countries where WSI Worldwide Ltd. currently sells its franchises.

WSI Canada Ltd., an Ontario corporation, was incorporated in November 2004 to sell WSI franchises in Canada commencing in 2005. Before January 2005, WSI Canada Inc., a Delaware corporation incorporated in August 2001 and Canadian Internet Corporation, a Delaware corporation incorporated in October 1998, sold WSI franchises in Canada.

WSI Australia Ltd., an Ontario corporation, was incorporated in November 2004 to sell WSI franchises in Australia commencing in 2005. Before January 2005, WSI Australia Inc., a Delaware corporation incorporated in July 2002, sold WSI franchises in Australia.

WSI France Ltd., an Ontario corporation, was incorporated in November 2004 to sell WSI franchises in France commencing in 2005. Before January 2005, WSI France Inc., a Delaware corporation incorporated in July 2002, sold WSI franchises in France.

WSI Malaysia Ltd., an Ontario corporation, was incorporated in November 2004 to sell WSI franchises in Malaysia commencing in 2005. Before January 2005, WSI Malaysia Inc., a Delaware corporation incorporated in October 2002, sold WSI franchises in Malaysia. WSI Malaysia Ltd. was amalgamated with WTG in January 2017, and WTG is the surviving company.

WSI Mexico Ltd., an Ontario corporation, was incorporated in November 2004 to sell WSI franchises in Mexico commencing in 2005. Before January 2005, WSI Mexico Inc., a Delaware corporation incorporated in March 2003, sold WSI franchises in Mexico.

WSI Brazil Ltd., an Ontario corporation, was incorporated in November 2004 to sell WSI franchises in Brazil commencing in 2005. Before January 2005, WSI Brazil LLC, a Delaware limited liability corporation organized in July 2003, and WSI Brazil Ltd., a Delaware corporation incorporated in May 2004, sold WSI franchises in Brazil.

WSI Spain Ltd., an Ontario corporation, was incorporated in November 2004 to sell WSI franchises in Spain commencing in 2005. Before January 2005, WSI Spain Inc., a Delaware corporation incorporated in October 2003 and WSI Spain LLC, a Delaware limited liability corporation organized in January 2004, sold WSI franchises in Spain.

WSI Italy Inc., an Ontario corporation, was incorporated in August 2004 to sell WSI franchises in Italy.

WSI Taiwan Inc., an Ontario corporation, was incorporated in August 2004 to sell WSI franchises in Taiwan. WSI Taiwan Inc. was amalgamated with WTG in January 2017, and WTG is the surviving company.

WSI Indonesia Ltd., an Ontario corporation, was incorporated in November 2004 to sell WSI franchises in Indonesia. WSI Indonesia Ltd. was amalgamated with WTG in January 2017, and WTG is the surviving company.

WSI Emerging Markets Ltd., an Ontario corporation, was incorporated in June 2005, to sell franchises in Romania, in Japan, and in other future emerging markets.

WSI Africa (2011) Digital Marketing Services (Pty) Ltd., a South Africa corporation, was incorporated in August 2011 as K2011104875 (Pty) Ltd. An application for change of name of the company was filed in November 2011. This company currently sells WSI franchises in South Africa. Before August 2011, WSI South Africa Internet Marketing (Pty.), a South Africa corporation, sold WSI franchises in South Africa.

WSI Belgium Ltd., an Ontario corporation, was incorporated in September 2006 to sell WSI franchises in Belgium.

As of December 31, 2016, franchisees of WTG and its affiliates operate franchisee-operated businesses in approximately 80 countries worldwide. WTG has offered franchises for the type of business described in this disclosure document since February 1997 and its country-specific affiliates identified above have offered such franchises from the dates noted above, but neither WTG nor its country-specific affiliates have operated a business of the type being franchised. Neither WTG nor its country-specific affiliates have offered franchises in any other line of business.

Our affiliate, Action Hosting Corporation Inc., an Ontario corporation, was incorporated in December 2004, as a supplier of hosting services to our franchisees. Our affiliate, WSI Paid Search Ltd., an Ontario corporation, was incorporated in August 2013, as a supplier to provide online advertising services to our franchisees. These companies share our principal business address. They do not, and have never, offered franchises in this or any other line of business.

Other than as described in this Item 1, we have no predecessors or affiliates.

Our agents for service of process are listed in ***Exhibit D*** to this disclosure document.

THE FRANCHISE

We currently grant franchises to qualified candidates in the U.S.A. for the operation of businesses which offer full-service digital marketing systems to businesses (the "System") under the trademark WSI® and other authorized marks. We call these businesses "WSI Businesses"; we call your WSI Business the "Franchised Business." We have no other business activities. The System has evolved over time and there are other WSI franchisees who operate under different forms of franchise agreements, fee structure and trademark designations. In addition to the franchises offered under this disclosure document, we also offer access to our System to existing marketing businesses utilizing different forms of agreement and a different fee structure.

We offer 3 types of licenses. Before signing the Franchise Agreement, you will select one of the following 3 types of licenses: (i) the Local Territory License, which allows you to offer and sell to customers located in a Local Territory (defined as the city boundaries or other localized territorial boundaries); (ii) the Regional Territory License, which allows you to offer and sell to customers located in two or more contiguous Local Territories or a state; and (iii) the National Territory License, which allows you to offer and sell to customers located in the United States of America. All territory licenses are non-exclusive.

THE SYSTEM

WSI Businesses provide businesses and individuals with advanced digital marketing solutions that allow businesses to respond successfully to the constantly increasing demands of the marketplace and capitalize on technological changes that are forever becoming part of our society. Through your Franchised Business, you will offer products and services to customers who are located in your Designated Territory. These products and services will be accessed by you using the approved suppliers in the WSI e-marketplace. When a supplier performs the services, it will charge you a wholesale price.

REGULATORY MATTERS

There are no regulations specific to operating a WSI Business, but you must comply with all local, state, and federal laws that apply generally to businesses.

COMPETITION

You will generally have to compete with, among others, providers of Internet and digital marketing services, website developers, and consultants. The Internet consulting industry is developing and competitive in most markets.

ITEM 2

BUSINESS EXPERIENCE

The business experience of our officers and directors is listed below, as well as the business experience of the principal officers of RAM. Unless otherwise stated, all are based in Mississauga, Ontario, Canada.

Chief Executive Officer and Director of National Internet Corporation: Louis Zalany

Mr. Zalany has served as our Chief Executive Officer and the sole Director of the company, and as a business advisor, since January 2004. He has also served as Chief Executive Officer of a number of our affiliates commencing in July 2002 including as the Chief Executive Officer of RAM since July 2003.

CEO of RAM: Mark Dobson

Mark Dobson was appointed as the CEO of RAM in January 2014. From March 2007 until the end of December, 2013, he served as its Vice President of Franchise Development. Previously, he was sole Director of Performance Sales International, Inc. located in Toronto, Ontario, Canada. This company was the sales broker that sold WSI system franchises worldwide until March 2007.

Chief Operating Officer: Valerie Brown-Dufour

Mrs. Brown-Dufour was appointed as RAM's Chief Operating Officer in July 2016. Before then, she was RAM's Executive Vice President of Global Operations from July 2012 to June 2016. From January 2012 to July 2012, she was RAM's Vice President of International Development. From February 2007 to December 2011 she was RAM's Vice President of Business Strategy and Innovation.

Vice President of Global Operational Performance: Rimma Jaciw

Rimma Jaciw was appointed as RAM's Vice President, Global Operational Performance in July 2016. Prior to that, she was the Director of Operational Performance from March 2012 to June 2016. From March 2008 to March 2012, she was RAM's Director of Franchise Operations.

Vice President, Franchise Sales: Daniel Lattanzio

Mr. Lattanzio has served as a Vice President, Franchise Sales of RAM since March 2007. Mr. Lattanzio previously served as Vice President of Franchise Development for Performance Sales International Inc., the Toronto, Ontario sales broker that sold WSI system franchises worldwide from January 1996 until March 2007.

Vice President of Field Operations: Michael Monaghan

Effective July 2016, he was appointed as RAM's Vice President of Field Operations where he heads the Franchise Business Coaching as well as leading the channel of WSI supplier partners. From February 2012 to March 2015, Michael held the title of Director of Master Franchise Operations where he oversaw the WSI Master Franchise program. From September 1998 to February 2012, he held the position of International Development Director.

Vice President of Information Technology: Shaunak Dave

Shaunak Dave has been RAM's Vice President of Information Technology since June 2011. Before then, he was the Director of Information Technology at RAM since April 2008.

Controller: Malini Pandya

Effective July 2015, Mrs. Pandya was appointed as RAM's Controller. From February 2012 through June 2015, Mrs. Pandya served as RAM's Assistant Controller. Mrs. Pandya also served as RAM's Accounting Manager from September 2007 to January 2012, and from February 2007 to August 2007 she served as RAM's Senior Financial Analyst.

Founder, Advisor and Managing Director of World Technology Group Inc.: Dan Monaghan

Effective January 2014, Mr. Monaghan was appointed as Managing Director of World Technology Group Inc. He has been an advisor to RAM since March 2003 in Mississauga, Ontario. He was a founder of National Internet Corporation and World Technology Group Inc., and also a Member of the advisory board for the entire WSI franchise system.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

INITIAL FRANCHISE FEE

The initial franchise fee is $49,700 for a Local Territory License, $59,700 for a Regional Territory License, and $69,700 for a National Territory License. These three territories are described in Item 12.

We are a member of the International Franchise Association ("IFA") and participate in IFA's VetFran Program which provides special financial incentives to qualified veterans. Under the VetFran Program we offer qualified veterans a 10% discount off the initial franchise fee.

We have established a young entrepreneur scholarship program under which we offer qualified applicants a waiver of the initial franchise fee. In order to qualify for this program, an applicant must be between the ages of 21 and 31, must be financially disadvantaged or a member of a recognized minority class, must have references and/or testimonials, including at least one reference from a WSI consultant in good standing, and must have demonstrated certain characteristics (such as academic excellence and good business acumen) to our satisfaction that indicate that such applicant is likely to be successful in operating a WSI Business. As of the date of this disclosure document we have not granted any franchises under the young entrepreneur scholarship program within the United States.

The initial franchise fee is $25,000 for qualified and experienced digital marketing agencies in recognition of the diminished need for comprehensive training and support.

Before signing a Franchise Agreement, you must execute a Franchise Application Agreement (attached as ***Exhibit A***) in which you will select one of the three types of licensed territories as your "Designated Territory". When you sign the Franchise Application Agreement, you must pay a "First Installment" of the initial franchise fee which is equal to 25% of the initial franchise fee that corresponds to your Designated Territory. Currently, for the Local Territory License, the First Installment is $12,425; for the Regional Territory License, the First Installment is $14,925; and for the National Territory License, the First Installment is $17,425. If we do not approve your Franchise Application Agreement within 10 business days, we will return your First Installment to you. The First Installment is deemed fully earned upon our approval of the Franchise Application Agreement and is non-refundable after our approval has been given.

Within 5 business days of the date we approve the Franchise Application Agreement, you must sign the Franchise Agreement (attached as ***Exhibit B***). When you execute the Franchise Agreement, you must pay to us the initial franchise fee (minus the First Installment) that corresponds to the type of territory you select as your Designated Territory. The initial franchise fee is due and payable in one lump sum, is deemed fully earned upon execution of the Franchise Agreement and is non-refundable.

During our 2016 fiscal year, initial franchise fees ranged from $3,700 (representing training costs for 6 existing digital marketing businesses that acquired franchises as an add on to their existing businesses) to $69,700. In addition, 1 franchisee received a discount of 10% or more as a qualified veteran under our participation in IFA's VetFran Program.

TRAINING

We provide mandatory initial training for up to a maximum of 2 owners for no additional fee (including on a transfer or resale), although you must bear all expenses of the trainees including travel, meals, lodging, entertainment, laundry and wages. If you wish to train more than 2 persons and we give our written consent, we charge a daily training fee of $1,500 per person per day.

[*Remainder of page intentionally left blank]*

ITEM 6

OTHER FEES

Name of Fee (Note 1)	Amount	Due Date	Remarks
Management Services Fee	10% of Gross Revenues, but at least $300 per month during the first 24 months of management services fee payments, thereafter increased to $500 per month. The Management Services Fee percentage payable during a 12 month period may be reduced to 5% to 9% and the corresponding minimum Management Services Fee may range from $3,000 to $1,000 per month if you satisfy certain Gross Revenue Thresholds for the preceding 12-month period, as set out in Note 2.	On the date of receipt of invoice. Invoiced monthly, and paid by Automated Clearing House (ACH) or credit card where payment has been pre-authorizedby us . For all fees payable on a national holiday, the payment is due the following business day.	This is a continuing management services fee, which is based on Gross Revenues. See Note 3.
Fees for Website Development, Hosting and Other Web Services (Note 4)	Amount invoiced for website services purchased	As specified in invoice	Fees for website development and hosting and other services performed on behalf of your customers.
Enterprise system access fee for staff	$99 per month for access by Franchisee	Monthly fee is due on the due date for payment of monthly Management Services Fees	Fee for accessing Franchisor's enterprise system as defined by its Manuals
International Branding Fee	$100 per month	Due on the due date for payment of monthly Management Services Fees	The fee is used to promote the image of the brand and System internationally

Name of Fee (Note 1)	Amount	Due Date	Remarks
Education Payment Plan	$60 per person per month	Due on the due date for payment of monthly Management Services Fees	Fee for attending compulsory ongoing training programs, and other trainings according to Section 5.C of the Franchise Agreement You must also pay for all costs of attending the Franchisor's convention including attendance fee and costs for third party courses and certifications
Interest/Late Fee	1.5 times the Prime Rate then being charged by Chase Bank ("Default Rate")	Due only if payments are overdue	Interest is calculated on a daily basis from the date a payment was due. California franchisees: Currently, the highest interest rate permitted in California is 10% annually.
Reactivation Fee	Varies, based on our costs	Upon demand	Payable only if we must reinstate services that were suspended due to your non-payment of amounts owed to us
Transfer Fee	$11,000	Before transferring	You must pay this Transfer Fee to cover our administrative and other expenses associated with the transfer of the Franchised Business (unless you make the transfer to a corporation formed solely to operate the Franchised Business)
Relocation Fee	$500	Before relocating to another territory with an equivalent license	You must pay this Relocation Fee to cover our administrative expenses. Relocation within the same territory is free. Relocation outside the territory with an upgraded license requires payment of a new franchise fee.
Audit Fee	Cost of audit plus interest on the underpayment at the Default Rate	Due only if the audit shows an understatement in any report to us of 5% or more	

Name of Fee (Note 1)	Amount	Due Date	Remarks
Additional Training Expenses	$1,500 per person per day for initial training	During training	We will train up to 2 owners. You will have to pay us or RAM this additional training fee only if you would like training for additional owners and if we consent. We will train up to 2 owners on a transfer or re-sale. You are responsible for your travel and related costs.
Translator Fee	$2,500	On commencement of initial training	The business of the system is English and non-English speakers must be accompanied to training by a translator if they do not understand English, at their own cost
Material or Product Translation	This will vary depending on the material or product	As incurred	The business of the system is English and non-English speakers requiring translations of material or product must do so at their own cost
Indemnification	An amount equal to the value of all losses and expenses incurred by us	Upon being incurred by us	You are obligated to indemnify us from all losses and expenses incurred in connection with any action that is based upon any of the items listed in the section of the Franchise Agreement labeled “No Liability.”
Renewal Fee	$2,000	Due at renewal of the franchise term	You are obligated to pay a renewal fee on renewal of the franchise term.
Attorney’s Demand Letter	$150	Due within 30 days of the date of an attorney’s letter	In the event that an attorney’s letter is required after the first three instances of default for apparent non-compliance with the Franchise Agreement or to demand payment of amounts owing, you are obligated to pay this fee for each additional attorney’s demand letter.

Note 1. Except for the fees for website development and hosting services or as otherwise stated in the preceding chart, all fees in this Item 6 are imposed by and are payable to us. All fees are nonrefundable.

Note 2. De-Escalating Management Services Fees:

GROSS REVENUES THRESHOLD FOR PRECEDING 12-MONTH PERIOD	PERCENTAGE USED TO CALCULATE MONTHLY MANAGEMENT SERVICES FEE	MINIMUM MONTHLY MANAGEMENT SERVICES FEE
$150,000	reduced to 9% of Gross Revenues	$1,000
$250,000	reduced to 8% of Gross Revenues	$1,500
$400,000	reduced to 7% of Gross Revenues	$2,000
$550,000	reduced to 6% of Gross Revenues	$2,500
$700,000 +	reduced to 5% of Gross Revenues	$3,000

Note 3. "Gross Revenues" is defined as all sales generated through the Franchised Business, including fees for any products or services you sell (including, for example, consulting services), for cash, credit (and regardless of collectability), barter or customer profit sharing arrangements, and income of every kind or nature related to the Franchised Business. Gross Revenues does not include any sales tax or other taxes you collect from your customers for transmittal to the Taxing authority. "Gross Revenues" also includes the retail value of all products or services sold in connection with the redemption of coupons, gift certificates, gift cards or vouchers; however, at the time such coupons, gift certificates, gift cards or vouchers are purchased, the retail price of the coupons, certificates, gift cards or vouchers may be excluded from Gross Revenues for the purpose of determining the amount of Gross Revenues upon which fees are due. This fee is currently payable to our affiliate, RAM. (Section 4.C Franchise Agreement).

Note 4. You will pay the website development, hosting and other web-services fees to one of our approved suppliers.

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***

Type of Expenditure	***Amount***	***Method Of Payment***	***When Due***	***To Whom Payment is to be Made***
Initial Franchise Fee (Note 1)	$49,700 to $69,700	Two Installments	1st Installment of 25% is due at submission of Franchise Application Agreement; 2nd Installment of 75% is due at time of signing Franchise Agreement.	Us
Travel And Related Expenses During Training (Note 2)	$1,500 to $3,000	As arranged	As incurred	Airlines, Hotels & Restaurants
Computer & Related Equipment (Note 3)	$1,000 to $4,000	As arranged	Before opening	Third Party Suppliers
Real Estate	(See Note 4)	(See Note 4)	(See Note 4)	(See Note 4)
Office Supplies & Misc.	$200 to $500	As arranged	Before opening	Third Party Suppliers
Permits & Licenses	$500	As arranged	Before opening	Government Agencies
Telephone (Installation)	$100 to $200	As arranged	Before opening	Telephone Company
Internet (Installation)	$50	As arranged	Before opening	Internet Service Provider
Marketing and Lead Generation	$9,000 to $12,000	As arranged	Before opening and as incurred	Third Party Suppliers
Legal & Accounting	$500 to $1,000	As arranged	As incurred	Attorneys and Accountants
Insurance (Note 5)	$400 to $600	As arranged	Before opening	Insurance Companies
Additional Funds - 3 Months (Note 6)	$1,500 to $3,000	As arranged	As Incurred	Not applicable
Total Estimated Initial Investment (excluding real estate) (Note 7)	$64,450 to $94,550			

NOTES:

We are unable to calculate your exact investment for the Franchised Business due to the many factors which influence the total projected costs such as location, amount of space leased, amount of remodeling needed, and so forth. Your initial investment will also vary considerably depending upon the method and amount of financing that you use. The initial franchise fee, equipment, and other items are shown in full, although they may be financed or leased. Except as described in the section of this Disclosure Document titled "Initial Fees", all fees that are payable to us are nonrefundable. Refundability of other amounts depends on the terms and arrangements made between you and the third party.

1. We describe the initial franchise fee under the section of this Disclosure Document titled "Initial Fees". The lower estimate represents the initial franchise fee for the Local Territory License, the higher estimate represents the initial franchise fee for the National Territory License.

2. You must pay for your transportation, accommodations, meals and other expenses associated with the initial training program. The initial training will take place at our headquarters in Mississauga, Ontario, and your actual expense will depend on the cost of traveling from your home to Mississauga. Occasionally, and solely at its discretion, the Franchisor may offer initial training at other locations. You may at your cost purchase additional sales or related training by an approved third party supplier, at a cost ranging from $3,000 to $6,000. This is optional to the Franchisee.

3. You must purchase certain computer hardware/software and related equipment for the operation of the Franchised Business, as described in the Manuals.

4. The table does not reflect an amount for investment in real estate since you may either lease business premises or operate out of your home. Most of our franchisees operate out of their homes. If you choose to lease space, we have no requirements regarding site size or location.

5. During the term of the Franchise Agreement, you must pay for all insurance premiums including comprehensive general liability insurance. You must name us as an additional insured at your expense and furnish us with certificates of insurance, along with evidence that the premiums have been paid. You are liable for any cost and expense, including attorneys' fees that we incur associated with any matters insured pursuant to the insurance required under the Franchise Agreement. Refundability will depend upon your negotiations with the insurer.

6. This item estimates your expenses during your first three months of operation (other than the items identified separately in the table). These expenses include payroll costs but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses in starting the business. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

7. We relied on our experience since 1998 in compiling these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the Franchised Business. We do not offer any financing directly or indirectly for any portion of the initial investment.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

PURCHASES FROM US OR DESIGNATED AND APPROVED SUPPLIERS

In order to maintain the reputation, goodwill, high standards, quality and uniformity of the WSI System, there are certain products and services which you must purchase directly from us or from our designated sources. These products and services include stationery, operational materials, equipment, brochures, literature, forms, and website services that are an integral part of the System. Website services, which include hosting, development, marketing and design services, are provided to franchisees by designated or approved independent suppliers or solution centers. You also must conduct online paid search advertising only through the central account that we maintain with our designated supplier.

Neither NIC nor any of our affiliates had any revenue in 2016 earned from the direct sale of products or services to franchisees. Although we had no such revenue in 2016, we may in the future.

RAM derives revenues from certain approved suppliers who are authorized to sell their products and services to our franchisees. These revenues consist of Management Services Fees ranging from 5% to 10% of the proceeds of sale of the suppliers' services to franchisees. Apart from RAM's revenues, neither NIC nor any of its affiliates received any rebates or discounts in 2016 from any suppliers as a result of purchases of products or services by franchisees. Although we had no such revenue in 2016, we may derive revenue from arrangements with designated suppliers in the future.

We estimate that your purchases from us or our other designated sources will be approximately 2% of your total initial investment (not counting the initial franchise fee) and approximately 30% of your ongoing expenses (not counting royalties) in the operation of the Franchised Business. These amounts may vary.

Other than as stated above, you are not required to purchase or lease from us or a designated source any goods, services, supplies, fixtures, equipment, inventory or real estate.

We reserve the right to at any time establish exclusive purchasing arrangements with any of our designated and approved suppliers.

PURCHASES BY SPECIFICATION

In order to maintain the uniformly high standards and reputation of the WSI System, you must purchase or lease certain items in accordance with the specifications and guidelines we issue or from suppliers we approve. This requirement applies to certain proprietary and copyrighted materials and related products, computer hardware and software systems, supplies, forms, fixtures, equipment and certain marketing presentation materials. Specifications may include minimum standards for quality, quantity, delivery, packaging, performance, design, appearance, durability, style, warranties, price range, and other related restrictions. We consider these specifications to be of critical importance to the success of the WSI System. These specifications are stated in our Manual and are issued to you before you attend the initial training program.

SUPPLIER APPROVAL PROCEDURE

If you wish to purchase or lease any items that we have not previously approved in writing, but which you believe meet our quality control specifications, you must first notify us. We may require, among other things, submission of sufficient specifications, photographs, drawings and other related information to determine whether such items meet our specifications. We do not charge a fee for our review in determining the qualifications of a particular supplier; however, we reserve the right to seek reimbursement from a supplier for any out-of-pocket expenses which we may incur. The criteria for approval and for maintaining authorized supplier status will be set out in the Manual.

We will endeavor to advise you within 90 days of receiving all the requested information whether the proposed supplier meets our specifications. We will notify you in writing of our approval, disapproval and of our revocation of approval of suppliers. We do not provide material benefits to franchisees based upon their use of designated or approved suppliers.

We may negotiate certain purchase arrangements (including price terms) with suppliers for the purchase of certain items and/or the provision of certain services to promote the overall interests of our franchise system and our interests as the franchisor. There are currently no purchasing or distribution cooperatives serving WSI Businesses.

Action Hosting Corporation Inc. and WSI Paid Search Ltd. are our affiliates, however there are no suppliers in which any of our officers own an interest.

Except as stated above, there are no other requirements for you to purchase or lease in accordance with specifications or from approved suppliers.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Not Applicable	Item 11
b. Pre-opening purchases/leases	Paragraphs 5.G and 5.H.	Item 8
c. Site development and other pre-opening requirements	Section 5	Items 6, 7 and 11

Obligation	Section in Agreement	Disclosure Document Item
d. Initial and ongoing training	Paragraphs 5.B., 5.C. and 5.D.	Item 11
e. Opening	Section 5	Item 11
f. Fees	Section 4	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Paragraphs 5.A, 5.F. & Section 7	Item 11
h. Trademarks and proprietary information	Paragraphs 5.I and 5.K & Section 6	Items 13 and 14
i. Restrictions on products/services offered	Section 5	Item 16
j. Warranty and customer service requirements	Not Applicable	
k. Territorial development and sales quotas	Paragraphs 1.C and 1.E.	Item 12
l. Ongoing product/service purchases	Section 5	Item 8
m. Maintenance, appearance and remodeling requirements	Not Applicable	
n. Insurance	Section 11	Item 7
o. Advertising	Paragraph 4.A.6 and Section 10	Items 6 and 11
p. Indemnification	Section 19	Item 6
q. Owner's participation/management/staffing	Paragraph 5.F.	Items 11 and 15
r. Records and reports	Section 9	Item 6
s. Inspections and audits	Paragraph 9.D.	Items 6 and 11
t. Transfer	Section 12	Items 6 and 17
u. Renewal	Paragraph 2.B and 2.C.	Items 6 and 17
v. Post-termination obligations	Section 15	Item 17

Obligation	Section in Agreement	Disclosure Document Item
w. Non-competition covenants	Paragraph 16.A and 16.B	Item 17
x. Dispute resolution	Section 26	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or other obligations.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Before you open your business, we will:

1. provide online marketing resources for use in promoting the Franchised Business (Paragraph 3.A.1 of the Franchise Agreement);

2. within 6 months of execution of the Franchise Agreement provide you with an initial training program, which shall commence within 6 months of notification of proposed training dates, and train you and one other owner of your Franchised Business (Paragraphs 3.A.2 and 5.B of the Franchise Agreement; see Initial Training Program Summary, below). The training must be provided to both owners of the Franchisee, as well as any additional paid-for representatives, together and at one and the same time;

3. provide you with online access to our Operations Manual (the "Manual") which will include specifications for equipment, computer hardware and software, and operation of the Franchised Business. The Manual currently consists of 6,696 pages and is confidential and remains our property. The Manual is confidential and remains our property. We may modify the Manual periodically. (Paragraph 3.A.3 and Section 7 of the Franchise Agreement). The table of contents of the Operations Manual is attached as ***Exhibit G***; and

4. complete the exhibit to your franchise agreement which reflects the location of your Franchised Business and describes your Designated Territory (all as further described in Paragraph 1.C of the Franchise Agreement).

5. if you are qualified for certain incentive programs that we may offer from time to time at our discretion, we may offer to finance your initial franchise fee. We are not required to offer any incentive program or to provide financing for the initial franchise fee.

Office Location

We do not select the office location for your Franchised Business. You may operate the Franchised Business only at one location. This location must be within your Designated Territory which will be described in Attachment A to the Franchise Agreement (see Paragraph 1.A of the Franchise Agreement). We currently do not impose any other criteria on your office location selection. We do not approve your office location selection, but you must notify us of the location and you may not relocate without our permission (see Paragraph 1.B of the Franchise Agreement). If you choose to relocate outside your Designated Territory for an equivalent license level, a relocation fee of $500.00 must be paid before relocation. If you choose to relocate outside your Designated Territory for an upgraded license level, the full franchise fee applicable for the upgraded territory must be paid before relocation.

Typical Length of Time Before You Open Your Franchised Business

The typical length of time between when you sign the Franchise Agreement and when you open the Franchised Business is 60 to 120 days depending on when the Franchise Application Agreement is approved and when the next available training course is scheduled. If you do not begin to operate the Franchised Business within 90 days after completing the initial training program, we may terminate your Franchise Agreement unless you cure the default within 30 days after you receive written notice from us.

Continuing Obligations

During the operation of the Franchised Business, we will:

1. provide such general advisory assistance deemed by us to be helpful to you in the ongoing operation, advertising and promotion of the Franchised Business (Paragraph 3.B.1 of the Franchise Agreement);

2. be available, in our discretion, to provide management consulting services or assistance to you, or groups of franchisees, for special projects based on the availability of our personnel, and upon a mutually acceptable arrangement pertaining to fees and expenses (Paragraph 3.B.2 of the Franchise Agreement);

3. provide you with updates, revisions and amendments to our Manual (Paragraph 3.B.3 of the Franchise Agreement);

4. upon request and subject to the terms of the Franchise Agreement, disseminate to you or to your suppliers our standards and specifications for items not deemed to be trade secrets (Paragraph 3.B.4 of the Franchise Agreement);

5. provide, at our discretion, for transmission to your clients, materials we deem appropriate for every Website you develop (Paragraph 3.B.5 of the Franchise Agreement);

6. at our sole discretion, coordinate, conduct and otherwise make available to you such other optional and mandatory ongoing training programs or seminars on an annual basis or as we deem appropriate, for which we may charge a fee (Paragraph 3.B.6 of the Franchise Agreement); and

7. provide you with access to our enterprise system, the software application that accesses our global production network and manages a broad range of business functions associated with the business.

8. if you are qualified, allow you to participate in any national accounts program we may institute, at our discretion, for customers with a nationwide presence. We are not required to institute a national accounts program.

9. if you are qualified, we may offer to you, at our discretion, the option to purchase certain technologies that would allow you to offer specified digital marketing services to our other franchisees. We are not required to offer this option.

Submission and Approval of Promotional and Marketing Materials

All promotional and marketing materials that you intend to use (in any medium) must conform to the standards and requirements specified, from time to time, in the Manual or otherwise. You must submit to us for our prior approval samples of all promotional and marketing materials in whatever form you desire to use and that have not been approved by us within the last three months. We will notify you of our approval or disapproval within 10 days of our receipt of such materials. You must comply with all revisions to said promotional and marketing materials which we may require before our approving said promotional and marketing materials. You may not use any advertising or promotional plans or materials that we have not approved, and you must cease to use any plans or materials promptly when we notify you. The requirement that you obtain our approval of marketing materials applies to the development of a Website or other Internet site related to your Franchised Business (Paragraph 10 of the Franchise Agreement).

You may promote the Franchised Business through a Web-site which may be provided by us or on any other Web-site pre-approved in writing by us, but you may not develop your own independent Web-site making use of the Proprietary Marks to promote the Franchised Business. You may not use any Web-site used to promote the Franchised Business in any manner not approved by us. You may not promote or otherwise conduct business through the Internet without our consent, which we may condition on requirements that we deem appropriate.

We do not require you to contribute to any advertising fund (although we reserve the right to implement such a fund in the future). There are not currently any local or regional advertising cooperatives, and we do not have the right to require you to participate in such a cooperative.

Our franchisee advisory council ("ICAC") described in Item 20 may give input on system advertising but has no decision-making power.

Computer Requirements

We do not require the use of a cash register. However, in order to operate the Franchised Business and generate digital marketing solutions for your customers, we require you to use a laptop computer and other equipment meeting our standards and specifications as are set out in the Manuals (See Paragraph 5.H of the Franchise Agreement). You also must maintain an Internet connection meeting our standards as set out in the Manuals. We estimate that the cost of the computer system and equipment needed to operate the Franchised Business will be between $1,000 and $4,000. Neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system. Currently, there are no optional or required maintenance/upgrade contracts for the computer system and equipment.

As of the date of this disclosure document all information that is entered into the WSI enterprise system by franchisees (including such information as franchisees' clients, orders, purchases from suppliers in the network and project activity) is independently accessible by the Franchisor. There are no contractual limitations on our right to access such information.

Initial Training Program Summary

Course 1: WSI Digital Marketing Foundations (Pre-requisite Course)

This course, outlined below, is the first part of the Initial Training Program and Certification and a pre-requisite to attend the in-class WSI Certified Digital Marketing Professional training week. The Foundations course is delivered through web-based modules. The curriculum is self-study, and you have access to franchise business support to assist you when and if needed. In general, it will take you about 6 to 8 weeks of evening/part-time study (or 60 hours) to complete the curriculum. In the event you are working through the course and require learning support, you may use the WSI ticketing system to access franchise business support. As this course is a key element in building the foundation of your business, you must successfully complete all required reading, quizzes, exercises, and preparation as per the course requirements. Only upon successfully completing Course 1 will you become eligible to attend Course 2, WSI Certified Digital Marketing Professional Training.

