FRANCHISE DISCLOSURE DOCUMENT

NATIONAL INTERNET CORPORATION
a Delaware corporation
d/b/a WSI
91 Skyway Avenue, Suite 104
Toronto, Ontario, M9W 6R5 Canada
1-(888)-678-7588
www.wsiworld.com
www.wsicorporate.com
Email: support@wsiworld.com

The franchise offered is for the operation of a WSI digital marketing business which offers full-service digital marketing systems to businesses under the trademark "WSI" and other authorized marks.

The WSI Business specializes in leading digital marketing strategies and providing actionable advice on key tactics. Our foundation is the WSI Internet Solutions Lifecycle®, backed by a global network and 29 years of experience. We deliver straightforward, effective digital marketing solutions, helping our customers achieve their unique business goals.

We currently offer three types of franchises: (a) a "Regional Territory Franchise;" (b) a "National Territory Franchise," and (c) an "International Territory Franchise." The total investment necessary to begin operation of these types of franchises is: $77,400 to $106,500. This includes $64,700 that must be paid to us and/or our affiliates for a Regional Territory Franchise, $69,700 that must be paid to us and/or our affiliates for a National Territory Franchise, and $79,700 that must be paid to us and/or our affiliates for an International Territory Franchise.

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 the 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Administrative Department at 91 Skyway Avenue, Suite 104, Toronto, Ontario, M9W 6R5 Canada, or (888) 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 your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

Issuance Date: April 28, 2025.

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

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

WHAT YOU NEED TO KNOW ABOUT FRANCHISING *GENERALLY*

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

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

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

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

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

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

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

SOME STATES REQUIRE REGISTRATION

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

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

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

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

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with us by mediation in Toronto, Ontario and litigation in New York. Out of state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate in Toronto, ON and litigate in New York than in your own state.

Mandatory Minimum Payments. You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

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

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A: List of State Administrators/Agents for Service of Process

B: State Specific Addenda

C: Franchise Agreement

D: Financial Statements

E: List of Franchisees

F: List of Franchisees Who Have Left The System

G: Table of Contents of Manual

H: Franchisee Disclosure Acknowledgment Statement

I: Form of General Release

J: Franchise Application Agreement

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.

Company History

The WSI digital marketing business was founded in 1995 by Dan Monaghan, Paul Monaghan and Mark Dobson, in Toronto, Canada. The company was one of the first digital marketing agencies in the world. In the years that followed, WSI digital marketing expanded rapidly, opening offices in dozens of countries around the world and serving clients across a wide range of industries. Today, WSI digital marketing offers everything from web design and SEO to social media management and online advertising. WSI digital marketing remains committed to its core values of transparency, integrity, and customer service, working closely with clients to deliver customized solutions that meet their unique needs and drive real results.

Description of a WSI Business

NIC offers you the right to own and operate a full service WSI digital marketing business of your own. In your business, you will use our trademark, trade name and sophisticated procedures and trade secrets. You will operate as an independent business owner, providing digital marketing services ("**Services**") to clients in their local markets. WSI digital marketing services are delivered through certified approved quality suppliers within our eMarketplace. The range of services shall include but not limited to competitive analysis, personal development, paid search advertising, content marketing, inbound marketing, marketing automation, website design and development, social media marketing, search engine optimization, landing page optimization, email marketing, web analytics, and consulting. Our business model allows the addition of any new future service or product or platform to be added to the range of services as dictated by the industry. As a franchisee, you will receive training and support in all aspects of digital marketing, as well as ongoing updates and access to suppliers, tools, and technologies. You will have full access to suppliers that can deliver all your digital marketing services. You will also have access to a network of other franchisees providing the same services. You will likely focus on clients within specific industries as you build and grow your business.

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." 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. We also offer similar licenses under different terms to experienced marketing agencies. We have no other business activities. We offer three types of franchises. Before signing the Franchise Agreement, you will select one of the following three types of franchises:

- **Regional Territory Franchise**, which allows you to offer and sell to customers located in a particular state; and
- **National Territory Franchise**, which allows you to offer and sell to customers anywhere in the United States.
- **International Territory Franchise**, which allows you to offer and sell to customers anywhere in any country where it is lawfully permitted to do so.

All territories are non-exclusive.

The System
Our System empowers businesses and individuals with a full suite of advanced digital marketing solutions—including, but not limited to, the services listed below—that help them stay ahead of market demands and seize the opportunities brought by constant technological change. As a WSI Franchisee, you'll have the exciting opportunity to deliver these in-demand solutions to clients in your Designated Territory. You'll tap into our exclusive "WSI eMarketplace," a powerful online portal connecting you to a trusted network of third-party suppliers we've carefully selected to support our franchise network. These partners deliver premium digital marketing services at wholesale pricing—giving you access to top-tier offerings, without the overhead. When a supplier fulfills a service, you pay only the wholesale rate, giving you more room to grow your business.

WSI Digital Marketing Services		
Competitive & Market Analysis	AI Consulting & Enablement	AI Powered Content Generation
AI Chatbots & Virtual Assistants	Buyer Persona Development & Journey Mapping	Digital Marketing Strategy & Business Consulting
Digital Marketing Blueprint (Strategic Planning)	Search Engine Optimization (WSI AdaptiveSEO®)	Web Design, UX/UI & Development
eCommerce Strategy & Development	Marketing Automation & CRM Integration	Lead Generation Systems
eMail Marketing & Drip Campaigns	Content Strategy & Marketing	Mobile & App Marketing
Digital Public Relations & Reputation Management	Video Marketing & Production	Podcast Marketing
Inbound Marketing Strategy	Data Analytics, Performance Reporting & Insights	Social Medial Marketing & Management
Web Accessibility Compliance & Optimization	Training & Coaching Program (for internal or client use)	Social Ads & Paid Social Campaigns
Landing Page Design & Optimization	Conversion Rate Optimization (CRO)	Website Essentials & Hosting
Fractional CMO Services & Strategic Oversight	Sales Enablement & Funnel Strategy	Social Selling & Lead Nurturing (Social Mastery Course)
Voice Search Optimization	Local SEO & Google Business Profile Optimization	Marketplace Optimization (Amazon, Etsy, etc.)
Marketing Technology Stack Consulting	Geofencing & Location-Based Marketing	Customer Experience & Retention Strategy
Influencer Marketing	Virtual & Augmented Reality Marketing	Sustainability & Ethical Marketing Initiatives
Online Advertising & PPC Management (Google Ads, Microsoft/Bing Ads, YouTube, Display and Retargeting, Programmatic Advertising		

NIC, its Parents, Predecessors and Affiliates
NIC was incorporated in Delaware on December 31, 1996. We do business under our corporate name and the Proprietary Marks described in this Disclosure Document. Our Canadian head office address

is 91 Skyway Avenue, Suite 104, Toronto, Ontario, M9W 6R5 Canada. Our U.S. registered 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, but our affiliate, Research and Management Corporation ("**RAM**") has operated a corporate-owned location in the United States since May 2019. We began offering franchises in the U.S.A. for a business that offers similar services as your Franchised Business but under the mark Worldsites in 1999. From March 2001 to December 2003, we offered a franchise for a similar business under the mark MyWorldsites. We began offering WSI Businesses in September 2001. Neither we nor our affiliates have offered franchises in any other line of business.

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 digital marketing solutions and training and eMarketplace 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 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. WTG was formerly known as IIS Inc. and was incorporated in the Bahamas on February 21, 1997. Except as described above, we have no parents that exercise control over the policies and direction of the franchise system.

WTG and its affiliates have granted franchises and fs for WSI Businesses outside the U.S.A. under the marks WSI ICE®, Worldsites and MyWorldsites (since 1997), under the WSI IM® mark (since 2006) and, more recently, under the "WSI" mark. Neither WTG nor its country-specific affiliates have operated a business of the type being franchised nor have they granted franchises in any other line of business. (Except for WTG, the principal business address for each of the following companies is 91 Skyway Avenue, Suite 104, Toronto, Ontario, M9W 6R5 Canada).

Name and Address	**Business**
World Technology Group Inc. ("WTG"), a Delaware corporation (including WSI Malaysia Ltd., WSI Taiwan Ltd., and WSI Indonesia Ltd., which were amalgamated with WTG in January 2017, with WTG as the surviving company).	WTG (formerly IIS Inc., a Bahamian corporation formed in February 1997) has offered franchises for the type of business described in this disclosure document since February 1997. WTG's address is 16192 Coastal Highway, Lewes, Delaware 19958.
WSI Worldwide Ltd., an Ontario corporation	WSI Worldwide Ltd. 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 offer WSI franchise opportunities. WSI Worldwide Ltd. commenced selling franchises in January 2005. Before January 2005, WSI Worldwide Inc. and Worldsites International, Inc. sold similar franchises in the same countries where WSI Worldwide Ltd. currently sells.
WSI Canada Ltd., an Ontario corporation	WSI Canada Ltd. was incorporated in November 2004 to sell WSI franchises in Canada commencing in 2005. Before

Name and Address	Business
	January 2005, WSI Canada Inc. and Canadian Internet Corporation sold WSI franchises in Canada.
WSI Australia Ltd., an Ontario corporation	WSI Australia Ltd. was incorporated in November 2004 to sell WSI franchises in Australia commencing in 2005. Before January 2005, WSI Australia Inc. sold WSI franchises in Australia.
WSI France Ltd., an Ontario corporation	WSI France Ltd. was incorporated in November 2004 to sell WSI franchises in France commencing in 2005. Before January 2005, WSI France Inc. sold WSI franchises in France.
WSI Mexico Ltd., an Ontario corporation	WSI Mexico Ltd. was incorporated in November 2004 to sell WSI franchises in Mexico commencing in 2005. Before January 2005, WSI Mexico Inc. sold WSI franchises in Mexico.
WSI Brazil Ltd., an Ontario corporation	WSI Brazil Ltd. was incorporated in November 2004 to sell WSI franchises in Brazil commencing in 2005. Before January 2005, WSI Brazil LLC and WSI Brazil Ltd. sold WSI franchises in Brazil.
WSI Spain Ltd., an Ontario corporation	WSI Spain Ltd. was incorporated in November 2004 to sell WSI franchises in Spain commencing in 2005. Before January 2005, WSI Spain Inc. and WSI Spain LLC sold WSI franchises in Spain.
WSI Italy Inc., an Ontario corporation	WSI Italy Ltd. was incorporated in August 2004 to sell WSI franchises in Italy.
WSI Emerging Markets Ltd., an Ontario corporation	WSI Emerging Markets Ltd. was incorporated in June 2005, to sell franchises in Romania, in Japan, and in other future emerging markets.
WSI Belgium Ltd., an Ontario corporation	WSI Belgium Ltd. was incorporated in September 2006 to sell WSI franchises in Belgium.
1175856 Ontario Ltd., an Ontario corporation	1175856 Ontario Ltd. was incorporated in August 2001 and owns the “WSI” trademarks and other intellectual property that is licensed to us (so that we can, in turn, license that to you).

Our affiliate, WSI Paid Search Ltd. (doing business as “Utopiads”), 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 A to this disclosure document.

Regulatory Matters

You must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, EEOC, OSHA, discrimination, employment, and sexual harassment laws. There may be specific laws or regulations in your state or municipality regarding the operation of this business and businesses in general, which may include licensing and government

regulations. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Business.

Competition
The digital marketing industry is fragmented and you will generally compete with website developers, digital marketing agencies, single service providers, and/or consultants. The digital marketing industry is continuously developing and competitive in all markets. The market for digital marketing in the United States is mature with demand increasing for these services along with the ability to implement any future marketing technology. Your customer base and client mix will include any type of business but is predominantly focused on small to medium sized businesses, both "business-to-consumer" and "business-to-business" companies.

ITEM 2
BUSINESS EXPERIENCE

Unless otherwise indicated, the location of the employer is Toronto, Ontario.

Director of National Internet Corporation: Mark Dobson

Mr. Dobson has been our Director since January 2018. He was with RAM from March 2007 to February 2018, first as Vice President of Franchise Development (March 2007 through December 2018) and later as CEO (January 2014 to February 2018).

Senior Vice President, Franchise Development of National Internet Corporation: Daniel Lattanzio

Mr. Lattanzio has been our Senior Vice President, Franchise Development since January 2018. He has also served as our Vice President, Franchise Sales since March 1996.

President: Valerie Brown-Dufour

Ms. Brown-Dufour was appointed as RAM's President in October 2017, and has acted in the same capacity for us since that time. She has held various positions with RAM since February 2007, including Vice President of Business Strategy and Innovation (February 2007 to December 2011); Vice President of International Development (January 2012 to July 2012); Executive Vice President of Global Operations (July 2012 to June 2016); and Chief Operating Officer (July 2016 to September 2017).