Outline of WSI Digital Marketing Foundations Training Course:

Part 1 – Introduction to WSI

- Module 1: Get Started Here
    - Welcome to WSI
    - Roadmap of your Initial Training
    - Introduction to the Online Course
    - Online Course Deliverables
    - Tell us about Yourself
    - Module 1 Resources
    - Module 1 Quiz

- Module 2: Setting Up Your WSI Business
    - Your WSI Online Presence
    - Your WSI Business Tools: ESB tools
    - Your WSI Business Tools: Virtual Office
    - WSI eMarketplace
    - WSI Franchisee Fees and Revenue Reporting
    - Module 2 Resources
    - Module 2 Quiz

- Module 3: Building Your WSI Business
    - The Value of WSI Brand
    - Brand Yourself WSI
    - WSI Content Strategy
    - WSI Client Intelligence
    - Prospecting for Success: Methodology
    - Prospecting for Success: Telemarketing
    - Prospecting for Success: Social Selling
    - Module 3 Resources
    - Module 3 Quiz

- Module 4: Your Digital Marketing Offerings
    - Digital Minds Book
    - Competitive Analysis Strategy
    - Website Strategies Fundamentals
    - Search Engine Optimization Fundamentals
        - Online Marketing for Web Professionals Course
    - AdaptiveSEO Methodology
    - Paid Search Fundamentals
        - Google AdWords Digital Sales Course
    - Social Selling Course
    - Email Marketing Fundamentals
    - Digital Analytics Fundamentals
    - WSI Digital Strategy Mix: Bringing it all together
    - Module 4 Resources
    - Module 4 Quiz

- Module 5: The WSI Methodology
    - Introduction to the WSI Lifecycle
    - The Discovery Phase
    - IBA Phase
    - Highlights from the Field: On Value based pricing
    - The Build & Implement Phases
    - The Measure and Manage Phases
    - Module 5 Resources
    - Module 5 Quiz

- Module 6: The Learning Project
    - Learning Project Instructions
    - Learning Project and Exam Score Submissions

- Module 7: Ongoing Education & Support
    - Next Training Stages
    - Ongoing Education
    - WSI Support Structures
    - Corporate Communications
    - Module 7 Resources
    - Module 7 Quiz

- Module 8: 'Get Ready for Toronto'
    - Get Ready for Toronto – Webinar
    - Checklist of Completed Deliverables
    - In-class Training in Toronto
    -
    - Survey of Online Training
    - Module 8 Resources

- Module 9: Additional Resources

Course 2: WSI Certified Digital Marketing Professional Training

This is a mandatory in-class training that focuses on deepening your understanding and operation of the WSI franchise system. It is a seven-day course (approximately 8 hours per day). You must complete this course to our satisfaction, including all exercises, assignments and the final exam.

Year 1 – Post Initial Learning Track

This is a mandatory learning track for all new franchisees. It is designed to support ongoing learning efforts by focusing new franchisees on 3 core areas:

- Lead Gen and Sales
- Product and Services
- Suppliers and Delivery process

You must complete it during the first 12 months of your business operations.

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TRAINING PROGRAM

Outline of WSI Certified Digital Marketing Professional Training Week

Subject	Hours of Class-room Training(1)	Hours of On-The-Job Training	Location
• Welcome & Training Agenda Overview • WSI Value Proposition • WSI Digital Strategy Mix and Revenue Opportunities • Website Strategies & Best Practices • Power of Conversion & Landing Page Strategy • Homework	**Tuesday (Day 1)**	Note 2	Mississauga, Ontario, Canada
• Daily Agenda Overview • How to Sell Paid Search Effectively • Case Study Introduction • THIC case study – Research and IBA findings • How to Sell SEO Strategies Effectively • Homework	**Wednesday (Day 2)**	Note 2	Mississauga, Ontario, Canada

• Daily Agenda Overview • Know your Buyer & Buying Funnel • Workshop: Buyer Persona Case Studies Practice • Position Your Business: Power Statement & Elevator Pitch • Principles of Selling • How to Qualify Prospects • Homework	**Thursday (Day 3)**	Note 2	Mississauga, Ontario, Canada
• Daily Agenda Overview • IBA Meeting Process Objectives • IBA Meeting – Initial Research • IBA Meeting - Building Rapport & Setting Agenda • IBA Meeting - Asking Questions • 2nd Meeting Prep – Additional Research • 2nd Meeting Process & Objectives • Outline & Price Solution For Prospect • Prepare Proposal • Proposal Meeting - Process & Objectives • Homework	**Friday (Day 4)**	Note 2	Mississauga, Ontario, Canada

• Daily Agenda Overview • Lead Generation Strategies & Key Activities • Workshop: Complete your Lead Generation Plan & 90 day activity schedule • What to Track and Measure and Why • What to Expect in the Real World • Homework	**Saturday (Day 5)**	Note 2	Mississauga, Ontario, Canada
• Daily Agenda Overview • Proposal Presentations - Case Study # 1 • Franchise Fees & Reporting Q&A • Add-on services and suppliers • Build and Implement Processes & ProjX walk-through • Workshop: Case Study # 2 – Review & Outline and Price Strategy • Homework	**Monday (Day 6)**	Note 2	Mississauga, Ontario, Canada

• Daily Agenda Overview • Proposal Presentations - Case Study # 2 • Brand and Marketing Q&A • Certification Exam • Ongoing Support & QSP • Ongoing Education & Communication • Training Survey & Wrap-up	**Tuesday (Day 7)**	Note 2	Mississauga, Ontario, Canada
Totals	**60 Hours**(1)	Note 2	

(1) Total Hours of Classroom Training by Training Module are summarized below:

Subject Trained	Training hours
WSI Product & Service Offering	25 hrs
WSI Lead Gen & Sales Process	25 hrs
WSI Systems, Administration and Support Programs	10 hrs
Total Hours of Classroom Training	60 hrs

(2) The training commences with e-learning – based training, followed by in-class training. These both provide foundational and theoretical learning. This is then followed by additional on-the-job coaching through the franchisor's Quick Start Program.

Note:

You must successfully complete Course 1 WSI Digital Marketing Foundations, and Course 2 WSI Certified Digital Marketing Professional Training, to operate the Franchised Business. You must complete the mandatory "Initial Training Program" (Courses 1 and 2) described above to our satisfaction. A maximum of two owners per franchise will be trained under the Initial Training Program at no additional charge; however, you must pay all of your travel and related expenses to attend training. The Initial Training program is conducted on a continuing basis year round in Mississauga, Ontario, Canada, through the use of presentations, videos, daily assignments and quizzes, and written materials. On occasion, and at the sole option of the Franchisor, initial training may be conducted at other locations.

Quick Start Program

You must participate in our Quick Start Program (QSP) immediately following completion of Certified Digital Marketing Professional training. The QSP has been designed to guide franchisees through the first 3 months of operations.

Additionally, you must successfully complete an annual continuing education program offered by the Franchisor or by third party suppliers as defined by the Franchisor.

Advanced Training Program Summary

WSI advanced training programs include a number of specific learning tracks within every calendar year, including:

Course(1)
WSI Convention
WSI Regional Meetings
WSI hosted Webinars
WSI e-Learning Courses
3rd Party Courses and Certifications

(1) The associated cost of these programs is paid under our Education Payment Plan described in Item 6.

Convention and Regional Meetings

You must attend our convention and any mandatory area meetings (which may include regional meetings) at your own expense. These programs are scheduled throughout the year.

Ana Popovska-Jovcevska supervises our training programs and our individual corporate trainers. She commenced this role in January 2013. The trainers rotate instructional modules on a regular basis. Michael Monaghan supervises our business coaching programs and our individual corporate business coaches. He commenced this role in February 2015. The experience of our individual corporate trainers ranges from 5 years to 12 years and may include one or more of our franchisees.

ITEM 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You must operate your Franchised Business only at one specific location which you will select. This location must be within your non-exclusive Designated Territory. You may not solicit and service customers outside your Designated Territory through any method of distribution, including the Internet, catalog sales, telemarketing, other direct marketing, or any other channels of distribution, unless you have obtained our written consent. You may use the Internet to advertise only in compliance with the Franchise Agreement. You may not relocate your Franchised Business outside your Designated Territory without our written consent.

Before you sign the Franchise Agreement, you will select one of three (3) types of license which will define your "Designated Territory." The three types of license are: (1) the Local Territory License (2) the Regional Territory License, and (3) the National Territory License. You do not receive any options, rights of first refusal or similar rights to acquire additional territory license.

1. **The Local Territory License**. If you select the Local Territory License, you can offer and sell the services of the Franchised Business only to customers who are located in the Local Territory. Your Local Territory will be comprised of city boundaries or other localized territorial boundaries. We will identify your Local Territory in Attachment A to your Franchise Agreement before you sign it. The Local Territory will be non-exclusive and could, therefore, be shared with other WSI Businesses. Franchisor does not regulate the proximity of the location of other WSI Businesses in the Local Territory to the location of the Franchised Business. Franchisees with similar Local Territory licenses and those who acquire a higher level license (e.g., a Regional Territory License, or a National Territory License, defined below) may solicit customers who are located anywhere in their Territory, which may include the Local Territory.

2. **The Regional Territory License**. If you select the Regional Territory License, you can offer and sell the services of your Franchised Business only to customers who are located in the Regional Territory. Your Regional Territory will be comprised of either two or more contiguous Local Territories defined above or a state, which we will list in Attachment to your Franchise Agreement before you sign it. The Regional Territory will be non-exclusive and will, therefore, be shared with other WSI Businesses. Franchisor does not regulate the proximity of the location of other WSI Businesses in the Regional Territory to the location of the Franchised Business. Franchisees with similar Regional Territory Licenses and those who acquire a higher level license (a National Territory License, defined below) may solicit

customers who are located anywhere in their Territory, which may include the Regional Territory.

3. **National Territory License**. If you select the National Territory License, you can offer and sell the services of your Franchised Business only to customers who are located in the National Territory. The National Territory consists of the U.S.A. The National Territory will be non-exclusive and will, therefore, be shared with other WSI Businesses. We do not regulate the proximity of the location of other WSI Businesses in the National Territory to the location of the Franchised Business. Franchisees with similar National Territory Licenses may solicit customers who are located anywhere in their territory which may include the National Territory.

All franchisees have the option to purchase any type of license, and there is no limit to the number of franchisees who may have the right to sell to customers located in a territory. We also have the right, during and after the term of the Franchise Agreement, to contact any WSI customer about our promotional offers. There is no minimum geographic area granted for any type of license. You will maintain your non-exclusive rights to your Designated Territory even if the population of the Designated Territory increases, and the continuation of such rights do not depend on the achievement of certain sales volumes. You may not actively solicit or accept business from customers located outside your Designated Territory through any method of distribution, including alternative channels such as the Internet, catalog sales, telemarketing, or other direct marketing.

Our Reservation of Rights

Except as described above, we retain all rights with respect to WSI Businesses, the Proprietary Marks, the sale of similar or dissimilar products and services, and other activities including:

(1) the right to establish and operate, and to grant to others the right to establish and operate, Internet consulting service businesses or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside your Designated Territory under any trademarks or service marks, including the Proprietary Marks, and on any terms and conditions we deem appropriate (Paragraph 1.D.1 of Franchise Agreement);

(2) the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services similar to and/or competitive with those provided at WSI Businesses, whether identified by the Proprietary Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, over the Internet or similar electronic media) both inside and outside the Designated Territory and on any terms and conditions we deem appropriate (Paragraph 1.D.2 of the Franchise Agreement);

(3) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at WSI Businesses, and franchising, licensing or creating similar arrangements with respect to these

businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory) (Paragraph 1.D.3 of the Franchise Agreement); and

(4) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at WSI Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Designated Territory (Paragraph 1.D.4 of the Franchise Agreement).

There are no restrictions on our right to solicit or accept orders from consumers inside your Designated Territory. We reserve the right to use any and all channels of distribution, including the Internet, catalog sales, telemarketing, and other direct marketing, to make sales of any products and services of any kind within your Designated Territory using the Proprietary Marks or any other trademarks. We are not required to compensate you for soliciting or accepting orders from inside your Designated Territory.

WTG, through its affiliates, franchises WSI Businesses in Canada and elsewhere outside the U.S.A.

Except as described above, neither we nor our affiliates have otherwise established and have no current plans to establish other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark.

ITEM 13
TRADEMARKS

We grant you the right to operate your Franchised Business under the marks WSI®, WSI and Globe Design, and other trademarks, service marks, and related names and marks as well as any future trademarks developed by us or our affiliates which we authorize you to use as part of the System (the "Proprietary Marks").

WSI Holdings Ltd. ("Holdings") or 1175856 Ontario Ltd. ("Ontario") registered the marks described below on the United States Patent and Trademark Office Principal Register. Holdings has assigned its marks to Ontario. Holdings intends to renew the registrations and to file all appropriate affidavits at the appropriate times required by law.

Registrations:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
WSI	3,097,395	May 30, 2026(1)
WSI WEBSCAN	3,246,665	May 29, 2007
WSI and Half Globe Design	3,491,524	August 26, 2008

MARK	REGISTRATION NUMBER	REGISTRATION DATE
INTERNET SOLUTIONS LIFECYCLE	3,499,654	September 9, 2008

(1) This registration was renewed in May 2006 for an additional 10 year period.

You must use all Proprietary Marks in full compliance with provisions of the Franchise Agreement and in accordance with the rules we periodically prescribe. You may not use any Proprietary Mark with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos use license to you); in any modified form; in connection with the sale of any unauthorized product or services; or in any other way we have not expressly authorized in writing.

Ontario has granted us a license to use and sublicense the Proprietary Marks. Our license agreement with Ontario gives us the right to use the Proprietary Marks in connection with the award of WSI Businesses in the United States and expires in 2026. The license agreement can only be canceled if we: (1) become insolvent or file a petition in bankruptcy; (2) fail to make license fee payments to Ontario; (3) understate our gross revenue by more than 10% in any one month; (4) default under the license agreement; or (5) fail to notify Ontario of any infringement of the licensed marks. Except as described above, there are no agreements currently in effect which significantly limit our rights to use or license the use of such trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to the Franchised Business.

There is no currently effective material determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceeding or any pending material litigation involving the Proprietary Marks.

There are no superior prior rights or infringing uses actually known to us which could materially affect your use of our principal marks.

We are not obligated to protect your right to use the Proprietary Marks. We are not obligated to protect you against claims of infringement or unfair competition arising out of your use of the Proprietary Marks. You are obligated to notify us of the use of or claims of rights to a trademark identical to or confusingly similar to any of the Proprietary Marks. The Franchise Agreement does not require us to take any action when notified of these uses or claims. We have the exclusive right to control any administrative proceeding or litigation. The Franchise Agreement does not require us to participate in your defense if you are a party to an administrative or judicial proceeding involving a Proprietary Mark, or to indemnify you for expenses or damages if the proceeding is resolved unfavorably to you.

We reserve the right, in our sole discretion, to modify or discontinue, in whole or in part, any aspect of the Proprietary Marks or the System or to use one or more additional or substitute trade names, trademarks and service marks for use in identifying the System, the Franchised

Business and other WSI Businesses operating thereunder, all of which shall become Proprietary Marks. You agree to comply with our directions to modify or otherwise discontinue the use of any such Proprietary Mark within a reasonable time after notice thereof. We will reimburse you for your reasonable direct expenses in modifying or discontinuing the use of a Proprietary Mark and substituting a different trademark or service mark, but we will not be obligated to reimburse you for any loss of goodwill associated with any modified or discontinued Proprietary Mark or for any expenditures you make to promote a modified or substitute trademark or service mark. All provisions of the Franchise Agreement applicable to the Proprietary Marks will apply to any additional trademark or service mark and other commercial symbols we authorize for use by the Franchised Business.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, our ownership, title, right or interest in the name or marks, trade secrets, methods, procedures, and advertising techniques which are part of the System or contest our sole right to register, use or license others to use such names, marks, trade secrets, methods, procedures, or techniques.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold a license to use and to sublicense a six-phase method of business consulting for which a patent application is pending. Under this business method, consultants provide specialized business solutions to clients via the Internet. A provisional application was filed with the USPTO on July 13, 2001, and the serial number of this application is 60/304,750. A non-provisional application was filed with the USPTO on July 15, 2002, claiming priority to the provisional application, and the serial number of this non-provisional application is 10/194,282. This license expires in 2021. The license between us and the patent applicant can be terminated if: (1) we fail to make license fee payments to the licensor, (2) we become insolvent or file a petition in bankruptcy, (3) we fail to notify the licensor of any infringement of the patent, or (4) we otherwise default under the license agreement. We do not claim ownership of or other rights in any patent or patent application which is material to our business.

Under an agreement between us and the licensor, we have the right to use and license the use of certain proprietary confidential information owned by licensor relating to the development and operation of WSI Businesses. Neither the licensor nor we have registered these materials with the U.S. Registrar of Copyrights, but need not do so to protect them. This confidential information includes (1) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating WSI Businesses; (2) market research and promotional, marketing and advertising programs for WSI Businesses; (3) knowledge of specifications for and suppliers of, and methods of ordering, certain materials, equipment and supplies that WSI Businesses use; (4) knowledge of the operating results and financial performance of WSI Businesses; (5) client communication programs, along with data used or generated in connection with those programs; (6) the terms of the Franchise Agreement; (7) the Manual; and (8) graphic designs and related intellectual property. The customer lists, customer databases and mailing lists developed in connection with the Franchised Business are also part of the Confidential Information and are our property (except for certain pre-existing customers identified by a franchisee in accordance with the Franchise Agreement).

You will not acquire any interest in Confidential Information, other than the right to use certain Confidential Information in operating the Franchised Business.

Our licensor also claims the copyrights in our Manual and in other proprietary materials which are associated with the System, including proprietary advertisements, all WSI materials presented to your prospective customers, printed materials, and forms associated with the operation of a Franchised Business. These materials have not been registered with the U.S. Registrar of Copyrights, but neither we nor the licensor need to do so to protect them. There are limitations on the use of the Manual by you and your employees.

You must also promptly tell us when you learn about unauthorized use of any of this proprietary information. We are not obligated to take any action but will respond to this information as we deem appropriate. We have the right to control any litigation relating to the proprietary materials. We will not indemnify you for expenses or damages in a proceeding involving your use of this information. Upon our request, you must modify or discontinue the use of this information.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must agree to maintain an active business operation according to the terms of the Franchise Agreement and to conduct your business in conformity with all accepted community standards of ethical business conduct. We believe that the success of the Franchised Business will depend upon your personal and continued efforts, supervision and attention. Unless you are an established marketing agency, you (or, if you are an entity, one of your owners whom we approve) must personally supervise the operation of the Franchised Business on a full-time basis. If you are an established marketing agency, you may designate a full-time manager, who need not own an equity interest in you, to operate the Franchised Business. We will have the right to deal directly with your manager on matters pertaining to the day-to-day operation of the Franchised Business. You must monitor the performance of any permitted manager and no such appointment will relieve you from your duties and obligations under the Franchise Agreement.

Each individual who owns an interest in the franchisee entity must sign the form of personal guaranty which is attached to the Franchise Agreement. The Franchise Agreement also requires that you and/or any of your employees, officers, directors and shareholders and other owners who have access to our proprietary information sign non-competition and non-disclosure agreements.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Franchisees who are WSI certified Digital Marketing Professionals as a result of completion of the Initial Training program will have been trained on a selected number of the very best of the products and services currently available to all WSI franchisees, so that you will be trained to sell only those products and services which are considered to be “best of class”.

The Franchise Agreement provides that you must offer only the products and services which we authorize in our System, as they may be updated periodically. In addition, all Website design, hosting services, and digital marketing services must be purchased through one of our designated suppliers. You may not offer or sell products or services not authorized by us. You may use the premises of your Franchised Business for any purpose as long as such activities have no harmful effect on the Franchised Business. However, you must separate the Franchised Business from all other businesses in the manner we require, including not co-mingling funds, and maintaining separate books, records, telephone numbers, e-mail addresses, etc. Without our written consent, you may only solicit business inside your Designated Territory.

You may promote the Franchised Business through a Web-site which may be provided by us or on any other Web-site pre-approved in writing by us, but you may not develop your own independent Web-site making use of the Proprietary Marks to promote the Franchised Business. You may not use any Web-site used to promote the Franchised Business in any manner not approved by us. You must abide by all terms and conditions prescribed by us in relation to any Web-site provided to you or used by you for the promotion of the Franchised Business. You may not promote or otherwise conduct business through the Internet without our consent, which we may condition on requirements that we deem appropriate.

We have reserved the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices that you may charge for products or services.

There are no other limitations imposed by us on the persons to whom you may provide products and services, except such as are imposed by the nature of the business itself (as described in the Franchise Agreement).

ITEM 17

RENEWAL, TERMINATION, TRANSFER & DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the term of the franchise	Paragraph 2.A.	Term is equal to ten years
b. Renewal or extension of the term	Paragraph 2.B. and 2.C.	If you are in good standing you may renew for one additional ten year term

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Paragraph 2.C.	Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document. Other requirements include: Give notice, pass inspection, sign new agreement, train, and sign release.
d. Termination by franchisee	Section 14	Upon material breach without cure or without reasonable evidence of our efforts to cure in a reasonable time; or as allowed under applicable law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with "cause"	Section 13	We may terminate only if you default
g. "Cause" defined – curable defaults	Paragraph 13.B.	You have 30 days to cure: non-payment of fees, failure to maintain standards; failure to promote the Franchised Business; non-submission of reports; use of unapproved advertising; failure to complete training; and any other default not listed in Paragraph 13.A. of the Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - defaults which cannot be cured	Paragraphs 13.A. and 15.O.	Non-curable defaults: your insolvency, copying Confidential Information; threat to public safety; you understate Gross Revenues by 5% or more; you make a material misrepresentation; trademark misuse; conviction of felony; violation of non-compete; repeated defaults even if cured; abandonment; unapproved transfer; termination of another of your Franchise Agreements; 3 or more notices of default; offer of unapproved product or service; failure to comply with Code of Ethics; unapproved use of customer lists; under the cross-default provision, termination of any other unexpired agreement between us or one of our affiliates and you.
i. Franchisee's obligations on termination/nonrenewal	Section 15	Obligations include complete de-identification and payment of amounts due (also see r, below)
j. Assignment of contract by franchisor	Paragraph 12.A.	No restriction on our right to assign
k. "Transfer" by franchisee – defined	Paragraph 12.B.	Includes transfer of contract or assets or ownership change
l. Franchisor approval of transfer by franchisee	Paragraph 12.B.	We have the right to approve all transfers but will not unreasonably withhold approval
m. Conditions for franchisor approval of transfer	Paragraphs 12.B. and 12.C.	Buyer qualifies and signs current agreement, transfer fee paid, training arranged, you sign release, etc. Buyers may not be those who were involved in our sales process or related persons or companies controlled by such persons at any time during the 12 months before you submit your transfer application (also see r, below)
n. Franchisor's right of first refusal to acquire franchisee's business	Paragraph 12.D.	We may match any bona fide offer for your business
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Paragraph 12.E.	We must approve transfer or estate must transfer business to our designee within six months
q. Non-competition covenants during the term of the franchise	Paragraph 16.A.	You may have no involvement in competing business anywhere in U.S.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 16.B.	No competing business for one year located within your Designated Territory or within a radius of 50 miles from the Premises or from the premises of any other WSI franchisee who holds the same type of license when you sign the Franchise Agreement or liquidated damages if we cannot obtain injunctive relief.
s. Modification of the agreement	Section 17	No modifications generally but Manual may be changed.
t. Integration/merger clause	Section 23	Only the terms of the Franchise Agreement are binding (subject to state law). Any other representations or promises made outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by mediation and arbitration	Paragraphs 26.A and 26.B	Except for injunctive relief claims (which may be litigated in court), all disputes must first be submitted for non-binding mediation in an agreed location (or Toronto, Ontario, Canada if the parties cannot agree), and then to arbitration to be conducted at a location selected by the arbitrator after consultations with the parties.

Provision	Section in Franchise Agreement	Summary
v. Choice of forum	Paragraphs 26.B, 26.C and 26.D	For any disputes not fully resolved by mediation or arbitration, the state, county and federal district courts for Lewes, Delaware and for our claims seeking injunctive relief, any court of competent jurisdiction (unless state law provides to the contrary – see the Appendix to this disclosure document for state differences). In addition to the provisions noted in the above chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Franchise Agreement paragraphs 26.D and 26.E. We recommend that you carefully review all of these provisions, and the entire contract, with a franchise lawyer.
w. Choice of law	Paragraph 25.A.	Delaware law (unless state law provides to the contrary – see the Appendix to this disclosure document for state differences)

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following tables represent unaudited information about the revenues reported by Local, Regional and National Franchisees for the period from January 1, 2016 to December 31, 2016 (the "2016 Fiscal Year"). Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request.

This is a historic financial performance representation of 85 U.S. franchisees that operated a franchise substantially similar to the type offered in this disclosure document during the entire 2016 Fiscal Year and as of December 31, 2016 (the "Sample Group"). The Sample Group is a subset of 156 franchisees who operated in the U.S. on a full or part-time basis during all of the 2016 Fiscal Year and who reported their revenues and/or activity (the "Reporting Group"). For the purpose of these calculations, the Sample Group was calculated by removing from the Reporting Group 71 franchisees who have not consistently reported revenues and/or activity as well as the highest reporting franchisee who reported revenues of $7,700,000

The Sample Group represents 54% of the Reporting Group and 30% of all U.S. franchisees operating as of December 31, 2016. Of the 285 US franchisees operating as of December 31, 2016, we excluded:

- 62 franchisees who asked and were allowed to maintain their investment in the franchise but temporarily suspend their business operations because of severe health issues, traumatic family events, work assignment, or events of force majeure. For these franchisees, the Franchisor agreed to suspend their reporting requirements and royalty payments and maintain their active contract until such time as they are able to recommence operations;
- 47 franchisees that reported $0 revenues for the 2016 Fiscal Year; and
- 11 franchisees who did not complete their first year of business as of December 31st, 2016;
- 9 franchisees who have not completed training as of December 31st, 2016

Table: Gross Revenues[1)] of Sample Group for 2016 Fiscal Year by Number of Years in the Business

Tenure[2)]	**MIN**[3)]	**MAX**[3)]	**Average**	**% Above Average**
1 to 2 yrs	40,711	174,924	84,037	36%
2+ to 6 yrs	36,427	528,114	177,940	39%
6+ to 10 yrs	68,630	1,265,060	295,018	29%
10+ yrs	69,834	2,111,418	408,536	30%

Table Notes:

1) "Gross Revenues" are totals collected from client invoices, without deductions of any overhead, operating expenses, or payments to NIC – WSI.
2) "Tenure" refers to the years in operation as of Dec 31, 2016.

3) “Maximum and Minimum” lists the actual high and low end values of Gross Revenues reported within each range of franchisee tenure as of Dec 31, 2016.

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee’s future financial performance or the past financial performance of franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting our Chief Operating Officer, Valerie Brown-Dufour, 1660 Tech Avenue, Unit 2, Mississauga, Ontario, Canada, L4W 5S9, 905-364-1370, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System wide Outlet Summary For years 2014 to 2016[1]				
Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2014	344	290	-54
	2015	290	278	-12
	2016	278	276	-2
Company Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	2014	344	290	-54
	2015	290	278	-12
	2016	278	276	-2

Notes:

1. Our numbers are as of our fiscal year end. Our fiscal year end is December 31, 2016

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2014 to 2016[(1)]

Column 1 State	Column 2 Year	Column 3 Number of Transfers
CA	2014	1
	2015	0
	2016	0
CO	2014	2
	2015	0
	2016	0
FL	2014	0
	2015	0
	2016	0
MI	2014	0
	2015	0
	2016	0
NJ	2014	2
	2015	1
	2016	0
PA	2014	1
	2015	0
	2016	0
TN	2014	0
	2015	0
	2016	0
Totals	2014	6
	2015	1
	2016	0

Notes:

1. All numbers are as of our fiscal year end. Our fiscal year end is December 31st, 2016.

Table No. 3

Status of Franchised Outlets
For years 2014 to 2016(1)

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
AZ	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
CA	2014	37	3	0	8	0	1	31
	2015	31	1	0	0	0	0	32
	2016	32	1	1	1	0	0	31
CO	2014	12	1	1	0	0	1	11
	2015	11	1	0	0	0	1	11
	2016	11	1	0	2	0	0	10
CT	2014	4	0	1	1	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
DE	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
FL	2014	22	1	0	2	0	0	21
	2015	21	2	0	3	0	0	20
	2016	20	0	0	2	0	0	18
GA	2014	13	0	0	1	0	0	12
	2015	12	1	1	2	0	0	10
	2016	10	1	0	0	0	0	11
GU	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Fran-chisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
HI	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
IA	2014	1	0	0	1	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
ID	2014	3	0	0	1	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
IL	2014	14	1	0	2	0	0	13
	2015	13	1	0	0	0	0	14
	2016	14	0	0	0	0	0	14
IN	2014	5	0	0	2	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
KS	2014	3	1	0	0	0	0	4
	2015	4	0	0	1	0	0	3
	2016	3	0	0	0	0	0	3
KY	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
LA	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
MA	2014	11	0	0	3	0	0	8
	2015	8	0	0	0	0	0	8
	2016	8	0	0	0	0	0	8
MD	2014	2	1	0	1	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Fran-chisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
MI	2014	7	0	0	1	0	0	6
	2015	6	0	0	1	0	0	5
	2016	5	0	0	1	0	0	4
MN	2014	13	0	0	1	0	0	12
	2015	12	0	0	2	0	0	10
	2016	10	0	0	0	0	0	10
MO	2014	46	0	0	9	0	0	37
	2015	37	0	0	6	0	0	31
	2016	31	1	0	0	0	0	32
MS	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
NC	2014	10	1	1	2	0	0	8
	2015	8	0	0	0	0	0	8
	2016	8	0	0	0	0	0	8
NE	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
NH	2014	5	0	0	0	0	0	5
	2015	5	0	0	1	0	0	4
	2016	4	0	0	0	0	0	4
NJ	2014	24	2	0	11	0	0	15
	2015	15	5	0	2	0	0	18
	2016	18	0	0	1	0	0	17
NM	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
NV	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	1	0	0	3

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Fran-chisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
NY	2014	15	0	1	2	0	0	12
	2015	12	0	0	0	0	0	12
	2016	12	0	0	1	0	0	11
OH	2014	8	0	1	1	0	0	6
	2015	6	2	0	1	0	0	7
	2016	7	0	0	0	0	0	7
OK	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
OR	2014	3	0	1	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
PA	2014	13	1	0	2	0	1	11
	2015	11	0	0	0	0	1	10
	2016	10	0	0	0	0	0	10
PR	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
RI	2014	2	0	0	0	0	0	2
	2015	2	0	0	1	0	0	1
	2016	1	0	0	0	0	0	1
SC	2014	7	0	0	2	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	1	0	0	4
SD	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	1	0	0	0
TN	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Fran-chisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
TX	2014	17	2	1	1	0	0	17
	2015	17	2	0	3	0	0	16
	2016	16	1	0	0	0	0	17
VA	2014	9	0	0	1	0	0	8
	2015	8	0	0	2	0	0	6
	2016	6	2	0	1	0	0	7
WA	2014	4	0	1	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	0	0	0	0	0	4
WI	2014	8	0	1	0	0	0	7
	2015	7	0	0	0	0	0	7
	2016	7	0	0	0	0	0	7
Totals	2014	344	14	9	56	0	3	290
	2015	290	16	1	25	0	2	278
	2016	278	11	1	12	0	0	276

Notes:

1. All franchisees are listed in Table No. 3 above in the state where each franchisee resides. Whenever a franchisee relocates from one state to another state (including after a transfer) the franchisee is listed in Column 8 “Ceased Operations-Other Reasons”, for the prior state from where the franchisee departed, and then in Column 4 “Outlets Opened” for the subsequent state where the franchisee has relocated to.

2. There is 1 multi-unit franchisee with address outside of the U.S.A. (see Exhibit E)

3. Total NIC Franchisees as per above summary: 276

4. There are 9 NIC franchisees that signed a franchise agreement but had not opened their business as of December 31, 2016. (See Column 2 in the following chart of Projected Openings.) When combined with those open as of December 31, 2016, and the multi-unit franchisee indicated in Note 2 above, the total is 286.

5. Column 4 refers to new franchisees starting their business within the calendar year.

6. Column 5 – To clarify, the Franchisor terminated these franchisees after reasonable advance notice to correct any defaults for the following reasons:

- Non- compliance
- Non-collectable
- Non-branded or infringing negatively on trademark

7. Column 6 includes Franchisees that Franchisor did not renew following the end of the term of their agreement.

Table No. 4

Status of Company-Owned Outlets
For years 2014 to 2016

We have no company-owned outlets.

Table No. 5

Projected Openings as Of December 31, 2016

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed but Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
AK	0	1	0
AL	0	1	0
AR	0	1	0
AZ	1	1	0
CA	0	3	0
CO	0	1	0
CT	0	1	0
DC	0	1	0
DE	0	1	0
FL	2	2	0
GA	0	2	0
GU	0	1	0
HI	0	1	0
IA	0	1	0
ID	0	1	0
IL	0	1	0
IN	0	1	0
KS	1	1	0
KY	0	1	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed but Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
LA	0	1	0
MA	0	1	0
MD	0	1	0
ME	0	1	0
MI	0	1	0
MN	0	1	0
MO	0	1	0
MS	0	1	0
MT	0	1	0
NC	0	1	0
ND	0	1	0
NE	0	1	0
NH	0	1	0
NJ	0	2	0
NM	0	1	0
NV	0	1	0
NY	0	3	0
OH	0	1	0
OK	0	1	0
OR	0	1	0
PA	0	1	0
PR	0	1	0
RI	0	1	0
SC	0	1	0
SD	0	1	0
TN	0	1	0
TX	4	3	0
UT	0	1	0
VA	1	1	0
VT	0	1	0
WA	0	1	0
WI	0	1	0
WV	0	1	0
WY	0	1	0
Totals	9	62	0

Notes:

1. These 9 franchisees in Column 2 are listed in Exhibit E to this Disclosure Document and are designated "PT" meaning pre-training.

2. The number of projected new franchisees in 2017, per state, is derived from the Franchisor's projected market penetration.

******** The name, business address, and business telephone number of each current franchisee as of December 31, 2016, are listed on ***Exhibit E***.

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the date of this disclosure document are listed on ***Exhibit F***.

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

As of the date of this disclosure document, we are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

In some instances during the last three years, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the NIC franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. Franchisees who leave the NIC franchise system sign confidentiality clauses only if we and they have mutually agreed to a termination or settlement.

We sponsor a franchisee organization, the Internet Consultant Advisory Council or "ICAC", which is a franchisee advisory council whose members are NIC franchisees nominated and elected by our franchisees as whole to represent key strategic markets within the NIC franchise system. ICAC may be contacted at 1660 Tech Avenue, Unit 2, Mississauga, Ontario, Canada L4W 5S9, (905) 678-7588 or icac@wsicorporate.com. As of the date of this disclosure document, no independent trademark-specific franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statements as of December 31, 2016, December 31, 2015, and December 31, 2014 are attached as ***Exhibit C***.

ITEM 22

CONTRACTS

The Franchise Application Agreement is ***Exhibit A***. The Franchise Agreement is ***Exhibit B***. The General Release is ***Exhibit I***. The Franchise Disclosure Acknowledgment Statement is ***Exhibit J.***

ITEM 23

RECEIPTS

The form of Receipt for this disclosure document is attached.

[Remainder of page intentionally left blank]

APPENDIX TO DISCLOSURE DOCUMENT

We are providing you with the following information as required by some state laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

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 HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT BUSINESS OVERSIGHT AT www.dbo.ca.gov.

1. The following is added to the Cover Page of this Disclosure Document:

SPECIAL RISK FACTOR:

THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

2. Item 3 of the Disclosure Document is supplemented by the following language:

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

3. Item 17 of the Franchise Disclosure Document is supplemented by the following language:

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

b. The Franchise Agreement contains a covenant not to compete which extends beyond termination of the agreement. This provision might not be enforceable under California law.

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

d. The Franchise Agreement requires binding arbitration. The arbitration will occur at a location selected by the arbitrator with the costs being allocated by the arbitrator. Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedures Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of California.

e. The Franchise Agreement requires application of the laws of Delaware (except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.), or other federal law). This provision may not be enforceable under California law.

f. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

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

5. Corporations Code 31512 provides that: “Any conditions, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of this law or any rule or order hereunder is void.” The franchise agreement requires a shortened status of limitations period. Pursuant to Corporations Code Section 31512, this provision is void, to the extent that it is inconsistent with the provisions of Corporations Code Sections 31303 and 31304.

6. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

ILLINOIS

1. The Cover Page, Item 17.v., and Item 17.w. (Franchise Agreement chart) are supplemented by the following:

If the Franchise Agreement requires (i) litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act ("Act") and (ii) that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Act, Illinois law will govern.

MARYLAND

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

However, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the "Summary" section of Item 17(h), entitled "**Cause" defined - defaults which cannot be cured**:

The Franchise Agreement provides for termination upon bankruptcy. These provisions might not be enforceable under Title 11 U.S.C. Section, but we will enforce it to the extent enforceable.

3. The "Summary" section of Item 17(v), entitled **Choice of forum**, is amended as follows:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Item 17 is amended to add the following note at the end of that Item:

Any claims that Franchisee may have under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

MINNESOTA

1. **Trademarks**. The following is added at the end of the sixth paragraph in Item 13:

To the extent required by Minnesota law, we shall indemnify you against, and reimburse you for, all losses, costs and expenses you incur in any claim of infringement or unfair competition relating to your authorized use of the Proprietary Marks, provided you have timely notified us of the claim and otherwise complied with the terms of this Agreement.

2. **Renewal, Termination, Transfer and Dispute Resolution**. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J provide that nothing in the Disclosure Document or Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

Minn. Rule Part 2860.4400J might prohibit a franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in our Franchise Agreement to the extent the law allows.

NEW YORK

1. The following is added to the Cover Page of this Disclosure Document:

SPECIAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

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

2. Item 3, "Litigation" is hereby amended by deleting the paragraph in that Item and replacing it by the following language:

a. Neither we, any predecessor, any person identified in Item 2 above, nor any affiliate offering franchises under our principal trademark has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable allegations.

b. Neither we, any predecessor, any person identified in Item 2 above, nor any affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the date of this disclosure document, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved a violation of any franchise, anti-fraud or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, misappropriation of property or comparable allegations.

c. Neither we, any predecessor any person identified in Item 2 above, nor any affiliate offering franchises under our principal trademark is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 4, "Bankruptcy" is hereby deleted in its entirety and the following language substituted in lieu thereof:

Neither we nor any of our predecessors, affiliates, officers or general partners have, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of ours held this position in the company or partnership.

4. The following is added to Item 5 of this Disclosure Document:

The initial franchise fee constitutes compensation to us for all of our pre-opening obligations, including providing marketing materials, providing initial training, and providing the operations manual.

5. The following is added to the "Summary" Section of Item 17(c), entitled **Requirements for you to renew or extend**, and Item 17(m), entitled **Conditions for our approval of transfer**:

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

6. The following is added to the "Summary" section of Item 17(s) entitled **Modification of the Agreement**:

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

7. The following is added to the "Summary" section of Item 17(w) entitled **Choice of Law**:

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

NORTH DAKOTA

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

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The following is added to the end of the "Summary" section of Item 17(r), entitled **Non-competition covenants after the franchise is terminated or expires**:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

3. The following is added to the end of the “Summary” section of Item 17(u), entitled **Dispute resolution by arbitration or mediation**:

> A requirement that mediation be conducted in a forum other than North Dakota is void with respect to claims under the North Dakota Franchise Investment Law.

1. The “Summary” section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

> The laws of the State of Delaware shall apply, except North Dakota law applies to the extent required by the North Dakota Franchise Investment Law.

VIRGINIA

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document for National International Corporation is supplemented by the following:

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

EXHIBIT A

FRANCHISE APPLICATION AGREEMENT

FRANCHISE APPLICATION AGREEMENT

The undersigned, ______________________________(hereinafter referred to as the "Applicant") wishes to apply as a potential franchisee with National Internet Corporation (hereafter referred to as the "Company"). The Applicant has submitted the sum of _________________________to be applied as a partial deposit/payment for the franchise in the territory of ________________________ priced at $_______________________.

IT IS UNDERSTOOD THAT:

1. The Applicant has submitted to the Company a fully completed application, for consideration by the corporate management team.

2. The Applicant shall have a period of 10 business days to complete payment for the territory after final approval by the corporate management team.

3. The Applicant acknowledges that there have been no representations made by the Company or any of its representatives other than those contained in official Company literature or in its franchise disclosure document.

This deposit/payment is non-refundable unless the Applicant is not approved by the Company for any territory, in which case the entire deposit shall be returned to the Applicant in full forthwith without interest or deduction. The Company shall notify the Applicant in writing within 10 business days if the Applicant is not approved.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. Applicant acknowledges the receipt of a copy of this agreement.

DATED at________________, this ____ day of __________ 20__.

NATIONAL INTERNET CORPORATION
per:

_____________________ _________________________

Applicant

In the event that the applicant is approved, the final payment bank wire would be received from ______________________________(Sender's name) from ____________________ (Bank name) in__________________________(City).

EXHIBIT B

FRANCHISE AGREEMENT

NATIONAL INTERNET CORPORATION
d/b/a WSI

FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ATTACHMENTS</u>

NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into this **___ day of __________, 2017**, by and between **National Internet Corporation**, a corporation organized under the laws of the State of Delaware, whose principal place of business is 16192 Coastal Highway, Lewes, Delaware, 19958 (hereinafter referred to as "We", "Us", "Our" or the "Franchisor") and ___________, an individual, whose principal place of business is __________________________________**, USA** (hereinafter referred to as "You", "Your" or the "Franchisee").

WITNESSETH:

WHEREAS, Franchisor and its parent company, World Technology Group Inc., a Delaware corporation (hereinafter referred to as "WTG"), as the result of the expenditure of time, skill, effort, and money, have developed a proprietary system, (as it may be changed, improved and further developed from time to time, the "System") relating to the establishment, development and operation of a full service digital marketing business identified by the trade name WSI (each such business shall be referred to herein as a "WSI Business");

WHEREAS, the distinguishing characteristics of the System include, without limitation, operational methods and techniques, technical assistance and training in the operation, management and promotion of a WSI Business, specialized reporting, bookkeeping and accounting methods and documents, and advertising and promotional programs, all of which may be changed, improved and further developed by Us;

WHEREAS, WTG has granted to Us the exclusive right and license in the United States of America to use and to license others to use the System; and 1175856 Ontario Ltd., an Ontario corporation (hereinafter referred to as "Ontario") has granted to Us the exclusive right and license in the United States of America to use and license others to use WSI, & WSI globe and design and certain other trademarks, service marks and commercial symbols (hereinafter referred to as the "Proprietary Marks");

WHEREAS, You desire to operate a WSI Business under the System and the authorized Proprietary Marks (the "Franchised Business") and to obtain a license from Us for that purpose, as well as to receive the assistance provided by Us in connection therewith;

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, hereby mutually agree as follows:

1. GRANT OF FRANCHISE

A. Grant. We hereby grant to You, upon the terms and conditions herein contained, the non-exclusive right and license to operate the Franchised Business in the Territory (defined in Paragraph 1.C) in strict conformity with Our quality control standards and specifications which are a material part of the System. Such license shall include the use of the Confidential

Information (defined in Paragraph 8.C) and such copyrighted material as We may in our sole discretion designate, and which may be disclosed online or transmitted through e-mail. You may operate the Franchised Business only at one specific location (the "Premises") which will be selected by You within the Designated Territory (defined in Paragraph 1.C). You shall be required to execute and return two (2) executed copies of this Agreement to Us within ten (10) days of the date of this Agreement failing which We may revoke Our offer to grant a franchise, and in that event this Agreement shall not become effective but the amount You have already paid as a "First Installment" under the Franchise Application Agreement shall be non-refundable. By its execution and return of this Agreement You confirm that You hereby accept such license and both You and Guarantor agree to perform all obligations in connection therewith as set forth herein. You acknowledge that We, Our affiliates or related companies have the right to develop and establish other similar or dissimilar business systems using the Proprietary Marks, or other names or marks, and have the right to grant licenses to use those systems without providing any rights to You.

B. **Location**. You may operate the Franchised Business only at and from the Premises which must be situated at one location within the Designated Territory. You may relocate within the Designated Territory on prior written notice to Us without a fee, but You may not relocate the Franchised Business outside the Designated Territory provided for in this Agreement without Our express written consent. If approved for relocation to another territory with an equivalent license, You shall be required to pay a relocation fee of five hundred dollars (U.S. $500.00). If approved for relocation to another territory with an upgraded license, You shall be required to pay the full amount of the franchise fee for a Regional Territory License, or a National Territory License (all of which are defined below in Paragraph 1.C), as applicable. The location of the Franchised Business Premises shall be as set forth on Attachment A.

C. **Designated Territory**. For greater certainty, the word "Territory" whenever used in this Agreement shall refer to the geographic limitation upon the right to offer Internet consulting services only to customers who are located within the defined boundaries of the Territory, either as marked on a map or as may be described in words, and as will be described in either case in Attachment A forming an integral part of this Agreement, and it is understood and agreed that Your territorial rights are as set out in Attachment A. The Territory which is set out in Attachment A shall also be known as Your "Designated Territory" and the Premises must be located within the "Designated Territory". Before signing this Agreement, You shall select one of the following three types of license which will define Your "Designated Territory". You must notify Us whenever you intend to offer Your services under such licenses outside the "Designated Territory." referred to in Attachment A hereto and You must obtain Our consent to all such sales. The three types of license are described below. You shall indicate Your selection on Attachment A.

1. The Local Territory License. By acquiring a "Local Territory License", You acquire the right to offer and sell the services of the Franchised Business only to customers who are located in Your "Local Territory". The Local Territory is defined as the city boundaries or other territorial boundaries which will be as shown in the map of the Territory attached in Attachment "A" hereto. The Local Territory will be non-exclusive and could, therefore, be shared with other WSI Businesses. We do not regulate the proximity of the location of other WSI Businesses in the Local Territory to the location of the Franchised Business. Franchisees with

similar Local Territory licenses and those who acquire a higher level license (e.g., a Regional Territory License, or a National Territory License, defined below) may solicit customers who are located anywhere in their Territory, which may include the Local Territory.

2. The Regional Territory License. By acquiring a "Regional Territory License," You acquire the right to offer and sell the services of the Franchised Business only to customers who are located in Your "Regional Territory." Your Regional Territory shall be comprised of either two or more contiguous Local Territories defined above or a state, all of which shall be shown by attached map and further described in Attachment A. You understand that the Regional Territory is non-exclusive and will, therefore, be shared with other WSI Businesses. We do not regulate the proximity of the location of other WSI Businesses in the Regional Territory to the location of the Franchised Business. Franchisees with similar Regional Territory Licenses and those who acquire a higher level license (e.g., a National Territory License, defined below) may solicit customers who are located anywhere in their Territory, which may include the Regional Territory.

3. The National Territory License. By acquiring a "National Territory License," You acquire the right to offer and sell the services of the Franchised Business to customers located in the "National Territory." The "National Territory" consists of the United States of America. You understand that the National Territory is non-exclusive and will, therefore, be shared with other WSI Businesses. We do not regulate the proximity of the location of other WSI Businesses in the National Territory to the location of the Franchised Business. Franchisees with similar National Territory licenses may solicit customers who are located anywhere in their Territory. You acknowledge that all franchisees have the option to purchase any of the three types of licenses provided herein, and there is no limit to the number of franchisees who may have the right to sell to customers located in a territory. And You further acknowledge that there is no minimum area granted for any type of license. You will maintain Your non-exclusive rights to Your Designated Territory even if the population of the Designated Territory increases.

D. Reservations of Certain Rights. Except as expressly limited by Paragraph 1.A and C. above, We, and Our affiliates or related companies retain all rights with respect to WSI Businesses, the System, the Proprietary Marks, the sale of similar or dissimilar products and services, and any other activities We deem appropriate whenever and wherever We desire, including, but not limited to:

1. the right to establish and operate, and to grant to others the right to establish and operate, digital marketing consulting service businesses or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside the Designated Territory under any trademarks or service marks, including the Proprietary Marks, and on any terms and conditions We deem appropriate;

2. the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services similar to and/or competitive with those provided at WSI Businesses, whether identified by the Proprietary Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, over the Internet, social

media or similar electronic media) both inside and outside the Designated Territory and on any terms and conditions We deem appropriate;

3. the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by WSI Businesses, and the right to enter into franchising, licensing or similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory); and

4. the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by another business including, without limitation, a business providing products and services similar to those provided by WSI Businesses, even if such business owns, operates, franchises and/or licenses businesses which compete with WSI Businesses in the Designated Territory.

2. TERM AND RENEWAL

A. Initial Term. Except as otherwise provided herein, the term of this Agreement shall be for ten (10) years commencing on the **___ day of ___________, 2017**

B. Renewal Term. You may, at Your option, continue the operation and management of the Franchised Business for one (1) additional ten (10) year term, subject to the conditions set forth in Paragraph 2.C.

C. Conditions of Renewal. The following conditions must be met (prior to the renewal period, unless and to the extent expressly waived in writing by Us):

1. You shall give Us written notice of Your election to renew this Agreement not more than nine (9) months nor less than three (3) months prior to the end of the current term of this Agreement;

2. At least three (3) months prior to the expiration of the current term of this Agreement, Franchisor shall give notice of all required modifications to the nature and quality of the products and services offered in connection with the Franchised Business, as well as Your advertising, marketing and promotional programs, and You shall implement such modifications in connection with the renewal

3. You shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between You and Us or our subsidiaries, affiliates and suppliers. You shall have substantially complied with all of the terms and conditions of such agreements during the terms hereof and thereof;

4. You shall have satisfied all of Your monetary obligations to Us and our subsidiaries, affiliates and suppliers, and shall have timely met those obligations throughout the term of this Agreement;

5. You shall execute, upon renewal, Our then-current form of Franchise Agreement, which agreements shall supersede in all respects this Agreement, and the terms of

which may differ from the terms of this Agreement, including, without limitation, a higher percentage management services fee and the implementation of additional fees;

6. Unless waived by Us, You shall attend Our then-current qualification and training programs at Your expense;

7. You, Your owners, directors, officers and/or equivalent managers shall execute a general release, in a form prescribed by Us, of any and all claims against Us, Our subsidiaries, or affiliates, and their respective officers or equivalent managers, directors, agents and employees;

8. Your operation and management of the Franchised Business shall be in full compliance with the System;

9. You shall maintain and be in good standing with all of Your necessary and appropriate licenses and permits; and

10. You shall be required to pay the sum of USD $2,000.00 to Us in order to exercise the renewal option provided for in Paragraph 2.B of this Agreement.

In the event that any of the foregoing conditions to renewal has not been met at least two (2) months prior to the expiration of the current term of this Agreement, then We shall have no obligation to renew this Agreement and shall give You written notice of Our intent not to renew this Agreement at least thirty (30) days before the expiration of the current term of this Agreement, which notice shall set forth the reasons for such refusal to renew. If We consent to renew, the giving of consent to renew shall, in any event, be deemed conditional upon the fulfillment by You of all of Your requirements under this Agreement. Consent to renew may be withdrawn once given by Us at any time prior to renewal if You are not in full compliance with this Agreement.

3. OUR DUTIES

A. Pre-Opening Obligations. Our duties prior to the opening of the Franchised Business are:

1. We shall, at Our sole discretion, provide online marketing resources and changes to the System for use in promoting the Franchised Business;

2. Within six (6) months of executing this Agreement, We shall provide an initial training program for the operation of the Franchised Business at Our headquarters in Mississauga, Ontario, Canada or such other location as We designate. We shall provide notification to You of proposed training dates. The mandatory initial training program is composed of a minimum of seven (7) days of training. We reserve the right to extend the initial training period in the event You shall require additional training. You shall be responsible for Your meal, travel, lodging or other expenses incurred while attending the training program and for Our daily costs of training additional trainees in excess of two; and

Initials:
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3. We shall provide online access to Our Confidential Operations Manuals (the "Manuals"), as amended from time to time, which shall include standards and specifications for policies and procedures, equipment, supplies and management and operation of the Franchised Business.

B. **Post-Opening Obligations**. Our obligations following the opening of the Franchised Business are as follows:

1. We shall provide such general advisory assistance deemed by Us to be helpful to You in the ongoing operation, advertising and promotion of the Franchised Business;

2. We may, but will be under no obligation to, provide management consulting services to You for projects or other assistance subject to availability of Our personnel and to a mutually acceptable arrangement pertaining to fees and expenses;

3. We shall provide You with updates, revisions and amendments to the Manuals and We may deliver the same via e-mail notification;

4. We shall, upon request and subject to the terms of this Agreement, disseminate Our standards and specifications for items not deemed to be trade secrets to You or Your suppliers;

5. We shall provide, at our sole discretion, for transmission to Your clients, materials We deem appropriate for every Web site developed by You;

6. We, at Our sole discretion, may coordinate, conduct and otherwise make available to You such other optional and mandatory ongoing training programs or seminars on an annual basis or as We deem appropriate, for which We may charge a fee;

7. We shall provide access to such proprietary and other software as We shall determine to be necessary, upon such terms and conditions as We shall deem to be appropriate;

8. We may, at Our sole discretion, institute a national accounts program for customers with a presence that is nationwide, and We shall have the sole right to invite qualified franchisees to participate (such determination to require (i) that franchisee is active and in good standing as a franchisee, (ii) that franchisee has sufficient experience with the customer's industry and has sufficient knowledge to provide broad-based digital marketing strategies, (iii) that franchisee has obtained certain training and certification standards offered by Us, and (iv) that franchisee's territory is deemed appropriate to such customer);

9. We may, at Our sole discretion but shall be under no obligation to do so, offer to qualified franchisees an option to provide certain specified digital marketing services to other franchisees in the System. In the absence of Our determination that You are qualified, Our offer of the option to You and Your exercise of the option, You shall not offer any digital marketing services whatsoever to any other franchisee in the System;

10. We may, at Our sole discretion, offer adjustments to the Initial Franchise Fee to qualified franchisees in association with certain incentive programs (for example, and

not by way of limitation, programs designed to facilitate the purchase of a franchise by veterans that may be offered by Us from time to time.; and

You acknowledge that the programs and option that We may offer pursuant to subparagraphs 3.B.8-10 will be offered, if at all, only to franchisees who satisfy all requisite qualifications. You further acknowledge that You may not qualify for all, or any, of such programs and option and waive any and all claims against Us, Our affiliates and Our respective officers, directors, owners and employees arising out of or as a result of Your failure to qualify. All of Our obligations hereunder are to You, and no other party is entitled to rely on, enforce or obtain relief for breach of such obligations either directly or by subrogation. Any of these obligations may also be fulfilled by Our affiliate who is so authorized.

4. FEES

A. Payments to Us. In consideration of the right and license to operate the Franchised Business granted herein, You shall pay to Us, or to our affiliates, or to an independent supplier approved or designated by Us, if so directed, all of those fees which are payable pursuant to the terms of this Agreement, including the following non-refundable fees, all of which are payable in U.S. dollars:

1. Initial Franchise Fee. Upon execution of this Agreement, You must pay to Us the initial franchise fee in the amount of **_________________DOLLARS ($__________ USD)** that corresponds to the license for Your Designated Territory as set forth in Paragraph 4.A.4 below (less any amount You have already paid as a "First Installment" under the Franchise Application Agreement). The initial franchise fee constitutes compensation for all of Our pre-opening obligations, as described in Paragraph 3.A. hereof, and is deemed fully earned upon the execution of this Agreement. We acknowledge that we have previously received **_________________________________ Dollars ($________ USD)** from You as a First Installment under the Franchise Application Agreement.

2. Management Services Fees. You shall pay to Us a continuing Management Services Fee, to be payable on receipt of an invoice for each month, which constitutes compensation to Us for all post-opening obligations, as described in Paragraph 3.B. hereof. Unless We notify You differently in writing, all Management Services Fees payable to Us shall be delivered by You to Research and Management Corporation, a corporation that provides management services to Us.

(a) Subject to Paragraph 4.A.2.(b) below, the Management Services Fee shall equal ten percent (10%) of Gross Revenues (as defined below), provided that You shall pay to Us the minimum monthly Management Services Fee described in Paragraph 4.D.

(b) Notwithstanding Paragraph 4.A.2.(a), if Franchisee's Gross Revenues in any twelve month period during the term (the first twelve month period of which begins on the commencement date of the term of this Agreement, with each successive twelve month period beginning on each successive anniversary of the commencement date) have reached a minimum threshold, as set out below, Franchisee shall be entitled to elect, on written notice delivered to the Franchisor prior to the end of the twelve month period, for a reduction in

Initials:
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Management Services Fee during the next following twelve month period. Upon such election, the percentages used in calculating Management Services Fees as above shall be reduced from ten percent (10%) to the reduced percentage specified below and in accordance with the following formula, and minimum monthly Management Services Fees as set out in Paragraph 4.D shall also be adjusted as noted below:

DE-ESCALATING MANAGEMENT SERVICES FEES

GROSS REVENUES THRESHOLD FOR PRECEDING 12-MONTH PERIOD	PERCENTAGE USED TO CALCULATE MONTHLY MANAGEMENT SERVICES FEE	MINIMUM MONTHLY MANAGEMENT SERVICES FEE
$150,000	reduced to 9% of Gross Revenues	$1,000
$250,000	reduced to 8% of Gross Revenues	$1,500
$400,000	reduced to 7% of Gross Revenues	$2,000
$550,000	reduced to 6% of Gross Revenues	$2,500
$700,000 +	reduced to 5% of Gross Revenues	$3,000

Having achieved any of the Gross Revenue Thresholds noted above, in the event that the Franchisee fails to maintain that threshold in the following twelve month period, the percentage used in calculating Management Services Fees for that period shall revert to the percentage otherwise applicable according to the formula in the chart appearing above in this Paragraph 4.A.2. (b), or to the standard rates under Paragraph 4.A.2.(a), as applicable.

3. Fees for Website Development, Hosting and Other Digital Marketing Services. Franchisee shall pay to Us, Our affiliate or an independent supplier approved by Us, as the case may be, the website development, hosting and other fees as invoiced by Us, Our affiliate or the approved supplier.

4. Franchise Fee. The initial franchise fee is:

(a) Forty Nine Thousand, Seven Hundred Dollars ($49,700) for a Local Territory License;

(b) Fifty Nine Thousand, Seven Hundred Dollars ($59,700) for a Regional Territory License; and

(c) Sixty Nine Thousand, Seven Hundred Dollars ($69,700) for a National Territory License.

5. Enterprise System Access Fee. You shall have access to Our enterprise system at a cost of Ninety Nine Dollars ($99) per month. You must utilize Our enterprise system and technology as further defined by the Manuals in the operation of the Franchised Business.

6. International Branding Fee. You shall pay to Us an amount equal to One Hundred Dollars ($100) per month as an international branding fee, intended to promote international branding of Our Marks and System.

7. Education Payment Plan. You shall pay to Us monthly, together with Your Management Services Fees, the sum of Sixty Dollars ($60 USD) per person each month to cover Your mandatory registration fees for the ongoing training events that You must attend pursuant to Paragraph 5.C of this Agreement. This shall be in addition to the costs of meals, entertainment, lodging, travel, laundry and wages to attend training events, all of which shall be at Your sole expense. The Education Payment Plan fee shall be subject to annual revision. Attendance fees and other associated costs for mandatory attendance at Our convention shall be at Your cost and shall be additional to the Education Payment Plan payments provided for herein.

B. Payment Procedures and Interest on Late Payments. All payments required by this Section to be paid to Us or as otherwise directed shall be paid at the time and in the manner that We specify, and, if applicable, upon receipt of invoice. Any payments that are due on a national holiday shall be due on the first business day following such holiday and any payment not actually received by Us on or before such due date shall be deemed overdue. If any payment is overdue, You shall pay to Us, the overdue amount plus interest on such amount from the date it was due until paid at one and one-half (1.5) times the prime rate then being charged by Chase Bank (the "Default Rate"). Such interest, which shall be calculated on a daily basis, shall be in addition to any other remedies We may have.

Notwithstanding that We may accept payment of the First Installment of the Initial Franchise Fee described in Paragraph 4.A.1 by credit card, payment of the balance of the Initial Franchise Fee by credit card shall be prohibited. Payment of the balance of the Initial Fee shall be made by any other payment method approved by Us. Fees for services provided in accordance with Paragraphs 4.A.2, 4.A.3, 4.A.5, 4.A.6, and 4.A.7 shall be paid to Us through pre-authorized payment by Automated Clearing House ("ACH") transfers. Payment for services by credit card shall not be permitted except with Our prior consent. We do, however, require You to provide Us with a valid credit card, which we shall utilize in the event that an ACH transfer cannot be processed. Management Services Fees shall be processed automatically each month by Us, in accordance with a consent for pre-authorization which must be provided to Us when executing this Agreement. In the event that payment for services by credit card is approved by Us, We shall have the right to require the use of two credit cards for all pre-authorized payments. In the event that any credit card payment is declined by the credit issuer, You shall pay a service charge of Twenty Five Dollars ($25) to Us.

We will have the right to apply any payment We receive from You to any amounts You owe Us or Our affiliates under this Agreement or any other agreement, even if You have designated the payment for another purpose or account. We may accept any check or payment in any amount from You without prejudice to Our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

In the event that any amounts due and payable to Us pursuant to this Agreement are overdue, We may suspend Your access to Our enterprise system or other services, including e-mail and web property access, for as long as such amounts remain unpaid; provided, however, that Our suspension of Your access does not relieve You of any of Your duties and obligations under this Agreement and is not exclusive of any other right or remedy provided or permitted by law or equity or by this Agreement. You acknowledge and agree that any such suspension will not prevent You from performing Your obligations under this Agreement and does not constitute a constructive termination of this Agreement. We may impose a reasonable reactivation fee prior to restoring any suspended services to You.

C. **Definition of Gross Revenues**. "Gross Revenues" is defined as all sales generated through the Franchised Business, including fees for any products or services sold by You, including but not limited to cash or credit (regardless of collectability), barter or customer profit-sharing arrangements and income of every kind or nature related to the Franchised Business; provided, however, that "Gross Revenues" shall not include any sales tax or other taxes collected from Your customers for transmittal to the appropriate taxing authority. Without limitation of the foregoing, "Gross Revenues" shall also include the retail value of all products or services sold in connection with the redemption of coupons, gift certificates, gift cards or vouchers; provided, that at the time such coupons, gift certificates, gift cards or vouchers are purchased, the retail price thereof may be excluded from Gross Revenues for the purpose of determining the amount of Gross Revenues upon which fees are due.

D. **Minimum Management Services Fees**. You acknowledge and understand that You will only maintain Your rights to the Designated Territory and the license granted herein if You are not in default under the terms of this Agreement and all other agreements between You and Us, and You meet Your minimum monthly Management Services Fee payment. The Management Services Fee is payable in accordance with Paragraph 4.A.2. The minimum monthly Management Services Fee payment shall be three hundred dollars (U.S. $300.00) per month during the first twenty four months of Management Services Fee payments, thereafter increased to five hundred dollars (U.S. $500.00) per month, and payable on receipt of an invoice each month. This minimum Management Services Fee payment shall commence ninety (90) days following completion of the Initial Training described in Paragraph 5.B.

E. **You May Not Withhold Payments**. You agree that You will not, on grounds of the alleged nonperformance by Us of any of Our obligations hereunder, withhold payment of any Management Services Fee, or other amounts due to Us, Our authorized suppliers, or Our designee.

5. YOUR DUTIES

A. Compliance with System. You understand and acknowledge that every detail of the appearance and operation of the Franchised Business in compliance with the System is critical to Us, to You and to other franchisees operating under the System, in order to: (1) develop and maintain high and uniform operating standards; (2) increase the demand for the products and services sold by WSI Businesses; and (3) protect the Proprietary Marks and the System, and Our trade secrets, reputation and goodwill, and You agree to operate the Franchised Business in accordance with the System, including, without limitation, Our operating policies and procedures.

B. Initial Training. In accordance with the terms and conditions set forth in Section 3 hereinabove, You and those owners of the Franchised Business who are named as either or both a party and/or guarantor whom We require shall attend Our Initial Training Program at the time and in the manner required by Us and shall complete, to Our satisfaction, Our Initial Training Program. Attendance must commence within six (6) months' of notification of proposed training dates by Us and training must be completed prior to the opening of the Franchised Business. Our Initial Training Program is comprised of two mandatory courses. After successfully completing the mandatory courses, You will be a "Certified Digital Marketing Professional" and will be able to operate the Franchised Business and offer clients a wide range of standardized products.

Initial Training is limited to a maximum of two persons. Additional owners of the Franchised Business (or employees as required by Us) may only be added in circumstances which warrant and with Our written consent r and at a daily training fee of one thousand five hundred dollars ($1,500.00 USD).

C. Ongoing Additional Training. As part of Your training commitment herein, You must participate in Our Quick Start Program ("QSP") immediately following Certified Digital Marketing Professional training. QSP has been designed to guide You through the first three months of Your operations. You must also, at Your own cost, attend Our convention and any mandatory area trainings (which may include regional meetings, WSI hosted webinars, WSI e-learning courses, and third party courses and certifications), such trainings to be designated annually for Your required attendance by advance notice from Us. You shall be responsible for any and all other expenses incurred in training, including, without limitation, the costs of meals, entertainment, lodging, travel, laundry and wages. You shall attend and complete, to Our reasonable satisfaction, such special programs or periodic additional training as We may require in writing from time to time, at the costs set out in Paragraph 4.A.7 hereof.

D. Working Capital. You shall meet and maintain sufficient levels of working capital as are necessary for successful management and operation of the Franchised Business.

E. Best Efforts. You covenant that during the term of this Agreement, You (or, if You are a legal entity, an owner approved by Us) shall devote Your full time, energy and best efforts to the efficient and effective management and operation of the Franchised Business. You may designate a full time manager to operate the Franchised Business if Franchisee is an established marketing agency. Otherwise, an individual Franchisee or the approved owner of an entity

Franchisee may devote less than full time to the Franchised Business with Our prior approval and with adequate staffing in place to carry on the Franchised Business full time.

F. Compliance With Uniform Standards. You shall operate the Franchised Business in conformity with such uniform methods, standards and specifications as We may, from time to time, prescribe to ensure that the highest degree of quality and service is uniformly maintained. You shall conduct Your business in a manner which reflects favorably at all times on the System and the Proprietary Marks. You shall at no time engage in deceptive, misleading or unethical practices or conduct any other act which may have a negative impact on Our reputation and goodwill or on any other franchisee operating under the System. Pursuant to this ongoing responsibility, You agree:

1. To maintain in sufficient supply (as We may prescribe in the Manuals or otherwise in writing) and use at all times, only and all such supplies as conform to Our standards and specifications, and to refrain from deviating therefrom without Our prior written consent;

2. To sell or offer for sale only and all such products and services as meet Our uniform standards of quality and quantity and which have been expressly approved for sale in writing by Us in accordance with Our methods and techniques;

3. To refrain from any deviation from Our standards and specifications for serving or selling such products or services; and to discontinue selling and offering for sale any such products or services as We may, in Our sole discretion, disapprove in writing at any time;

4. To operate the Franchised Business at a standard of excellence consistent with the requirements set forth in the Manuals;

5. To use only Us, Our affiliates or other approved or designated suppliers, for all digital marketing services, and to comply with all policies of the Franchisor as may be contained in the Manuals (including Our eMarketplace Code of Conduct) relating to the purchase of such services from approved or designated suppliers. We assume no direct or indirect liability or obligation to You for services performed by any approved or designated supplier. And We reserve the right to at any time establish exclusive purchasing arrangements with a supplier (which may include a single third party supplier, Us or Our affiliates). You acknowledge and agree that (a) We may change the number of approved or designated suppliers at any time and may designate Us, an affiliate, or a third party as the exclusive source for any particular item, and (b) We and/or Our affiliates may profit from Your purchases from approved or designated suppliers and may receive payments, fees, commissions or reimbursements from such suppliers in respect of Your purchases. Unless approved in writing by Us, You shall further be required to use one of the authorized suppliers approved or designated by Us, when providing digital marketing services to Your customers. Your failure to comply with the provisions of this Paragraph 5.F.5. shall be deemed a material breach under this Agreement.

6. To conduct online paid search advertising only through Our central account with Our supplier;

7. To promptly deliver products and services to Your customers, including any required after servicing necessary, in accordance with all representations made to Your customers and consistent with reasonable business practices;

8. To submit all customer projects and client purchase orders to Our approved suppliers, and utilize the WSI enterprise system platform; and

9. To comply with all requirements as set out or required by the WSI Branding Manual and the System.

G. Purchase and Lease of Materials. Other than for items that We provide to You without additional charge in accordance with Paragraph 1.A, and in accordance with Our requirements, You shall lease or purchase certain proprietary and copyrighted materials and related brochures, literature, and supplies, relating to the establishment and operation of the Franchised Business solely from approved suppliers who shall have proved, to the continuing reasonable satisfaction of Us, the ability to meet Our reasonable standards and specifications for such products and related items. For certain proprietary products, the sole approved supplier may be Us or Our affiliate. Such approved suppliers shall meet all of Our specifications and standards as to content, quality, appearance, warranty, performance and serviceability and must adequately demonstrate their capacity and facilities to supply Your needs for an effective and efficient operation of the Franchised Business as well as the needs of all WSI Businesses. If You wish to purchase items We have not previously approved, or purchase products or services from a supplier that We have not previously approved, but which You believe will meet Our quality and other standards, You must submit such items or the supplier's identity and other information, as required by Us, to Us for Our review. We will not charge You for such review, but may seek reimbursement from the supplier.