Chief AI Officer: Robert Mitchell

Mr. Mitchell has served as our Chief AI Officer since June 2023. Before that, he served as Head of Franchise Development for Ultra Pool Care Squad in Knoxville, Tennessee from May 2021 to June 2023. Before that, Mr. Mitchell was the North American Franchise Development Liaison for FranchiseBiz in Abingdon, Virginia from November 2020 to May 2021. He was the Vice President of Franchise and Business Development for Timothy Oulton in Hong Kong from January 2020 to September 2020. Before that, Mr. Mitchell was Director of Business Development for the Americas for BoConcept in Herning, Denmark from April 2018 to August 2019. Before that, he was Vice-President of Franchise Development at The Casual Pint in Knoxville, Tennessee from January 2015 to March 2018.

Vice President of Global Operational Performance: Rimma Jaciw

Ms. Jaciw was appointed as RAM's Vice President, Global Operational Performance in July 2016, and has acted in the same capacity for us since that time. Prior to that, she was the Director of Operational Performance (March 2012 to June 2016), Director of Franchise Operations (March 2008 to March 2012) and Franchise Operations Manager (January 2004 to March 2008).

Vice President of Field Operations: Michael Monaghan

Mr. Monaghan has been RAM's Vice President of Field Operations since July 2016, and has acted in the same capacity for us since that time. He previously served as Director of Master Franchise Operations (February 2012 to July 2016) and International Development Director (September 1998 to February 2012).

Director of Marketing and Communications: Cheryl Baldwin

Ms. Baldwin was appointed as RAM's Director of Marketing and Communications in November 2012, and has acted in the same capacity for us since that time. She previously served as RAM's Marketing Manager (November 2009 to November 2012), Product Marketing Manager (September 2008 to November 2009), Marketing Specialist (November 2006 to September 2008) and eStore Manager (November 2003 to November 2006).

Director of Business Development and Innovation: Gennady Liakhter

Mr. Liakhter was appointed as RAM's Director of Business Development and Innovation in March 2017, and has acted in the same capacity for us since that time. He previously served as RAM's Business Development Manager (March 2015 – 2017).

Director of Strategy and AI: Kundan Mohapatra

Mr. Mohapatra was appointed as RAM's Director of Strategy and AI in March 2017, and has acted in the same capacity for us since that time. Before that, he was Digital Strategist at RAM from August 2022 to December 2022. From August 2021 to August 2022, Mr. Mohapatra served as Digital Marketing Manager for Asia Pacific, the Middle East, and Africa at Novozymes in Bangalore, India. He was Marketing Manager at Colgate-Palmolive in Mumbai, India from March 2021 to August 2021, and an Independent Marketing Consultant in Bangalore, India from March 2020 to March 2021. Mr. Mohapatra was Chief Manager, CRM and Marketing Analytics at Spencer's Retail in Kolkata, India from June 2017 to February 2020.

Controller: Malini Pandya

Ms. Pandya was appointed as RAM's Controller in July 2015, and has acted in the same capacity for us since that time. She previously served as RAM's Assistant Controller (February 2012 through June 2015); Accounting Manager (September 2007 to January 2012); and Senior Financial Analyst (February 2007 to August 2007).

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The initial franchise fee for a franchise is $64,700 for a Regional Territory Franchise, $69,700 for a National Territory Franchise, and $79,700 for an International Territory Franchise. The different types of franchises are described in Items 1 and 12. You must pay us an initial deposit equal to 25% of the initial franchise fee when you sign the Franchise Application Agreement, which is attached to this Disclosure Document as Exhibit J. The balance of the initial franchise fee is payable in a lump sum when you sign the Franchise Agreement, and it is deemed fully earned upon its receipt. The deposit is refundable only if we determine that you are not qualified or suitable to become a franchisee. The initial franchise fee is not refundable and is uniformly applied.

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 20% 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 indicates 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.

There are no other payments to or purchases from us or our affiliates that you must make before you begin operating your Franchised Business.

ITEM 6
OTHER FEES

Name of Fee (Note 1)	Amount (Note 7)	Due Date	Remarks
Management Services Fee (MSF)	Note 2	Note 2	This is a continuing Management Services Fee.
Technology Tool Set (Note 3)	Currently $475 per month	Monthly fee is due on the due date for payment of monthly Management Services Fee	See Note 3 Below.

Name of Fee (Note 1)	Amount (Note 7)	Due Date	Remarks
Branding Fee	$100 per month	Due on the due date for payment of monthly Management Services Fee	The fee is payable to the "Branding Fund" and is used to promote the image of the brand and System around the world.
Education Fee	Currently $99 per person per month	Due on the due date for payment of monthly Management Services Fee	See Note 6 below.
Interest/Late Fee	1.5% per month	Due only if payments are overdue	Interest is calculated on a daily basis from the date a payment was due. The rate of interest will not exceed any limit that applies to you under state law.
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 franchise	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 franchise requires payment of an Upgrade Fee.
Audit Fee	Our costs and expenses we incur for audit	Upon invoicing	Due only if the audit shows an understatement in any report to us of 2% or more

Name of Fee (Note 1)	Amount (Note 7)	Due Date	Remarks
Initial Training and Replacement Training Fees	If more than 2 individuals are sent to Initial Training and for each replacement training, for each additional person attending Initial Training or for any replacement training, you will pay $2,500 per day for each day of the in-person component of Initial training.	Prior to start of the training.	If you ask to send more than two individuals to the Initial Training, and for each replacement training, you agree to pay us this training fee. Refer to section 6.2 of the Franchise Agreement.
Training Reschedule Fee	$500 for each missed training session.	As incurred	If you or your personnel do not attend a scheduled training session, you agree to pay this fee for each rescheduled training session.
Indemnification	Will vary under circumstances	As incurred	Note 4
Renewal Fee	$5,000	Due at renewal of the franchise term	You are obligated to pay a renewal fee on renewal of the franchise term.
Securities Offering Fee	Under the Franchise Agreement, $11,000 or our actual expenses, whichever is more.	Upon demand	Only payable if you make a public or private securities offering, in which case you must reimburse us for our reasonable costs and expenses (including legal and accounting fees) to evaluate your proposed offering and you also must indemnify us (see above).
Early Termination Fee	20% of the total remaining MSF payable for the remainder of the initial term (or, if applicable, the renewal term) of the Franchise Agreement	As applicable	You will have the option to elect to terminate the Franchise Agreement on or after the three year anniversary of the effective date, by paying this fee, signing a release, and complying with the other obligations upon termination.
Upgrade Fee (Note 5)	$14,700 to $27,400	At time of Upgrade	Only due if you wish to upgrade your franchise to a National or International Territory Franchise.

Note 1 Except for the fees for website maintenance 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 and are uniformly applied to new system franchisees. However, in some instances that we consider appropriate, we may waive some or all of these fees.

Note 2 The Management Services Fee ("**MSF**") will increase during the term of the Franchise Agreement according to the following table:

Starting with this month after you have completed our initial training program:	**Through this month after you have completed our initial training program:**	**The monthly MSF will be**
The first complete calendar month	The 6th complete calendar month	$500
The 7th complete calendar month	The 11th complete calendar month	$750
The 12th complete calendar month	The 23rd complete calendar month	$1,000
The 24th complete calendar month	The 35th complete calendar month	$1,250
The 36th complete calendar month	The 47th complete calendar month	$1,500
The 48th complete calendar month	The 59th complete calendar month	$2,000
The 60th complete calendar month	End of the term of this Agreement	$2,500

The MSF will be due on the 15th day of each month. You must pay the MSF to us by Automated Clearing House (ACH) deduction, which we will initiate. For payments that are scheduled to be due on a national holiday, the payment will be due the next business day.

Note 3 This fee grants the Franchisee access to the Franchisor's Technology Tool Set, which comprises the essential digital platforms and systems required to operate a WSI business. These may include, but are not limited to, sales enablement tools, access to proprietary WSI systems, a WSI-branded web presence, and use of WSI's CRM platform. The specific tools and systems included in the Technology Tool Set may evolve over time at the discretion of the Franchisor. Should any updates, enhancements, or replacements be introduced, the Franchisee will be required to implement the changes within six months of notification, at their own expense. This fee may be periodically increased by Franchisor in an amount that is commensurate with the Franchisor's increased costs in connection with technology for the System.

Note 4 You must indemnify us and reimburse us for our costs (including our attorneys' fees), if we are sued or held liable in any case: (a) having anything to do with any securities offering you make; (b) your use of the marks (other than in the manner that we designate or approve); or (c) that has anything to do with a claim arising out of the operation of your Franchised Business.

Note 5 If you choose to upgrade your franchise from a Regional Territory Franchise to a National Territory Franchise or from a National Territory Franchise to an International Territory Franchise, you will have to pay an upgrade fee of $14,700; and to upgrade from a Regional Territory Franchise to an International Territory Franchise you would have to pay an upgrade fee of $27,400.

Note 6 This monthly fee covers your mandatory registration fees per person for the ongoing training, conventions and regional meetings that you must attend as specified by us from time to time. This fee is due even if you do not attend the events and is payable in addition to the costs of meals, entertainment, lodging, travel and wages for your employees to attend training events, all of which are your sole responsibility. We may increase the

Education Fee in an amount that is commensurate with our increased costs for delivering the conventions, regional meetings, and delivering any additional training we may provide to you.

Note 7 We have the right to adjust, for inflation, all fixed-dollar amounts under the Franchise Agreement once a year to reflect changes in the Index from the year in which you signed this Agreement. The term "**Index**" means the Consumer Price Index (1982 84=100; all items; CPI-U; all urban consumers) as published by the U.S. Bureau of Labor Statistics ("BLS"). If the BLS no longer publishes the Index, then we will have the right to designate a reasonable alternative measure of inflation.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$64,700 to $79,700	Two Installments	1st Installment of 25% is due at the submission of Franchise Application Agreement; 2nd Installment of 75% is due at the time of signing the Franchise Agreement.	Us
Travel And Related Expenses During Training (Note 2)	$0 to $4,000	As arranged	As incurred	Airlines, Hotels and Restaurants
Computer and Related Equipment (Note 3)	$0 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 and Misc.	$200 to $500	As arranged	Before opening	Third-Party Suppliers
Permits and Licenses	$500	As arranged	Before opening	Government Agencies
Telephone/Internet (Installation)	$100 to $200	As arranged	Before opening	Telephone Company/ Internet Service Provider
Marketing and Lead Generation	$9,000 to $12,000	As arranged	Before opening and as incurred	Third-Party Suppliers

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment is to be Made
Legal and Accounting	$1,000 to $2,000	As arranged	As incurred	Attorneys, Accountants and Third-Party Suppliers
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 for Regional Territory (excluding real estate) (Note 7)	**$77,400 to $90,500**			
Total Estimated Initial Investment for National Territory (excluding real estate) (Note 7)	**$82,400 to $95,500**			
Total Estimated Initial Investment for International Territory (excluding real estate) (Note 7)	**$92,400 to $106,500**			

NOTES:

Except as described in Item 7 above, 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 Regional Territory Franchise, the higher estimate represents the initial franchise fee for the International Territory Franchise. If more than two individuals are sent to Initial Training and for each replacement training, you will pay $2,500 per day per person for each day of the in-person component of initial training

2. Initial training will be provided as a mix of both online and in-person training at our headquarters in the Toronto area or at another location we designate. For in-person training, you must pay for your transportation, accommodations, meals, and other expenses associated with the initial training program. You may at your cost purchase additional sales or related training from an approved third-party supplier. This is optional to the Franchisee.

3. The low end of the range assumes you already own the computer hardware/software and related equipment and software necessary for the operation of the Franchised Business; the high end of the range assumes you will purchase it.

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.

6. This item estimates your expenses during your first three months of operation (other than the items identified separately in the table). These figures are estimates, and we cannot guarantee that you will not have additional expenses in starting the business.

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. They present a range of estimates which we consider reasonable based upon our experience, but we cannot guarantee that you will not incur additional expenses when starting your Franchised Business. The actual amount of additional funds you will need depends on a variety of factors, such as whether you extend credit terms to customers or the time of year you start your Franchised Business. These estimates do not include the cost to you of any financing that may be required to establish your franchise.

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 System, there are certain products and services which you may purchase directly from us or from our designated sources. These products and services include stationery, operational materials, equipment, brochures, literature, forms, and other digital marketing products or services that are an integral part of the System. These products and 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.

NIC received revenue in 2024 in the amount of $217,191 from the sale of products or services to franchisees, which represented 8.23% of NIC's 2024 total revenues of $2,639,016. In addition, NIC's affiliate, WSI Paid Search Ltd., received revenues in 2024 in the amount of $263,890 from the sale of services to WSI franchisees, which represented 5.1% of WSI Paid Search Ltd.'s total revenues of $5,174,314.

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 2% to 10% of the proceeds of the 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 2024 from any suppliers as a result of purchases of products or services by franchisees. Although we had no such revenue in 2024, 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 System, you must purchase or lease certain items in accordance with the specifications and guidelines we issue or from suppliers we approve. This requirement currently applies to certain proprietary and copyrighted materials and related products, computer, hardware, and software systems, and certain marketing presentation materials but may extend to other items in the future. 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 System. These specifications are stated in our Manuals.

Supplier Approval Procedure

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

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. You will have to provide certain services to your clientele (such as website development, SEO (search engine optimization), and paid search), for which you may be required to obtain and resell the services that we make available (presently, through our HUB platform).

WSI Paid Search Ltd. is our affiliate, however, there are no suppliers in which any of our officers own an interest.

Insurance

During the term of the Franchise Agreement, you must obtain the insurance coverage that we periodically require. All insurance policies must be written by a responsible carrier, reasonably acceptable to us and all insurance (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, representatives and independent contractors as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. You must provide us with a certificate of insurance at the earlier of 90 days after the date of the Franchise Agreement or before you begin the initial training program. We currently do

not have a designated preferred provider of insurance for the System. You must, at a minimum, obtain and maintain the following:

- Comprehensive general liability insurance, with fire, vandalism and extended coverage insurance with primary and excess limits of not less than the full replacement value of the furniture, fixtures and equipment of the Franchised Business in the amount of $2,000,000;

- Worker's compensation and employer's liability insurance as well as such other insurance as may be required by statute or rule of the state in which you are located and operated; and

- Cyber security insurance (which is recommended but not mandatory).

We may periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. The requirements specified in the Franchise Agreement are only minimums and you are encouraged to review whether additional coverage may be appropriate in your market and for your Franchised Business.

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	Franchise Agmt.: § 1	11
b. Pre-opening purchases/leases	Franchise Agmt.: § 5	8
c. Site development and other pre-opening requirements	Franchise Agmt.: §§ 3.2, 3.3, 3.6, and 5	6, 7 and 11
d. Initial and ongoing training	Franchise Agmt.: §§ 3.1, 6, and 16.5.8	11
e. Opening	Franchise Agmt.: § 5.1	11
f. Fees	Franchise Agmt.: §§ 2.2.6, 4, 13.1, 13.2, and 16.5.9	5 and 6
g. Compliance with standards and policies / Manual	Franchise Agmt.: §§ 3.3, 5, 8, and 10	11

Obligation	Section in Agreement	Disclosure Document Item
h. Trademarks and proprietary information	Franchise Agmt.: §§ 1.1 and 9	13 and 14
i. Restrictions on products/services offered	Franchise Agmt.: §§ 1.4, 7.1, 7.2, and 8.4	16
j. Warranty and customer service requirements	Franchise Agmt.: § 8.3	
k. Territorial development and sales quotas	Franchise Agmt.: §§ 1.3 and 1.4	12
l. Ongoing product/service purchases	Franchise Agmt.: § 7	8
m. Maintenance, appearance and remodeling requirements	Franchise Agmt.: §§ 2.2.2, 5, 8.6, 8.7, 16.5.5	
n. Insurance	Franchise Agmt.: § 15	7
o. Advertising	Franchise Agmt.: § 13	6 and 11
p. Indemnification	Franchise Agmt.: § 21.4 and Exhibit B	6
q. Owner's participation/management/staffing	Franchise Agmt.: §§ 8.3, 8.9, and 19.1	11 and 15
r. Records and reports	Franchise Agmt.: §§ 4.2 and 12	6
s. Inspections and audits	Franchise Agmt.: §§ 3.6, 7.1.5, 8.4.4, 8.10, and 12	6 and 11
t. Transfer	Franchise Agmt.: §§ 8.9 and 16	6 and 17
u. Renewal	Franchise Agmt.: § 2.2	6 and 17
v. Post-termination obligations	Franchise Agmt.: § 18	17
w. Non-competition covenants	Franchise Agmt.: § 19	17

Obligation	Section in Agreement	Disclosure Document Item
x. Dispute resolution	Franchise Agmt.: § 27	17
y. Taxes/permits	Franchise Agmt.: §§ 8.6 and 20	Item 1
z. Guarantee	Franchise Agmt. Ex. B	Item 15

ITEM 10
FINANCING

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

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

We are required by the Franchise Agreement to provide certain assistance and service to you before you open your Franchised Business (as provided in Section 3 of the Franchise Agreement):

1. provide online marketing resources for use in promoting the Franchised Business;

2. within 120 days of execution of the Franchise Agreement, provide you with an initial training program (Section 3.1.1 of the Franchise Agreement);

3. provide you with online access to our Manuals (the "**Manuals**"), which will include policies, procedures and specifications for the operation of the Franchised Business (Section 3.1.2 and 10 of the Franchise Agreement);

4. provide you with access to the Franchisee Intranet – "the Virtual Office" (Section 3.1.4 of the Franchise Agreement);

5. 5. provide you with access to the private WSI Communication platform currently called – Workvivo (Section 3.1.5 of the Franchise Agreement);

6. provide you with access to a CRM system currently powered by HubSpot (Section 3.1.6 of the Franchise Agreement);

7. provide you with an email address (Section 3.1.7 of the Franchise Agreement); and

8. provide you with a website on wsiworld.com (or applicable regional version of wsiworld) (Section 3.1.8 of the Franchise Agreement).

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of your Franchised Business.

Continuing Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you during the operation of your Franchised Business, including:

1. coaching and assistance in the form of sales support, business operations support, and marketing support from our WSI Home Office team, and when applicable other members of the WSI network Suppliers (Franchise Agreement Section 3.2.2);

2. research and evaluation of technical products, services, and vendors that can be used by the entire network (Franchise Agreement Section 3.2.3);

3. dedicated support access, including email, phone, virtual teleconferencing, and chat (Franchise Agreement Section 3.2.4);

4. a resource library of marketing materials that you can access on-demand (Franchise Agreement Section 3.2.5);

5. ongoing educational opportunities in the form of meetings, webinars, and online courses (Franchise Agreement Section 3.2.6);

6. ongoing client educational resources and content, including but limited to our website content, blog posts, videos, webinars, ebooks, etc.) (Franchise Agreement Section 3.2.7);

7. updated information about new developments within the WSI network and the digital marketing industry (Franchise Agreement Section 3.2.8);

8. access to the Franchisee Virtual Office, Workvivo, and other mandated systems (Franchise Agreement Section 3.2.9);

9. general advisory assistance that we deem to be helpful to you in the ongoing operation, advertising and promotion of the Franchised Business (Franchise Agreement Section 3.2.10);

10. in our discretion, 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 (Franchise Agreement Section 3.2.11);

11. revisions and amendments to our Manuals (Franchise Agreement Section 3.2.12);

12. upon request and subject to the terms of the Franchise Agreement, we may provide you or suppliers with our standards and specifications for items not deemed to be trade secrets (Franchise Agreement Section 3.2.13);

13. at our discretion, for transmission to your clients, we may provide you with materials and messages we deem appropriate for every digital marketing service you provide (Franchise Agreement Section 3.2.15);

14. at our sole discretion, we 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 (Franchise Agreement Section 3.2.15);

15. access to our technology tool set, the software application that accesses our global production network and manages a broad range of business functions associated with the business (Franchise Agreement Section 3.2.16);

16. if you are qualified, approval for 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) (Franchise Agreement Section 3.2.17); and

17. if you are qualified, and 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 (Franchise Agreement Section 3.2.18).

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of your Franchised Business.

Site Selection and Office Location

We do not select the office location for your Franchised Business. You may operate the Franchised Business only at one location, which can be your home office since it is a virtual business. This location must be within your Designated Territory which will be described in Exhibit A to the Franchise Agreement (see Section 1.2 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 Section 1.2.2 of the Franchise Agreement).

If you choose to relocate outside your Designated Territory for an equivalent Franchise level, you must pay a relocation fee of $500 before relocation. If you choose to relocate outside your Designated Territory for an upgraded Franchise level, you must pay the applicable upgrade fee before relocation.

Typical Length of Time Before You Open Your Franchised Business

We estimate that the time period between the signing of the Franchise Agreement and the start of operations will be approximately 60 to 90 days. If you do not begin to operate the Franchised Business within 120 days after the effective date of the Franchise Agreement, we may terminate your Franchise Agreement immediately upon notice to you.

Advertising and Promotion

As described in Item 6 above, throughout the term of the Franchise Agreement, you will be required to pay a monthly Branding Fee in the amount of $100.

The Branding Fee will be contributed to the Branding Fund. We have the sole right to determine how the Branding Fund creates, places, and pays for marketing. We (or our designee, which might be a corporate subsidiary or a marketing agency) will maintain and administer the Branding Fund, as follows:

(a) We or our designee will direct all marketing programs, with sole discretion over the concepts,

materials, and media used in these programs and the placement and allocation of the programs. The source for marketing materials used by the Branding Fund may be both in-house and regional or national advertising agencies.

(b) The Branding Fund, including all contributions to the fund and all amounts that it earns, will be used exclusively to meet the costs of maintaining, administering, staffing, directing, conducting, and preparing advertising, marketing, public relations and promotional programs and materials. The Branding Fund will also be used for other activities that we believe will enhance the System's image.

(c) The Branding Fund and its earnings will not inure to our benefit. We or our designee will maintain separate bookkeeping accounts for the Branding Fund. The Branding Fund is not audited.

(d) The Branding Fund is not and will not be our asset. We will prepare and make available to you upon reasonable request an annual statement of the operations of the Branding Fund as shown on our books.

(e) Although once established the Branding Fund is intended to be of perpetual duration, we maintain the right to terminate the Branding Fund.

Our current policy is that company-owned WSI Businesses, if any, will contribute to the Branding Fund at the same rate as franchisee-owned WSI Businesses.

None of the amounts collected or held by the Branding Fund may be used for marketing that is principally a solicitation for the sale of franchises. We may receive payment for providing goods and services to the Branding Fund, such as personnel, staff, office space, supplies, and other general and administrative costs that we incur on the Branding Fund's behalf. This will not guarantee any generation of leads.

For the fiscal year ended December 31, 2024, the Branding Fund's expenditures were made as follows: 33% on digital marketing; 13% on marketing and advertising; 9% on content creation; 13% on graphic design; 15% on public relations, and 17% on administration.

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 Manuals 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 promotional and marketing materials which we may require before we will approve 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 any online/offline materials related to your Franchised Business (Section 13 of the Franchise Agreement).

You may promote the Franchised Business through a Website which will be provided by us only, and you may not develop your own independent Website making use of the Proprietary Marks to promote the Franchised Business. You may not use any Website to promote the Franchised Business in any manner not approved by us. You may not promote or otherwise conduct business through the Internet (including all digital media, such as blogs, social media, and video channels) 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.

We have established a Franchise Advisory Council (the "**FAC**") to serve as a liaison between us and our franchisees. The FAC will be made up of seven members, who have each been elected by other franchisees to represent the collective interests of the WSI franchisee community. The FAC provides us with recommendations on various aspects of the System, including marketing, operations, training, and ongoing support.

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 (See Section 14 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 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.

Prices

We may provide you with periodic guidance and assistance in establishing prices. Although we will not set the prices for the products and services that you offer, we reserve the right to set reasonable restrictions on the maximum and minimum prices you may charge for the products and services that you offer and sell through the Franchised Business (subject to applicable law).

Manuals

The table of contents of the Manuals is attached to this disclosure document as Exhibit G. In addition to text, the Manuals include video and audio recordings that, together, total approximately 7,000 pages (based on an estimation of online text and screenshots).

Initial Training Program

You (or your Operating Principal if you are an entity) must successfully complete the WSI two-staged initial training program ("Initial Training") to our satisfaction. Initial Training includes "Stage 1" which is online pre-training, and "Stage 2" which is our 5-day in-person training. Pre-training involves e-learning, and coaching calls, while preparing for the Stage 2 in-person training. Participants must successfully complete Stage 1 before starting Stage 2. Stage 2 training is held at our training facility in Toronto, Ontario, Canada, and is a continuation of Stage 1 with more hands-on learning and advanced topics covered. We reserve the right to conduct Initial Training virtually or at an alternate location in the event of unforeseen circumstances, extraordinary events beyond our control (e.g., natural disasters, public health emergencies or scheduling conflicts). Initial Training curriculum focuses on both theory and practice and during this time you will begin basic operation of the Franchised Business.

You must successfully complete Initial Training before you can launch your Franchised Business and before you are eligible to start the WSI Quick Start Program ("**QSP**") as described below.

You may send up to two individuals to Initial Training (one of which must be you or your Operating Principal, if you are an entity). If you ask to send more than two individuals to Initial Training, and for each replacement training, you must pay our training fee of $2500 per day for each day of the in-person component of Initial Training, for each additional or replacement individual to be trained. Initial Training and QSP are conducted on a continuing basis, year-round. If you are unable to attend a scheduled on-site training, a rescheduling fee of $500 will be applicable.