H. Purchase of Computer System and Equipment. You must obtain and utilize in the operation of the Franchised Business such computer hardware, software and other equipment as We specify from time to time in the Manuals.

You understand that as technology develops and the System matures, Franchisor in its sole discretion may require additional software, hardware and other equipment. You understand and agree that You will upgrade and change Your computer system and equipment periodically as required by Franchisor.

I. Proprietary Information and Methods. You understand that Franchisor has developed or has obtained rights to certain information, products, services, operational systems and management techniques and may continue to develop and acquire rights to additional information, products, services, operational systems and management techniques for use in the operation of the Franchised Business which are all highly confidential and which constitute Our proprietary information and trade secrets. Proprietary information shall include all information transmitted electronically, including e-mails, and any information posted on Our or Your website. Because of the importance of quality control, uniformity of product and the significance of such proprietary information in the System, it is to the mutual benefit of the parties that We closely control the dissemination of this proprietary information. Accordingly, You agree that in the event such proprietary information becomes a part of the System, You shall comply and strictly follow it (including all proprietary techniques) in the operation of its Franchised Business and shall purchase from Us or from an approved source designated by Us any supplies or materials necessary to protect and implement such proprietary techniques.

J. **Development of the Market**. You shall at all times use Your best efforts to promote and increase the sales and consumer recognition of the services offered by the Franchised Business pursuant to the System and the Manuals, to effect the widest and best possible distribution of Our authorized services from the Franchised Business and to devote your best efforts to growing the Franchised Business.

K. **Display of Proprietary Marks and Logos**. You shall display Our Proprietary Marks and logos in the manner prescribed by Us. The color, design and location of said displays shall be specified by Us and may be changed from time to time at Our sole discretion.

L. **Non-competition and Non-Disclosure Agreements**. You and Your employees, officers, directors, shareholders and independent contractors shall sign non-competition and non-disclosure agreements similar in content to those attached to this Agreement as Attachment "C".

M. **Customer Invoicing.** You shall invoice Your customers of the Franchised Business through Our designated enterprise system, or such other systems as We may designate from time to time. In the event that You invoice a customer of the Franchised Business outside of the designated enterprise system, You shall be considered to be in default of this Agreement and therefore subject to termination in accordance with Paragraph 13.A of this Agreement.

N. **Other Requirements**. You shall comply with all other requirements set forth in this Agreement, in the Manuals or as Franchisor may designate from time to time. Without limitation of the foregoing, Franchisor reserves the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices that You may charge for products or services. The obligation to train, manage, pay, recruit and supervise employees of the Franchised Business rests solely with You. Nothing contained herein shall cause Us to be responsible for or liable to any of Your employees and independent contractors.

6. PROPRIETARY MARKS

A. **Grant of License**. We hereby grant You the non-exclusive right and license to use the WSI mark and other Proprietary Marks we authorize in connection with the operation of the Franchised Business in accordance with the System and this Agreement. You hereby acknowledge that the Proprietary Marks are owned by and are the valuable property of one of Our affiliates. We and Our affiliates disclaim all warranties of any nature regarding the Proprietary Marks. You understand that, as of the effective date of this Agreement, the Proprietary Mark WSI is registered in the United States of America and We, Our affiliates or related companies may register other trademarks in the future.

B. **Conditions for Use**. With respect to Your use of the authorized Proprietary Marks pursuant to the license granted under this Agreement, You agree that:

1. You shall use only the Proprietary Marks designated by Us as the sole identification of the Franchised Business, and shall use them only in the manner required or authorized and permitted by Us;

2. You shall use the authorized Proprietary Marks only in connection with the right and license to operate the Franchised Business granted hereunder;

3. During the term of this Agreement and any renewal hereof, You shall identify Yourself as a licensee and not the owner of the authorized Proprietary Marks. In addition, You shall identify Yourself as a licensee of the authorized Proprietary Marks on all invoices, order forms, receipts, business stationery and contracts. In addition, the display of a notice in such form and content and at such conspicuous locations at the Premises of the Franchised Business as We may designate in writing shall identify You as a licensee;

4. Your right to use the authorized Proprietary Marks is limited to such uses as are authorized under this Agreement or in the Manuals, and any unauthorized use thereof shall constitute an infringement of Our rights and grounds for termination of this Agreement;

5. You shall not use the Proprietary Marks to incur or secure any obligation or indebtedness;

6. You shall not use the Proprietary Marks as part of Your corporate or other legal name though You may use the Proprietary Marks in an assumed or fictitious name registration in accordance with sub-paragraph 7 below. You shall further not use the Proprietary Marks with any prefix, suffix or other modifying words, terms, designs or symbols; or in any modified form; or in connection with the offer or sale of any unauthorized product or service; or in any other manner not expressly authorized in writing by Us;

7. You shall comply with Our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Us or Our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

8. You shall not use the Proprietary Marks or any abbreviation or other name associated with Us or the System as part of any e-mail address, domain name, Web site, search engine, or other identification of Yourself in any electronic medium without Our prior written consent, which may be conditioned or withheld in Our sole discretion. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Our written consent as to the content of such e-mail advertisements or solicitations as well as Your plan for transmitting such advertisements.

C. Notification of Infringements and Claims. In the event that You become aware of any infringement of the Proprietary Marks, or if Your use of the Proprietary Marks is challenged by a third party, then You are obligated to immediately notify Us. We will have the sole discretion to take such action as We deem appropriate in connection with the foregoing (including no action). In the event that litigation alleging that the Proprietary Marks infringe a third party's rights is instituted or threatened against You, You shall promptly notify Us and shall cooperate fully in defending or settling such litigation. You shall not communicate with any person other than Us and Our counsel in connection with any such infringement, challenge or claim.

D. **Discontinuance of Use of Proprietary Marks**. We reserve the right, in Our sole discretion, to modify or discontinue, in whole or in part, any aspect of the Proprietary Marks or the System or to use one or more additional or substitute trade names, trademarks and service marks for use in identifying the System, the Franchised Business and other WSI Businesses operating thereunder, all of which shall become Proprietary Marks. You agree to comply with Our directions to modify or otherwise discontinue the use of any such Proprietary Mark within a reasonable time after notice thereof. We shall reimburse You for Your reasonable direct expenses in modifying or discontinuing the use of a Proprietary Mark and substituting therefor a different trademark or service mark, provided however, that We shall not be obligated to reimburse You for any loss of goodwill associated with any modified or discontinued Proprietary Mark or for any expenditures made by You to promote a modified or substitute trademark or service mark. All provisions of this Agreement applicable to the Proprietary Marks will apply to any additional trademark or service mark and other commercial symbols hereafter authorized for use by the Franchised Business.

E. **Unauthorized Use of Proprietary Marks**. You shall save Us harmless from any and all actions, causes of actions, claims, suits, costs, damages and expenses incurred by Us as a result of the unauthorized use by You, Your employees, agents or Your officers and directors if incorporated, of the Proprietary Marks.

7. CONFIDENTIAL MANUALS

A. **Compliance**. In order to protect Our reputation and goodwill and to maintain uniform standards of operation in connection with the Proprietary Marks, You shall conduct Your business in strict compliance with the operational systems, procedures, policies, methods and requirements prescribed in the Manuals (which shall include any specifically named manuals, together with all other manuals, books, pamphlets, memoranda, directives, instructions and any supplemental bulletins, notices, revisions, modifications, updates or amendments thereto, and other materials, whether in written, machine readable, electronic or other form, and all of which shall be deemed a part thereof). Electronic access to the Manuals shall be provided to You from Us during the training program. We may alternatively transmit a copy of the Manuals and any revisions by electronic mail, internet, intranet or other electronic means or post the Manuals and any revisions on a website.

B. **Use**. You agree to immediately adopt and use the programs, services, methods, techniques, specifications, standards, materials, policies and procedures set forth in the Manuals, as they may be modified by Us from time to time. You confirm that We or Our affiliates or related companies are the owner or licensee of all proprietary rights in and to the System, and the Manuals, and any changes or supplements thereto.

C. **Confidentiality**. You shall at all times treat the Manuals, any other manuals created for or approved for use in the operation of the Franchised Business and all of the information contained therein as proprietary and confidential, and shall use all reasonable efforts to maintain such information as confidential. To protect the confidentiality of the Manuals, We, in our sole discretion, may require Your staff to execute Our pre-approved form of confidentiality agreement.

D. **Trade Secrets**. You understand that designated portions of the Manuals are "trade secrets" owned by Us, or our affiliates or related companies and such designated portions are treated as such by Us.

E. **Access**. The trade secrets must be accorded maximum security consistent with Your need to make frequent reference thereto. You shall strictly limit access to the Manuals to employees or agents who have a demonstrable and valid need to know the information contained therein in order to perform their duties. You shall strictly follow any provisions in the Manuals regarding the use of the Manuals and all related proprietary information.

F. **Duplication**. You shall not at any time, without Our prior written consent, copy, duplicate, record, download or otherwise reproduce in any manner any part of the Manuals, updates, supplements or related materials, in whole or in part, including on disc, CD-rom or other electronic means, or otherwise make the same available to any unauthorized person.

G. **Our Property**. The Manuals shall at all times remain Our sole property. Upon the expiration or termination of this Agreement for any reason, You shall return to Us the Manuals and all supplements thereto, including any approved copies, records, extracts or reproductions thereof.

H. **Updates or Revisions**. We retain the right to prescribe additions to, deletions from or revisions to the Manuals, which shall become binding upon You upon being mailed, e-mailed or otherwise delivered to You, as if originally set forth therein. The Manuals, and any such additions, deletions or revisions thereto, shall not alter Your fundamental rights and obligations hereunder.

8. CONFIDENTIAL INFORMATION

A. **Confidential Relationship**. The parties expressly understand and agree that We will be disclosing and transmitting to You certain trade secrets and other confidential and proprietary information concerning various aspects of Your operation of the Franchised Business, its methods of operation, techniques and all proprietary systems, procedures and materials relevant thereto pursuant to the System and this Agreement (the "Confidential Information", which has been more specifically defined in Paragraph 8.C following).

B. **Your Obligations**. In order to preserve and protect the trade secrets and the Confidential Information which are disclosed to You during the term of this Agreement, You agree that:

1. You shall treat and maintain the Confidential Information as confidential both during the term of this Agreement and thereafter for as long as the Confidential Information is not in the public domain, but information in the public domain solely through the wrongful actions of You or Your affiliates shall be considered to be Confidential Information notwithstanding;

2. You shall use the Confidential Information only for Your operation of the Franchised Business under this Agreement;

3. You shall disclose the Confidential Information only as necessary to Your employees or agents who have a demonstrable and valid need to know the Confidential Information and not to anyone else;

4. You shall restrict disclosure of the Confidential Information to only those of Your employees or agents who are directly connected with the performance of work requiring knowledge thereof and shall disclose only so much of the Confidential Information as is required to enable those employees or agents to carry out their assigned duties;

5. You shall advise Your employees or agents of the confidential nature of such Confidential Information and the requirements of non-disclosure thereof;

6. We and You shall conduct a review to determine which employees will have access to the Confidential Information and to the Manuals. You shall not disclose any Confidential Information or provide access to the Manuals to such employee or agent until that person executes a non-disclosure agreement in a form substantially similar to Attachment "C," acknowledging the confidential and proprietary nature of the Confidential Information and agreeing not to disclose such information during the course of employment or thereafter. Franchisor shall be designated a third-party beneficiary of such non-disclosure agreements with the right to enforce its provisions independently of You; and

7. You shall promptly notify Franchisor if You learn about any unauthorized use of the Confidential Information. We are not obligated to take any action but will respond to this information as We in Our sole discretion deem appropriate. We have the right to control any litigation relating to the Confidential Information. We will not indemnify You for expenses or damages in a proceeding involving Your use of this Confidential Information. Upon Our request, You must modify or discontinue the use of this Confidential Information.

C. **<u>Confidential Information Defined</u>**. We possess (and may continue to develop and acquire) certain confidential information relating to the development and operation of WSI Businesses (the "**Confidential Information**"), which includes (without limitation

1. methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating WSI Businesses;

2. market research and promotional, marketing and advertising programs for WSI Businesses;

3. knowledge of specifications for and suppliers of, and methods of ordering, certain materials, equipment and supplies that WSI Businesses use;

4. knowledge of the operating results and financial performance of WSI Businesses other than the Franchised Business;

5. client communication programs, along with data used or generated in connection with those programs;

6. the customer list, the customer database, and the mailing list, excepting for such pre-existing customer list of Yours as may be attached to this Agreement;

7. the terms of this Agreement;

8. the Manuals; and

9. graphic designs and related intellectual property.

You agree that You will not acquire any interest in the Confidential Information, other than the right to use certain Confidential Information in operating the Franchised Business during this Agreement's term and according to this Agreement's terms and conditions, and that Your use of any Confidential Information in any other business would constitute an unfair method of competition with Us and Our franchisees and may violate certain laws. You further agree that the Confidential Information is proprietary, includes Our trade secrets, or those of Our affiliates or related companies, and is disclosed to You only on the condition that You, Your owners and employees who have access to it agree, and they do agree, that You, and Your owners and such employees:

(a) will not use any Confidential Information in any other business or capacity;

(b) will keep the Confidential Information absolutely confidential during and after this Agreement's term and for as long as the Confidential Information is not in the public domain (and information in the public domain solely through the wrongful actions of You or Your affiliates shall be considered as Confidential Information notwithstanding); and

(c) will not make unauthorized copies of any Confidential Information whether disclosed via electronic medium or in written or other tangible form.

Confidential Information shall not include information which You can demonstrate came to Your attention prior to its disclosure by Us or which, at the time of its disclosure by Us to You, had become a part of the public domain through publication or communication by others or which, after disclosure to You by Us, becomes a part of the public domain through publication or communication by others. It is understood and agreed that information, improvements to the System or techniques prepared, compiled or developed by You, Your employees or agents during the term of this Agreement and relating to the Franchised Business, whether developed separately or in conjunction with Us, shall be considered as part of the Confidential Information.

Initials:

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You may not use such improvements or techniques in the operation of the Franchised Business or otherwise unless approved by Us. You hereby grant to Us an irrevocable, worldwide, exclusive, royalty-free license, with the right to sub-license such information, improvement or technique.

D. **Protection of Information**. You understand that Our franchisees will have knowledge of confidential matters, trade secrets, management and training techniques, operational, accounting, quality control procedures, programs and other methods developed by Us through and in Our System which, for purposes of this Agreement, are owned by Us and which are necessary and essential to the operation of the Franchised Business, without which information You could not efficiently and effectively operate the same. You further confirm that such Confidential Information was unknown to You prior to negotiation for and execution of this Agreement and that the unique and novel combination of "know how" and methods developed by Us and licensed to You by Us for the operation of the Franchised Business are peculiar to Us. You shall take all steps necessary, at Your own expense, to protect the Confidential Information and shall not divulge the same either during or upon the termination of this Agreement without Our prior written consent.

E. **Remedies**. You understand that, in the event of any breach of this Section 8, We could suffer substantial loss and damage, which monetary damages cannot adequately remedy. You accordingly agree that We shall be entitled to specific performance, injunctive or other equitable relief in enforcing Your obligations under this Agreement in addition to all other remedies available at law. You also agree that, in addition to any remedies available to Us under Section 13 hereunder, and including the right to seek damages, where applicable, You will pay all court costs and reasonable attorneys' fees incurred by Us in obtaining specific performance of, a temporary restraining order and/or an injunction against, violation of the requirements of this Section 8.

9. ACCOUNTING, INSPECTIONS AND RECORDS

A. **Maintenance of Books and Records.** You shall maintain during the term of this Agreement and shall preserve for not less than seven (7) years from the date of preparation full, complete and accurate books, records and accounts in accordance with the System and in the form and manner prescribed by Us in the Manuals or otherwise in writing.

B. **Weekly and Monthly Reports, Financial and Related Reporting**. During the term of this Agreement and any renewal hereof, You shall be required, at your expense, to submit to Us a monthly statement of Gross Revenues, and a monthly operating report (which may be unaudited) for the Franchised Business in the form prescribed by Us. The report shall include, but not be limited to, a statement of the sources of all income by customer. The monthly report shall be due not later than the tenth (10^{th}) day of each month for the preceding month and shall be submitted, using Our designated online communications system, to Franchisor. Additionally, We reserve the right to require from time to time that You also submit to Us, at your expense, weekly activity reports.

Within one hundred and eighty (180) days of the completion of Your fiscal year, You shall also prepare, and submit by modem or facsimile, at Your expense, an annual financial statement which shall include an income statement and balance sheet prepared in accordance with generally accepted accounting principles and a list of revenue by customer together with copies of federal and state tax returns for the Franchised Business. Each annual financial statement and tax return shall be prepared by an independent certified public accounting firm and signed by Your President or Treasurer attesting that the statement is true and correct.

We also reserve the right to require You to submit to Us certified financial statements for any period or periods of any fiscal year, which shall be certified by Your accounting firm and attested to by Your Treasurer or Chief Financial Officer. You shall also submit to Us, upon request, a copy of any of Your periodic federal and state sales or income tax returns applicable to the Franchised Business.

C. **Other Submissions**. You shall also submit to Us, for review and auditing, such other forms, and other reports and any and all other information and data as We may reasonably designate, in the form and at the times and places reasonably required by Us, upon request and as specified from time to time in the Manuals or otherwise in writing, at any time during the term of this Agreement.

D. **Inspection**. We or Our designated agents shall have the right at all reasonable times to examine and copy, at Our expense, Your books, records, receipts and tax returns. We shall also have the right, at any time, to have an independent audit made of Your books. If an inspection should reveal that any payments to Us have been understated in any report to Us, then You shall immediately pay to Us, upon demand, the amount understated plus interest calculated at the Default Rate (defined in Paragraph 15.F) on a daily basis. If any inspection discloses an understatement in any report of five percent (5%) or more, You shall, in addition to the payment of interest thereon, reimburse Us for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accountants' and attorneys' fees). The foregoing remedies shall be in addition to any other remedies available to Us.

10. ADVERTISING

A. **Promotional and Marketing Materials**. All promotional and marketing materials to be used by You in any medium shall conform to such standards and requirements as We may specify, from time to time, in the Manuals or otherwise. You shall submit to Us for Our prior approval, samples of all promotional and marketing materials in whatever form that You desire to use and that have not been approved within the last three (3) months by Us. We shall notify You of Our approval or disapproval thereof within ten (10) days from the date of receipt by Us of such materials. You shall comply with all revisions to said promotional and marketing materials, which Franchisor may require prior to approving said promotional and marketing materials. You shall not use any advertising or promotional plans or materials that have not been approved by Us, and You shall cease to use any plans or materials promptly upon notice by Us. Failure by You to obtain Our prior approval for all proposed advertising shall be deemed a default of this Agreement in accordance with Paragraph 13.B. hereof.

B. **Use of the Internet**. You shall, during the term of this Agreement, maintain access to the Internet and comply with all Internet, social media and privacy policies announced by Us from time to time, and as required by applicable law. Any advertising or other presence or promotion by You on the Internet and in social media must comply with Our Internet, social media and privacy policies, data protection requirements and applicable law, including the contents of Your Web-site .

You may promote the Franchised Business through a Web-site which may be provided by Us or on any other Web-site pre-approved in writing by Us, but You may not develop Your own independent Web-site making use of the Proprietary Marks to promote the Franchised Business. The term "Web-site" used herein means one or more related documents that can be accessed through the Internet. Any Web-site property, including social media, mobile property, address, domain name and other identifiers used in any Web-site owned or maintained by or for Your benefit shall belong to Us.

You agree that You will not utilize any Web-site used to promote the Franchised Business in any manner not approved by Us including but not exclusive to misuse of the Proprietary Marks, and You agree to abide by all terms and conditions prescribed by Us in relation to any Web-site provided to You or used by You for the promotion of the Franchised Business. You accordingly agree not to promote or otherwise conduct business hereunder through the Internet without Our consent. In connection with any such consent, We may establish such requirements as We deem appropriate, including:

(a) obtaining Our prior written approval of any Internet domain name, home page and social media addresses;

(b) obtaining of account information for any of the Internet customer accounts used by You in the Franchised Business;

(c) submission for Our approval of all Web-site pages, advertising materials and content including content on social media;

(d) use of all meta-tags, hyperlinks and other links;

(e) restrictions on use of any materials (including text, video clips, photographs, images and audio clips) in which any third party has any ownership interest;

(f) obtaining Our prior written approval of any modifications; and

(g) consenting in advance to removal of any Web-site pages, materials, advertising and content as We deem desirable, in Our sole discretion, to maintain and enhance the goodwill associated with the Proprietary Marks.

We may, at Our discretion, promote and offer franchises, or otherwise conduct business through the Internet on such terms and conditions as We deem appropriate. In connection therewith, You agree to abide by such reasonable requirements and restrictions as We may impose from time to time. We may require You to participate in any such endeavors, including participation with pages on any of Our Web-sites, and to execute such agreements and to pay such fees as We deem reasonably appropriate in connection therewith.

Initials: ________ ________

11. INSURANCE

1. **Procurement**. You shall procure, and thereafter maintain in full force and effect during the term of this Agreement, at your expense and consistent with requirements in the Manuals, an insurance policy or policies protecting You and Us, and Your and Our respective officers, directors, partners and employees, against any loss, liability, personal injury, death, property damage or expense whatsoever from fire, lightning, theft, vandalism, malicious mischief and the perils included in the extended coverage endorsement, arising or occurring upon or in connection with the Franchised Business, or by reason of the operation or occupancy of the Franchised Business, as well as such other insurance applicable to any special risks. You shall be obligated to procure such insurance and to submit copies of such policies and a certificate of insurance coverage to Us on request. It is understood that Your obligation here will be subject to the availability and application of such insurance coverage within the jurisdiction in which the Franchised Business is located, and such insurance shall be reasonably sufficient to adequately insure the Franchised Business.

2. **No Relief Of Liability To Us**. The procurement and maintenance of such insurance shall not relieve You of any liability to Us under any indemnity requirements of this Agreement.

12. TRANSFER OF INTEREST; OPERATION BY US

A. **Transfer by Us**. We shall have the right to assign this Agreement, and all of Our rights and privileges hereunder, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by Our assignee of the functions of Franchisor: (1) the assignee shall, in Our sole judgment, at the time of such assignment, be capable of performing Our obligations hereunder, and (2) the assignee shall expressly assume and agree to perform such obligations.

B. **Transfer by You**. The rights and duties set forth in this Agreement are personal to You, and You understand that We have entered into this Agreement and granted the license hereunder in reliance on Your business skill and financial capacity. Accordingly, neither You, any immediate or remote successor to any part of Your interest in the Franchised Business, any individual, partnership, corporation, limited liability company or other legal entity which directly or indirectly owns an interest in You, if You are a corporation or limited liability company, nor any general partner or any limited partner (including any entity which controls, directly or indirectly, any general or limited partner) if You are a partnership, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in You and You shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in the Franchised Business or this Agreement without Our prior written consent unless the transfer is a Permitted Transfer as hereinafter defined. Any purported assignment or transfer, by operation of law or otherwise, not having Our written consent, or any purported assignment or transfer to a candidate for a franchise who has responded to Our promotional efforts, or to a related person of such candidate, or to a company controlled by such candidate, and who is therefore already currently in or who has been in the Our selection process at any time within the prior twelve (12) months preceding your submission of application to transfer, shall be null and void and shall constitute a material breach of this

Agreement, for which We may then terminate without opportunity to cure pursuant to Section 13.A. of this Agreement.

For the purposes of this section, a Permitted Transfer is either (i) a transfer of an ownership interest in You (if You are an entity) of less than five percent (5%), or a (ii) a transfer of any ownership interest in You (if You are an entity) to a spouse, child, sibling or parent, or a trust or a similar entity created for the benefit of any of the foregoing persons, provided that neither (i) nor (ii) may result in transferee's ownership of a controlling ownership stake in You, whether through one or an aggregated series of such transfers. You must provide us with written notice of any Permitted Transfer in You or Your entity. Any individual who becomes an owner in You due to a Permitted Transfer (a) may not be one of Our competitors or associated with one of Our competitors, (b) may not violate Section 13.A.7. or Section 16.P. of this Agreement, and (c) must (if they have not already) sign a personal guaranty in the form found in Attachment "B" to this Agreement. You and any owners who previously signed a personal guaranty will not be released from a signed personal guaranty upon a Permitted Transfer, unless otherwise agreed to by Us in writing.

1. We shall not unreasonably withhold Our consent to a transfer of any interest in You or in this Agreement; provided, however, that if a transfer, alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring an interest in You, this Agreement or the Franchised Business, We may, at our sole discretion, require any or all of the following as conditions of our approval:

(a) All of Your accrued monetary obligations and all other outstanding obligations to Us (our subsidiaries, affiliates and suppliers), and to Your vendors, shall be up to date, fully paid and satisfied;

(b) Neither You nor any individual(s), corporation(s), partnership(s) or other legal entities directly or indirectly controlling You, nor Your officers and directors shall be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other franchise agreement, or any other agreement between You and Us, or Our subsidiaries, affiliates or suppliers;

(c) You and each of Your shareholders and other owners, officers and directors shall have executed a general release, in a form satisfactory to Us, of any and all claims against Us, Our subsidiary, related or affiliated companies, together with the officers, directors, shareholders and employees of all such companies in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

(d) The transferee shall enter into a written assignment, in a form satisfactory to Us, assuming and agreeing to discharge all of Your obligations under this Agreement; and, if Your obligations were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Us;

(e) The transferee shall demonstrate to Our satisfaction that the transferee meets Our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related experience or otherwise); has at least the same managerial and financial abilities required of new franchisees and shall have sufficient equity capital to operate the Franchised Business, and transferee shall be required to consent in writing to an investigation of transferee's credit rating by Us and to the obtaining of a credit report by Us;

(f) At Our option, the transferee shall execute (and/or, upon request, shall cause all interested parties to execute) for a term ending on the expiration date of this Agreement and with such renewal term as may be provided by this Agreement, the standard form of Franchise Agreement then being offered to new franchisees and such other ancillary agreements as We may require for the Franchised Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage management services fee, and the implementation of additional fees;

(g) You shall remain liable for all direct and indirect obligations to Us in connection with the Franchised Business prior to the effective date of the transfer and shall continue to remain responsible for its obligations of non-disclosure, non-competition and indemnification as provided elsewhere in this Agreement and shall execute any and all instruments reasonably requested by Us to further evidence such liability;

(h) Transferee and its employees must attend and complete any training programs then in effect for current franchisees upon such terms and conditions as We may reasonably require, and transferee shall pay for all costs of attendance including but not limited to transportation, accommodation, food and other sundry expenses of transferee and its employees while attending training. Two persons may attend training free of charge but additional persons shall be charged a per diem fee to attend training fee in accordance with Paragraph 5.B hereof;

(i) The transferee shall have signed an Acknowledgment of Receipt of all required legal documents, such as the Franchise Disclosure Document and the then-current Franchise Agreement and ancillary agreements;

(j) You shall comply with the covenant in Section 16.B – Post-Term Non-Competition for a period of one year beginning on the effective date of the transfer;

(k) You shall pay to Us a Transfer Fee equal to Eleven Thousand Dollars ($11,000). The nonrefundable Transfer Fee shall cover Our administrative expenses and other costs in connection with the proposed transfer and shall be fully payable prior to any such transfer. However, no Transfer Fee will be due if You are an individual who is transferring this Agreement to a business entity wholly owned by You and formed solely for the purpose of operating the Franchised Business or if the transfer is otherwise a "Permitted Transfer"; and

(l) You shall comply with all of Our transfer and re-sale policies as they are in effect from time to time in the Manuals and shall execute Our standard transfer and re-sale documentation. Under Our transfer and re-sale policies, You may transfer only to transferees who are not now and were not, at any time during the twelve (12) month period prior to Your submission of an application for transfer, included within Our sales process or within the sales process of any broker organizations that are under contract with Us.

2. You shall grant no security interest in You, this Agreement, the Franchised Business or in any of Your assets used in the Franchised Business unless the secured party agrees that, in the event of any default by You under any documents related to the security interest, We shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Yours. Notwithstanding the foregoing, We shall not be construed as a guarantor or surety for You.

3. You agree that each of the foregoing conditions of transfer which must be met by You and the transferee are necessary and reasonable to assure such transferee's full performance of the obligations hereunder.

C. **Additional Requirements – You As Legal Entity**. The following requirements shall apply to You if You are a corporation, limited liability company or other legal entity in addition to those requirements set forth elsewhere in this Agreement, the Manuals or otherwise:

1. The entity formed to operate the Franchised Business must not be used for any unlawful purpose.

2. Copies of Your Articles of Incorporation, Bylaws and other governing documents, and any amendments thereto, including the resolutions of the Board of Directors or equivalent documents authorizing entry into this Agreement, shall be promptly furnished to Us.

3. Each stock certificate, membership certificate or other evidence of an ownership interest in the entity formed to operate the Franchised Business shall have conspicuously endorsed upon its face a statement in a form satisfactory to Us, such as:

> "THE TRANSFER, PLEDGE OR ALIENATION OF THIS SECURITY IS SUBJECT TO THE TERMS AND RESTRICTIONS CONTAINED WITHIN THE FRANCHISE AGREEMENT BETWEEN NATIONAL INTERNET CORPORATION AND ____________"

4. You shall maintain a current list of all owners of record and all beneficial owners of any class of voting stock, membership interest or other ownership interest in You and shall furnish the list to Us upon request, together with the addresses and phone numbers of each shareholder or member.

All Your shareholders, members or other owners shall jointly and severally guarantee Your performance hereunder and shall bind themselves to the terms of this Agreement; provided, however, that the requirements of this Paragraph 12.C shall not apply to a publicly held corporation.

D. **Franchisor's Right of First Refusal**. Any party who holds an interest (as reasonably determined by Us) in You or in the Franchised Business and who desires to accept any bona fide offer from a third party to purchase his interest shall notify Us in writing of each such offer and, except as otherwise provided herein, We shall have the right and option, exercisable within sixty (60) days after receipt of such written notification, to send written notice to the seller that We intend to purchase the seller's interest on the same terms and conditions offered by the third party. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Us as in the case of an initial offer. In the event that We elect to purchase the seller's interest, closing on such purchase must occur by the later of: (a) the closing date specified in the third party offer; or (b) within sixty (60) days from the date of notice to the seller of Our election to purchase. Our failure to exercise the option afforded by this Paragraph shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 12 with respect to a proposed transfer.

In the event the consideration, terms and/or conditions offered by a third party are such that We may not reasonably be required to furnish the same consideration, terms and/or conditions, then We 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 a third party, an independent appraiser shall be designated by Us, and his determination shall be final and binding.

E. **Transfer Upon Death, Mental Incapacity or Disability**. Upon the death, mental incapacity or disability of You or a shareholder of a corporation, a member of a limited liability company or a general partner of a partnership which has been formed to own and operate the Franchised Business, Franchisor shall consent to the transfer of said interest in You, the Franchised Business and this Agreement to the spouse, heirs or relatives by blood or by marriage, of the deceased, incapacitated or disabled person, whether such transfer is made by will or by operation of law, if, in Our sole discretion and judgment, such spouse, heirs or relatives meet Our educational, managerial and business standards; possess a good moral character, business reputation and credit rating; have the aptitude and ability to conduct the Franchised Business herein; have at least the same managerial and financial abilities required of new franchisees and shall have sufficient equity capital to operate the Franchised Business. If said transfer is not approved by Us, the executor, administrator or personal representative of the deceased, incapacitated or disabled person shall transfer his interest to a third party approved by Us within six (6) months after such death, mental incapacity or disability. Such transfer shall be subject to Our right of first refusal and to the same conditions as any inter vivos transfer. For purposes of this Agreement a person is deemed to be physically disabled if he or she is physically unable to carry out his or her responsibilities and obligations under this Agreement for a minimum of six (6) months as a result of such disability. A person is deemed to be mentally incapacitated for purposes of this Agreement who is incapable of carrying out his or her responsibilities and obligations under this Agreement by virtue of being confined in a mental health care facility for a period of six (6) months or more by virtue of a declaration or finding of mental incompetence or mental incapacity of the individual by a doctor or by a court of law.

Initials:
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F. Non-Waiver of Claims. Our consent to a transfer of any interest in You, the Franchised Business or this Agreement shall not constitute a waiver of any claims We may have against the transferring party, and it will not be deemed a waiver of Our right to demand exact compliance with any of the terms of this Agreement, or any other agreement to which We and the transferee are parties, by the transferee.

13. TERMINATION BY US

A. Without Opportunity To Cure. You shall be deemed to be in default and We may, at our option, terminate this Agreement and all rights granted hereunder, without affording You any opportunity to cure the default, effective immediately upon receipt of notice from Us to You, upon the occurrence of any of the following events:

1. If You become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by You or such a petition is filed against and consented to by You, or if You are adjudicated bankrupt, or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for Your business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's business or assets is appointed by any court of competent jurisdiction, or if proceedings for a conference with a committee of creditors under any state, federal or foreign law should be instituted by or against You, or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless *supersedeas* bond is filed), or if execution is levied against Your operating location or property, or suit to foreclose any lien or mortgage against the premises or equipment is instituted against You and not dismissed within thirty (30) days, or if any substantial real or personal property of the Franchised Business must be sold after levy thereupon by any sheriff, marshal or constable;

2. If You attempt to duplicate, tamper with or adulterate the Confidential Information or any of Our proprietary materials;

3. If a threat or danger to public health or safety results from the establishment, maintenance or operation of the Franchised Business;

4. If You understate by five percent (5%) or more Your Gross Revenues in connection with any report required to be submitted to Us;

5. If You have made any material misrepresentation or omission in this Agreement or the franchise application process or other request for consideration submitted to Us in order to determine Your eligibility and qualifications;

6. If You misuse or make any unauthorized use of the Proprietary Marks, engage in any business or market any services or products under a name or mark which is confusingly similar to the Proprietary Marks, or otherwise materially impair the goodwill associated therewith or Our rights therein;

7. If You are convicted of a crime of moral turpitude or similar felony or is convicted of any crime or offense that We reasonably believe is likely to have an

adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Our interest therein;

8. If a judgment or a consent decree against You, or any of Your officers, senior managers, directors, owners or partners is entered in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or any similar claim which is likely in Our reasonable judgment, to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Our interest therein;

9. If You (or the principal owner or general partner of a corporate, limited liability company, or partnership franchisee) purports to transfer any right or obligation under the Franchise Agreement to any third party without Our prior written consent, contrary to any of the terms of Section 12 of this Agreement;

10. If You fail to comply with any of the covenants contained in Section 16 of this Agreement, or if any of Your representations contained in Section 16 were or become inaccurate;

11. If, contrary to Sections 7 and 8 of this Agreement, You disclose or divulge the contents of the Manuals or any other trade secrets or Confidential Information provided to You by Us;

12. If You knowingly maintain false books or records or submit any false statements, applications or reports to Us or any assignee of Ours;

13. If You willfully and repeatedly engage in a course of conduct which constitutes a misrepresentation or a deceptive or unlawful act or practice in connection with Your sale of the services and products offered in connection with the Franchised Business;

14. If any other Franchise Agreement issued to You or Your affiliates by Us or any subsidiary, related or affiliated company is terminated for any reason;

15. If You receive two (2) or more notices of default under Paragraph 13.B. of this Agreement during any twelve (12) month period during the term hereof whether or not such defaults are cured after notice;

16. If You offer any product or service directly or indirectly in connection with the Franchised Business which has not been approved in advance in writing by Us;

17. If You utilize the customer list, customer database, mailing list, prospective customer list and/or former customer list, in any manner not authorized in writing by Us; or

18. If You fail to comply with Our Code of Ethics, which is made available by Us at and after Initial Training, and in particular if You place any material on the Internet which would have a negative effect on Us or the Franchised Business including information of a pornographic, illegal or distasteful nature.

B. **With Opportunity To Cure**. Except as provided in Paragraph 13.A. of this Agreement, You shall have thirty (30) days after receiving from Us a written notice of default within which to remedy any default described in this Paragraph 13.B. and provide evidence thereof to Us. If any such default is not cured within that time, or such longer period as applicable law may require, We may, at Our option, terminate this Agreement effective immediately upon notice to You. You shall be in default hereunder for any failure to comply substantially with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by updates to the Manuals, or for any failure to carry out the terms of this Agreement in good faith. Such defaults shall include, without limitation, the occurrence of any of the following events:

1. If You fail, refuse or neglect to pay promptly any monies owing to Us, our subsidiaries or affiliates when due, or to submit the financial information or other reports required by Us under this Agreement;

2. If You fail to maintain any of the standards or procedures prescribed by Us in this Agreement, the Manuals, or any other agreement between You and Us, or otherwise;

3. If You fail to comply with Your duties set forth in Section 5 of this Agreement or fail to perform any obligation owing to Us or to observe any covenant or agreement made by You, whether such obligation, covenant or agreement is set forth in this Agreement or in any other agreement with Us or any entity related to Us;

4. If You fail to adequately promote the Franchised Business as provided in the Manuals or otherwise in writing;

5. If You fail to maintain and submit to Us all reports required pursuant to this Agreement, including, but not limited to, financial statements, and other reports of Gross Revenues and copies of tax returns;

6. If You fail to obtain Our prior approval of any and all advertising, marketing or promotional plans and materials in whatever form used by You in connection with Your promotion of the Franchised Business or otherwise fail to comply with Our policies and procedures with respect to advertising, marketing or promotion;

7. If You fail to commence to operate the Franchised Business within ninety (90) days after completing the Initial Training Program or cease at any time during the term of this Agreement or any renewal period to actively do business, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located;

8. If You or Your employees fail within six months of receiving notification of proposed training dates to attend and successfully complete any mandatory training program unless attendance is excused or waived, in writing, by Us; or

9. If You fail to make the minimum monthly Management Services Fee payments as provided for under Paragraph 4.D above.

C. **Injunctive Relief**. You acknowledge that You may be one of many franchisees using the Proprietary Marks and the System and that failure on Your part to comply with any of the terms of this Agreement could cause irreparable damage to Us, Our affiliates, the Proprietary Marks, or the System.

You agree that, upon the happening of a material and substantial breach of this Agreement which, in Our opinion, is detrimental or harmful to the good name, goodwill, or reputation of Us, Our affiliates, the Proprietary Marks, the System, or the Confidential Information and trade secrets, or is detrimental or harmful to Our interests, or those of other franchisees, or the public, We shall have the immediate right to secure an order enjoining any such default or threatened breach of this Agreement and, if this Agreement has been terminated, You may be enjoined from any continued operation of the franchise, the Franchised Business, or any other operation in violation of this Agreement; provided, however, that Our right to seek injunctive relief in the jurisdiction where You operate Your franchise shall not detract from Your agreeing to attorn both to the laws of, and to the jurisdiction of the courts of, the state of Delaware, in accordance with Paragraph 26.A hereof. You further agree to pay all reasonable attorneys' fees incurred by Us in obtaining injunctive relief pursuant to this section.

D. **No Right or Remedy**. No right or remedy herein conferred upon or reserved to Us is exclusive of any other right or remedy provided or permitted by law or equity or by this Agreement (including, without limitation and pursuant to Paragraph 4.B. hereof, Our right to suspend access to Our enterprise system or other services including e-mail and web property access, for such time as any amounts owed to Us pursuant to this Agreement remain unpaid).

E. **Default and Termination**. The events of default and grounds for termination described in this Section 13 shall be in addition to any other grounds for termination contained elsewhere in this Agreement or otherwise.

14. TERMINATION BY YOU

If You are fully complying with this Agreement and We materially fail to comply with this Agreement, and We do not:

(a) correct the failure within thirty (30) days after You deliver written notice to Us specifically identifying the material failure; or

(b) if We cannot using reasonable efforts correct the failure within thirty (30) days, give You (within thirty (30) days after Your notice) reasonable evidence of Our effort to correct the failure within a reasonable time;

then You may terminate this Agreement following the expiration of the cure period set forth above, such termination to be effective upon delivery to Us of written notice of termination. Franchisee's termination of this Agreement for any other reason or without notice will be deemed a termination without cause.

15. **OBLIGATIONS UPON TERMINATION OR EXPIRATION**

Upon termination or expiration of this Agreement, all rights granted hereunder to You shall forthwith terminate, and You shall observe and perform the following:

A. **Cessation of Operation**. You shall immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold Yourself out as a franchisee or former franchisee of Ours.

B. **Cessation of Use of Proprietary Marks**. You shall immediately and permanently cease to use, in any manner whatsoever, the Manuals, the Confidential Information (including, without limitation, any format, confidential methods, computer software and/or telecommunications links, customer data base, programs, literature, procedures and techniques associated with the System), and any and all Proprietary Marks or any trade dress, names, forms, slogans, uniforms, signs, symbols or devices associated with the System. In particular, You shall cease to use, without limitation, all advertising materials or promotional displays, uniforms, stationery, forms and Website properties including social media, passwords, and customer advertising accounts controlled by You, and any other articles which display the Proprietary Marks associated with the System.

C. **Cancellation of Name**. You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains Our Proprietary Marks or any of Our other trademarks, trade names or service marks, and You shall furnish Us with evidence satisfactory to Us of compliance with this obligation within fifteen (15) days after termination or expiration of this Agreement. If You fail or refuse to do so, We may, in Your name, on Your behalf and at Your expense, execute any and all documents necessary to cause discontinuance of the Proprietary Marks or any related name used hereunder and We are hereby irrevocably appointed by You as Your attorney-in-fact to do so.

D. **Our Right to Continue Operations**. In the event this Agreement is terminated, We may, at Our option, continue to provide services to customers and apply receipts therefrom to debts owed to Us by You. We will have no other obligations to You in connection with Our operation of the Franchised Business following said termination.

All customers and the customer database assembled during the term of this Agreement shall be Our property and shall be delivered to Us on termination or expiration of this Agreement as set forth below in Section 15.H. Further, We shall be entitled both before and after the termination or expiration of this Agreement to contact directly customers of the Franchised Business included in the customer database. Notwithstanding the foregoing or any other provision of this Agreement, Your customers and customer database shall be deemed to exclude any of Your pre-existing customers whose names are listed as pre-existing customers in an Attachment to this Agreement.

E. **Non-Usage of Marks**. You agree, in the event You continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks or trade dress, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Our exclusive rights in and to the Proprietary Marks or trade dress, and agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Us. You shall further dissociate Yourself from using the Proprietary Marks and from continuing to represent Yourself online, in social media platforms such as LinkedIn and Facebook or otherwise, as a WSI Franchisee or as having a continuing right to offer services as a WSI Franchisee, following termination or expiration of this Agreement

F. **Prompt Payment Upon Default**. You shall promptly pay all sums owing to Us and our subsidiaries, affiliates and suppliers. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Us as a result of the default, and such amounts as are owing to Us under this Paragraph shall bear interest on such amounts from the date it was due until paid at one and one-half (1.5) times the prime rate then being charged by Chase Manhattan Bank (the "Default Rate"). Such interest shall be calculated on a daily basis. We may also require an accounting to be performed by a representative of Ours, in the event of termination for any default by You, and on receipt of a written request to do so You shall provide Our representative with full, unimpeded and unrestricted access to Your books and records in order for such accounting to be completed. Amounts which may be found due and owing from either You to Us, or vice versa, as a result of such accounting, shall be paid within sixty (60) days of completion of the accounting from the one to the other.

G. **Payment of Costs**. You shall pay to Us all damages, costs and expenses, including reasonable attorneys' fees, incurred by Us subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of this Section 15 or any other obligation under this Agreement.

H. **Return of Materials**. You shall immediately turn over to Us all copies of all materials in Your possession including the Manuals, all records, files, instructions, correspondence, Your customer database (save any names as may have been excluded by Attachment to this Agreement), brochures, agreements, disclosure statements and any and all other materials relating to the operation of the Franchised Business in Your possession, and all copies thereof (all of which are acknowledged to be Our property), and You shall retain no copy or record of any of the foregoing, excepting only Your copy of this Agreement, any correspondence between the parties and any other documents which You reasonably need for compliance with any provision of law. All costs of delivering all materials required by this Paragraph shall be borne by You. In addition to the foregoing, You shall immediately turn over to Us any and all signage, software and/or other property under lease or license from Us or our subsidiaries or affiliates. Furthermore, You shall pay to Us the sum of U.S. $100.00 for each day that You withhold any materials required to be returned to Us after the due date for its return (which shall be thirty (30) days following the date of the notice of termination or expiration of this Agreement sent to You), and We shall be entitled to exercise the same remedies available to Us for collection of such amounts as We have for any other amounts owing under any other paragraph or section in this Agreement.

I. **Option to Purchase**. We shall have the right (but not the duty) to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase

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any or all of the tangible assets of the Franchised Business excluding items as listed in Paragraphs 15.D and 15.H (which must be returned to Us by You at Your own expense on termination or expiration of this Agreement) and including, but not limited to, the signs, promotional displays, supplies, forms, inventory, furniture or other items bearing the Proprietary Marks, at Your cost, or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, the fair market value of such premises and property shall be determined by three appraisers chosen in the following manner. You shall select one and We shall select one, and the two appraisers so chosen shall select a third appraiser. The decision of the majority of the appraisers so chosen shall be conclusive. The cost of the third appraiser shall be shared equally by the parties. If We elect to exercise any option to purchase provided herein We shall have the right to set off all amounts due from You under this Agreement and the cost of the appraisal, if any, against any payment therefor.

J. **Covenant of Further Assurances**. You shall execute any legal document that may be necessary to effectuate a termination hereunder and shall furnish to Us, within thirty (30) days after the effective date of termination or expiration, written evidence satisfactory to Us of Your compliance with the foregoing obligations.

K. **Compliance with Covenants**. You shall comply with all covenants contained in Section 16 of this Agreement which apply after termination or expiration of this Agreement.

L. **No Further Interest**. Other than as specifically set forth above, You shall have no interest in the Franchised Business upon termination or expiration of this Agreement nor shall You have any right to a refund of the franchise fee or other amounts paid to Us pursuant to this Agreement upon its termination or expiration.

M. **No Communication of Termination to Franchisees**. Upon termination of Your franchise, You shall not communicate notice of Your termination to any other franchisees of Ours or to any franchisees of any subsidiary, affiliated or related corporations franchising WSI Businesses irrespective of wherever such franchisees may be situated.

N. **Cross Default**. Any default under the terms of any other unexpired agreement between Us or one of Our affiliates and You shall also be deemed to be a default under this Agreement. In the event that We terminate such other unexpired agreement based on such default, We herein shall have the right to immediately terminate this Agreement without providing You with an opportunity to cure the default. Such termination shall be effective immediately on written notice delivered to You.

16. COVENANTS

A. **Non-Solicitation and In-Term Non-Competition**. You have heretofore specifically acknowledged that pursuant to this Agreement, You shall receive valuable specialized training and confidential and other information regarding Our business, promotional, sales, marketing and operational methods and techniques and the System. You covenant that during the term of this Agreement, and except as otherwise approved in writing by Us, You shall not, either directly or indirectly, for yourself, or through or on behalf of or in conjunction with any person, persons, partners or legal entity:

1. Divert or attempt to divert any business or customer of the Franchised Business or any other WSI Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

2. Employ or seek to employ or retain as an independent contractor any person who is at that time employed by Us or by any other WSI Business, or otherwise directly or indirectly induce such person to leave his or her employment; or

3. Own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any controlling interest in (but excluding the passive investment in any public corporation which does not exceed a five percent (5%) beneficial interest in the equity securities of such corporation) any business which is the same as or substantially similar to the Franchised Business located within the United States, its territories or commonwealths, or in any other country, province, state or geographic area in which We have used, sought registration of, or registered the Proprietary Marks or similar marks, or operate or license others to operate a business under the Proprietary Marks or similar marks; or

4. Permit any person referred to in Paragraph 16.I to fail to execute covenants similar to those otherwise set forth in Section 16 for signature by You, such covenants to be executed by such person on or before commencement of any active involvement of such person with the Franchised Business; or

5. Solicit, divert or attempt to divert any prospective franchise applicants who are already participating in the Our sales process for the purpose of either employing such person or retaining such person as an independent contractor, whether full time or part time, to sell the products and services offered in the Franchised Business on Your behalf, or as a full time or part time consultant to You; or to become Your business partner or joint venturer; or to become Your shareholder, officer or director, if incorporated.

B. **<u>Post-Term Non-Competition</u>**. You covenant that, except as otherwise approved in writing by Us, for a continuous uninterrupted period commencing upon the expiration, transfer or termination of this Agreement, regardless of the cause for termination, and continuing for one (1) year thereafter, You will not either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company or other legal entity, own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business which is the same as or substantially similar to the Franchised Business and which is located or to be located in the Restraint Area, as defined below. For the purposes of this Section 16.B., "Restraint Area" means:

(a) if You have selected a Local Territory– the Designated Territory.

(b) if You have selected a Regional Territory – each of the following:

(i) the geographical area contained within a radius of ten (10) miles from the Premises; and

(ii) the geographical area contained within a radius of five (5) miles from the premises of any other WSI franchisee who was in the System at the time of expiration, transfer or termination of this Agreement; or

(c) if You have selected a National Territory – each of the following:

(i) the geographical area contained within a radius of twenty-five (25) miles from the Premises; and

(ii) the geographical area contained within a radius of ten (10) miles from the premises of any other WSI franchisee who was in the System at the time of expiration, transfer or termination of this Agreement.

You further covenant not to use Our suppliers or to do business with other franchisees of Ours, or with any of their employees or former employees, during the period and within the Restraint Area provided for herein.

If the period of time or the area specified above, should be finally adjudged as unreasonable or unenforceable in any proceeding, then the period of time shall be reduced by such number of months or the area shall be reduced by the elimination of such portion thereof or both, so that such restrictions may be enforced in such area and in such time as is adjudged to be reasonable.

You acknowledge and agree that gaining access to Our Proprietary Marks, specialized training and Confidential Information is a primary reason for entering into this Agreement and that such Proprietary Marks, specialized training and Confidential Information provide a competitive advantage that will be used by You in operating the Franchised Business. You further agree that it would provide You with an unfair competitive advantage and would be damaging to Our legitimate business interests if You were to trade on the goodwill associated with the Franchised Business by operating a competitive business in the Restraint Area (defined above) following the expiration or termination of this Agreement. You acknowledge that it is difficult to estimate the damage such actions would cause Us and that elements of Our damages are inherently difficult to calculate and the proof of such damages would be burdensome and costly, although such damages are real and meaningful. You therefore agree that should You, during the one (1) year period following the expiration or termination of this Agreement, directly or indirectly, for Yourself or through, on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company or other legal entity, own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business located in the Restraint Area which is the same as or substantially similar to the Franchised Business and if We are unable to obtain injunctive relief for the enforcement of the Post Term Non-Competition Covenant set forth above, You shall pay Us as liquidated damages and not as a penalty a lump sum payment in amount equal to the minimum monthly Management Services Fee under Section 4.D. of this Agreement, <u>times</u> twelve (12).

C. **<u>No Undue Hardship</u>**. You acknowledge and agree that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on You, or Your owners if You are a legal entity, since You, and Your owners have other considerable skills, experience and education which afford You, Your shareholders or partners the opportunity to derive income from other endeavors.

D. Inapplicability of Restrictions. The non-competition covenants contained herein shall not apply to ownership by You of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

E. Independence of Covenants. The parties agree that each of the covenants in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If any or all portions of the covenants in this Agreement are held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which We are a party to, You expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

F. Modification of Covenants. You understand that We shall have the right, in Our sole discretion, to reduce the scope of any covenant set forth in this Section 16 or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof, and You agree that You shall forthwith comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 23 hereof.

G. Enforcement of Covenants. You expressly agree that the existence of any claims You may have against Us, whether or not arising from this Agreement, shall not constitute a defense to Our enforcement of the covenants in this Agreement. You agree to pay all costs and expenses (including reasonable attorneys' fees) We incurred in connection with the enforcement of the covenants set forth in this Agreement.

H. Injunctive Relief. You acknowledge that Your violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Us for which no adequate remedy at law is available. Accordingly, You hereby consent to the entry of an injunction prohibiting any conduct by You in violation of the terms of the covenants not to compete set forth in this Franchise Agreement. You expressly agree that it may be presumed conclusively that any violation of the terms of said covenants not to compete was accomplished by and through Your unlawful utilization of Our Confidential Information, know-how, methods and procedures.

I. Written Agreements. At Our request, You shall require and obtain execution of covenants similar to those set forth in Attachment "C" to this Agreement (which shall also be applicable upon the termination of a person's relationship with You) from any or all of the following persons: (1) all directors and managers of the Franchised Business and any other personnel employed by You who have received training from Us; (2) all officers, directors and persons in comparable positions with You, and holders of a beneficial interest of five percent (5%) or more of the ownership interests in You (if you are an entity) and in any legal entity directly or indirectly controlling You; and (3) the general partners and any limited partners (including any legal entity, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any legal entity which controls, directly or indirectly,

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any general or limited partner) if You are a partnership; and (4) your spouse, if you are an individual All covenants required by this Paragraph shall be in forms satisfactory to Us, including, without limitation, specific identification of Us as a third party beneficiary of such covenants with the independent right to enforce them. Failure by You to obtain execution of the covenants required by this Paragraph shall constitute a default under Paragraph 13.B.3 hereof.

J. Financial Ability. You represent and warrant that You have the financial ability to perform the transactions contemplated by this Agreement.

K. No Conflicts. Neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement conflict with, result in a breach of, or constitute a default under any agreement to which You are a party, or any ruling or obligation to which You are bound.

L. Power and Authority. You have the power and authority to enter into this Agreement and to execute such other documents and to take such actions as are necessary and proper to consummate the terms of this Agreement.

M. Demand Letter. After the third instance of default, You covenant to pay the sum of U.S. $150.00 to Us for each additional attorney's demand letter required by Us to be sent to You in order to collect on any outstanding payments owing under this Agreement or to demand compliance with this Agreement in the event of apparent non-compliance by You, said sum to be payable within thirty (30) days of the date of such letter, and in the event of failure to pay We may invoke all remedies available to Us or any non-payment of fees provided for under any other paragraph or section of this Agreement. We may also, at Our option, set-off such amount by deducting it from any amounts due and owing by it for any reason to You.

N. Bank Account. You covenant that Your Gross Revenue receipts will be deposited into a specified bank account within no more than five (5) days after receipt, that We shall on request be notified of the name and address of the bank selected by You, its telephone and fax numbers, and the name of the account representative from time to time in charge of said account, and that We on request shall be provided with copies of bank statements, checks, deposit receipts, and such other evidence as We may reasonably require to monitor account activity in respect to Gross Revenues.

O. Payment of Costs and Expenses. You covenant to pay Our costs and expenses, including attorneys' fees, in enforcing Our rights and remedies specified in the Agreement, both during the term of this Agreement and following any termination or expiration thereof, and Our right to collect the same shall be identical to Our right to collect any other amounts owing under any other paragraph of this Agreement.

P. Anti-Terrorist Activities. You certify that neither You nor Your owners, employees or anyone associated with You is listed in the Annex to Executive Order 13224.

(The Annex is available at: http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx)

You agree not to hire or have any dealings with a person listed in the Annex. You certify that You have no knowledge or information that, if generally known, would result in You, Your owners, employees, or anyone associated with You being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist Us to the fullest extent possible in Our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, You certify, represent, and warrant that none of Your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that You and Your owners are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by You to comply with all such Anti-Terrorism Laws, and You specifically acknowledge and agree that Your indemnification responsibilities as provided in Section 19.B. of this Agreement pertain to Your obligations under this Section 16.P. Any misrepresentation by You under this Section or any violation of the Anti-Terrorism Laws by You, Your owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement You have entered into with Us or one of Our affiliates in accordance with the terms of Sections 13.A. and 15 of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasure Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

Q. **Abusive Language.** You covenant to refrain from the use of language which is considered, at Our sole discretion, to be abusive when communicating with Us, Our affiliates or their staff, or with other franchisees, or with Your customers, or others.

R. **Adding Staff.** You, when seeking staff, covenant not to hire as employees nor to retain as independent contractors any persons (or related or affiliated entities of persons) who are, or who have been at any time in the prior twelve (12) months, candidates for franchise opportunities within Our sales process or any of Our related or affiliated corporations. In the event of a breach of this covenant, the parties agree that We may, in Our sole discretion, terminate this Agreement and/or require payment of liquidated damages by You. In the event of the latter, You agree to pay Us as liquidated damages an amount equal to the loss of franchise fees that would otherwise have been payable to Us or any of Our related or affiliated corporations by the candidate for such franchise opportunity who was within the sales process but failed to purchase the franchise opportunity. The parties agree that this sum is a reasonable estimate of the damages which We will incur as a result of the lost sale.

17. CHANGES AND MODIFICATIONS

We and You may modify this Agreement only upon the execution of a written agreement. We reserve and shall have the sole right to make changes in the Manuals, the System and the Proprietary Marks at any time and without prior notice to You. You shall promptly alter any business materials or related items at Your sole cost and expense upon receipt of written notice of such change or modification in order to conform with Our revised specifications.

You understand and agree that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers and/or presently unforeseen technological innovations, the System must not remain static, in order that it best serve Our interests , those of the franchisees and the System. Accordingly, You expressly understand and agree that We may from time to time change the components of the System, including but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of the System; adding to, deleting from or modifying those programs, products and services which the Franchised Business is authorized to offer; and changing, improving or modifying the Proprietary Marks. Subject to the other provisions of this Agreement, You expressly agree to abide by any such modifications, changes, additions, deletions and alterations.

18. TAXES AND INDEBTEDNESS

A. Payment. You shall promptly pay, when due, all taxes levied or assessed by any federal, state or local taxing authority and any and all other indebtedness incurred by You in the operation of the Franchised Business. In addition, if any amount to be paid or reimbursed under this Agreement to Us is subject to any deductions or withholdings for any present or future taxes, levies, imposts, duties, fees, charges, or liabilities imposed by any competent governmental authority, then You must pay or reimburse an additional amount to Us as is necessary so that the net amount actually received by Us after such deduction, payment or withholding will equal the full amount stated to be payable or reimbursable under this Agreement. To the extent applicable law requires any such amounts to be paid by You directly to a governmental authority, You shall pay such deductions or withholdings promptly and receipts or other written proof of such payment shall be provided to Us promptly upon receipt.

B. Dispute. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, You may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; provided, however, in no event shall You permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Franchised Business.

C. Compliance with Federal, State and Local Laws. You shall comply with all federal, state and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, licenses and bonds necessary for the full and proper operation and management of the Franchised Business, including, without limitation, a license to do business and provide services, fictitious name registration and sales tax permits. And You shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act of 2003"). Copies of all subsequent inspection reports, warnings, certificates and ratings issued by any governmental entity during the term of this Agreement in connection with the conduct of the Franchised Business which indicate Your failure to meet or maintain the highest governmental standards or less than full compliance by You with any applicable law, rule or regulation, shall be forwarded to Us by You within three (3) days of Your receipt thereof.

D. **Duty to Notify**. You shall notify Us in writing within three (3) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Franchised Business. Additionally, any and all consumer related complaints shall be answered by You within fifteen (15) days after receipt thereof or such shorter period of time as may be provided in said complaint. A copy of said answer shall be forwarded to Us within three (3) days of the date that said answer is forwarded to the complainant.

19. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Independent Contractor.

1. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that You shall be an independent contractor, and that nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever.

2. During the term of this Agreement and any extensions hereof, You shall hold Yourself out to the public as an independent contractor operating the Franchised Business pursuant to a license from Us and as an authorized user of the System and the Proprietary Marks which are owned by or licensed to Us.

3. We shall not have the power to hire or fire Your employees, and except as herein expressly provided, We may not control or have access to Your funds or the expenditures thereof or in any other way exercise dominion or control over the Franchised Business.

B. **No Liability**. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Our behalf or to incur any debt or other obligation in Our name, or establish any bank account, make any purchase, or apply for any loan or credit in Our name. We shall in no event assume liability for or be deemed liable hereunder as a result of any such action or by reason of any act or omission of You in Your conduct of the Franchised Business or of any claim or judgment arising therefrom. You agree at all times to defend at Your own cost and to indemnify and hold harmless to the fullest extent permitted by law Us, Our parent company, Our subsidiaries, affiliates, successors, assigns and designees, and the respective directors, officers, managers, employees, agents, shareholders, owners, designees, and representatives of each from all losses and expenses incurred either in connection with any payment reasonably made by Us on behalf of You, or in connection with any action, suit, proceeding, claim, demand, investigation or formal or informal inquiry, provided such claims are not the sole result of Our gross negligence or intentional malfeasance, regardless of whether any of them are reduced to judgment, or any settlement thereof which arises out of or is based upon any of the following:

Your alleged infringement or any other alleged violation of any patent, trademark, copyright or other proprietary right owned or controlled by third parties; your alleged violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive of any industry standard; libel, slander or any other form of defamation by You; Your alleged violation or breach of any warranty, representation, agreement, covenant or obligation in this Agreement; any acts, errors or omissions of You or any of its agents, servants, employees, contractors, owners, affiliates, or representatives; latent or other defects in the Franchised Business, whether or not discoverable by Us or You; the inaccuracy, lack of authenticity or nondisclosure of any information to any customer of the Franchised Business; any services or products provided by You at, from or related to the operation of the Franchised Business; any services or products provided by any affiliated or nonaffiliated participating entity; any action by any customer of the Franchised Business; any action by any suppliers of any product or service to You including but not restricted to actions by any of Our authorized suppliers; and any damage to Yours or Our property, or any agents or employees or any third person, firm or legal entity; provided such claims are not the sole result of Our gross negligence or intentional malfeasance.

C. **Identification**. You shall conspicuously identify Yourself and the Franchised Business in all dealings with its clients, contractors, suppliers, public officials and others, as an independent franchisee of Ours. You shall place a notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials and in such fashion as We may, in Our sole and exclusive discretion, specify and require from time to time in its Manuals or otherwise.

D. **No False Representations**. Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees or representations, incur any debt in the name of or on behalf of the other party, or represent that the relationship between You and Us is other than that of franchisor and franchisee. We do not assume any liability, and will not be deemed liable, for any agreements, representations or warranties made by You which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business.

20. APPROVALS AND WAIVERS

A. **Written Consent**. Whenever this Agreement requires Our prior approval or consent, You shall make a timely written request for such approval to Us, and the only valid approval or consent shall be in writing signed by or on behalf of Us. Such approval or consent can be sent to You via regular letter mail, e-mail, or facsimile.

B. **No Waiver**. No failure of Ours to exercise any power reserved to Us by this Agreement, or to insist upon strict compliance by You with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Our right to demand exact compliance with any of the terms herein. Waiver by Us of any particular default by You shall not affect or impair Our rights with respect to any subsequent default of the same, similar or different nature. No delay, forbearance or omission of Ours to exercise any power or right arising out of any breach or default by You of any of the terms, provisions or covenants hereof shall affect or impair Our right to exercise the same, and no such delay, forbearance or omission shall constitute a waiver by Us of any right hereunder or of the right to declare any subsequent breach or default and to terminate this Franchise Agreement prior to the expiration of its term. Our subsequent acceptance of any payments due to Us hereunder shall not be deemed to be a waiver by Us of any preceding breach by You of any terms, covenants or conditions of this Agreement.

21. NOTICES

Except for notices to be delivered by Us, any of which may be delivered personally, via courier or via certified or regular letter mail, e-mail or facsimile, any and all notices required or permitted under this Agreement shall be in writing and unless otherwise authorized by this Agreement shall be personally delivered or mailed by certified mail, return receipt requested, or dispatched by courier or overnight delivery, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to US:	National Internet Corporation 16192 Coastal Highway Lewes, Delaware 19958 Attn: Louis Zalany, CEO
with copies to:	Ms. Ann Hurwitz Baker & McKenzie LLP 2001 Ross Avenue, Suite 2300 Dallas, Texas 75201 U.S.A
Notices to You:	
with copies to:	

Any notice sent by courier, or by certified or regular mail shall be deemed to have been given on the second day following dispatch or mailing, or if by e-mail or facsimile notice shall be deemed to have been given at the date and time of transmission, and otherwise upon personal delivery.

22. RELEASE OF PRIOR CLAIMS

By executing this Agreement, You, individually and as applicable on behalf of Your owners, officers, directors, managers, heirs, legal representatives, successors and assigns and any other person claiming by or through You or them, and each assignee of this Agreement by accepting assignment of the same, hereby forever releases and discharges Us and Our officers, directors, employees, agents and servants, including any subsidiary and affiliated corporations of Ours, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement or any other agreement between the parties executed prior to the date of this Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States, Canada or of any state, province or territory thereof, but excluding claims based on any representation that We made in the most recent

Franchise Disclosure Document (including its exhibits and amendments) that We delivered to You or Your representative in connection with the offer of this Agreement, subject to agreed-upon changes to the contract terms described in that Franchise Disclosure Document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

23. ENTIRE AGREEMENT; THIRD PARTY BENEFICIARIES

This Agreement, the documents referred to herein and the Attachments hereto, which are incorporated herein by reference, constitute the entire, full and complete Agreement between the parties hereto concerning the subject matter hereof, and they supersede all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document that We furnished to You. No other representations of Ours or any third party have induced You to execute this Agreement. No amendment, change or variance from this Agreement shall be binding on the parties hereto unless mutually agreed to by the parties and executed by themselves or their authorized officers or agents in writing, unless otherwise permitted by Section 17 of this Agreement. Except as expressly stated herein, nothing in this Agreement is intended to or shall be deemed to confer any rights or remedies upon any person or legal entity not a party hereto.

24. SEVERABILITY AND CONSTRUCTION

A. Severability. Except as expressly provided to the contrary herein, each section, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term and/or provision herein 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, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement; provided, however, that if We determine that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, We, at Our option, may terminate this Agreement.

B. Covenants. You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which We are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

C. Construction. All captions in this Agreement are intended solely for the convenience of the parties, and none of the captions shall be deemed to affect the meaning or construction of any provision hereof. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by You shall be deemed jointly and severally undertaken by all of the parties executing this Agreement in an individual capacity on behalf of You. This Agreement may be executed in one or more originals, each of which shall be deemed an original.

D. **Definition of Franchisee**. As used in this Agreement, the term "Franchisee" shall include all persons who succeed to the interest of the original Franchisee by transfer or operation of law and shall be deemed to include not only the individual or entity defined as the "Franchisee" in the introductory paragraph of this Agreement, but shall also include all partners of the entity that executes this Agreement, in the event said entity is a partnership; all shareholders, officers and directors of the entity that executes this Agreement, in the event said entity is a corporation; and all members of the entity that executes this Agreement, in the event said entity is a limited liability company. By their signatures hereto, all partners, shareholders, members, managers, officers and directors of the entity that signs this Agreement as Franchisee acknowledge and accept the duties and obligations imposed upon each of them, individually, by the terms of this Agreement.

E. **Force Majeure**. If, as a result of hurricane, tornado, typhoon, flooding, lightning, blizzard and other unusually severe weather, earthquake, avalanche, volcanic eruption, fire, riot, insurrection, war, acts of terrorism, explosion, unavoidable calamity or other act of God (a "Force Majeure"), compliance by any party with the terms of this Agreement is rendered impossible or would otherwise create an undue hardship upon any party, all parties shall be excused from their respective obligations hereunder for the duration of the Force Majeure and for a reasonable recovery period thereafter, but otherwise this Agreement shall continue in full force and effect. Notwithstanding the foregoing, You shall not be excused from performance of Your obligations under the Agreement due to Force Majeure where (1) You assumed or should have assumed the risk of the Force Majeure event, or (2) You through Your own fault or negligence caused the Force Majeure event, or (3) You cannot otherwise perform Your obligations under the Agreement due to a lack of funds.