This Initial Training course, outlined above, is the first part of the WSI certification program. It is a pre-requisite to complete in order to achieve your WSI Certified Franchisee certification. Only upon successfully completing both stages of Initial Training and earning the WSI Certified Franchisee certification will you become eligible to begin the second part of certification process which is QSP training to gain the WSI Digital Marketing Professional Certification.

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Operations	15	5	A combination of in-person and online training
Marketing/Sales	20	20	A combination of in-person and online training
Digital Marketing/Technology and Delivery	15	5	A combination of in-person and online training
Personal and Professional Development	5	5	A combination of in-person and online training
Totals	**55 Hours**	**35 Hours**	

WSI Quick Start Program ("QSP")

After the completion of Initial Training and opening your Franchised Business, you must participate in QSP. QSP is focused on developing competencies to run the WSI Business and is delivered through coaching and on-the-job application of the learnings from Initial Training. QSP is six months in duration and shall take place over the first 6 months of operating your Franchised Business. Upon successful completion, you will earn the WSI "Digital Marketing Professional Certification."

The QSP has been designed to guide you through the first 6 months of operations. The QSP is delivered through a series of weekly group calls, and personal coaching sessions.

The program helps franchisees increase their knowledge and confidence, as well as support their business operations by focusing on activities that help build their prospect base, generate client meetings and drive sales.

As part of the QSP, you will have bi-weekly personal coaching sessions to track individual performance, to set goals, review activities and assist in the startup of your Franchised Business.

You may send up to two individuals to QSP (one of which must be you or your Operating Principal, if you are an entity). Any individual participating in QSP must have already completed the Initial Training prior to the start of QSP. If you ask to have more than two individuals participate in QSP, and for each replacement training, you must pay our training fee of $2,500 per person.

Upon successful completion of the QSP, you will achieve the WSI Digital Marketing Professional Certification. This is the second and final part of the WSI certification process.

Additional/Ongoing Training Summary

WSI ongoing training programs include a number of specific learning events and opportunities, including but not limited to:

Course *
WSI hosted Webinars
WSI eLearning Courses
WSI Open Forum
WSI Business Strategy Certification
WSI AI Consulting Certification
3rd Party Courses and Certifications

(* please see Item 6, Education Payment Plan, for the associated costs).

We may require that you and your management personnel attend such refresher courses, webinars, seminars, and other training programs as we may periodically designate. This includes the requirement that you (or your Operating Principal) must complete a 12-month third party sales training ("Sales Training") course that must begin within one year after beginning operations (the current cost of the Sales Training is currently $5,000 for one participant and $650 for each additional participant per Franchise Business). This Sales Training is delivered by a third party and the cost of this training must be paid directly to the third party provider, as such, the cost of this Sales Training is not included in the Education Fee. Depending on your business experience and sales experience, we may, in our sole discretion, waive the requirement for you to complete this Sales Training.

Unless otherwise stated, the cost of delivering any additional/ongoing training provided by WSI is included in the Education Fee. You will be responsible for any ancillary costs including but not limited to meals, lodging, transportation etc. For any additional/ ongoing training provided by third parties or for 3rd party courses and certifications, additional fees may apply.

WSI Conventions and Regional Meetings

You (or your Operating Principal) must attend our WSI conventions and any mandatory Regional Meetings. The cost of the registration fee for you (or your Operating Principal) is included in the Education Fee and payable whether you attend or not. If you ask to send any additional individual/s to WSI Convention and Regional Meetings, and we consent to it, you must pay our then current registration fee for each additional individual attending the Convention and/or Regional Meeting. You will be responsible for any ancillary costs including but not limited to meals, lodging, transportation etc. for you and any additional attendees attending our WSI convention and any mandatory Regional Meetings

Michael Monaghan supervises our education and coaching programs. He commenced his role as our VP of Field Operations in July 2016. The team rotates instructional modules on a regular basis. The experience of our individual trainers and coaches ranges from 1 to 25 years and may include one or more of our franchisees.

ITEM 12
TERRITORY

Your Territory is the geographic area in which you are authorized to operate your Franchised Business. 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 from 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 solicit and service customers only within your Designated Territory through any method of distribution, including the Internet, telemarketing, other direct marketing, or any other channels of distribution, unless you have obtained our written consent. You will use approved marketing materials and activities to advertise within your chosen territory. You may not relocate your Franchised Business outside your Designated Territory without our written consent.

Before signing the Franchise Agreement, you must select one of the types of franchises which will define your Territory (Regional Territory Franchise, National Territory Franchise, International Territory Franchise). These types of WSI Businesses are as follows:

- Regional Territory Franchise – If your Franchised Business is for a "Regional Territory Franchise," then you would have the right to offer and sell services to customers in a state, as defined in Exhibit A to the Franchise Agreement.
- National Territory Franchise – If your Franchised Business is for a "National Territory License," then you would have the right to offer and sell services to customers anywhere in the United States.
- International Territory Franchise – If your Franchised Business is for an "International Territory License," then you have the right to offer and sell services to customers anywhere in the world. You are solely responsible for determining whether you are authorized to offer and sell services in any given jurisdiction.

Please note that no matter which type of franchise you select, the following details will apply:

- You will be able to offer and sell the Franchised Business' services only to customers located within your Designated Territory;
- Your territory will be non-exclusive and will, therefore, be shared with other WSI Businesses (and other WSI Businesses may operate within the Designated Territory);
- We do not regulate the proximity of other WSI Businesses to your Franchised Business;
- Franchisees that acquire a higher-level license (that is, a National Territory License or an International Territory License) may solicit customers anywhere within their Territory; and
- The grant of territorial rights is subject to the other provisions of the Franchise Agreement, including those described below.

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 does 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, telemarketing, or other online and/or offline 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 the right to:

1. establish and franchise others to establish, WSI Businesses to serve customers anywhere (Section 1.3.2.1 of the Franchise Agreement);

2. establish, and license others to establish, any digital marketing consulting service businesses or any other businesses offering any products and services (including businesses that provide similar or dissimilar products and services through similar or dissimilar channels of distribution), whether or not under the System or using the Proprietary Marks, whether those business are located inside or outside of the Designated Territory (Section 1.3.2.2 of the Franchise Agreement);

3. acquire (or be acquired) and then operate any business of any kind, whether located inside or outside the Designated Territory (Section 1.3.2.3 of the Franchise Agreement); and

4. sell and distribute, or license others to sell and distribute, directly or indirectly, any products from any location or to any purchaser (including, but not limited to, the sale of items to purchasers in the Designated Territory through online arrangements (for example, on the Internet or using other digital techniques), under our Proprietary Marks or as private-labeled items) (Section 1.3.2.4 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, 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.

You may offer, advertise, and market the Services and products of the Franchised Business, and directly solicit customers, inside (but only inside) your Designated Territory, except as otherwise noted below. The terms “direct solicitation” and “directly solicit” include, but are not limited to, solicitation in person, by telephone, by mail, by eMail or other electronic means, advertising, marketing, and by distribution of brochures, business cards or other materials.

You may not directly solicit customers located outside of the Designated Territory unless you receive our prior written consent to do so. We will review and we have the right to approve or deny each such request on a case-by-case basis. We also reserve the right at any time to withdraw any consent previously provided.

ITEM 13
TRADEMARKS

Under a Franchise Agreement, you will be licensed to operate the Franchised Business under the Proprietary Marks. WSI Holdings Ltd. or 1175856 Ontario Ltd. registered the Proprietary Marks described below on the Principal Register of the US Patent and Trademark Office (USPTO). WSI Holdings Ltd. has since assigned its marks to 1175856 Ontario Ltd. 1175856 Ontario Ltd. filed (and intend to file when due) all necessary affidavits and renewals for these registrations. Your use of the Proprietary Marks is subject to the trademark license provisions contained in the Franchise Agreement. We have the right to change the list of marks that you are licensed and authorized to use in operating your Franchise, subject to the terms and conditions of the Franchise Agreement.

Mark	U.S. Registration No.	Registration Date
WSI	3097395	May 30, 2006
WSI WEBSCAN	3246665	May 29, 2007
WSI (& Half Globe Design)	3491524	August 26, 2008
INTERNET SOLUTIONS LIFECYCLE	3499654	September 9, 2008
WSI ADAPTIVESEO	4782542	July 28, 2015
WSI IM	3270371	July 24, 2007
WSI ICE	2944476	April 26, 2005
GENIUS TOOLS	Pending (US Serial Number 98233301)	Pending
EMBRACE DIGITAL, STAY HUMAN	7444524	Jul. 09, 2024

We entered into a license agreement with 1175856 Ontario Ltd (our affiliate, as described in Item 1) on May 1, 2021, under which 1175856 Ontario Ltd. licensed us to use the Proprietary Marks, and conferred upon us the right to license the Proprietary Marks to our franchisees (the "**License Agreement**"). 1175856 Ontario Ltd. has the right to terminate the License Agreement if we are in default. The License Agreement has a 50 year term with respect to the Proprietary Marks, which can be mutually extended.

Your right to use the Proprietary Marks is limited to the uses that are authorized under the Franchise Agreement, and any unauthorized use of the Proprietary Marks will infringe upon our rights. You may not use any Proprietary Marks: (1) as part of any corporate name or other business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form; (3) in connection with performing or selling any unauthorized services or products; (4) as part of any domain name, electronic address or search engine or in any other manner in connection with a digital site without our prior written approval; (5) in any H.R. document (such as a paystub, paycheck, employment application, etc.); or (6) in any way that we do not expressly authorize in writing. You must identify yourself as the independent owner and operator of your Franchised Business in the manner we specify (such as on invoices, order forms, receipts, employment agreements, and contracts). You must also use the trademark registration notices that we require, and obtain any assumed business name registrations that applicable law requires.

Currently, there are no effective material determinations 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. Except as described above in this Item 13, no agreement significantly limits our rights to use or license the Proprietary Marks in any state in a manner material to the franchise, and we know of no superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. You must render the assistance we require to protect and maintain our interests in any litigation or proceeding or otherwise to protect and maintain our interests in the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in compliance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement, as well as your out-of-pocket costs (except that you will bear the salary costs of your employees). If we determine that you have not used the Proprietary Marks in compliance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement, and you must promptly reimburse us for those amounts. If there is any litigation due to your use of the Proprietary Marks, you must execute all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue using any Proprietary Mark or for you and the Franchised Business to use one or more additional or substitute trade or service marks, you will have to immediately comply with our directions. You must immediately cease using any discontinued marks and must immediately begin using any substituted marks (including in your marketing materials). Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Copyrights

We (or our affiliates, in some cases) claim copyright protection covering various materials used in our business and the development and operation of WSI Businesses, including the Manual, WSI materials to presented to prospective customers, marketing and promotional materials, forms associated with the operation of a Franchised Business, and similar materials. We have not registered these materials with the United States Registrar of Copyrights but we are not required to do so.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. No provision in the Franchise Agreement requires you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately

modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

Patents

Until March 2025, we held a license from Ontario to use and sublicense U.S. Patent No. 10,115,062 B2 (issued October 30, 2018), which covered a proprietary system and method for facilitating the development of customized website projects. This patent supported the delivery of specialized business solutions via the Internet and played a significant role in shaping our service methodology. Although we do not currently hold any active patents directly related to the Franchised Business, our commitment to innovation remains a cornerstone of our operations.

While the patent expired on March 10, 2025, the foundational processes it covered continue to influence our approach. We remain dedicated to evolving and enhancing our suite of innovative, internet-based business solutions offered through WSI Businesses. Our focus remains on leveraging proven strategies while continually refining our offerings to meet the dynamic needs of clients in a digital environment.

Confidential Information

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

In addition, we may require you, your Operating Principal, and if applicable, your full-time manager to sign a Non-Disclosure and Non-Competition Agreement. Every one of these agreements must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Franchised Business. These agreements must be in a form that we find satisfactory, and must include, among other things, specific identification of our company as a third-party beneficiary with the independent right to enforce the covenants. Our current form for this Non-Disclosure and Non-Competition Agreement is attached to the Franchise Agreement as Exhibit F.

Manual

In order to protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must operate your Franchised Business according to the Manual. We will provide you with access to our Manual for the term of the Franchise Agreement.

You must always treat in a confidential manner the Manual, any other manuals we create (or that we approve) for use with the Franchised Business, and the information contained in the Manual. You must use best efforts to maintain this information as secret and confidential. You may not copy, duplicate, record, or otherwise reproduce the Manual and the related materials, or any part (except for the parts of the Manual that are meant for you to copy, which we will clearly mark), nor may you

otherwise let any unauthorized person have access to these materials. The Manual will always be our sole property.

We may periodically revise the contents of the Manual. If there is ever a dispute as to the contents of the Manual, our master copy of the Manual (maintained at our home office) will be controlling.

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

The Franchise Agreement does not require you to participate personally in the direct operation of the Franchised Business, although we encourage and recommend active participation by you. Our requirements for participation and supervision are described below.