25. APPLICABLE LAW

A. **Governing Law**. This Agreement takes effect upon its acceptance and execution by Us. This Agreement, the relationship of the parties, and all matters arising out of or relating to this Agreement shall be interpreted and construed under the laws of the State of Delaware without regard to its conflict of laws rules, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.), or other federal law You further consent to attorn to the jurisdiction of the courts of the State of Delaware.

B. **Remedy**. No right or remedy conferred upon or reserved by Us or You by this Agreement is intended and it shall not be deemed to be exclusive of any other right or remedy provided or permitted herein, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy.

26. DISPUTE RESOLUTION

A. **Mediation**. We and You acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation. To facilitate

Initials:
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such resolution, We and You agree, subject to Paragraph 26.D below, that each party shall submit the dispute between them for non-binding mediation before commencing an arbitration proceeding under Paragraph 26.B. If We and You cannot agree on a location, the mediation will be conducted in Toronto, Ontario, Canada. The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. We and You agree that statements made by Us, by You or by any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the mediator's fee, any charge imposed by the American Arbitration Association, and the costs of any third parties who are required to participate in the mediation. If We and You are unable to resolve the dispute within ninety (90) days following the appointment of the mediator, then unless such time period is extended by written agreement of the parties, either party may submit such dispute to arbitration subject to the terms and conditions of Paragraph 26.B to resolve such dispute. Each party shall continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances.

B. <u>Arbitration</u>. We and You agree that, subject to Paragraph D below, all controversies, disputes, or claims between Us and Our respective shareholders, officers, directors, agents, and/or employees), and You (and Your affiliates and their respective owners, guarantors, officers, directors, and employees, as applicable) arising out of or related to:

(1) this Agreement or any other agreement between Us and You;

(2) the relationship created by this Agreement;

(3) the validity of this Agreement or any other agreement between Us and You; or

(4) any System standard relating to the establishment or operation of the Franchised Business

will be submitted for binding arbitration to the American Arbitration Association. The arbitration proceedings will be conducted at a location selected by the arbitrator after consulting with the parties. The proceeding will be conducted by one arbitrator according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 <u>et seq</u>.) will be governed by it and not by any state arbitration law.

The arbitrator shall include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive and declaratory relief and attorneys' fees and costs, provided that: (a) the arbitrator shall not have authority to declare any Proprietary Mark generic or otherwise invalid; and (b) to the fullest extent permitted by law, We and You waive any right to or claim for punitive or exemplary damages, and treble and other forms of multiple damages against the other. The award of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. The costs of the arbitration shall be allocated by the arbitrator.

We and You agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under applicable law. We and You further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either You or Us. We reserve the right, but have no obligation, to advance Your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished Our right to seek the recovery of those costs in accordance with this Agreement, including Section 16.O. hereof.

We and You agree that arbitration shall be conducted on an individual, not a class-wide, basis, that only We (and Our affiliates and their respective owners, officers, directors, agents and employees, as applicable) and You (and Your affiliates and their respective owners, guarantors, officers, directors, and employees, as applicable) may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Us and/or any other natural person, association, corporation, partnership, limited liability company or other entity. Notwithstanding the foregoing or anything to the contrary in this Section, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 26.B., then all parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in accordance with this Section 26 (excluding this Section 26.B.).

Despite Your and Our agreement to arbitrate, each of us has the right in a proper case to seek temporary restraining orders and temporary, preliminary or permanent injunctive relief from a court of competent jurisdiction; provided, however, that such party must contemporaneously submit the dispute for arbitration on the merits as provided in this Paragraph.

The provisions of this Section 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.

C. <u>Jurisdiction</u>. With respect to any disputes which are not finally resolved through mediation or arbitration, You irrevocably submit to the jurisdiction of the state, county, and federal district courts for Lewes, Delaware. You hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You agree that service of process may be made upon You in any proceeding related to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Delaware or federal law. You further agree that venue for any proceeding relating to or arising out of this Agreement shall be the county or judicial district in which Lewes, Delaware is located.

D. **Injunctive Relief**. Anything in Paragraphs 26.A and B to the contrary notwithstanding, each party has the right in a proper case to seek temporary restraining orders and temporary, preliminary or permanent injunctive relief from any court of competent jurisdiction to enforce the provisions of this Agreement or any other related agreement; provided, however, that the party must contemporaneously submit the dispute for mediation and then arbitration, as applicable, on the merits as provided in Paragraphs 26.A and B. For Us, this includes, without limitation, provisions relating to Your use of the Proprietary Marks, and Your non-competition and confidentiality covenants.

E. **Waiver of Certain Damages and Jury Trial.**

1. IN NO EVENT SHALL YOU MAKE ANY CLAIM FOR MONEY DAMAGES BASED UPON ANY ASSERTION BY YOU THAT WE HAVE UNREASONABLY WITHHELD OR UNREASONABLY DELAYED ANY CONSENT OR APPROVAL TO A PROPOSED ACT BY YOU UNDER ANY TERMS OF THIS FRANCHISE AGREEMENT, AND YOU HEREBY WAIVE ANY CLAIM FOR MONEY DAMAGES, INCLUDING BUT NOT LIMITED TO ANY CLAIM FOR MONEY DAMAGES BY WAY OF SET-OFF, COUNTERCLAIM OR DEFENSE BASED ON ANY SUCH ASSERTION. YOUR SOLE REMEDY FOR ANY SUCH ASSERTION SHALL BE AN ACTION OR PROCEEDING AS SET FORTH IN THIS SECTION 26 TO ENFORCE ANY SUCH PROVISIONS, OR FOR SPECIFIC PERFORMANCE, OR DECLARATORY JUDGMENT.

2. WE AND YOU HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN US, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

3. WE AND YOU HEREBY IRREVOCABLY WAIVE TRIAL BY JURY ON ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY BROUGHT BY EITHER OF THEM.

F. **Limitation Period.** No claim may be submitted by You to mediation or any court, in accordance with this Section 26, unless notified to Us within one (1) year of the date on which You first knew or should have known of the existence of the facts indicating the existence of such dispute.

G. **Binding on Third Parties.** The provisions of this Section 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. SURVIVAL

The parties agree that whenever performance by a party is contemplated to extend beyond the expiration, termination or transfer of this Agreement, such performance obligation shall survive the expiration, termination or transfer of this Agreement.

28. ACKNOWLEDGMENTS

You expressly understand and acknowledge:

(1) That You have read this Agreement and Our Franchise Disclosure Document, and that You have no knowledge of any representations about the Franchised Business or about Us or Our franchising program or policies made by Us or by Our officers, directors, shareholders, employees or agents which are contrary to the statements in Our Franchise Disclosure Document or to the terms of this Agreement, and that You understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Our high standards of quality and service and the uniformity of those standards at all WSI Businesses and thereby to protect and preserve the goodwill of the Proprietary Marks;

(2) The importance of Our uniformly high standards of quality and service and the necessity of operating the Franchised Business granted hereunder in strict conformity with Our quality control standards and specifications;

(3) (a) That We are the licensee of the Proprietary Marks and the goodwill associated therewith with the further right to sub-license the Proprietary Marks, and that Your right to use the Proprietary Marks is derived solely from this Agreement;

(b) That Your use of the Proprietary Marks pursuant to this Agreement does not give You any ownership interest or other interest in or to the Proprietary Marks, except the nonexclusive license granted herein;

(c) That any and all goodwill arising from Your use of the Proprietary Marks at the Franchised Business in accordance with the System shall inure solely and exclusively to Our benefit, and upon expiration or termination of this Agreement no monetary amount shall be assigned as attributable to any goodwill associated with Your use of the System or the Proprietary Marks;

(d) That the license and rights to use the Proprietary Marks granted hereunder to You are nonexclusive, and We thus may Ourselves use, and grant franchises and licenses to others to use, the Proprietary Marks and the System; and

(e) That You shall not register or attempt to register the Proprietary Marks in Your name or that of any other person, firm, entity or corporation;

(4) (a) That Your success in owning and operating a franchise is speculative and will depend on many facts including, to a large extent, Your independent business ability;

(b) That this offering is not a security as that term is defined under applicable federal and state securities laws;

(c) That the obligation to train, manage, pay, recruit and supervise employees of the Franchised Business rests solely with You;

(d) That You have not relied on any warranty or representation or guaranty, expressed or implied, as to the potential success or projected income or profits of the business venture contemplated hereby, and You acknowledge that sales staff, personnel, employees, officers or representatives of Ours are not permitted to make claims or statements as to earnings, sales, income, profits, prospects or chances of Your success that are not disclosed to franchisees in the Our Franchise Disclosure Document, nor are they authorized to represent or estimate sales figures as to any particular franchise;

(e) That We are not responsible to develop and generate customer leads for You, although We may from time to time and at Our sole discretion assist You in lead generation;

(f) That no representations or promises have been made by Us to induce You to enter into this Agreement except as specifically included herein;

(g) That You have no knowledge of any conditions, representations, warranties, undertakings, promises, inducements or agreements, whether direct, indirect, collateral, express or implied, made by Us or our representatives to You, except as provided for in the Agreement; and

(h) That You consent to the collection, retention and disclosure of personal information in Canada as defined in the Personal Information Protection and Electronic Documents Act S.C. 2000, c.5 ("PIPEDA"), a statute of Canada, by Us and Our affiliates for Franchisee support and for all other activities related to the conduct of the Franchised Business and the operation of the System.

(i) That the WSI system is an English language system and all training, products and services are supplied in English unless otherwise specified.

(j) That completion of Our QSP program is an integral part of the System and a key component to the operation of the Franchised Business.

(5) That You have conducted an independent investigation of all aspects of the Franchised Business and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon Your skills and ability as an independent business person or organization. You acknowledge that You have received, read and understand this Agreement, the Attachments hereto and agreements relating thereto, and that We have accorded You ample time and opportunity to consult with advisors of Your own choosing about the potential benefits and risks of entering into this Agreement, and that prior to entering into this Agreement You have either consulted with advisors of Your own choice or determined that it did not wish to do so of its own free will without either direction or influence by Us.

(6) That You are relying solely on Us, and not on any affiliated entities or parent companies related to Us, with regard to Our financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Us has made any statement or promise to the effect that Our affiliated entities or parent companies guarantee Our performance or financially back Us.

(7) That the System has evolved over time and that there are other WSI franchisees who operate under different forms of franchise agreements, with a different fee structure and under different designations.

________ [Please initial to acknowledge that you have read and understand this Section 28.]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in duplicate on the **___th day of ___________ 2017**.

FRANCHISOR:
NATIONAL INTERNET CORPORATION

____

Louis Zalany, CEO

WITNESS:

____

FRANCHISEE:

____

ATTACHMENT A

Designated Territory and Franchised Business Premises

The location of the Franchised Business within the Designated Territory shall be______________
____
____
____

You hereby elect the following license type:

______ Local Territory License; or

______Regional Territory License; or

______National Territory License.

Your Designated Territory shall be more particularly described as follows:

FRANCHISOR:
NATIONAL INTERNET CORPORATION

____
Louis Zalany, CEO

WITNESS:

____

FRANCHISEE:

____

Initials:

____

____

ATTACHMENT B

GUARANTY

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications and amendments thereto, (hereinafter collectively the "Agreement") dated this **___** day of **_________2017**, by and between **National Internet Corporation**, a Delaware corporation, whose principal office is located at 16192 Coastal Highway, Lewes, Delaware, 19958 (hereinafter "Franchisor", "We", "US" or "Our") and **___________**, an individual, whose principal office is located at **________________________________** (hereinafter "Franchisee", "You" or "Your"), each of the undersigned Guarantors agrees as follows: The Guarantors do hereby jointly and severally unconditionally and irrevocably guaranty the full, prompt and complete performance of Your obligations under the terms, covenants and conditions of the Agreement, including but not limited to the complete and prompt payment of all indebtedness to Us under the Agreement. The word "indebtedness" is used herein in its most comprehensive sense and includes without limitation any and all advances, debts, obligations, and liabilities of Yours, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

The obligations of the Guarantors are independent of the obligations of Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against You or whether You are joined in any such action.

If You are a corporation, partnership or other legal entity, We shall not be obligated to inquire into the power or authority of You or Your partners or the officers, managers, directors, or agents acting or purporting to act on Your behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations, partnerships or other legal entities it shall be conclusively presumed that the Guarantors and the partners, agents, officers, managers and directors acting on their behalf have the express authority to bind such corporations, partnerships or entities and that such corporations, partnerships or entities have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such corporations, partnerships or entities.

We , or Our successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the liabilities, whether or not it or its successors have resorted to any property securing any of the liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the liabilities; (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the liabilities; and (c) extend, renew or credit any of the liabilities for any period (whether or not longer than the original period); alter, amend or exchange any of the liabilities; or give any other form of indulgence, whether under the Agreement or otherwise.

Initials:

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The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between We and You resulting from such Agreement or otherwise, and the settlement, compromise or adjustment thereof.

Any dispute arising out of or relating to this Guaranty or the Franchise Agreement shall be resolved in accordance with the procedures specified in Section 26 of the Franchise Agreement, which shall be the sole and exclusive procedures for the resolution of such disputes. Each party shall continue to perform its obligations under this Guaranty pending final resolution of any dispute arising out of or relating to the Franchise Agreement or the Guaranty, unless to do so would be impossible or impracticable under the circumstances.

This Guaranty shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of such Guarantor or limit the liability of the other Guarantors hereunder.

If more than one person has executed this Guaranty, the term the "undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

This Guaranty shall be interpreted and construed under the laws of the State of Delaware, without regard to its conflict of laws rules.

10. Notwithstanding any provision contained in Section 26 of the Franchise Agreement, We may institute in a court of competent jurisdiction an action or actions for temporary, preliminary, or permanent injunctive relief or seeking any other equitable relief against Guarantor in addition to any other rights and remedies provided herein.

11. In no event shall the Guarantors make any claim for money damages based upon any assertion by the Guarantors that We have unreasonably withheld or unreasonably delayed any consent or approval to a proposed act by You under any terms of the Franchise Agreement, and the Guarantors hereby waive any claim for money damages, including but not limited to any claim for money damages by way of set-off, counterclaim or defense based on any such assertion. The Guarantors' sole remedy for any such assertion shall be an action or proceeding as set forth in Section 26 of the Franchise Agreement to enforce any such provisions, or for specific performance, or declaratory judgment.

Initials:

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12. THE GUARANTORS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE, HE/SHE SHALL BE LIMITED TO THE ACTUAL DAMAGES HE/SHE SUSTAINED. THE GUARANTORS IRREVOCABLY WAIVE TRIAL BY JURY ON ANY ACTION, PROCEEDING OR COUNTERCLAIM WHETHER AT LAW OR IN EQUITY.

13. No claim may be submitted by a party to mediation in accordance with Section 26 of the Franchise Agreement unless notified to the other party within one (1) year of the date on which the submitting party first knew or should have known of the existence of the facts indicating the existence of such dispute**.**

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty effective as of the date(s) appearing below.

______________________________ ______________________________
Witness

______________________________ ______________________________
Date Date

ATTACHMENT C

NON-COMPETITION AND NON-DISCLOSURE AGREEMENT

This Agreement is made and entered into this ____ day of ________________, 20___, between ____________________ ("Franchisee") and _______________________ ("Covenantor").

RECITALS

WHEREAS, Franchisee is a party to a Franchise Agreement dated _________ ("Franchise Agreement") with National Internet Corporation d/b/a WSI ("Franchisor"); and

WHEREAS. pursuant to the Franchise Agreement, Franchisor has granted Franchisee the right to operate a full service digital marketing business identified by the trade name WSI ("Franchised Business") using Franchisor's System, Proprietary Marks, and Confidential Information (each as defined in the Franchise Agreement); and

WHEREAS, Franchisor and Franchisee have agreed on the importance to Franchisor, to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Confidential Information; and

WHEREAS, it will be necessary for certain employees, agents, independent contractors, officers, directors and interest holders of Franchisee, or any entity having an interest in Franchisee ("Covenantor") to have access to and to use some or all of the Confidential Information in the management and operation of the Franchised Business; and

WHEREAS, Franchisee has agreed to obtain from such persons written agreements protecting the Confidential Information and the System against unfair competition; and

WHEREAS, Covenantor wishes to remain or become associated with or employed by Franchisee; and

WHEREAS, Covenantor wishes and needs to receive access to the Confidential Information in the course of his employment by or association with Franchisee; and

WHEREAS, Covenantor acknowledges that receipt of the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

Franchisee may disclose to Covenantor some or all of the Confidential Information relating to the System. All such information and materials, including, without limitation, any manuals, methods of operation, techniques, proprietary systems, procedures and materials which Franchisee provides to Covenantor shall be deemed Confidential Information for the purposes of this Agreement. Covenantor agrees that:

1. Covenantor shall receive the Confidential Information in confidence and shall, at all times, maintain it in confidence, and use such Confidential Information only in the course of his employment or association with Franchisee and then only in connection with the operation of the Franchised Business in accordance with, and for the term of, the Franchise Agreement.

2. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information.

3. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the operation of the Franchised Business.

4. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Covenantor and shall not retain any copies or extracts thereof in any form.

5. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

Covenants Not to Compete

In order to protect the legitimate business interests of Franchisee and Franchisor and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants as follows:

1. During the term of Covenantor's employment by or association with Franchisee, Covenantor agrees and covenants that Covenantor will not, directly or indirectly, for himself or herself, or through or on behalf of or in conjunction with any person, persons, partners or legal entity :

   (a) Divert, or attempt to divert, directly or indirectly, any business or customer of the Franchised Business to any competitor.

(b) Own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any controlling interest in (but excluding the passive investment in any public corporation which does not exceed a five percent (5%) beneficial interest in the equity securities of such corporation) any business which is the same as or substantially similar to the Franchised Business located within the United States, its territories or commonwealths, or in any other country, province, state or geographic area in which Franchisor has used, sought registration of, or registered the Proprietary Marks or similar marks, or operate or license others to operate a business under the Proprietary Marks or similar marks.

2. For a continuous uninterrupted period of one (1) year following the earlier of the expiration, termination or transfer of all of Franchisee's interest in the Franchise Agreement or the termination of Covenantor's association with or employment by Franchisee (the "Commencement Date"), Covenantor agrees and covenants that Covenantor will not directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company or other legal entity:

(a) Divert, or attempt to divert, directly or indirectly, any business or customer of the Franchised Business to any competitor.

(b) Own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business which is the same as or substantially similar to the Franchised Business and which is located or to be located in the Restraint Area, as defined below. The "Restraint Area" means:

(i) if Franchisee has a Local Territory– the Designated Territory.

(ii) if Franchisee has a Regional Territory – each of the following:

A. the geographical area contained within a radius of ten (10) miles from the premises of the Franchised Business; and

B. the geographical area contained within a radius of five (5) miles from the premises of any other WSI franchisee who was in the System at the Commencement Date; or

(iii) if Franchisee has a National Territory – each of the following:

A. the geographical area contained within a radius of twenty-five (25) miles from the premises of the Franchised Business; and

B. the geographical area contained within a radius of ten (10) miles from the premises of any other WSI franchisee who was in the System at the Commencement Date.

Miscellaneous

1. Covenantor agrees that Franchisor is a third party beneficiary of this Agreement, with the independent right to enforce this Agreement. Covenantor further agrees that in the event of a breach of this Agreement, Franchisee and Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee (and/or Franchisor as a third party beneficiary of this Agreement) shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies which are made available at law or in equity, to seek a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

2. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisee and/or Franchisor in enforcing this Agreement.

3. Any failure by Franchisee or Franchisor to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

4. Covenantor acknowledges and agrees that each of the covenants contained herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisee. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

5. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF _________________ [***insert state in which Franchisee's business is located***], WITHOUT REFERENCE TO ITS CHOICE OF LAW PRINCIPLES.**

6. All notices and demands required to be given hereunder shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or by prepaid facsimile or electronic mail (provided that the sender confirms the facsimile or electronic mail by sending an original confirmation copy by expedited delivery service or certified or registered mail within three (3) business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisee, the notice shall be addressed to:

____
____
____
Attention: _______________________________
Facsimile: _______________________________

If directed to Covenantor, the notice shall be addressed to:

____
____
____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next business day, or, in the case of registered or certified mail three (3) business days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above). Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISEE:

XXXXXXXXX

By:______________________________________
Name:___________________________________
Title:____________________________________

COVENANTOR:

XXXXXXXXXXX

By:______________________________________
Name:___________________________________
Title:____________________________________

Initials:

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EXHIBIT C

FINANCIAL STATEMENTS

National Internet Corporation

Financial Statements
December 31, 2016 and 2015
(expressed in US dollars)

pwc

March 20, 2017

Independent Auditor's Report

To the Board of Directors of
National Internet Corporation

We have audited the accompanying financial statements of National Internet Corporation, which comprise the balance sheets as of December 31, 2016 and 2015, and the statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

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

PricewaterhouseCoopers LLP
400 Bradwick Drive, Suite 100, Concord, Ontario, Canada L4K 5V9
T: +1 905 326 6800, F: +1 905 326 5339

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Internet Corporation as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

National Internet Corporation

Balance Sheets

As at December 31, 2016 and 2015

(expressed in US dollars)

	2016 $	2015 $
Assets		
Current assets		
Cash	68,070	63,810
Accounts receivable	15,413	8,832
Receivable from related company (note 4)	689,235	746,260
Short-term portion of deferred costs	65,151	67,243
	837,869	886,145
Deferred costs	13,916	16,352
	851,785	902,497
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	58,398	38,817
Income taxes payable (note 8)	9,908	9,950
Payable to related companies (note 5)	29,159	28,200
Short-term portion of deferred revenue	219,386	272,693
	316,851	349,660
Deferred revenue	108,780	134,920
	425,631	484,580
Shareholder's Equity		
Capital stock (note 6)	250,000	250,000
Retained earnings	176,154	167,917
	426,154	417,917
	851,785	902,497
Contingencies (note 9)		

Approved by the Board of Directors

_______________________________ Director _______________________________ Director

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

National Internet Corporation

Statements of Income and Retained Earnings

For the years ended December 31, 2016 and 2015

(expressed in US dollars)

	2016 $	2015 $
Revenue		
Franchise	425,600	650,930
Service	1,882,062	1,926,485
	2,307,662	2,577,415
Direct costs	165,104	309,677
Gross profit	2,142,558	2,267,738
Selling, general and administrative expenses		
Management and licensing fees (note 7)	2,036,836	2,085,116
Legal settlement (note 9)	20,000	79,500
Professional fees	74,684	75,258
Bank, interest and service charges	4,398	3,637
Loss on foreign exchange	71	260
	2,135,989	2,243,771
Income before income taxes	6,569	23,967
Income taxes (recovery) (note 8)	(1,668)	11,015
Net income and comprehensive income for the year	8,237	12,952
Retained earnings - Beginning of year	167,917	154,965
Retained earnings - End of year	176,154	167,917

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

National Internet Corporation

Statements of Cash Flows

For the years ended December 31, 2016 and 2015

(expressed in US dollars)

	2016 $	2015 $
Cash provided by (used in)		
Operating activities		
Net income for the year	8,237	12,952
Changes in operating assets and liabilities		
Decrease in deferred costs	4,528	946
(Increase) decrease in accounts receivable	(6,581)	4,639
(Decrease) increase in income taxes payable/recoverable	(42)	11,950
Increase in accounts payable and accrued liabilities	19,581	3,434
(Decrease) increase in deferred revenue	(79,447)	33,173
	(53,724)	67,094
Investing activities		
Decrease (increase) in receivable from related company	57,025	(87,655)
Financing activities		
Increase (decrease) in payable to related companies	959	(2,100)
Increase (decrease) in cash during the year	4,260	(22,661)
Cash - Beginning of year	63,810	86,471
Cash - End of year	68,070	63,810
Supplementary information		
Cash paid for income taxes	(1,626)	(936)
Cash received paid for interest	(21)	(19)

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

(expressed in US dollars)

1 Basis of presentation

The financial statements are stated in United States (US) dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America.

2 Nature of operations and economic dependence

National Internet Corporation (the Company) was incorporated on December 31, 1996 in the State of Delaware and carries on business under the trademark WSI ICE and WSI. Since beginning active operations during 1999, the Company has been establishing a network of independent franchise Internet Consultants (the IC) through which its affiliated companies provide business consultation and delivery of advanced Internet solutions in the United States of America.

A franchise agreement provides the IC with advanced Internet technology applications and access to WSI's business processes and methodologies, including the Internet Solutions Lifecycle. The IC is required to pay an initial one-time franchise fee and ongoing consulting and management service fees based on each franchisee's revenue.

The Company has the right to operate its franchised business under the trademark WSI ICE and WSI by 1175856 Ontario Ltd. until 2026 by agreement. The right can be cancelled by 1175856 Ontario Ltd. if the Company does not meet certain established guidelines.

The Company's sole source of income is derived from the sale of franchise territories under the trademark WSI ICE and WSI and subsequent royalties earned as continuing monthly franchise fees.

The Company licences franchises directly. Design, development and hosting are provided through a network of authorized suppliers. Franchisees pay fees directly to the authorized suppliers who in turn pay management service fees to Research and Management Corporation (RAM), a company under common control. In addition, the Company advances funds to RAM for cash flow management purposes.

3 Summary of significant accounting policies

Revenue recognition and deferred revenue

The Company complies with Accounting Standards Codification (ASC) 952, Accounting for Franchise Fee Revenue, which indicates the basis for the recognition, presentation and disclosure of franchise fee revenue.

Initial franchise fee revenue is recognized when all of the following criteria have been met:

- final payment has been received;
- the franchisee has executed a franchise agreement/evidence of an agreement exists;
- all substantive obligations relating to the sale of a franchise have been performed; and

(expressed in US dollars)

- the price to the customer is fixed and determinable.

Franchise revenue is recognized when all substantive obligations relating to the sale of a franchise are deemed to have been performed after the franchisee has completed an initial week of training. Franchise revenue is reduced by amounts incurred to terminate franchise relationships.

Deferred revenue consists of deposits received toward the purchase of franchise territories, franchise fees on sales where the franchisee has not yet attended initial training and a portion of the franchise fee that is deferred and amortized on a straight-line basis over the term of franchise agreement for continued services to franchisees. Non-refundable deposits are recorded as revenue one year from the date of receipt of the deposit if no franchise agreement was signed at that date.

Service revenue is composed of continuing monthly franchise fees relating to systems access, e-marketplace services, management and services including amounts received on early termination of the franchise agreement. These amounts are recorded in revenue as these services are delivered and collection is reasonably assured.

Cash and concentrations of cash balances

Cash consists of cash on hand held at three financial institutions. At various times during the year, the Company maintained cash balances in its banks in excess of the Federal Deposit Insurance Corporation (FDIC) insurable limit of $250,000. The FDIC writes and enforces regulations that govern the way US banks and savings institutions do business.

Foreign currency translation

The Company's functional currency is the US dollar. Foreign denominated assets, liabilities and operating items of the Company are initially measured in US dollars at the exchange rate prevailing at the respective transaction dates. Monetary assets and liabilities denominated in foreign currencies, which are outstanding at year-end, are measured at exchange rates prevailing on the balance sheet dates. The following Canadian dollar balances are denominated in US dollars:

	2016 $	2015 $
Cash	295	72
Income taxes recoverable (payable)	9,908	(10,275)
Accounts payable and accrued liabilities	27,000	27,000

Income taxes

The Company accounts for income taxes under ASC 740, Accounting for Income Taxes. ASC 740 uses an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns as well as loss carry-forwards. These deferred taxes are measured by applying enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be reversed or be settled. Future

(expressed in US dollars)

tax benefits, such as loss carry-forwards, are recognized only to the extent that such benefits are more likely than not to be realized during the carry-forward period. Valuation allowances are provided when it is considered not more likely than not that deferred tax assets will be realized. The Company recognizes interest and penalties from income tax assessments as interest income or expense. No interest and penalties were recorded in bank, interest and service charges.

Under the accounting standards for Uncertain Tax Positions in ASC 740, tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by the tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely to be realized on ultimate settlement. Unrecognized tax benefits are tax benefits claimed in tax returns that do not meet these recognition and measurement standards. As at December 31, 2016 and 2015, the Company did not have any uncertain tax positions.

Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts based on the expected collectibility. Credit evaluations are performed on significant customers and an allowance for doubtful accounts is established based on the aging of receivables, payment performance factors, historical trends and other information. In general, a portion of those receivables outstanding more than 90 days are allowed for. The reserve is evaluated and revised on a monthly basis based on a review of specific accounts outstanding and the history of uncollectible accounts.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the datea of the financial statements and the reported amount of revenue and expenses during the reporting periods. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the year in which they become known. Significant estimates and assumptions are used for, but are not limited to: (i) reasonable assurance of collection with respect to revenue recognition; (ii) allowance for doubtful accounts; (iii) provision for (recovery of) income taxes; and (iv) contingency and litigation reserves.

Deferred costs

Costs incurred in the initial set-up of a franchise are deferred and charged to operations at such time as the related deferred revenue is recognized in income.

Variable interest entities

The Company accounts for variable interest entities under ASC 810, Consolidation of Variable Interest Entities. This interpretation of Accounting Research Bulletin 51, Consolidated Financial Statements, addresses consolidation by business enterprises of variable interest entities in which an enterprise absorbs a majority of the entity's expected losses, receives a majority of the entity's expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity. The interpretation requires that if a business

(expressed in US dollars)

enterprise has a controlling financial interest in a variable interest entity, the assets, liabilities, and results of the activities of the variable interest entity must be included in the consolidated financial statements with those of the business enterprise.

The Company is a franchisor of 285 outlets as of December 31, 2016 (2015 - 285), but does not possess any ownership interests in its franchisees and generally does not provide financial support to franchises in its typical franchise relationship. On adoption of ASC 810, these franchise relationships were not deemed variable interests and the entities were not consolidated. No events or circumstances have occurred in the current year that would cause the franchisees to be classified as a variable interest entity and be consolidated.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued an amendment to the accounting guidance related to revenue recognition. The amendment serves to clarify the principles for recognizing revenue and to develop common revenue standards for US GAAP. To meet those objectives, the FASB amended the FASB Accounting Standards Codification and a new Topic 606, Revenue from Contracts with Customers. On July 9, 2015, the FASB deferred the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. The FASB also permitted early adoption of the standard, but not before the original effective date of December 15, 2016. The Company is evaluating the impact of adopting this guidance to its financial statements.

The Company has not adopted any standards during the year.

4 Receivable from related company

The amount receivable from a related company under common control is non-interest bearing and has no specific terms of repayment. The fair value of the amount due from related company cannot be readily determined as there is no comparable data for these amounts.

	2016 $	2015 $
Research and Management Corporation (RAM)	689,235	746,260

5 Payable to related companies

Amounts payable to related companies under common control are non-interest bearing and have no specific terms of repayment.

	2016 $	2015 $
WSI France Ltd.	559	-
1175856 Ontario Ltd.	28,600	28,200
	29,159	28,200

(expressed in US dollars)

6 Capital stock

Authorized
1,500 common shares

Issued

	2016 $	2015 $
1,000 common shares	250,000	250,000

7 Related party transactions

The Company has an agreement with RAM, whereby it will provide certain services to the Company. The services provided by RAM are subject to management fees for franchise operations assistance and office support services, and licence services involving design, development and hosting. Transactions are in the ordinary course of business at the exchange amount, which is agreed on by both parties.

During the years ended December 31, 2016 and 2015, the Company incurred expenses paid or payable to related parties as follows:

- management fees of $2,008,236 (2015 - $2,056,416) to RAM; and
- licensing fees of $28,600 (2015 - $28,700) to 1175856 Ontario Ltd., a company under common control.

8 Income taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2016 $	2015 $
Deferred costs	(24,000)	(22,000)
Deferred revenue	87,000	108,000
Corporate minimum tax carry-forward	8,000	8,000
Valuation allowance	(71,000)	(94,000)
	-	-

(expressed in US dollars)

The major component of the income tax provision is as follows:

	2016 $	2015 $
Current income taxes	9,908	9,950
Prior years' (excess) under provisions	(11,576)	1,065
	(1,668)	11,015

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit is probable. The company has unrecognized tax loss carry-forwards for which no deferred income tax assets could be recognized. However, the future tax deductions underlying these deferred income tax assets remain available for use in the future to reduce taxable income. The Company has non-capital losses of $5,532,280 (2015 - $5,516,542) that if not utilized will expire between 2025 and 2036.

9 Contingencies

Currently, the Company is not involved in any litigation or claims, however they do arise from time to time in the normal course of business.

As at December 31, 2016, the Company accrued legal settlement costs amounting to $20,000 relating to a claim settled subsequent to the year-end. In fiscal 2015, the Company paid legal settlement costs amounting to $79,500.

10 Financial instruments

The Company's financial instruments consist of cash, accounts receivable, receivable from related company, accounts payable and accrued liabilities and payable to related companies. The fair values of the short-term financial assets and liabilities approximate their carrying amounts because of the short period to receipt or payment of cash.

The Company's operations expose it to fluctuations in foreign exchange rates. A portion of the Company's accounts payable and accrued liabilities and income taxes payable/recoverable are denominated in Canadian dollars and are, therefore, subject to exchange variations against the Company's functional currency, the US dollar.

The Company does not use financial instruments to mitigate the risk of currency fluctuation for assets and liabilities that are denominated in currencies other than the US dollar.

(expressed in US dollars)

11 Outlet summary

	2016 $	2015 $
Beginning of year	285	295
End of year	285	285

12 Economic dependence

Management fees incurred with RAM make up approximately 94% (2015 - 92%) of total selling, general and administrative expenses.

13 Subsequent event

In accordance with ASC 855, the Company has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through the date these financial statements were issued. The Company has determined there are no such subsequent events.