If you are an entity (a corporation, partnership or LLC), then you must appoint a person who will serve as your "**Operating Principal**." The Operating Principal must supervise the Franchised Business and complete our training program. Additionally, the Operating Principal must have at least a 51% ownership interest in the franchisee entity, and have authority over all business decisions related to the Franchised Business and the power to bind you in all dealings with us. You may not change the Operating Principal without our prior approval.

You must inform us in writing whether the Operating Principal will also act as the person who will be responsible for the full-time day-to-day responsibility for the daily and on-site supervision and operation of the Franchised Business. If the Operating Principal will not supervise the Franchised Business on a full-time and daily basis, you must employ a full-time manager who has qualifications reasonably acceptable to us, to assume responsibility for the daily operation of the Franchised Business. You cannot hire a person who concurrently works for a competing business of WSI Franchisee as a manager. We do not require that your manager have any ownership interest in you. You, the Operating Principal or your manager must have successfully completed, to our satisfaction, the Initial Training program and any additional training that we may require of such persons. If you (or the Operating Principal) or manager cease active management or employment at the Franchised Business, then you must train a qualified replacement (who must be reasonably acceptable to us) not more than 30 days after the end of the former person's full-time employment or management responsibilities. The replacement must successfully complete the Initial Training program, to our reasonable satisfaction, as soon as it is practical to do so.

During any time that your Franchised Business is operating, it must be under the active full-time management and on-site supervision of your Operating Principal or a manager (who has successfully completed (to our satisfaction) our initial training program). You may not permit your Franchised Business to be operated, managed, directed or controlled by any other person without our prior written consent.

If the Franchisee is an entity, then all of your owners must sign a guarantee of the franchisee's performance under the Franchise Agreement. The guarantee will be in the form attached to the Franchise Agreement as Exhibit B.

We require your principals (including the Operating Principal), supervisors and other managers to sign a non-disclosure and non-competition agreement, the form of which is attached to the Franchise Agreement as Exhibit F. We do not impose any other restrictions on your managers.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Each component of the System is vital to us, to other franchisees of the System and to the operation of the Franchised Business. Therefore, you must operate your Franchised Business in compliance with the System.

You must sell or offer for sale only those Services and products that we have approved in writing for you to sell at your Franchised Business, and you must sell or offer for sale all those Services and products. You must not deviate from our standards and specifications, including manner of maintenance of your equipment or supplies. You are not restricted regarding the customers to whom you may sell within your Designated Territory.

You must operate the Franchised Business in an efficient and professional manner following the highest ethical and moral standards. You must comply with all standards of quality and service prescribed by us.

Due to changes in competitive circumstances, we may periodically change the System to better serve the interests of our franchisees and the System. There are no limits on our right to do so. We may change the components of the System, including revising the programs, services, policies and procedures of the System and modifying products, materials, and programs which you are authorized to offer. You must abide by these modifications. However, these changes will not increase your obligations under the Franchise Agreement. It is understood that we are not obligated to replace, modify or supply equipment to you.

All Website design, hosting services, and digital marketing services must be purchased through one of our designated suppliers or a third-party supplier you have requested and has been approved by us. You may not offer or sell products or services not authorized by us. Without our written consent, you may only solicit business inside your Designated Territory.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the term of the franchise	§ 2.1 of Franchise Agreement	10 years
b. Renewal or extension of the term	§ 2.2 of Franchise Agreement	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	§§ 2.2.1 - 2.2.8 of Franchise Agreement	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 have materially different terms and conditions than your original franchise agreement. Other requirements include: giving notice, passing inspection, paying a fee, signing a new agreement, training, and signing a release.
d. Termination by franchisee	§17.7	You may elect to terminate after the three year anniversary of the Franchise Agreement by paying a fee, signing a general release, and complying with other obligations on termination. (Subject to applicable state law.)
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with "cause"	§ 17 of Franchise Agreement	We may terminate only if you default
g. "Cause" defined – curable defaults	§ 17.5.1 of Franchise Agreement	You have 30 days to cure any default for not complying with the Franchise Agreement (for any non-curable default described below (and listed in Section 17 of the Franchise Agreement).
h. "Cause" defined defaults which cannot be cured	§§ 17.1 and 17.2 of Franchise Agreement	Non-curable defaults: your insolvency, copying Confidential Information; threat to public safety; you make a material misrepresentation; conviction of a felony; violation of non-compete; repeated defaults even if cured; abandonment; unapproved transfer; termination of another of your Franchise Agreements; 2 or more notices of default in any 12 month period; offer of unapproved product or service; unapproved use of customer lists; under the cross-default provision, termination (for cause) of any other unexpired agreement between us or one of our affiliates and you.
i. Franchisee's obligations on termination / non renewal	§ 18 of Franchise Agreement	Obligations include complete de-identification and payment of amounts due (also see r, below)

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by franchisor	§ 16.1 of Franchise Agreement	No restriction on our right to assign
k. "Transfer" by franchisee – defined	§§ 16.4.1 - 16.4.4 of Franchise Agreement	Includes transfer of contract or assets or ownership change
l. Franchisor approval of transfer by franchisee	§ 16.4 of Franchise Agreement	We have the right to approve all transfers but will not unreasonably withhold approval
m. Conditions for franchisor approval of transfer	§ 16.5 of Franchise Agreement	Buyer qualifies and signs current agreement, transfer fee paid, training is arranged, and parties sign a transfer agreement to implement the transfer (which will include mutual releases, 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	§ 16.6 of Franchise Agreement	We have the right (not obligation) to match any bona fide offer.
o. Franchisor's option to purchase franchisee's business	§ 18.4 of Franchise Agreement	Not Applicable
p. Death or disability of franchisee	§§ 16.7 of Franchise Agreement	A representative must promptly apply for our approval to transfer interest and pay reasonable costs we incur in reviewing the transfer, which must be within six months of death or disability.
q. Non-competition covenants during the term of the franchise	§§ 19.2, 19.3 and 19.4 of Franchise Agreement	You may have no involvement in a Competitive Business anywhere (subject to state law). A "**Competitive Business**" is any business (a) the same as or substantially similar to the Franchised Business; and/or (b) derives more than 25% of its revenue from providing digital marketing services to its customers.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	§§ 19.2, 19.3, 19.4 and 19.5 of Franchise Agreement	No Competitive Business for one year located within your Designated Territory (if you have a National Territory or International Territory, within 25 miles from your location or any customers of your business) and also within the territory of any other WSI franchisee who was in the System at the time of expiration, transfer or termination of this Agreement.
s. Modification of the agreement	§ 25 of Franchise Agreement	By mutual agreement in writing.
t. Integration/ merger clause	§ 25 of Franchise Agreement	Only the final written terms of the Franchise Agreement are binding, subject to state law. Any representation or promises outside of this disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by mediation	§ 27.3 of Franchise Agreement	Except for injunctive relief claims (which may be litigated in court), all disputes must first be submitted to JAMS for non-binding mediation in Toronto, Ontario, Canada (Subject to applicable state law.)
v. Choice of forum	§ 27.2 of Franchise Agreement	For any disputes not fully resolved by mediation, you must bring your claims against us in the courts with jurisdiction over Erie County, New York (subject to applicable state law). We may bring our claims in those courts. 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 Section 27. We recommend that you carefully review all of these provisions, and the entire contract, with an experienced franchise lawyer.
w. Choice of law	§ 27.1 of Franchise Agreement	New York law applies to the Franchise Agreement (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote your franchise or the System, but we reserve the right to do so in the future.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following tables represent unaudited information describing certain key performance indicators for the period from January 1, 2024, to December 31, 2024 (the "2024 Fiscal Year" or "Reporting Period").

Table 1 - Franchisee Revenue by Tenure

The Following Table 1 is the maximum and minimum Gross Revenue [(1)] amounts reported during the 2024 Fiscal Year for 166 franchisees in the United States, with an active franchise agreement for a franchise substantially similar to the type offered in this disclosure document. Not included in the results were five franchisees who signed franchise agreements, but who were not yet fully trained or operational during the Reporting Period.

	2024 Minimum and Maximum Gross Revenue[(2)]		
Tenure[3]	**Franchisee Count [(4)]**	**MIN$[(6)]**	**MAX$[(6)]**
less than 1 year[(5)]	18	$0	$99,500
1+ years	7	$0	$153,909
2+ years	9	$0	$243,573
3+ years	28	$0	$2,567,682
5+ years	46	$0	$3,576,814
10+ years	58	$0	$13,590,335

Note 1: "Gross Revenue" is defined as all sales generated through the Franchised Business, including fees for any products or services a franchisee sells (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 but "Gross Revenues" do not include any sales tax or other taxes collected from a franchisee's customers for transmittal to the appropriate taxing authority. "Gross Revenue" also includes 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 may be excluded from Gross Revenue for the purpose of determining the amount of Gross Revenues upon which fees are due.

Note 2. The Gross Revenue figures presented in the table reflect earned revenue from contracts signed in the 2024 calendar year. These figures do not include any unearned revenue or amounts associated with contractual obligations extending into future periods, including 2025 and beyond. As we operate a recurring revenue model, many client contracts generate ongoing income over multiple

years. Therefore, this table does not capture the full future revenue potential of contracts initiated in 2024.
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Note 3: "Tenure" refers to the franchisees' years in operation as of December 31st, 2024.

Note 4: This is the number of franchisees with the designated tenure group.

Note 5: Franchisees with a tenure of "less than one year" include the following 18 franchisees that operated during 2024 for the following number of months: 4 franchisees for 2 months; 4 franchisees for 4 months; 1 franchisee for 7 months; 4 franchisees for 9 months; 1 franchisee for 10 months; and 4 franchisees for 11 months

Note 6: The maximum and minimum Gross Revenue figures list the actual high and low values of Gross Revenue reported within each tenure grouping as of December 31, 2024 for the 2024 Fiscal Year. The minimum Gross Revenue includes outlets with contracts that do not mandate the reporting of Gross Revenue. These franchise outlets that do not need to report revenue consist of legacy franchisees, (contracts we no longer offer), and existing digital marketing agencies that acquired the WSI franchise as a fractional franchise and operate under their brand. Those outlets that do not report have been given a zero value in gross revenues.

Table 2 – Client Starter Package and Client Accelerate Package

The following Table 2 identifies the services that you will be offering to clients during the first 6 months of your Quick Start Program (QSP), which is designed to get you familiar and comfortable dealing with clients, create cash flow, and set the basis for advanced offerings to your initial base of clients. The services identified in Table 2 represent bundled offerings to a wide range of small businesses. Once your tenure and knowledge grows with the Franchised Business, you will offer the full suite of services with more customizations.

Client Starter Packages (1)			
WSI Bundled services (2)	Bronze (8)	Silver (8)	Gold (8)
Minimum SRP (3)	$2,000	$2,750	$3,500
Monthly Cost (4)	$1,250	$1,750	$2,250
Gross Profit Margin (5)	$750	$1,000	$1,250
Gross Profit Margin over 12 months (6)	$9,000	$12,000	$15,000

Client Accelerate Packages (7)			
WSI Bundled services (2)	Bronze (8)	Silver (8)	Gold (8)
Minimum SRP (3)	$2,500	$3,500	$5,000
Monthly Cost (4)	$1,450	$2,000	$2,700
Gross Profit Margin (5)	$1,050	$1,500	$2,300
Gross Profit Margin over 12 months (6)	$12,600	$18,000	$27,600

Note 1: “Client Starter Packages” are high value solutions for small businesses that include a mixture of foundational digital marketing tactics; for example, website development, website maintenance, search engine optimization (SEO), and paid ads. These packages promote the sale of multiple services to individual clients, yielding reliable margins and recurring revenue.

Note 2: Bundled services refer to a solution that includes three or more digital marketing tactics which are being sold and delivered at the same time.

Note 3: This refers to the minimum suggested retail price (SRP) you will be charging your clients. You may charge clients more for these packages of services.

Note 4: This represents what you will pay suppliers to provide these services to clients. These costs are subject to change based on market conditions.

Note 5: Gross Profit Margin is the margin (representing the difference between the minimum SRP and the monthly cost per package) for one client, per month. Your actual margin will differ based on the prices you charge for service packages and on market conditions.

Note 6: Gross Profit Margin over 12 months is the margin you would receive for one client, based on a client contracting for a package of services for a full year. Clients may sign package contracts for a shorter period of time.

Note 7: “Client Accelerate Packages” allow franchisees to offer marketing automation and eMail marketing services in addition to foundational lead generation tactics like SEO and “pay-per-click” (PPC). These packages provide a higher margin and greater focus on lead generation.

Note 8: The differences between Bronze, Silver and Gold packages for both Client Starter Packages and Client Accelerate Packages primarily include additional adaptive SEO features, such as additional targeted locations, keywords, and onsite and offsite deliverables.

Table 3 – Business Strategy Consulting and AI Business Analysis Costs and Pricing

The following Table 3 represents the “Business Strategy Consulting” (“BSC”) and “AI Business Analysis” (“AIBA”) consulting costs and minimum pricing. These services can be offered by you or using the supplier “WSI AI and Strategy Hub,” following your completion of initial training. The WSI AI and Strategy Hub will manage and support each project in conjunction with you, allowing you to continue to develop your relationship with the client and focus on the development of new clients. BSC and AIBA services target medium-sized businesses in any industry.

	Cost to deliver with WSI AI and Strategy Hub (1)	**Minimum SRP (2)**	**Monthly Consulting (3)**
Business Strategy Consulting (BSC) (4)	50% to 60%	$15,000	Will differ based on client needs
AI Business Analysis (AIBA) (4)	50% to 60%	$15,000	Will differ based on client needs

Note 1: The WSI AI and Strategy Hub is a supplier within our eMarketplace, and if you choose to use it, you will contract with the WSI AI and Strategy Hub directly to deliver BSC or AIBA services to your client. After completing the training certificate for delivering both BSC and AIBA services, you may elect to provide BSC and/or AIBA services yourself, in which case you would avoid the cost of using

the WSI AI and Strategy Hub to provide those services. In this case you will retain the full amount (the SRP) charged to the client for BSC or AIBA services. In the 2024 Fiscal Year, the Hub results were the following:

- Average BSC - $15,250 – Average Cost $8,643, or 56%
- Average AIBA – $15,567 – Average Cost $6,240, or 41%

Note 2: This refers to the minimum suggested retail price (SRP) you will be charging to clients for BSC and AIBA services. Existing franchisees have sold these services for more than the minimum SRP. You cannot sell BSC or AIBA services for less than the minimum SRP.

Note 3: Following the delivery of the BSC and/or AIBA services, you may enter into a contract with a client to provide continuing monthly BSC and/or AIBA services. Pricing for such services will differ on each client and its needs. These services are designed to assist the client in defining a fully integrated digital marketing strategy to meet their corporate objectives with the potential to deploy the strategy as well.

Note 4: BSC is designed to help a client improve “topline” performance, and includes a one-day preliminary client assessment, a four-week strategy framework that includes gathering, understanding, assessing, and strategy/collaboration, and ends with ongoing/annual advisory services. AIBA is designed to help improve the efficiency and productivity of an organization, and includes more robust preliminary assessment and consultation framework than BSC, as well as ongoing/annual advisory services that include project based AI implementation.

* * *

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

Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, Valerie Brown-Dufour, 91 Skyway Avenue, Suite 104, Toronto, Ontario M9W 6R5, Canada, 905-678-7588, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Outlet Summary
For fiscal years ending December 31, 2022, 2023 and 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	178	160	-18
	2023	160	148	-12
	2024	148	154	6
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	178	160	-18
	2023	160	148	-12
	2024	148	154	6

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For fiscal years ending December 31, 2022, 2023 and 2024

State	Year	Number of Transfers
Illinois	2021	0
	2022	0
	2023	1
Total	2021	**0**
	2022	**0**
	2023	**1**

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Table No. 3
Status of Franchised Outlets WSI 2025 FDD (44)
For fiscal years ending December 31, 2022, 2023 and 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AZ	2022	4	0	0	1	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
CA	2022	21	1	0	0	0	0	22
	2023	22	0	0	4	0	0	18
	2024	18	1	1	0	0	0	18
CO	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
CT	2022	4	1	0	0	0	0	5
	2023	5	0	0	1	0	0	4
	2024	4	2	0	0	0	0	6
DE	2022	4	0	0	1	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
FL	2022	13	4	1	4	0	1	11
	2023	11	0	0	4	0	0	7
	2024	7	1	0	0	0	0	8
GA	2022	10	0	2	0	0	0	8
	2023	8	2	0	1	0	0	9
	2024	9	0	0	0	0	0	9
IL	2022	8	0	0	1	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	1	0	0	6
IN	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	2	0	0	0	0	4
KS	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
KY	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
LA	2022	1	0	0	1	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
MA	2022	4	1	0	0	0	0	5
	2023	5	1	0	1	0	0	5
	2024	5	1	0	1	0	0	5
	2022	0	0	0	0	0	0	0

MD	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MI	2022	3	0	0	1	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
MN	2022	7	0	0	2	0	0	5
	2023	5	0	0	3	0	0	2
	2024	2	1	0	0	0	0	3
MO	2022	3	0	0	1	0	0	2
	2023	2	0	0	1	0	0	1
	2024	1	1	0	0	0	0	2
MS	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NC	2022	9	1	1	1	0	0	8
	2023	8	0	0	0	0	0	8
	2024	8	2	0	1	0	1	8
NH	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
NJ	2022	10	0	0	1	0	0	9
	2023	9	1	0	0	0	0	10
	2024	10	1	0	1	0	0	10
NM	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NV	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NY	2022	8	1	0	3	0	0	6
	2023	6	0	0	1	0	0	5
	2024	5	1	1	0	0	0	5
OH	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
OK	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
OR	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
PA	2022	11	0	2	0	0	0	9
	2023	9	0	0	0	0	0	9

	2024	9	1	0	0	0	0	10
PR	2022	2	0	0	0	0	0	2
	2023	2	0	0	1	0	0	1
	2024	1	0	0	0	0	0	1
RI	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
SC	2022	3	0	0	1	0	0	2
	2023	2	1	0	1	0	0	2
	2024	2	0	0	0	0	0	2
TN	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
TX	2022	16	3	0	3	0	0	16
	2023	16	0	0	0	0	0	16
	2024	16	2	0	2	0	0	16
UT	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
VA	2022	5	0	0	0	0	0	5
	2023	5	0	0	1	0	0	4
	2024	4	0	1	0	0	0	3
WA	2022	4	0	0	1	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
WI	2022	5	0	0	1	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	1	3
WV	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Totals	2022	178	12	7	22	0	1	160
	2023	160	7	0	19	0	0	148
	2024	148	18	3	6	0	3	154

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 are 5 NIC franchisees that signed a franchise agreement but had not opened their

business as of December 31, 2024. (See Column 2 in the Table 5 of Projected Openings.) When combined with those open as of December 31, 2024, the total is 159.

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

4. Column 5 – To clarify, we terminated these franchisees after reasonable advance notice to correct any defaults for the following reasons:
    a. Non-compliance
    b. Non-collectable
    c. Non-branded or infringing negatively on trademark

5. Column 6 includes franchisees that we did not renew following the end of the term of their agreement.

Table No. 4
Status of Affiliate-Owned Outlets
For fiscal years ending December 31, 2022, 2023 and 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Any State	2022	1	0	0	0	0	0
	2023	1	0	0	0	0	0
	2024	1	0	0	0	0	0
Total	2022	1	0	0	0	0	0
	2023	1	0	0	0	0	0
	2024	1	0	0	0	0	0

Notes:

1. This business is operated by our affiliate, RAM, from its Toronto offices, with a US National Territory.

Table No. 5
Projected Openings as of January 1, 2025 for 2025

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
CA	1	1	0

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
FL	1	1	0
GA	1	0	0
IL	0	1	0
MA	0	1	0
MI	0	1	0
MN	0	1	0
NC	1	1	0
NE	0	1	0
NJ	0	1	0
NY	0	1	0
OH	0	1	0
PA	1	1	0
TX	0	1	0
VA	0	1	0
WA	0	1	0
Totals	5	15	0

Notes:

1. The franchisees in Column 2 are listed in Exhibit E to this Disclosure Document with the designation “PT” to indicate that the franchisee has not attended training.

2. The number of projected new franchisees in 2025, per state, is derived from our projected market penetration, based on information available at the issuance of this disclosure document. Our franchise model is not based on exclusive geographic territories and does not require a physical location. Therefore, franchisees may operate regionally or nationally, and their business scope is not limited to the state in which they reside. As such, the projections in this table, or in table 3 above, should not be interpreted as limitations on where franchisees may be located or operate, nor do they reflect market demand or strategic focus in any particular state.

A list of the names of all franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit E to this Disclosure Document when applicable.

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

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

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

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit D are our audited financial statements as of December 31, 2024, December 31, 2023 and December 31, 2022.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit C	The Franchise Agreement with its exhibits: A. Data Addendum B. Guarantee, Indemnification, and Acknowledgment C. List of Principals D. ACH Authorization Agreement E. Telephone Number Assignment Agreement and Power of Attorney F. Sample Form of Non-Disclosure and Non-Competition Agreement
Exhibit I	Form of General Release
Exhibit J	Franchise Application Agreement

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

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

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8285
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Department of Financial Institutions P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501-6456 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B TO THE DISCLOSURE DOCUMENT
STATE SPECIFIC ADDENDA

EXHIBIT B-1

California Disclosure

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Franchise Disclosure Document for National Internet Corporation in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

2. The State Cover Page of the Franchise Disclosure Document shall be amended by the addition of the following paragraph:

> THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

3. Item 1, "The Franchisor, Its Predecessors, and Affiliates," shall be amended by adding the following paragraph at the conclusion of the Item:

> OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dfpi.ca.gov.

4. In Item 3, "Litigation," shall be amended by adding the following paragraphs:

> Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere.
>
> Neither we, nor any person identified in Item 2 above, is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934, 15 U.S.C. § 78a, *et seq*.) suspending or expelling such person from membership in such association or exchange.

5. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by adding the following paragraphs at the conclusion of the Item:

> California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
>
> The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101, *et seq.*).

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code § 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires mediation before all but only certain matters can be litigated. The mediation will occur in Washington, D.C., with the costs being borne by the franchisee and franchisor. Litigation for matters not resolved through mediation is to take place in the appropriate courts located in Erie County, New York. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of the State of New York. This provision may not be enforceable under California law.

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

California's Franchise Investment Law (Corporations Code section 31512.1) states that any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; and (d) violations of any provision of this division.

6. The Franchise Disclosure Document is amended to include the following:

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

7. The Franchise Disclosure Document is amended to include the following:

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

8. The Franchise Disclosure Document is amended to include the following:

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT B-2

Hawaii Disclosure

The following paragraphs are to be added in the state cover page:

THESE FRANCHISES WILL HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

EXHIBIT B-3

Illinois Disclosure

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the Franchise Disclosure Document for National Internet Corporation for use in the State of Illinois shall be amended as follows:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following:

> Illinois law governs the agreements between the parties to this franchise.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
>
> Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
>
> Your right upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

2. Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently, without reference to this addendum.

EXHIBIT B-4

Maryland Disclosure

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Disclosure Document for National Internet Corporation for use in the State of Maryland shall be amended as follows:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language:

> The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 et seq.).
>
> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
>
> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

2. Exhibit H, “Franchisee Disclosure Acknowledgment Statement,” shall be amended by the addition of the following at the end of Exhibit H:

> The representations under this Franchisee Disclosure Acknowledgment Statement are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

EXHIBIT B-5

Michigan Disclosure

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 PROVISIONS 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 FRANCHISED 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, MARKETING, 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 FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

*****

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

*****

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN $100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

*****

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, 525 WEST OTTAWA STREET, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48913.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE SECTION
525 WEST OTTAWA STREET
G. MENNEN WILLIAMS BUILDING, 1ST FLOOR
LANSING, MICHIGAN 48913

*NOTE: NOTWITHSTANDING PARAGRAPH (F) ABOVE, WE INTEND TO, AND YOU AGREE THAT WE AND YOU WILL, ENFORCE FULLY THE PROVISIONS OF THE ARBITRATION SECTION OF OUR AGREEMENTS. WE BELIEVE THAT PARAGRAPH (F) IS UNCONSTITUTIONAL AND CANNOT PRECLUDE US FROM ENFORCING THE ARBITRATION PROVISIONS UNDER THE FEDERAL ARBITRATION ACT.

EXHIBIT B-6

Minnesota Disclosure

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document for National Internet Corporation for use in the State of Minnesota shall be amended to include the following:

1. Item 13 is amended by the addition of the following language:

   The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suite or demand regarding the use of the name.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs:

   With respect to franchisees governed by Minnesota law, we will comply with Minn. Stat. § 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

   Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.

   Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. 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, or your rights to jury trial, any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction.

   Minn. Stat. § 80C.17 prohibits any action from being commenced under the Minnesota Franchises Law more than three years after the cause of action accrues.

3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

4. Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this addendum to the disclosure document.

EXHIBIT B-7

New York State Addendum to FDD

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

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

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

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

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a

prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

EXHIBIT B-8

North Dakota Disclosure

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. CENT. CODE, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Disclosure Document for National Internet Corporation shall be amended by the addition of the following language:

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

   A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

   B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

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

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

   E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

   F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

   G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

   H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

   I. Limitation on Claims. Requiring North Dakota franchisees to consent to a limitation on when claims may be brought.

2. This addendum to the Disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. CENT. CODE, §§ 51 19 01 through 51 19 17, are met independently without reference to the Disclosure document.