National Internet Corporation

Financial Statements

For the years ended December 31, 2014 and 2013
(Expressed in U.S. dollars)

Tel: 416 865 0200
Fax: 416 865 0887
www.bdo.ca

BDO Canada LLP
66 Wellington Street W, Suite 3600
PO Box 131, TD Bank Tower
Toronto ON M5K 1H1 Canada

Independent Auditor's Report

To the Shareholder of National Internet Corporation

We have audited the accompanying financial statements of National Internet Corporation, which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations and retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Internet Corporation as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

March 18, 2015
Toronto, Ontario

National Internet Corporation
Balance Sheets
As at December 31, 2014 and 2013
(expressed in U.S. dollars)

		December 31 2014		December 31 2013
Assets				
Current assets				
Cash	$	86,471	$	75,536
Accounts receivable		13,471		27,137
Income taxes receivable (note 8)		2,000		-
Receivable from related company (note 4)		658,605		1,034,319
Short term portion of deferred costs		65,851		130,951
		826,398		1,267,943
Deferred costs		18,690		18,780
	$	845,088	$	1,286,723
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	35,383	$	31,998
Income taxes payable (note 8)		-		25,799
Payable to related companies (note 5)		30,300		104,781
Short term portion of deferred revenue		229,620		400,780
		295,303		563,358
Deferred revenue		144,820		145,140
		440,123		708,498
Shareholder's Equity				
Capital stock (note 6)		250,000		250,000
Retained earnings		154,965		328,225
		404,965		578,225
	$	845,088	$	1,286,723

Approved on behalf of the Board of Directors of
National Internet Corporation

Director

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

National Internet Corporation
Statements of Operations and Retained Earnings
For the years ended on December 31, 2014 and 2013
(expressed in U.S. dollars)

	December 31 2014	December 31 2013
Revenue		
Franchise revenue	$ 715,130	$ 825,300
Service revenue	1,997,457	2,116,967
	2,712,587	2,942,267
Direct costs	289,166	371,264
Gross profit	2,423,421	2,571,003
Selling, general and administrative expenses		
Management and licensing fees (note 7)	2,329,633	2,411,147
Professional fees	65,477	71,399
Bank, interest and service charges	367	593
Interest expense, net	395	195
(Gain) loss on foreign exchange	3,449	(467)
	2,399,321	2,482,867
Net income before income taxes	24,100	88,136
Income taxes (note 8)		
Current (recovery)	(2,640)	25,000
Net income and comprehensive income for the year	26,740	63,136
Retained earnings - beginning of year	328,225	265,089
Dividends	(200,000)	-
Retained earnings - end of year	$ 154,965	$ 328,225

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

National Internet Corporation
Statements of Cash Flows
For the years ended on December 31, 2014 and 2013
(expressed in U.S. dollars)

	December 31 2014	December 31 2013
Cash flows from operating activities		
Net income for the year	$ 26,740	$ 63,136
Changes in operating assets and liabilities		
Decrease (increase) in deferred costs	65,190	(62,313)
Decrease (increase) in accounts receivable	13,666	(13,966)
Decrease (increase) in income taxes payable/receivable	(27,799)	11,975
Increase (decrease) in accounts payable and accrued liabilities	3,385	(30,032)
Increase (decrease) in deferred revenue	(171,480)	151,000
Net cash used in operating activities	(90,298)	119,800
Cash flows from investing activities		
Decrease (increase) in amount receivable from related company	375,714	(294,181)
Cash flows from financing activities		
Increase (decrease) in amounts payable to related companies	(74,481)	98,746
Dividends paid	(200,000)	-
	(274,481)	98,746
Net increase (decrease) in cash during the year	10,935	(75,635)
Cash - beginning of year	75,536	151,171
Cash - end of year	$ 86,471	$ 75,536
Supplementary cash flow information		
Cash received (paid) for income taxes	$ (25,159)	$ (13,620)
Cash paid (received) for interest	395	234

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

1 Basis of presentation

The financial statements are stated in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America.

2 Nature of operations and economic dependence

National Internet Corporation (the Company) was incorporated on December 31, 1996 in the State of Delaware and carries on business under the trademark WSI ICE and WSI. Since beginning active operations during 1999, the Company has been establishing a network of independent franchise Internet Consultants (IC) through which its affiliated companies provide business consultation and delivery of advanced internet solutions in the United States of America.

A franchise agreement provides the IC with advanced internet technology applications and access to WSI's business process and methodologies, including the Internet Solutions Lifecycle. The IC is required to pay an initial one-time franchise fee and ongoing consulting and management service fees based on each franchisee's revenue.

The Company has the right to operate its franchised business under the trademark WSI ICE and WSI by 1175856 Ontario Ltd. until 2026 by agreement. The right can be cancelled by 1175856 Ontario Ltd. if the Company does not meet certain established guidelines.

The Company's sole source of income is derived from the sale of franchise territories under the trademark WSI ICE and WSI and subsequent royalties earned as continuing monthly franchise fees.

The Company licenses franchises directly. Design, development and hosting are provided through a network of authorized suppliers. Franchisees pay fees directly to the authorized suppliers who in turn pay management service fees to Research and Management Corporation ("RAM"), a company under common control.

3 Summary of significant accounting policies

Revenue recognition and deferred revenue

The Company complies with ASC 952, *Accounting for Franchise Fee Revenue* which indicates the basis for the recognition, presentation and disclosure of franchise fee revenue.

Initial franchise fee revenue is accordingly recognized when all of the following criteria have been met:

a) final payment has been received;
b) the franchisee has executed a franchise agreement/evidence of an agreement exists;
c) all substantive obligations relating to the sale of a franchise has been performed; and
d) the price to the customer is fixed and determinable.

3 Summary of significant accounting policies (continued)

Revenue recognition and deferred revenue (continued)

Franchise revenue is recognized when all substantive obligations relating to the sale of a franchise are deemed to have been performed after the franchisee has completed an initial week of training. Franchise revenue is reduced by amounts incurred to terminate franchise relationships.

Deferred revenue consists of deposits received toward the purchase of franchise territories and franchise fees on sales where the franchisee has not yet attended initial training. Amounts are recorded as revenue upon the earlier of the franchisee's completion of training or one year from the date of receipt of the deposit if the deposit is non-refundable. In addition, a portion of the franchise fee is deferred and amortized on a straight line basis over the term of franchise agreement.

Service revenue is composed of continuing monthly franchise fees relating to systems access, e-marketplace services, management and services including amounts received on early termination of the franchise agreement. These amounts are recorded in revenue as these services are delivered and collection is reasonably assured.

Cash and concentrations of cash balances

Cash consists of cash on hand held at three financial institutions. At various times during the year, the Company maintained cash balances in its banks in excess of the Federal Deposit Insurance Corporation (FDIC) insurable limit of $250,000. The FDIC writes and enforces regulations that govern the way U.S. banks and savings institutions do business.

Foreign currency translation

The Company's functional currency is the U.S. dollar. Foreign denominated assets, liabilities and operating items of the Company are initially measured in U.S. dollars at the exchange rate prevailing at the respective transaction dates. Monetary assets and liabilities denominated in foreign currencies, which are outstanding at period end, are measured at exchange rates prevailing on the balance sheet date. The following amounts are denominated in Canadian dollars:

	December 31 2014 $	December 31 2013 $
Cash	919	2,522
Income taxes receivable (payable)	2,000	(25,799)
Accounts payable and accrued liabilities	(23,000)	(24,953)

3 Summary of significant accounting policies (continued)

Income taxes

The Company accounts for income taxes under ASC No. 740, *Accounting for Income Taxes*". ASC No. 740 uses an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns as well as loss carry forwards. These deferred taxes are measured by applying enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be reversed or be settled. Future tax benefits, such as loss carry forwards, are recognized only to the extent that such benefits are more likely than not to be realized during the carry forward period. Valuation allowances are provided when it is considered not more likely than not that deferred tax assets will be realized. The Company recognizes interest and penalties from income tax assessments as interest income or expense. For the period ended December 31, 2014 $432 (2013 - $223) in interest and penalties was recorded in interest income.

Under the accounting standards for Uncertain Tax Positions in ASC 740, tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely to be realized upon ultimate settlement. Unrecognized tax benefits are tax benefits claimed in tax returns that do not meet these recognition and measurement standards. At December 31, 2014, the Company did not have any uncertain tax positions.

Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts based on the expected collectability. Credit evaluations are performed on significant customers and an allowance for doubtful accounts is established based on the aging of receivables, payment performance factors, historical trends, and other information. In general, a portion of those receivables outstanding more than 90 days are allowed for. The reserve is evaluated and revised on a monthly basis based upon a review of specific accounts outstanding and history of uncollectible accounts.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates and assumptions are used for, but not limited to: (i) reasonable assurance of collection with respect to revenue recognition; (ii) allowance for doubtful accounts; (iii) provision for (recovery of) income taxes and (iv) contingency and litigation reserves.

3 Summary of significant accounting policies (continued)

Deferred costs

Costs incurred in the initial set-up of a franchise are deferred and charged to operations at such time as the related deferred revenue is recognized in income.

Variable interest entities

The Company accounts for variable interest entities under ASC 810, "Consolidation of Variable Interest Entities". This interpretation of Accounting Research Bulletin 51, "Consolidated Financial Statements" addresses consolidation by business enterprises of variable interest entities in which an enterprise absorbs a majority of the entity's expected losses, receives a majority of the entity's expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity. The interpretation requires that if a business enterprise has a controlling financial interest in a variable interest entity, the assets, liabilities, and results of the activities of the variable interest entity must be included in the consolidated financial statements with those of the business enterprise.

The Company is a franchisor of 295 outlets as of December 31, 2014 (2013 - 352), but does not possess any ownership interests in its franchisees and generally does not provide financial support to franchises in its typical franchise relationship. Upon the adoption of ASC 810 these franchise relationships were not deemed variable interests and the entities were not consolidated. No events or circumstances have occurred in the current year that would cause the franchisees to be classified as a variable interest entity and consolidated.

Recent accounting adoptions

In April 2013, the FASB issued ASU 2013-07, *Liquidation Basis of Accounting*. The amendments in this update specifies evaluation criteria for determining whether an entity should apply the liquidation basis of accounting, and provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. The amendments in this update are effective for fiscal years beginning on or after December 15, 2013, and should be applied prospectively from the day that liquidation becomes imminent. The adoption of this standard did not have any impact on the Company's financial statements.

In February 2013, the FASB issued ASU 2013-02, *Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income*. The amendments in this update require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is also required to present significant amounts reclassified out of accumulated other comprehensive income, if the amount reclassified is reclassified to net income in the same reporting period. The amendments in this update are effective for fiscal years beginning on or after December 15, 2013, and should be applied prospectively. The adoption of this standard did not have any impact on the Company's financial statements.

(expressed in U.S. dollars)

4 Receivable from related company

The amount receivable from a related company, under common control, is non-interest bearing and payable on demand. The fair value of the amount due from related company cannot be readily determined as there is no comparable data for these amounts.

	December 31 2014 $	December 31 2013 $
Research and Management Corporation	658,605	1,034,319

5 Payable to related companies

Amounts payable to related companies, under common control, are non-interest bearing and payable on demand.

	December 31 2014 $	December 31 2013 $
WSI Brazil Ltd.	-	2,081
WSI Worldwide Ltd.	-	4,000
WSI Mexico Ltd.	600	5,000
WSI Canada Ltd.	200	-
1175856 Ontario Ltd.	29,500	93,700
	30,300	104,781

6 Capital stock

Authorized
1,500 common shares

Issued

	December 31 2014 $	December 31 2013 $
1,000 common shares	250,000	250,000

(expressed in U.S. dollars)

7 Related party transactions

The Company has an agreement with RAM whereby they will provide certain services to the Company. The services provided by RAM are subject to management fees for franchise operations assistance and office support services, and license services involving design, development and hosting.

During the period ended December 31, 2014, the Company incurred expenses paid or payable to related parties as follows:

a) Management fees of $2,300,133 (2013 - $2,277,847) to RAM; and

b) Licensing fees of $29,500 (2013 - $133,700) to 1175856 Ontario Ltd., a company under common control with National Internet Corporation.

8 Income taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31 2014 $	December 31 2013 $
Deferred costs	(24,000)	(44,000)
Deferred revenue	98,000	141,000
Corporate minimum tax carry forward	7,000	8,000
Valuation allowance	(80,000)	(105,000)
	-	-

Significant components of the provision for (recovery of) income taxes are as follows:

	December 31 2014 $	December 31 2013 $
Current		
Federal (recovery)	(2,640)	25,000
Deferred tax	-	-
Total income tax	(2,640)	25,000

8 Income taxes (continued)

The reconciliation of income taxes computed at statutory rates to income taxes provided for in these accounts is as follows:

	December 31 2014 $	December 31 2013 $
Income tax provision (recovery) at statutory rates	(2,000)	25,799
Prior years' (excess) under provisions	(640)	(799)
	(2,640)	25,000

9 Financial instruments

The Company's financial instruments consist of cash, accounts receivable, receivable from related company, accounts payable and accrued liabilities and payables to related companies. The fair values of the short-term financial assets and liabilities approximate their carrying amounts because of the short period to receipt or payment of cash.

The Company's operations expose it to fluctuations in foreign exchange rates. A significant portion of the Company's accounts payable and accrued liabilities and income taxes payable/receivable are denominated in Canadian dollars and are, therefore, subject to exchange variations against the Company's reporting currency, the U.S. dollar.

The Company does not use financial instruments to mitigate the risk of currency fluctuation for assets and liabilities that are denominated in currencies other than the U.S. dollar.

10 Outlet summary

	December 31 2014	December 31 2013
Beginning of year	352	427
End of period	295	352

11 Subsequent event

In accordance with ASC 855, the Company has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through the date these financial statements were issued. The Company has determined that there are no such subsequent events.

EXHIBIT D

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

CALIFORNIA

Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

HAWAII
(state administrator)
Business Registration Division
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(agent for service of process)
Commissioner of Securities
Department of Commerce
and Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS
Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
(state administrator)
Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND
(state administrator)
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)
Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN
(state administrator)
Michigan Attorney General's Office
Consumer Protection Division
Attn.: Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933
(517) 373-7177

(agent for service of process)
Michigan Department of Commerce
Corporations and Securities Bureau
G. Mennen Williams Building, 6th Floor
525 West Ottawa Street
Lansing, Michigan 48933

MINNESOTA
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-6328

NEW YORK
(state administrator)
New York State Department of Law
Bureau of Investor Protection
and Securities
120 Broadway
New York, New York 10271
(212) 416-8000

(agent for service of process)
Secretary of State of New York
99 Washington Avenue
Albany, New York 12231
(518) 474-4750

NORTH DAKOTA
North Dakota Securities Department
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505
(701) 328-2910

OREGON
Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97301

RHODE ISLAND
(state administrator)
Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920
(401) 222-3048

(agent for service of process)
Director
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920
(401) 277-3048

SOUTH DAKOTA
Department of Labor and Regulation
Division of Securities
124 Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

VIRGINIA
(state administrator)
State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9733

(agent for service of process)
Clerk of the State
Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219
(804) 371-9672

WASHINGTON
(state administrator)
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501
(360) 902-8760

(agent for service of process)
Director
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501

WISCONSIN
Wisconsin Department of Financial Institutions
Division of Securities
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703
(608) 266-1064

EXHIBIT E

ROSTER OF FRANCHISEES AS OF DECEMBER 31, 2016

PT	-	**Indicates that the franchisee has signed a franchise agreement with the franchisor, but has not opened the franchised business as of December 31, 2016.**

Arizona				
Valerie Marbach	4318 N 69th Place, Scottsdale, Arizona, 85251, United States		480	947-4445
Robbins Consulting LLC,	15560 N. FLW BLVD, B4-5140, Scottsdale,, Arizona, 85260, United States		480	650 8157
CLE Investments LLC	4435 W. Random Rock Place, Marana, Arizona, 85658, United States		520	572 7518
M Cubed Inc	8902 East Via Linda #110-104, Scottsdale, Arizona, 85258, United States		480	471 6102
Hojnacki Design Inc.	5611 South Holbrook Lane, Tempe, Arizona, 85283, United States	PT	480	988 6866
California				
Gregg Towsley	112 Manhattan Ave., Manhattan Beach, California, 90266, United States		310	546 1980
Jacob Navas	12648 Memorial Way, No.1073, Moreno Valley, California, 92553, United States		720	229 8205
Kreative Webworks Inc.	620 Camino De Los Mares, Suite E465, San Clemente, California, 92673, United States		949	481 0728
Marcus Schwartz and James Zimring	22647 Ventura Blvd., Suite 315, Woodland Hills, California, 91364, United States		818	342 8321
Darrick Starling	31 Grenada Street, Laguna Niguel, California, 92677, United States		901	634 6734
Ronald M. Packer	2795 East Bidwell Street # 100 - 160, Folsom, California, 95630, United States		916	983 7708
Kevin Dean	73 Bassett St., San Jose, California, 95110, United States		510	687 9737
Alison Lindemann	27413 Tourney Road Suite 160, Valencia, California, 91355, United States		661	255 8292
Chae Son Yi	24 La Vista Way, Danville, California, 94506, United States		925	487 3400
Ardiman Elkana and Charmaine Ching-Arnold	3269 Cranbrook Place, Dublin, California, 94568, United States		925	519 0364
Bay Area Internet Consulting	4435 First Street #355, Livermore, California, 94551, United States		925	245 0216
Don Phillipson	1090 Via Rafael, Newbury Park,, California, 91320, United States		805	402 1379
Kenneth L. and Judy L. and Ryan J. Kelly	1 Bixby Court, Petaluma, California, 94952-7526, United States		707	658 2884
Howard Raymond Walker	1348 Via De Los Reyes, San Jose, California, 95120, United States		408	997 6188
Mark Howard Bourez	874 Lighthouse Avenue, Apt.1, Pacific Grove, California, 93950, United States		831	224 4031

Ehud Poran	23679 Calabasas Road, # 340, Calabasas, California, 91302, United States		818	713 0607
Louis Unkeless	2218 Beckett Drive, El Dorado Hills, California, 95762, United States		916	933 7414
Hamed Seyedi	16923 Silver Pine Court, San Diego, CA. 92127, USA		858	832-1816
David Steer	1030 Polk Avenue, Sunnyvale, California, 94086		408	738-2132
Edge Digital Marketing, LLC	600 Prospect Street #6, La Jolla, California 92037 USA		858	459-6379
Bryce William Miller	300 North Rampart #121, Orange, California 92868, USA		805	338-3428
Brian Ricci	30 Foothill Court, Danville, California, 94506, United States		925	736-8723
Expedito Nievera in trust for a Company to be name	15500 Erwin Street, Suite 4007, Van Nuys, California, 91411, United States		818	668 7612
Michael Shaw and Lisa Shaw	916 Burlington Avenue, Ventura, California, 93004, United States		805	659-5911
Lori Bonitata	1254 Vingate Way, Auburn, California, 95603, United States		530	889 5609
Accelerate Technologies LLC	3790 St. Peter Court, Concord, California, 94518, United States		415	518-1533
Clarte Management LLC	6726 El Rodeo Road, Rancho Palos Verdes, California, 90275, United States		310	383 6313
Sergio Prusky & Robyn Jo Prusky	2280 Wolfberry Way, Santa Rosa, California, 95404, United States		636	482 3969
AMS Solutions LLC	3750 Hagen Road, Napa, California, 94558, United States		650	440 2676
Richard Anthony Cruz	10970 Arrow Route, #203, Rancho Cucamonga, California, 91730, United States		909	331 5965
Angelica Villicana and Ignacio Alex Jimenez	22591 Hazeltine Mission Viejo, California, 92692 United States		949	305 7737
Colorado				
LYNDA R. OMARA	1342 S. Dudley Street, Lakewood, Colorado, 80232, United States		303	716 9101
Todd Demko	8307 County Road 510, Bayfield, Colorado, 81122, United States		970	779 8554
Robert Monzel	5273 Adahi Road, Indian Hills, Colorado, 80454, United States		720	283 1313
1 Click Solutions, LLC	4601 South Balsam Way, No.1036, Denver, Colorado, 80123, United States		303	973 7078
Honu Group Inc.	6344 S. Dexter St., Centennial, Colorado, 80121, United States		303	221 2273
Jeff Bernard and Kathy Staiano	166 Jackson Street, Denver, Colorado, 80206, United States		303	388 0030
Michael Durso Welch	301 West 53rd Street Apt. 7K, New York, New York, 10019, USA		917	515-5615
Elevated Digital Inc.	4051 Kestrel Drive, Broomfield, Colorado, 80023, United States		650	353 8495
Digital ROI, LLC	1314 Adams Drive, Colorado Springs, Colorado, 80904, United States		719	649 7337

David S. Hall	2929 Roche Drive North, Colorado Springs, Colorado, 80918, United States		719	649 1120
Connecticut				
Merryall Consulting Inc.	16 Arcadia Lane, New Milford, Connecticut, 6776, United States		860	354 6335
Paula Sanderson	222 South East Road, New Hartford, Connecticut, 6057, United States		860	309 0942
Richard Sementilli	175 Green Pond Road, Sherman, Connecticut, 06784, United States		917	385 8726
Delaware				
Advanced Internet Solutions Inc.	2405 Dorval Road, New Castle, Wilmington, Delaware, 19810, United States		302	584 4641
Florida				
Esite, LLC	246 Berenger Walk, Royal Palm Beach, Florida, 33414, United States		561	889 1808
Internet Success Inc.	419 Third St North, Jacksonville Beach,, Florida, 32250, United States		904	572 3078
Mervyn L. Faris and Nancy J.Faris	7924 Oak Grove Circle, Sarasota,, Florida, 34243, United States		941	358 0191
Kenneth E Hocker and Julie S Hocker	222 Osprey Point Drive, Osprey, Florida, 34229, United States		954	290 4578
Peter V. DeCrescenzo and Rita E. DeCrescenzo	1415 Lantana Court, Weston, Florida, 33326, United States		954	384 5946
William Paul Douglass, Inc.	4825 50th Drive, Vero Beach, Florida, 32967, United States		772	567 6768
Larkee Enterprises Inc.	2476 Bridge Road, North Fort Myers, Florida, 33917, United States		239	567 0090
Douglas A. Jacke	1111 N. Bayshore Blvd., #A-10, Clearwater, Florida, 33759, United States		727	253 4600
Value on Net, LLC.	11193 Sea Grass Circle, Boca Raton, Florida, 33498, United States		954	489 4814
Jean A. Fredrick	11555 Central Parkway Suite 101, Jacksonville, Florida, 32224, United States		904	400 1144
Green Sky Consulting Inc.	7355 SW 89 Street, APT.412N, Miami, Florida, 33156		786	239 7375
Tod Enterprises LLC	2120 SW 25th Lane, Palm City, Florida, 34991		772	600 5746
Bret Fore Whitmire	7810 Fashion Loop, New Port Richey, Florida, 34654		813	732 4397
Frank Padron	2902 SW 115 Avenue 303, Miramar, Florida, 33025, United States		305	496 4418
MS Solutions, LLC	10730 NW 66th Street, Apt.106, Doral, Florida, 33178, United States		305	487-2283
Trojan Properties LLC	1245 S. Powerline, #313, Pompano Beach, Florida, 33069, United States	PT	954	732 0995
Internet Guru LLC.	12842 Tall Cypress Ct, Jacksonville, Florida, 32246, United States		336	705 8748

TopClick Marketing LLC	883 NW 53rd Street, Suite 450 Doral, Florida, 33166-4837, United States		954	636-6024
Expand International Corporation	50 Biscayne Blvd, Unit 3501, Miami, Florida, 33132-2941, United States		786	620-9221
Angel Hot Soft, LLC	Quail Plaza, 4500 Executive Drive - Suite 310, Naples, Florida, 34119, United States	PT	800	316-7677
Georgia				
The Gordo Group, Inc.	7709 Georgetown Chase, Roswell, Georgia, 30075, United States		404	597 5434
Richard Knutsen	620 Green Valley Drive, Smyrna, Georgia, 30082, United States		678	309 9780
Robert E. Curtin	1550 Carlton Drive, Cumming, Georgia, 30040, United States		770	886 3091
The Reed Internet Marketing Group LLC	4700 Brightwood Lane, Atlanta, Georgia, 30331, United States		404	229 3728
Rebecca Bowman	1835 Mountain Lake Drive NW, Kennesaw, Georgia, 30152, United States		770	420 7150
Innovations in Marketing, Inc.	960 East Paces Ferry Rd Ne Apt 635, Atlanta, Georgia, 30326, United States		317	965 7084
INTEGRATED EBIZ SOLUTIONS, LLC	2654 Kenwood Drive, Duluth, Georgia, 30024, United States		770	623 1033
Alan Trembley	8610 Meadowgrove Lane, Gainesville, Georgia, 30506, United States		404	931 1151
Paul Mathews	1 Symons Lane, Savannah, Georgia, 31411, United States		412	719 9012
Michael T. Lewis and Jennifer E. Ladds	3340 Ridge Pt. SE, Atlanta, Georgia, 30339, United States		770	827 1825
Christopher James Watson	6 Concourse Parkway, Suite 900, Atlanta, Georgia, 30328, United States		404	313 7076
Guam				
e-Pacific Group LLC	788 ROUTE 4, SUITE 404, SINAJANA, GUAM, 96910, United States		671	477 9312
Hawaii				
Douglas Pat Muneo and David Pat Barney	91-1001 Keaunui Drive, Lot 455, Ewa Beach, Hawaii, 96706, United States		808	728 4220
Idaho				
MITCH J. BRIAN	3643 Clearfield Lane, Ammon, Idaho, 83406, United States		208	521 5040
The Hagadone Corporation	Building on the Lake, 111 s 1st Street, Coeur d'Alene, Idaho, 83814, United States		608	364 9211
Illinois				
John Brenneman	218 N Columbia Suite 100, Naperville, Illinois, 60540, United States		630	717 7958
MORAN BARRETT ASSOCIATES, INC	170 Chicago St., Cary, Illinois, 60013, United States		847	516 1884

Adrian and Diane Steinberg	1303 Tracie Drive, Lake Zurich, Illinois, 60047, United States		855	406 0252
VinMman, Inc.	18W140 Butterfield Road, Oakbrook Terrace, Illinois, 60181, United States		630	834 2837
Cone Internet Consulting Corporation	521 S. Lincoln Avenue, Park Ridge,, Illinois, 60068, United States		847	825 6376
George VanderWoude	24 Lake Katherine Way, Palos Heights,, Illinois, 60463, United States		708	361 8837
eProfit Solutions LLC	12864 Arboretum Drive, Belvidere, Illinois, 61008, United States		815	323 0608
Lisa Kilrea	253 Hickory Street, Frankfort, Illinois, 60423, United States		815	210 3765
SCGC Consulting, Inc.	10526 West Cermak Road, Executive Office C, Westchester, Illinois, 60154, United States		708	562 6942
Beachhead Investments Inc.	735 Stonegate Road, Libertyville, Illinois, 60048, United States		224	433 6026
Natcam Digital Solutions Inc.	2585 Thornley Court, Aurora, Illinois, 60504, United States		630	898 4803
Torsekar Consulting Ltd.	1403 Glenview Road, Glenview, Illinois, 60025, United States		312	498 1045
Essoenn, Inc.	848 Dodge Avenue, PMB No. 240, Evanston, Illinois, United States		847	732 9726
MIKESELL DIGITAL CONSULTING, LLC	1530 South State Street, #506, Chicago, Illinois, 60605, United States		614	352 6322
Indiana				
Howland Group Inc.	7935 Ainsworth Road, Hobart, Indiana, 46342, United States		219	947 7217
Julie S. Kiffmeyer and Joseph M Kiffmeyer	8520 Allison Pointe Blvd, Suite 220, Indianpolis, Indiana, 46250, United States		317	482 1178
Internet Profile Inc.	8542 Blair Castle Court, Indianapolis, Indiana, 46259, United States		317	862 4181
Kansas				
eMARKETING RESULTS INC.	10734 West 132nd Place, Overland Park, Kansas, 66213, United States		913	814 9489
Stollsteimer & Associates, LLC	10055 Craig Drive, Overland Park, Kansas, 66212, United States		913	484 1985
Robert Stephen Green	15101 Lake Side Drive, Basehor, Kansas, 66007, United States	PT	816	177 2238
Jerold C. Ney and Lisa A. Ney	12718 West 118th Street, Overland Park, Kansas, 66210, United States		913	980 7131
Kentucky				
KDM Internet Consulting, LLC	109 Highwood Dr, Louisville, Kentucky, 40206, United States		502	895 1716
WHELAN, LLC	3315 Lexington Road, Louisville, Kentucky, 40206, United States		502	552-2377
Louisiana				

e-Solutions LLC	6316 Hickory Ridge Blvd., Baton Rouge, Louisiana, 70817-3411, United States		225	353 1901
Andre Savoie	1715 Logan Lane, Mandeville,, Louisiana, 70448, United States		504	669 3207
Maryland				
Albin Marketing Solutions, LLC	PO Box 1917, Rockville, Maryland, 20849, United States		301	216 0756
Jeffrey Harrison	116 Deputed Testamony Place, Havre de Grace, Maryland, 21078, United States		410	297 9877
Massachusetts				
Taliesin Web Solutions	491 Dutton Street #510, Lowell, Massachusetts, 1854, United States		781	648 0633
JCF Business Solutions, Inc.	50 Raymond Tatro Lane, North Attleboro, Massachusetts, 2760, United States		508	316 1528
Karen L Luther	563 Hudson Road, Sudbury, Massachusetts, 1776, United States		617	921 5936
Jeffrey Downey and James B. Downey	97 Columbia Street, Stoughton, Massachusetts, 2072, United States		781	849 3110
Miulan Millie Kwan	10 Nouvelle Way, Unit 826, Natick, Massachusetts, 1760, United States		617	899 0440
John O Rourke	31 Glen Oak Drive, Wayland, Massachusetts, 1778, United States		617	842 7829
The MRV Group, Inc.	12 Allendale Road, Pittsfield, Massachusetts, 1201, United States		973	769 1384
Windward Management Group, Inc.	34 Kimball Beach Road, Hingham, Massachusetts, 2043, United States		781	668 0281
Michigan				
Cook Technology Solutions, LLC	12369 Verona Road, Battle Creek, Michigan, 49014, United States		269	841 5007
Marketing & Sales ROI.com, LLC	4001 Mushbach Road, Grass Lake, Michigan, 49240, United States		734	433 9463
David Hawthorne	20300 Westhampton, Southfield, Michigan, 48034, United States		248	251 2150
MS Consulting Corporation	35135 Hammond, Clinton Township, Michigan, 48035, United States		586	790 2049
Minnesota				
Impact Web Solutions, LLC	6321 St. Johns Ave., Edina, Minnesota, 55424, United States		952	928 9000
SP Business Solutions Inc.	16202 Grinnell Avenue, Lakeville, Minnesota, 55044, United States		952	997 3254
Sandra and Jerald Netland	1210 3rd Avenue, International Falls, Minnesota, 56649, United States		218	283 9424
Leif J. Erickson	9800 45th Ave N., Apt. 122, Plymouth, Minnesota, 55442, United States		701	261 5554
Timm Digital Marketing Inc.	11701 Tanglewood Drive, Eden Prairie, Minnesota, 55347, USA		952	829 8176

DigNet Corporation	93 20th Avenue South West, New Brighton, Minnesota, 55112, USA		651	631 8440
Robert Koehler	8758 Wood Cliff Road, Bloomington, Minnesota, 55438, United States		952	942 9437
Marshall Greig Metzger II	9320 Duckwood Trail, Woodbury, Minnesota, 55125, United States		651	714 9454
Jason Popovich	1324 Evergreen Place, Mayer, Minnesota, 55360, United States		952	657 1175
Brenda Norkosky	50 Rhode Island Avenue South, Golden Valley, Minnesota, 55426, United States		763	218 9330
Mississippi				
K.B.D.C., Inc	309 Oak Hollow Drive, Madsion, Mississippi, 39110, United States		601	853 4449
Mark H. Fritz	9559 Kolo Way, Diamondhead, Mississippi, 39525, United States		228	547 7726
Missouri				
Atharva Technology Group Inc.	16825 Hickory Crest Drive, Ballwin, Missouri, 63011, United States		314	473 5681
Hotchkiss Services LLC	7005 NW Cross Road, Parkville, Missouri, 64152, United States		816	741 9420
2Zenuf LLC	820 South Main Street, St. Charles, Missouri, 63301, United States		636	244 0565
My 4 Site LLC (26 Units)	423 Jackson Street, St Charles, Missouri, 63301, United States		314	422 8793
Scott Travis	236 Harbour Pointe Drive, St. Louis, Missouri, 63040, United States		636	458 7548
Digital Business Advisors, LLC	15905 Shady Forest Ct, Ballwin, Missouri, 63021, United States		636	227 2752
CamFam II, LLC	1326 NW 47th Street, Kansas City, Missouri, 64116, United States		816	550 8833
Nebraska				
Curtis M. Lesher	208 N 163rd Street, Omaha, Nebraska, 68118, United States		402	505 6263
Nevada				
Michael Watkins and Nicole Dupre	1778 Amarone Way, Henderson, Nevada, 89012, United States		702	271 2958
Michael Fennell, LLC.	3821 Cackling Goose Drive, Las Vegas, Nevada, 89084, United States		702	449 8349
Marcus Deland Henry	720 Irish Mittens Ct., Henderson, Nevada, 89011, United States		443	221 4267
New Hampshire				
Dennis Masella and Evan Sinclair	204 Proctor Hill Road, Hollis, New Hampshire, 03049-6453, United States		603	465 6573