EXHIBIT B-9

Rhode Island Disclosure

In recognition of the requirements of the Rhode Island Franchise Investment Act, R.I. Gen. Laws §§ 19-28.1-1 through 19-28.1-34, the Franchise Disclosure Document for National Internet Corporation for use in the State of Rhode Island shall be amended to include the following:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following:

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

2. This addendum to the Disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act. R.I. Gen. Laws §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to the Disclosure document.

EXHIBIT B-10

None.

EXHIBIT B-11

Virginia Disclosure

In recognition of the requirements contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document of National Internet Corporation is amended as follows:

> According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.
>
> According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

This addendum to the disclosure document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchise Act are met independently without reference to this addendum to the Disclosure Document.

EXHIBIT B-12

Washington Disclosure

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 to 19.100.940, the Franchise Disclosure Document for National Internet Corporation in connection with the offer and sale of franchises for use in the State of Washington shall be amended to include the following:

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This

provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

20. Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 to 19.100.940, are met independently without reference to this addendum.

EXHIBIT B-13

California Franchise Agreement Amendment

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000 31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000 20043, the parties to the attached National Internet Corporation Franchise Agreement (the "Agreement") agree as follows:

1. Section 28.14 of the Agreement is deleted.

2. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this California Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT B-14

Hawaii Franchise Agreement Amendment

In recognition of the requirements of the Hawaii Franchise Investment Law, the parties to the attached National Internet Corporation Franchise Agreement (the "Agreement") agree as follows:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Hawaii Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT B-15

Illinois Franchise Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached National Internet Corporation Franchise Agreement (the "Agreement") agree as follows:

Illinois law governs the agreements between the parties to this franchise.

> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
>
> Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
>
> Your right upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT B-16

Maryland Franchise Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached National Internet Corporation Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.7 of the Agreement, under the heading "Term And Renewal," shall be amended by the addition of the following:

> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 16.5.1 of the Agreement, under the heading "Transfer of Interest," shall be amended by the addition of the following:

> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Sections 27.2 and 27.7 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following:

> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
>
> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

4. Section 28 of the Agreement, under the heading "Acknowledgments," shall be amended by the addition of the following:

> 28.14 The general release required as a condition of renewal, sale/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> 28.15 The foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.
>
> 28.16 The Franchisee Compliance Certification is not intended to, and shall not act, as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

Maryland Amendment to the Franchise Agreement
(Page 1 of 2)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT B-17

Minnesota Franchise Agreement Amendment

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached National Internet Corporation Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.7 of the Agreement, under the heading "Term And Renewal," shall be deleted in its entirety and shall have no force or effect, and the following paragraph shall be inserted in its place:

   2.2.7 You must sign and deliver to us a release, in a form that we will provide (which will be a mutual release with limited exclusions), which will release all claims against us and our affiliates, and our respective officers, directors, agents, and employees. If you are an entity, then your affiliates and your direct and indirect owners (and any other parties that we reasonably request) must also sign and deliver that release to us, excluding only such claims as you may have that have arisen under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

2. Section 2 of the Agreement, under the heading "Term And Renewal," shall be amended by the addition of the following paragraph:

   Minnesota law provides franchisees with certain non-renewal rights. In sum, Minn. Stat. § 80C.14 (subd. 4) currently requires, except in certain specified cases, that a franchisee be given 180 days notice of non-renewal of the Franchise Agreement.

3. Section 9 of the Agreement, under the heading "Proprietary Marks," shall be amended by the addition of the following paragraph:

   Pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), we are required to protect any rights you may have to our Proprietary Marks.

4. Section 16.5.1 of the Agreement, under the heading "Transfer of Interest," shall be deleted in its entirety and shall have no force or effect, and the following paragraph shall be inserted in its place:

   16.5.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us, and/or our respective affiliates, and federal, state, and local laws and rules, excluding only such claims as the transferor may have under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

5. Section 16 of the Agreement, under the heading "Transfer of Interest," shall be amended by the addition of the following paragraph:

   Minnesota law provides franchisees with certain transfer rights. In sum, Minn. Stat. §80C.14 (subd. 5) currently requires that consent to the transfer of the franchise may not be unreasonably withheld.

6. Section 17 of the Agreement, under the heading "Default and Termination," shall be amended by the following paragraph:

   Minnesota law provides franchisees with certain termination rights. In sum, Minn. Stat. § 80C.14 (subd. 3) currently requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) of the Franchise Agreement.

7. Section 18.7 of the Agreement, under the heading "Obligations upon Termination or Expiration," shall be deleted in its entirety and shall have no force or effect; and the following paragraph shall be substituted in its place:

   18.7 *Pay Damages*. You agree to pay us all damages, costs, and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur as a result of your default under this Agreement and/or subsequent to the termination or expiration of this Agreement in seeking injunctive or other relief for the enforcement of any provisions of this Section 18.

8. Sections 27.5 and 27.9 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be deleted in their entirety and shall have no force or effect; and the following paragraphs shall be substituted in its place:

   27.5 *Injunctions*. Nothing contained in this Agreement shall bar our right to seek injunctive relief (without having to post a bond) against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

   27.9 *Payment of Legal Fees*. You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur after the termination or expiration of the franchise granted under this Agreement in: ***(a)*** seeking injunctive or other relief for the enforcement of any provisions of this Agreement (including without limitation Sections 9 and 17 above); and/or ***(b)*** successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

9. Section 27 of the Agreement, under the heading "Applicable Law and Dispute Resolution", shall be amended by the following paragraph 27.10, which shall be considered an integral part of the Agreement:

    27.10 Minn. Stat. § 80C.17 prohibits any action from being commenced under the Minnesota Franchises Law more than three years after the cause of action accrues. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. 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, or your rights to jury trial, any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction.

10. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

11. Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, and delivered this Minnesota Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT B-18

New York Franchise Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached National Internet Corporation Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.7 of the Agreement, under the heading "Term And Renewal," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in its place:

> 2.2.7 You must sign and deliver to us a release, in a form that we will provide (which will be a mutual release with limited exclusions), which will release all claims against us and our affiliates, and our respective officers, directors, agents, and employees. If you are an entity, then your affiliates and your direct and indirect owners (and any other parties that we reasonably request) must also sign and deliver that release to us, provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied; and

2. Section 16.5.1 of the Agreement, under the heading "Transfer of Interest," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in its place:

> 16.5.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us, and/or our respective affiliates, and federal, state, and local laws and rules, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

3. Section 18.7 of the Agreement, under the heading "Obligations upon Termination or Expiration," shall be deleted in its entirety and shall have no force or effect; and the following paragraph shall be substituted in its place:

> 18.7 *Pay Damages*. You agree to pay us all damages, costs, and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur as a result of your default under this Agreement and/or subsequent to the termination or expiration of this Agreement in seeking injunctive or other relief for the enforcement of any provisions of this Section 18.

4. Sections 27.5 and 27.9 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be deleted in their entirety and shall have no force or effect; and the following paragraphs shall be substituted in its place:

27.5 *Injunctions*. Nothing contained in this Agreement shall bar our right to seek injunctive relief (without having to post a bond) against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

27.9 *Payment of Legal Fees*. You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur after the termination or expiration of the franchise granted under this Agreement in: ***(a)*** seeking injunctive or other relief for the enforcement of any provisions of this Agreement (including without limitation Sections 9 and 17 above); and/or ***(b)*** successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

5. Section 27 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following paragraph:

Nothing in this Agreement should be considered a waiver of any right conferred upon you by New York General Business Law, Sections 680-695.

6. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in or the franchise will be opening in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Effective Date:_____	

EXHIBIT B-19

North Dakota Franchise Agreement Amendment

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. CENT. CODE, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached National Internet Corporation Franchise Agreement (the "Agreement") agree as follows:

1. The Agreement shall be amended by the addition of the following Section 29:

29. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation on Claims. Requiring North Dakota franchisees to consent to a limitation on when claims may be brought.

2. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. CENT. CODE, §§ 51 19 01 through 51 19 17, are met independently without reference to this amendment.

North Dakota Amendment to the Franchise Agreement
(Page 1 of 2)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this North Dakota Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Effective Date:_____	

EXHIBIT B-20

Rhode Island Franchise Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, R.I. Gen. Laws §§ 19-28.1-1 through 19-28.1-34, the parties to the attached National Internet Corporation Franchise Agreement (the "Agreement") agree as follows:

1. Section 27 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following paragraph:

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

2. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Effective Date:_____	

EXHIBIT B-22

Washington Addendum to the Franchise Agreement and Related Agreements

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached National Internet Corporation Franchise Agreement, Disclosure Acknowledgement Statement and related agreements (collectively, the "Agreement") agree as follows:

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Washington Amendment to the Franchise Agreement
(Page 1 of 2)

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. The first sentence of Section 4.8 of the Franchise Agreement is deleted in its entirety and is replaced with the following: “We have the right to adjust, for inflation, all fixed-dollar amounts under this Agreement once a year to reflect changes up to the increase in the Index from the year in which you signed this Agreement.”

20. Sections 28.1, 28.2, 28.4, 28.5 and 28.12 of the Agreement do not apply in Washington.

21. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

22. This amendment will apply only if the Washington Franchise Investment Protection Act, Wash. Rev. Code Chapter 19.100, would apply independently without referring to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Washington Addendum to the Franchise Agreement, Disclosure Acknowledgement Statement, and related agreements on the same date as the Agreement was executed.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Effective Date:_____	

EXHIBIT C TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

National Internet Corporation

Franchise Agreement

National Internet Corporation
Franchise Agreement

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National Internet Corporation
Franchise Agreement

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of the "**Effective Date**" that we have indicated on the signature page of this Agreement by and between:

- National Internet Corporation, a Delaware corporation, with its principal place of business at 91 Skyway Avenue, Suite 104, Toronto, Ontario, M9W 6R5 Canada ("**we**," "**us**," "**our;**" or "**Franchisor**"); and

- _____ a [resident of] [corporation organized in] [limited liability company organized in] the state of _____ and having offices at _____ ("**you,**" "**your**" or the "**Franchisee**").

Introduction

*Our parent company, World Technology Group Inc., a Delaware corporation ("WTG") own a format and system relating to the establishment and operation of "WSI" businesses relating to the establishment, development and operation of full-service digital marketing businesses ("**WSI Businesses**").*

*Among the distinguishing characteristics of a WSI Business are that it operates under our "*WSI" *system. Our System includes (among other things): competitive analysis, personal development, paid search advertising, content marketing, inbound marketing, marketing automation, website design and development, social media marketing, search engine optimization, landing page optimization, email marketing, web analytics, and consulting ("**Services**") and related products; professional image and high customer service standards; confidential and proprietary information and trade secrets; distinctive images, designs, business formats, training methods, procedures, and specifications; specifications, and procedures for operations; procedures for management; software; training and assistance; and advertising and promotional programs (together, the "**System**").*

*We identify the System by means of the Proprietary Marks which are owned by 1175856 Ontario Ltd., an Ontario corporation ("856 Ontario"). 856 Ontario has granted us the exclusive right and license in the United States to use and to license to others to use the System and Proprietary Marks. The "**Proprietary Marks**" include certain trade names (for example, the mark "WSI" and logo), service marks, trademarks, logos, emblems, and indicia of origin, as well as other trade names, service marks, and trademarks that we may periodically specify in writing for use in connection with the System. We and 856 Ontario continue to develop, use, and control the use of our Proprietary Marks in order to identify for the public the source of services and products marketed under those marks and under the System, and to represent the System's high standards of quality, appearance, and service.*

We are in the business of developing and awarding franchise rights to third party franchisees, such as you. You will be in the business of operating a WSI Business, using the same brand and Proprietary Marks as other independent businesses that operate other WSI Businesses under the System. We will not operate your WSI Business for you, although we have (and will continue) to set standards for WSI Businesses that you will have chosen to adopt as yours by signing this Agreement and by your day-to-day management of your WSI Business to our brand standards.

You have asked to enter into the business of operating a WSI Business under our System and wish to obtain a franchise from us for that purpose, as well as to receive the training and other assistance we provide as described in this Agreement. You also understand and acknowledge the importance of

our high standards of quality, appearance, and service and the necessity of operating the business franchised under this Agreement in conformity with our standards and specifications.

Therefore, recognizing all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this contract, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

1 GRANT

1.1 *Rights and Obligations*. We grant you the right, and you accept the obligation, all under the terms and conditions of this Agreement:

1.1.1 To operate one WSI Business under the System in the format ("Regional Territory Franchise," "National Territory Franchise" or "International Territory Franchise"), as designated in the Data Addendum (Exhibit A) (referred to as the "**Business**" or "**Franchised Business**");

1.1.2 To use the Proprietary Marks and the System, but only in connection with the Franchised Business (recognizing that we may periodically change or improve the Proprietary Marks and the System); and

1.1.3 To do all of those things only at and from: (**a**) the Approved Office (as defined in Section 1.2 below); and only to (**b**) customers located in your Designated Territory (as defined in Section 1.3 below) (collectively, "**Permitted Locations**").