Mark Patton Consulting Inc.	145 Mammoth Road, Londonderry, New Hampshire, 3053, United States		603	432 3246
Charlie Barth	9 Wellington Circle, Atkinson, New Hampshire, 3811, United States		603	974 0761
Rsterry Consulting Inc.	1465 Hookset Road # 130, Hookset, New Hampshire, 3106, United States		508	208 5046
New Jersey				
2041533 Ontario Ltd (5 Units)	100 Canal Pointe Blvd Suite 108, Princeton, New Jersey, 8540, United States		416	213 0963
Internet Business Solutions LLC	12 Mackenzie Court, Freehold,, New Jersey, 7728, United States		732	252 6025
JOSEPH POLITANO	10 Welch Road, Ringwood, New Jersey, 7456, United States		973	826 1513
Bluestar Consulting Inc.	898 Somerset Court, Ramsey, New Jersey, 7446, United States		201	818 8748
Richard Casamento	359 Powerville Road, Boonton Township, New Jersey, 7005, United States		937	257 1740
Todd Fearn and Thomas Caravela	277 Fairfield Road, Suite 310, Fairfield, New Jersey, 7004, United States		973	714 6347
Hassle-Free Internet Solutions LLC	24 Steeple View Court, Lambertville, New Jersey, 8530, USA		609	397 7074
Skynet Enterprises Inc.	158 Colony Lane, Manalapan, New Jersey, 7726, USA		718	938 1834
No Limit Solutions Group, Inc.	1 Luft Lane, West Orange, New Jersey, 07052, United States		732	735 3159
Bob Kadel	53 Valley Road, Lambertville, New Jersey, 08530, United States		215	340 1694
Stauning, Timothy C. and Stauning, Karen M.	23 Greenview Avenue, Princeton, New Jersey, 08542, United States		917	656 9119
Henderson Associates LLC	42 Coventry Road, Wayne, New Jersey, 07470, United States		973	727 0039
Expanding Internet Horizons, LLC	6-05 Saddle River Road, #144, Fair Lawn, New Jersey, 07410, United States		201	794 1707
New Mexico				
FinnPrint Inc	6601 Tennyson St. NE, Apt. 4305, Albuquerque, New Mexico, 87111, United States		505	850 9177
New York				
Integrated Web Marketing Inc.	12 Hermart Lane, Lake Ronkonkoma, New York, 11779, United States		631	580 1947
Jessica Eisner and Bradley Eisner	192-04E 71st Crescent, Fresh Meadows, New York, 11365, United States		917	974 4600
U.K Software services.Inc	30 Hemlock Drive, Grand Island, New York, 14072, United States		716	775 0206
A 1 Web Depot	600 Johnson Ave Suite E2, Bohemia, New York, 11716, United States		631	563 3513
Rob Shapiro LLC	1105 Clay Avenue, Pelham Manor, New York, 10803, United States		914	500 1770

Donna Brownson	10 Winifred Drive, Albany, New York, 12205, United States		518	482 8831
THE MONASCH GROUP, INC.	3 Cheyenne Ct, Katonah, New York, 10539, United States		914	301 5564
Gregory Dorr	58 Fieldstone Drive, Gansevoort, New York, 12831, United States		518	548 3323
JNGold Inc.	166-31 9th Avenue, Apt#3A, Whitestone, New York, 11357, United States		917	797-2116
Christopher Wilkinson	441 State Street, Apt. 1, Brooklyn, New York, 11217, United States		347	552 8703
David Berthiaume	669 Ashgrove Road, Cambridge, New York, 12816, United States		518	677 2729
North Carolina				
Timothy R. Bennett and Charlotte Bennett	85 Mountain Dr., Biltmore Lake, North Carolina, 28715, United States		866	751 7083
Lawrence M. Sontag	1101 Miramir Woods Ct., Wake Forest, North Carolina, 27587, United States		855	237 9700
Ronald K. Bowden	901 Sunset Drive, Greensboro, North Carolina, 27408, United States		336	706 3051
Wayne M. Caya	148 Arbor Hill Avenue, Mocksville, North Carolina, 27028, United States		336	751 9129
Jon C. Matthews	4905 Mashpee Lane, Apex, North Carolina, 27539, United States		919	463 1927
Duft Consulting, Inc.	5969 Heartwood Court, Harrisburg, North Carolina, 28075, United States		704	491 7265
Digital Greatvine Solutions, Inc.	13000 S. Tryon Street, Suite F186, Charlotte, North Carolina, 28278-7602, United States		313	533 8327
Internet Business Solutions LLC	1213 Culbreth Drive, Wilmington, North Carolina, 28405, United States		910	339 5916
Ohio				
Amstadt Internet Consulting, Inc	3690 Orange Place, Suite 450, Beachwood, Ohio, 44122, United States		216	595 2323
GM Consulting Services, Inc	7528 Forthampton Circle, Hudson, Ohio, 44236, United States		330	656 0823
THE VALKYRIE GROUP LTD.	6615 W. Knollwood Circle, Loveland, Ohio, 45140, United States		513	683 4716
RNK Group, Inc.	910 Red Tailed Lane, Amherst, Ohio, 44001, United States		216	706 7893
Cincy Interactive Inc.	453 Warren Avenue, Cincinnati, Ohio, 45220, United States		513	407 8438
Jungling Consulting	26260 Lake Front, Mason, Ohio, 45040, United States		248	841 8795
Nicholas S. Gantenberg	6260 Winding Creek Boulevard, Liberty Township, Ohio, 45011-1153		513	378 7244
Oklahoma				
Netpro Consulting L.L.C.	2817 W Lexington Way, Edmond, Oklahoma, 73012, United States		405	227 9047

Gunnar and Leslie Hood	2000 Oak Valley Circle, Edmond, Oaklahoma, 73025, United States		405	285 5570
Analytical Internet Marketing LLC (AIM)	6508 NW Grand Blvd., Oklahoma City, Oklahoma, 73116, United States		405	317 9980
Oregon				
Enso Group Inc.	3 Monroe Parkway, Suite P-436, Lake Oswego, Oregon, 97035, United States		503	922 1406
Advanced Internet Marketing Solutions Inc.	15435 SW Ashley Drive, Tigard, Oregon, 97224, United States		408	476 4238
Pennsylvania				
Vinkler Internet Enterprise	50 Casselberry Drive, Audubon, Pennsylvania, 19403, United States		610	650 0227
KNOWLEDGE DESIGN GROUP, INC	162 Main Street, 2 Courtyard, Emmaus, Pennsylvania, 18049, United States		610	965 9930
Arash Kasaaian	123 Cambridge Rd, Landenberg, Pennsylvania, 19350, United States		610	274 2003
eON Internet Solutions, Ltd	4920 Lehnenberg Road, Kintnersville, Pennsylvania, 18930, United States		610	346 1618
RKF Media LLC	301 Callowhill Road, Chalfont, Pennsylvania, 18914, United States		215	716 3043
Internet Logic, LLC	229 Elmhurst Circle, Cranberry Township, Pennsylvania, 16066, United States		724	538 5930
Digital Wizards Marketing Solutions Inc.	231 Sugartown Road, Devon, Pennsylvania, 19333, United States		610	668 6790
Ila Awasthi	110 McLaughlin Drive, Aston, Pennsylvania, 19014, United States		610	558 4425
Mairym, LLC	519 Treeline Drive, Gibsonia, Pennsylvania, 15044, United States		724	625 2325
Manoj Mathew	705 Raikes Road, Huntingdon Valley, Pennsylvania, 19006, United States		215	798 1066
Puerto Rico				
WEB-BASED SOLUTIONS, INC.	Villas de la Playa #267 Calle Joyuda, Vega Baja, Puerto Rico, 693, United States		787	948 0348
Madeline Betancourt	1485 Ashford Avenue, #1101, San Juan, Puerto Rico, 00907, United States		787	7005 6597
EASB Solutions, LLC	Sabanera 304, Camino de los Cedros, Dorado, Puerto Rico, 00646, United States		787	626 5100
Rhode Island				
Kenneth J. Gallison	42 HOLMAN STREET, PORTSMOUTH, Rhode Island, 2871, United States		401	619 2234
South Carolina				
Douglas Kohr and Kelley Kohr	6623 Hiwassee Run, Aiken, South Carolina, 29803, United States		803	443 9575
Douglas N. Fowler II	320 Prado Way, Greenville, South Carolina, 29607, United States		864	354 1730

B2B Marketing, Inc.	3952 Gift Blvd, Johns Island, South Carolina, 29455, United States		843	559 0753
Daniel Hucks	117 Dove Cote Lane, Lexington, South Carolina, 29072, United States.		803	319 8376
Tennessee				
BARNETT WILLIAMS AND MARY LYNN WILLIAMS	5304 Camelot Court, Brentwood,, Tennessee, 37027-4114, United States		615	371 0131
Stephen Buch	563 Link Drive, Alcoa Tennessee		949	295 2267
Texas				
Fabio and Adriana De Paulo	3601 Camino Trail, McKinney, Texas, 75070, United States		214	548 6249
iStar, LLC	8305 Pommel Drive, Austin, Texas, 78759, United States		512	356 3576
David M. Cheek	4530 Limerick Lane, Frisco, Texas, 75034, United States		214	498 0818
Michael Renai Taylor	12038 Allard Bluff, San Antonio, Texas, 78254, United States	PT	785	375 5780
Internet Profit Solutions Inc	7410 Steeple Brook, San Antonio, Texas, 78256, United States		210	263 9358
OSP Hototo LLC	1704 Prescott Dr, Flower Mound, Texas, 75028, United States		972	539 3916
Aaron L. Braunstein and Gretchen D. Braunstein	3615 Franklin #377, Waco, Texas, 76710, United States		254	235 2432
Adept Internet Solutions Inc.	11900 Quassia Drive, Austin, Texas, 78739, United States		512	659 8971
Mary Elizabeth Kahlich and Dale Kahlich	16818 Colegrove Drive, Dallas,, Texas, 75248, United States		972	333 7764
Digital Marketing Consultants LLC	5760 Legacy Dr. B3#161, Plano, Texas, 75024, United States		214	934 2359
Kalpana C Murthy and Krishna S. Murthy	7816 Roaring Ridge Drive, Plano, Texas, 75025, United States		972	208 0473
ALEXACOM, LLC	19914 Kellicreek Drive, Katy, Texas, 77450, United States		281	578 2230
Sheryl Johnson	1450 Brantley Lane, San Antonio, Texas, 78259, United States		931	552 2324
Aaron Jordan Whatley	6700 Cooper Lane #29, Austin, Texas, 78745, United States		282	658 6098
Priminova LLC	3001 Lombardi Way, Cedar Park, Texas, 78613, United States		512	820 2394
Randy Charles Price	983 Hurricane Creek Circle, Anna, Texas, 75409, United States		214	563 8824
Megan Alicia Winget	4213 Ramsey Avenue, Austin, Texas, 78756, United States		512	919 6100
M21 Advanced, LLC	2425 West Loop South, Suite 200, Houston, Texas, 77242, United States	PT	832	429 6983
Techfiniti	900 Rockmead Drive, Suite 230, Kingwood, Texas, 77339		218	716 5816
Sean Jason Matheis	833 Lake Meadow Lane, Little Elm, Texas, 75068, United States	PT	469	400 9655
James Allen Gehring	3580 Rocking J Road, Suite 205, Round Rock, Texas, 78665, United States	PT	512	497 6647

Virginia				
American Internet Solutions, LLC	1818 Woods Edge Dr, Leesburg, Virginia, 20176, United States		703	727 9933
GARY LEVINE	6604 Baymeadow Court, McLean, Virginia, 22101, United States		703	848 3846
NEAL LAPPE	PO Box 998, Midlothian, Virginia, 23113, United States		804	314 4050
nvisions QED LLC	11721 Bosworth Dr., Glen Allen, Virginia, 23059, United States		804	386 5544
DDI Systems LLC	10332 Main Street #361, Fairfax, Virginia, 22030, United States		703	879 8970
Dynamic Digital Marketing LLC	6563 Grange Ln, Unit 104, Alexandria, Virginia, VA 22315, United States	PT	910	261 9316
Kent Communications	503 S. Davis Avenue 10, Richmond, Virginia, 23220, United States		804	323 1500
Nhat X. Pham	901 Moorefield Park Drive, Suite 103, Richmond, Virginia, 23236, United States		804	404 9896
Washington				
Kenneth J. Johnson	26012 SE 152nd Street, Issaquah, Washington, 98027, United States		425	313 7356
Integrity Alliance LLC	685 Spring Street - #109, Friday Harbor, Washington, 98250, United States		360	378 1623
Edge Digital LLC	1919 Dorner Place, Wenatchee, Washington, 98801, United States		509	888 1504
Digital Shop Keys, LLC	7916 NE 125th Street, Kirkland, Washington State, 98034, United States		425	466 9006
Wisconsin				
InfiNET RESULTS LLC	362 East 4 Mile Road, Racine, Wisconsin, 53402, United States		262	898 7142
Jonny Buroker	1009 Stanford Dr., Waunakee, Wisconsin, 53597, United States		608	516 8853
TJK eSolutions, LLC	2813 Interlaken Pass, Madison, Wisconsin, 53719, United States		608	268 7141
Stephen Palmer	3652 Fence Line Road, Franksville, Wisconsin, 53126, United States		847	401 8092
John J. McGraw	37 Deer Park Road, Manitowish Waters, Wisconsin, 54545, United States		715	904 0030
i-Lign Consulting LLC	224 Windtree Drive, Wausau, Wisconsin, 54401, United States		715	298 3539
David B. Rank	W134 N6829 Wild Rose Court, Menomonee Falls, Wisconsin, 53051, United States		262	617 6170
Multinational				
Global Internet Solutions Inc.	43 Newton Terrace, 8th Avenue, Oistins, Christ Church, Barbados, BB17073		246	418 9869

EXHIBIT F

FRANCHISEES WHO LEFT THE SYSTEM
FOR THE LAST FISCAL YEAR AND THROUGH DECEMBER 31, 2016

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

California

Spovo Inc.	119 Leslie Drive, San Carlos, California, 94070, United States		650	296 2830
Todd Edward Bower	25 Latham Ct., Hillsborough, California, 94010, United States		650	685 8784

Colorado

Wilburn T. Boykin Jr.	6031 South Andes Circle, Aurora, Colorado, 80016, United States		303	562 7810
Marketing4theWeb LLC	274 Monroe Street, Denver, Colorado, 80206, United States		720	941 8864

Florida

Keith Haggerty and Ronald Haggerty	360 Remington Dr., Oviedo, Florida, 32765, United States		407	690 6690
Rahil Iffat and Charles A Connaughton	19 Baytree Court, Hospital Hill, Chesham, Buckinghamshire, HP5 1DX, United Kingdom		208	622 3023

Michigan

Robby L. Roberts	1422 Orchard Lane, Mount Pleasant, Michigan, 48858, United States		989	773 5104

Missouri

Carter Rethwisch	958 Lafayette Landing Court, St. Charles, Missouri, 63303, United States	PT	314	504 9107

Nevada

Grand Scale Enterprises Inc.,	7312 La Mona Court, Las Vegas,, Nevada, 89128, United States		702	493 3497

New Jersey

Scott K. Spaulding	6 Colles Avenue, Morristown, New Jersey, 7960, United States		617	504 5898

New York

WEBICS, LLC	160 Oak Ridge Circle, Mahopac, New York, 10541, United States		845	208 3181

South Carolina

ProfiTeam LLC	4062 Colonel Vanderhorst Circle, Mount Pleasant, South Carolina, 29466, United States		843	216 2974

South Dakota

KRYSTI ELIZABETH MIKKONEN	38388 105th Street, Frederick, South Dakota, 57441, United States		605	329 2017

Virginia

Full Spectrum Web Solutions, Inc.,	20549 Creekside Drive, Smithfield, Virginia, 23430, United States		757	788 1343

EXHIBIT G

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EXHIBIT H

STATE RIDERS TO THE FRANCHISE AGREEMENT

AMENDMENT TO NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

The National Internet Corporation Franchise Agreement between ___________________ ("Franchisee" or "You") and National Internet Corporation ("Franchisor") dated _____________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

CALIFORNIA LAW MODIFICATIONS

The California Department of Business Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

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

c. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

d. The Franchise Agreement requires binding arbitration. The arbitration will occur at a location selected by the arbitrator with the costs being allocated by the arbitrator. Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedures Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of California.

e. The franchise agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

f. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

NATIONAL INTERNET CORPORATION

By: ____________________________________
Name: ________________________________
Title: ________________________________

FRANCHISEE:

____

By:
Name: ________________________________
Title: ________________________________

AMENDMENT TO NATIONAL INTERNET CORPORATION FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

The National Internet Corporation Franchise Agreement between _________________ (“Franchisee” or “You”) and National Internet Corporation (“Franchisor”) dated ____________ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/1- 44 (“Illinois Franchise Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Act paragraphs 705/19 and 705/20 provide rights to You concerning nonrenewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Illinois Franchise Act, the Illinois Franchise Act will control.

b. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Illinois Franchise Act, or a rule or order under the Illinois Franchise Act shall be void and are hereby deleted with respect to claims under the Illinois Franchise Act.

c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Act.

d. If this Agreement requires that it be governed by the law of a state, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Act, Illinois law governing claims arising under the Franchise Act will control.

2. Section 26.F, “Limitation Period,” is hereby amended to include the following language:

“CLAIMS ARISING UNDER THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987 (THE “IFDA”) WHICH MUST BE BROUGHT BEFORE THE EXPIRATION OF THREE (3) YEARS AFTER THE ACT OR TRANSACTION CONSTITUTING THE VIOLATION UPON WHICH IT IS BASED, THE EXPIRATION OF ONE (1) YEAR AFTER FRANCHISEE BECOMES AWARE OF FACTS OR CIRCUMSTANCES REASONABLY INDICATING THAT IT MAY HAVE A CLAIM FOR RELIEF IN RESPECT TO CONDUCT GOVERNED BY THE IFDA, OR NINETY (90) DAYS AFTER DELIVERY TO THE FRANCHISEE OF A WRITTEN NOTICE DISCLOSING THE VIOLATION OF THE IFDA, WHICHEVER EXPIRES FIRST.”

3. Section 26.E. “Waiver of Certain Damages and Jury Trial,” should be amended by the addition of the following as the last sentence of the section:

“However, this Section shall not act as a condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 at Section 705/41.”

4. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

NATIONAL INTERNET CORPORATION

By: ______________________________
Name: ______________________________
Title: ______________________________

FRANCHISEE:

____

By:
Name: ______________________________
Title: ______________________________

**AMENDMENT TO NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT AND
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT
FOR THE STATE OF MARYLAND**

The National Internet Corporation Franchise Agreement between _________________ ("Franchisee" or "You") and National Internet Corporation ("Franchisor") dated ____________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. § 14-201 et seq. (2015 Repl. Vol.). The following provisions are hereby amended:

2. **Conditions of Renewal**. Notwithstanding anything in Paragraph 2.C.7 of the Franchise Agreement to the contrary, the general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. **Transfer by Franchisee**. Notwithstanding anything in Paragraph 12.B.1(c) of the Franchise Agreement to the contrary, the general release required as a condition of assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. **Termination by Franchisor**. Notwithstanding anything in Paragraph 13.A.1 of the Franchise Agreement to the contrary, termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. **Release of Prior Claims**. Section 22 of the Franchise Agreement is amended by adding the following:

This release shall not apply to any claims or liability under the Maryland Franchise Registration and Disclosure Law.

6. **Acknowledgements**. The Franchisee Disclosure Acknowledgment Statement and Sections 19, 23, and 28 of the Franchise Agreement are amended by adding the following at the end of each section:

> Any representations herein regarding the disclosure of the occurrence of and/or the acknowledgement of the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure law in order to purchase a franchise are not intended to nor shall they act as a release, estoppel or waiver of liability incurred under the franchise law.

7. **Limitation Period**. Sections 26.B. and 26.F. of the Franchise Agreement are amended by adding the following:

> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

8. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

9. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ___________________, 20___.

FRANCHISOR:

NATIONAL INTERNET CORPORATION

By: ________________________________

Name: ____________________________

Title: ____________________________

FRANCHISEE:

____

By:

Name: ____________________________

Title: ____________________________

AMENDMENT TO NATIONAL INTERNET CORPORATION FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

The National Internet Corporation Franchise Agreement between __________________ ("Franchisee" or "You") and National Internet Corporation ("Franchisor") dated _____________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80C.01 et seq., and the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). The following provisions are hereby amended:

2. The following is added to the end of Paragraph 2.C.7 ("**Condition of Renewal**"), Paragraph 12.B.1(c) ("**Transfer by Franchisee**") and Section 22 ("**Release of Prior Claims**") of the Franchise Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. Section 2 of the Franchise Agreement (entitled "**Term and Renewal**") and Section 13 of the Franchise Agreement (entitled "**Termination by Franchisor**") are amended by adding the following:

> With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subs. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given ninety (90) days notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days notice for non-renewal of the Franchise Agreement.

4. The following is added to the end of Paragraph 6.C. of the Franchise Agreement (entitled "**Notification of Infringements and Claims**"):

> To the extent required by Minnesota law, Franchisor shall indemnify Franchisee against, and reimburse Franchisee for, all losses, costs and expenses Franchisee incurs in any claim of infringement or unfair competition relating to Franchisee's authorized use of the Marks, provided Franchisee has timely notified Franchisor of the claim and otherwise complied with the terms of this Agreement.

5. The following is added to the end of Paragraph 25.A. of the Franchise Agreement (entitled "**Governing Law**"):

> Nothing in this Agreement shall abrogate or reduce any of Franchisee's rights under Minnesota Statutes Chapter 80C or Franchisee's right to any procedures, forum or remedy provided therein.

6. To the extent required by the Minnesota Franchises Law, Paragraph 26.E. (entitled "**Waiver of Certain Damages and Jury Trial**") of the Franchise Agreement is deleted.

7. The following is added to Paragraph 26.F. (entitled "**Limitation Period**"):

> ; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

8. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including your rights to any procedure, forum, or remedies provided for in that law.

9. The Agreement is hereby amended to delete all references to Liquidated Damages (as defined) in violation of Minnesota law; provided, that no such deletion shall excuse the franchisee from liability for actual or other damages and the formula for Liquidated Damages in the Agreement shall be admissible as evidence of actual damages.

10. Each provision of this Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ___________________, 20___.

FRANCHISOR:

NATIONAL INTERNET CORPORATION

By: ____

Name: ________________________________

Title: ________________________________

FRANCHISEE:

____

By:

Name: ________________________________

Title: ________________________________

AMENDMENT TO NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

The National Internet Corporation Franchise Agreement between _________________ ("Franchisee" or "You") and National Internet Corporation ("Franchisor") dated ____________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

<u>NEW YORK LAW MODIFICATIONS</u>

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). The following provisions are hereby amended:

2. Paragraph 2.C.7. of the Franchise Agreement (entitled "**Conditions of Renewal**") is amended by adding the following:

> and further provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL, Sections 687.4 and 687.5 be satisfied;

3. Paragraph 3.A.3. of the Franchise Agreement (entitled "**Pre-Opening Obligations**") is amended by adding the following:

> ;however, no changes to the Manual will be made which would impose an unreasonable economic burden to Franchisee or unreasonably increase its obligation.

4. Paragraph 12.B.1(c) of the Franchise Agreement (entitled "**Transfer by Franchisee**") is amended by adding the following:

> and further provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Sections 687.4 and 687.5 be satisfied;

5. Section 22 of the Franchise Agreement (entitled "**Release of Prior Claims**") is amended by adding the following:

> ; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Sections 687.4 and 687.5 be satisfied.

6. Paragraph 25.A. of the Franchise Agreement (entitled "**Governing Law**") shall be amended by adding the following:

> The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the General Business Law of the State of New York, Article 33, Sections 680 through 695.

7. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ___________________, 20___.

FRANCHISOR:

NATIONAL INTERNET CORPORATION

By: ____

Name: ________________________________

Title: ________________________________

FRANCHISEE:

____

By:

Name: ________________________________

Title: ________________________________

AMENDMENT TO NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA

The National Internet Corporation Franchise Agreement between ________________ ("Franchisee" or "You") and National Internet Corporation ("Franchisor") dated ____________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). The following provisions are hereby amended:

2. The following is added to the end of Paragraph 2.C.7 ("**Conditions of Renewal**"), Paragraph 12.B.1(c) ("**Transfer by Franchisee**") and Section 22 ("**Release of Prior Claims**") of the Franchise Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The following is added to the end of Paragraph 16.B. of the Franchise Agreement (entitled "**Post-Term Non-Competition**"):

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, Franchisor and Franchisee will enforce the covenants to the maximum extent the law allows.

4. To the extent required by the North Dakota Franchise Investment Law, the last sentence of Paragraph 26.E. (entitled "**Waiver of Certain Damages and Jury Trial**") of the Franchise Agreement is deleted.

5. The following is added to the end of Paragraph 25.A. of the Franchise Agreement (entitled "**Governing Law**"):

> Notwithstanding the foregoing, North Dakota law applies to the extent required by the North Dakota Franchise Investment Law.

6. The following is added to the end of Paragraph 26.F. of the Franchise Agreement (entitled "**Limitation Period**"):

> The statutes of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

7. If the Franchise Agreement requires payment of a termination penalty or liquidated damages, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

8. Anything in Sections 8.E., 13.C., 15.G., and 16.H. and Q. to the contrary notwithstanding, the prevailing party in any action thereunder shall be entitled to recover all damages, costs, and expenses, including reasonable attorneys' fees.

9. If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

10. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

11. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

NATIONAL INTERNET CORPORATION

By: ________________________________
Name: ________________________
Title: ________________________

FRANCHISEE:

____

By:
Name: ________________________
Title: ________________________

AMENDMENT TO NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND

The National Internet Corporation Franchise Agreement between __________________ ("Franchisee" or "You") and National Internet Corporation ("Franchisor") dated _____________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law, tit. 19 chap. 28.1 §§ 19-28.1-1 -19-28.1-34. The following provisions are hereby amended:

2. Paragraph 25.A. of the Franchise Agreement (entitled "**Governing Law**") shall be amended by adding the following:

> The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the Rhode Island Franchise Investment Act Section 19-28.1-14.

3. Section 22 of the Franchise Agreement (entitled "**Release of Prior Claims**") is amended by adding the following:

> ; provided, however, such release and discharge shall exclude claims arising under the Rhode Island Franchise Investment Act.

4. Section 28 of the Franchise Agreement (entitled "**Acknowledgements**") is amended by adding the following:

> If the foregoing acknowledgments would negate or remove from judicial review any statement, misrepresentation or action that would violate the Rhode Island Franchise Investment Act, such acknowledgments shall be void with respect to claims under the Act.

5. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void with respect to any claims brought under Rhode Island Franchise Investment Act Sec. 19-28.1-14.

6. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

NATIONAL INTERNET CORPORATION

By: ___________________________________

Name: ___________________________

Title: ___________________________

FRANCHISEE:

____

By:

Name: ___________________________

Title: ___________________________

AMENDMENT TO NATIONAL INTERNET CORPORATION FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

The National Internet Corporation Franchise Agreement between _________________ ("Franchisee" or "You") and National Internet Corporation ("Franchisor") dated ____________ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

WASHINGTON LAW MODIFICATIONS

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1994). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Washington Franchise Investment Protection Act provides rights to You concerning nonrenewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. If the Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Washington Franchise Investment Protection Act; except when the release is executed under a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the Agreement that unreasonably restrict or limit the statute of limitations period for claims brought under the Act, or other rights or remedies under the Act, those provisions may be unenforceable.

c. If the Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of Washington, the requirement may be unenforceable under Washington law. Arbitration involving a franchise purchased in the State of Washington, must either be held in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

d. If the Agreement requires that it be governed by the law of a state, other than the State of Washington, and there is a conflict between the law and the Washington Franchise Investment Protection Act, the Washington Franchise Investment Protection Act will control.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ___________________, 20___.

FRANCHISOR:

NATIONAL INTERNET CORPORATION

By: ____
Name: ________________________________
Title: ________________________________

FRANCHISEE:

____

By:
Name: ________________________________
Title: ________________________________

EXHIBIT I

RELEASE

FORM OF GENERAL RELEASE

[Current Form for Transfers and Renewals]

1. **Release of Claims**. Franchisee and each of Franchisee's principals, directors, owners or partners identified on the signature page hereto and their respective assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively referred to as the "Franchisee Related Parties") irrevocably and unconditionally release and forever discharge Franchisor, its predecessors, subsidiaries, affiliates and their respective owners, officers, directors, agents, employees, representatives, attorneys, successors and assigns, and all persons acting by, through, under or in concert with any of them (collectively "Releasees"), from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent ("Claim" or "Claims"), which they now have or claim to have, or at any time heretofore have had, or claimed to have against each or any of the Releasees, including, without limitation, any and all such Claims arising from, based upon or related to the Franchise Agreement, but excluding claims based on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative in connection with the offer of the Franchise Agreement, subject to agreed-upon changes to the contract terms described in that Franchise Disclosure Document and reflected in the Franchise Agreement (including any riders or addenda signed at the same time as the Franchise Agreement).

2. **Unknown Claims.**

   (a) Franchisee acknowledges for itself and the Franchisee Related Parties that there is a risk that subsequent to the execution of this Agreement, it will discover, incur or suffer Claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arose from, are based upon or are related to the Franchise Agreement or some part or aspect thereof, which if known by Franchisee on the date this Agreement is being executed may have materially affected its decision to execute this Agreement.

   (b) Franchisee acknowledges and agrees for itself and the Franchisee Related Parties that by reason of the release contained in Section 1 above, it is assuming the risk of such unknown and unanticipated Claims and agrees that its release of the Releasees contained in this Agreement applies thereto.

3. **Covenant Not to Sue.** Franchisee covenants and agrees for itself and for the Franchisee Related Parties not to bring or allow to be brought on behalf of itself or any Franchisee Related Party, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against Franchisor and the Releasees arising out of, resulting from, or in any manner related to the matters referenced in Section 1.

4. **No Assignment of Claims.** Franchisee represents and warrants for itself and the Franchisee Related Parties that it has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claims released under Section 1 of this Agreement and agrees to indemnify, defend and hold the Releasees harmless from and against any and all Claims, based on or arising out of any such assignment or transfer, or purported assignment or transfer, of any Claims, or any portion thereof or interest therein. Franchisee represents and warrants that since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the Franchise, the Franchise Agreement, or any rights or interests therein or in the Franchisee.

5. **Full and Independent Knowledge**. Franchisee represents that it has been represented by an attorney in connection with the preparation and review of this Agreement, that it has specifically discussed with its attorney the meaning and effect of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein. Franchisee further represents that it does not rely and has not relied upon any representation or statement made by the Franchisor or, any of the Releasees, or any of their representatives with regard to the subject matter, basis or effect of this Agreement.

6. **Compromise**. Franchisee agrees for itself and the Franchisee Related Parties that the releases contained herein are the result of a compromise and shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of Franchisor or the Releasees regarding any matter.

7. **General Provisions**.

(a) Entire Agreement. This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any of the terms or conditions set forth herein.

(b) Authority. By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein.

(c) Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.

(d) Survival. All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

(e) Further Assurance. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

(f) Complete Defense. Franchisee acknowledges that this Agreement shall be a complete defense to any claim released under the terms of Section 1 of this Agreement and hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.

(g) Attorneys' Fees. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

[For California franchisees, add: Each of the Franchisee Related Parties expressly waives and relinquishes all rights and benefits which either may now have or in the future have under and by virtue of California Civil Code Section 1542. The parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in Section 1. above, the parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 1. above which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

National Internet Corporation

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

FRANCHISEE:

____

By:

Name: ______________________________

Title: ______________________________

Date: ______________________________

[Add signature blocks for any additional parties identified pursuant to Section 1]

EXHIBIT J

FRANCHISEE DISCLOSURE ACKNOWLEDGEMENT STATEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, National Internet Corporation (the "Franchisor") and you are entering into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a WSI Business (the "Franchised Business"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

2. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

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

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

Yes _____ No _____

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

Yes _____ No _____

5. Do you understand all of the information contained in the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

6. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

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

Yes _____ No _____

7. Do you fully understand and agree to Section 26.B. of the Franchise Agreement concerning arbitration, and do you understand particularly that the arbitrator may decide to hold the arbitration proceeding outside your home state?

Yes _____ No _____

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

Yes _____ No _____

9. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

10. Has any employee of a broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

Initials _______

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

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

Yes _____ No _____

15. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? ____
____
____

If you have answered No to question 8, or Yes to any one of questions 9-14, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 8, and No to each of questions 9-14, please leave the following lines blank.
____
____
____
____
_____

I signed the Franchise Agreement and Addendum (if any) on ________________, 20___.

Initials_______

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by

Franchisor or any of its officers, employees or agents (including the broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

____
____
____

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States and Canadian governments have adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Initials_______

Acknowledged this _____ day of ________________, 20____.

Sign here if you are taking the franchise as an

INDIVIDUAL

____
Signature

Print Name _________________________

____

Print Name _________________________

____
Signature

Print Name _________________________

____
Signature

Print Name _________________________

Sign here if you are taking the franchise as a CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

____
Print Name of Legal Entity

By: __________________________

Signature ______________________

Print Name _________________________

Title __________________________

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

RECEIPT

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

If National Internet Corporation 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, or sooner if required by applicable state law. Applicable state law in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business 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, (b) New York requires us to provide you the disclosure document the earlier of the first personal meeting or 10 business 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, and (c) Iowa and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If National Internet Corporation does not deliver this disclosure document on time or if it contains a false or misleading statement, or material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in ***Exhibit D*** to this disclosure document).

The name, principal business address, and telephone number of the franchise seller offering the franchise is (PLEASE FILL IN THE FOLLOWING INFORMATION):

Name	Principal Business Address	Telephone Number
Daniel Lattanzio	1660 Tech Avenue, Unit 2 Mississauga, Ontario, Canada L4W 5S9	1-(888)-678-7588

Issuance Date: March 20, 2017

I received a disclosure document dated March 20, 2017. The disclosure document included the following Exhibits:

Exhibit A – Franchise Application Agreement
Exhibit B – Franchise Agreement
Exhibit C – Financial Statements
Exhibit D – List of State Administrators and Agents for Service of Process
Exhibit E – Roster of Franchisees
Exhibit F – Franchisees Who Left the System
Exhibit G – Manual Table of Contents
Exhibit H – State Riders to the Franchise Agreement
Exhibit I – General Release
Exhibit J – Franchisee Disclosure Acknowledgment Statement

Dated: ____________________________

____
Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

____
Printed Name
of ____
(a __________________________________Corporation)

[Sign and Return this page]

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Dated: ___________________________

____
Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

____
Printed Name
of ____
(a __________________________________Corporation)

[Keep this page for your records]