1.2 *Office and Designated Territory*. The address of the office from which you will operate your Franchised Business is specified in Exhibit A to this Agreement, and is referred to as the "**Approved Office**." If you have an International Territory Franchise, the Approved Office must be located within the United States.

1.2.1 If you wish to operate your Franchised Business from any location other than the Permitted Locations in your Designated Territory (such as a remote or retail location), then you must ask for and obtain our prior written approval (which we have the right to grant or not grant). Among other things, you must be in compliance with the terms of this Agreement in order to be approved.

1.2.2 You may relocate within the Designated Territory by giving us prior written notice, and without a fee, but you may not relocate the Franchised Business outside the Designated Territory without our express written consent. If we approve your proposed relocation to another territory with an equivalent license, you agree to pay a relocation fee of Five Hundred Dollars ($500). If we approve your proposed relocation to another territory with an upgraded license, you agree to pay the applicable upgrade fee of: (i) Fourteen Thousand Seven Hundred Dollars ($14,700) for an upgrade from a Regional Territory Franchise to a National Territory Franchise; (ii) Fourteen Thousand Seven Hundred Dollars ($14,700) for an upgrade from a National Territory Franchise to an International Territory Franchise; or (iii) Twenty Seven Thousand Four Hundred Dollars ($27,400) for an upgrade from a Regional Territory Franchise to an International Territory Franchise.

1.3 *Designated Territory and Exclusions.*

1.3.1 The term "**Designated Territory**" means the area that we have designated in Exhibit A to this Agreement. Regardless of which Designated Territory you are granted, the territory will be non-exclusive and will, therefore, be shared with other WSI Businesses. Other WSI Businesses may be established and operate within your Designated Territory.

1.3.2 We retain all other rights, including the right, among other things, on any terms and conditions we deem advisable, and without granting you any rights in these matters, to do any or all of the following (and, in each case, despite their actual or threatened impact on sales at the Franchised Business):

1.3.2.1 Establish, and franchise others to establish, WSI Businesses to serve customers anywhere.

1.3.2.2 Establish, and license others to establish, any digital marketing consulting service businesses or any other businesses offering any products and services (including businesses that provide similar or dissimilar products and services through similar or dissimilar channels of distribution), whether or not under the System or using the Proprietary Marks, whether those business are located inside or outside of the Designated Territory.

1.3.2.3 Acquire (or be acquired) and then operate any business of any kind, whether located inside or outside the Designated Territory.

1.3.2.4 Sell and distribute, or license others to sell and distribute, directly or indirectly, any products from any location or to any purchaser (including, but not limited to, the sale of items to purchasers in the Designated Territory through online arrangements (for example, on the Internet or using other digital techniques), under our Proprietary Marks or as private-labeled items).

1.4 *Territorial Rules*.

1.4.1 We offer three types of Designated Territories under this Agreement: ***(a)*** a "Regional Territory"; ***(b)*** a "National Territory"; and ***(c)*** "International Territory." The Data Addendum (Exhibit A) designates whether your Designated Territory is a Regional Territory, National Territory, or an International Territory, as well as other details such as the boundaries of your Designated Territory. If Exhibit A does not explicitly state the kind of territory that you are assigned, then the parties agree that the territory under this Agreement shall be deemed a Regional Territory.

1.4.1.1 *Regional Territory*. A Regional Territory grants you the right to offer and sell Services to customers in a state, as defined in Exhibit A.

1.4.1.2 *National Territory*. The National Designated Territory grants you the right to offer and sell Services to customers in the United States.

1.4.1.3 *International Territory*. The International Designated Territory grants you the right to offer and sell Services to customers anywhere in the world. You are solely responsible for determining whether you are authorized to offer and sell services in any given jurisdiction.

1.4.2 You may offer, advertise, and market the Services and products of the Franchised Business, and directly solicit customers, inside (but only inside) your Designated

Territory (subject to our right to approve all advertising and marketing materials as set forth in Section 13.4 below), except as otherwise provided below. The terms "**direct solicitation**" and "**directly solicit**" include, but are not limited to, solicitation in person, by telephone, by mail, by email or other electronic means, advertising, marketing, and by distribution of brochures, business cards or other materials.

1.4.3 You may not directly solicit or service customers located outside of the Designated Territory unless you receive our prior written consent to do so. We will review and we have the right to approve or deny each such request on a case-by-case basis. We also reserve the right at any time to withdraw any consent previously provided.

2 TERM AND RENEWAL

2.1 *Term*. The term of this Agreement (the "**Term**") starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire ten (10) years from the Effective Date.

2.2 *Renewal*. You will have the right to renew your rights to operate the Franchise Business for one (1) additional successor term of ten (10) years, so long as you have satisfied all of the conditions specified in Sections 2.2.1 through 2.2.10 before each such renewal:

2.2.1 You agree to give us written notice of your election to renew at least twelve (12) months before the end of the Term of this Agreement (but not more than eighteen (18) months before the Term expires).

2.2.2 You must upgrade and refresh the materials used for the Franchised Business (including, without limitation, any modifications to the nature and quality of the products and services offered)) to comply with our then-current standards in effect for new WSI Businesses (if necessary and not already meeting those standards).

2.2.3 At the time of renewal, you must be in material compliance with the provisions of this Agreement (including any amendment to this Agreement), any successor to this Agreement, and/or any other contract between you (and your affiliates) and us (and our affiliates); you must have maintained the mandated NPS score that we periodically update; and in our reasonable judgment, you must have been in material compliance during the term of this Agreement, even if we did not issue a notice of default or exercise our right to terminate this Agreement if you did not meet your obligations.

2.2.4 You must have timely met all of your financial obligations to us and our affiliates, as well as your vendors, throughout the term of this Agreement (even if we did not issue a notice of default or exercise our right to terminate this Agreement if you did not meet your obligations).

2.2.5 You must sign our then-current form of franchise agreement, which will supersede this Agreement in all respects (except with respect to the renewal provisions of the new franchise agreement, which will not supersede this Section 2), and which you acknowledge and agree may contain terms, conditions, obligations, rights, and other provisions that are substantially and materially different from those spelled out in this Agreement (including, for example, a higher percentage Management Services Fee and marketing contribution). If you are an entity, then your owners (whether direct, indirect, and/or beneficial owners) must sign and deliver to us a personal guarantee of your obligations under the renewal form of franchise agreement. (In this Agreement,

the term "**entity**" includes a corporation, limited liability company, partnership, and a limited liability partnership.)

2.2.6 Instead of a new initial franchise fee, you agree to pay to us a renewal fee in the amount of Five Thousand Dollars ($5,000).

2.2.7 You (and your owners, whether direct, indirect or beneficial) agree to sign and deliver to us a release, in a form that we will provide (which will be a mutual release with limited exclusions), which will release all claims against us and our affiliates, and our respective officers, directors, members, managers, agents, and employees. If you are an entity, then your affiliates and your direct and indirect owners (and any other parties that we reasonably request) must also sign and deliver that release to us.

2.2.8 You and your personnel must meet our then-current qualification and training requirements.

2.2.9 You must be current with respect to your financial and other obligations to your suppliers and all other parties with whom you do business.

3 OUR DUTIES

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

3.1.1 *Training*. Within one hundred and twenty (120) days of execution of the Franchise Agreement, provide you with our Initial Training (as described in Section 6 below);

3.1.2 *Manuals*. We will provide you with online access to our confidential brand and System manuals (the "**Manuals**") which will include policies, procedures, and specifications for operating a WSI Business and as described in Section 10 below. The Manuals will remain our property, and we may modify, add to, or delete from the Manuals;

3.1.3 *Marketing Materials*. We will provide you with online marketing resources for use in promoting Franchised Business. We will have the right to approve or disapprove all marketing and promotional materials that you propose to use, pursuant to Section 13 below;

3.1.4 *Intranet*. We will provide you with access to the Franchisee Intranet – "the Virtual Office".

3.1.5 C*ommunications Platform*. We will provide you with access provide you with access to the private WSI Communication platform currently called – Workvivo.

3.1.6 *Customer Relationship Manager.* We will provide you with access to a CRM system currently powered by HubSpot.

3.1.7 *Email.* We will provide you with an email address.

3.1.8 *Website.* We will provide you with a website on wsiworld.com.

3.1.9 *Confirmation of Performance*. After we have performed our pre-opening obligations to you under this Agreement, we may ask that you execute and deliver to us a confirmation (the "**Confirmation of Performance**"), in a form we reasonably request, confirming that we have performed those obligations. If we ask you to provide us with

such a certificate, you agree to execute and deliver the Confirmation of Performance to us within three (3) business days after our request. However, if you do not reasonably believe that we have performed all of our pre-opening obligations, you must, within that same three (3) day period, provide us with written notice specifically describing the obligations that we have not performed. Not later than three (3) business days after we complete all the obligations that you specified in that notice, you agree to execute and deliver the Confirmation of Performance to us. You agree to do so even if we performed such obligations after the time performance was due under this Agreement. The term "pre-opening obligations" means the obligations we have to you under this Agreement that must be performed before the date when your Franchised Business starts operating.

3.2 *Post-Opening Obligations*. Our obligations following the opening of the Franchised Business are to provide WSI Business resources and support, training and tools which include:

3.2.1 *Branding Fee*. We will administer the Branding Fees (as defined in Section 13 below) in the manner set forth in Section 13 below.

3.2.2 *Continuing Assistance.* We will provide coaching and assistance in the form of sales support, business operations support, and marketing support from our WSI Home Office team, and when applicable other members of the WSI network suppliers;

3.2.3 *Research and Evaluation.* We will conduct research and evaluation of technical products, services and vendors that can be used by the entire network;

3.2.4 *Dedicated Support*. We will provide dedicated support access, including email, phone, virtual tele-conferencing, and live chat;

3.2.5 *Library*. We will provide a resource library of marketing materials that you can access on-demand;

3.2.6 *Education Opportunities*. We will provide ongoing educational opportunities in the form of meetings, webinars, and online courses;

3.2.7 *Client Resources*. We will provide ongoing client educational resources and content, including our website content, blog posts, videos, webinars, ebooks, etc.);

3.2.8 *Industry Updates*. We will provide updated information about new developments within the WSI network and the Digital Marketing industry;

3.2.9 *Systems Access*. We will provide you with access to the Franchisee Virtual Office, Workvivo, and other mandated systems;

3.2.10 *General Advisory Assistance*. We will provide such general advisory assistance deemed by Us to be helpful to You in the ongoing operation, advertising and promotion of the Franchised Business;

3.2.11 *Special Projects*. In our discretion, we may 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;

3.2.12 *Manuals Updates*. We will provide updates, revisions and amendments to our Manuals;

3.2.13 *Specifications*. Upon request and subject to the terms of this Agreement, we may provide you or your suppliers our standards and specifications for items not deemed to be trade secrets;

3.2.14 *Client Communication*. We may, at our discretion, for transmission to your clients, provide materials and messages we deem appropriate for every digital marketing service you provide;

3.2.15 *Additional Training*. At our discretion, we 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;

3.2.16 *Access to Technology Tool Set*. We will provide you with access to our technology tool set which comprises the essential digital platforms and systems required to operate a WSI Business. These may include, but are not limited to, sales enablement tools, access to proprietary WSI systems, a WSI-branded web presence, and use of our CRM platform. The specific tools and systems included in the Technology Tool Set may evolve over time at our the discretion.

3.2.17 *National Accounts*. If you are qualified, we may approve 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; and

3.2.18 *Access to Certain Technology*. If you are qualified, and at our discretion, we may offer you 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.

3.3 *Our Decision-Making*. In fulfilling our obligations under this Agreement, and in conducting any activities or exercising our rights pursuant to this Agreement, we (and our affiliates) will always have the right: **(a)** to take into account, as we see fit, the effect on, and the interests of, other franchised and company-owned or affiliated businesses and systems; **(b)** to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which we (or our affiliates) have an interest, and/or with our affiliates; **(c)** to test market various items in some or all parts of the System; **(d)** to introduce new proprietary items and non-proprietary items or operational software; and/or **(e)** to allocate resources and new developments between and among systems, and/or our affiliates, as we see fit. You understand and agree that all of our obligations under this Agreement are subject to this Section, and that nothing in this Section will in any way affect your obligations under this Agreement.

3.4 *Services Performed*. You acknowledge and agree that any of our designees, employees, agents, or independent contractors (such as an “Area Developer”) may perform any duty or obligation imposed on us by the Agreement, as we may direct (if so, we will, nonetheless, remain responsible to you for the performance of these obligations).

4 FEES

4.1 *Initial Franchise Fee*. You agree to pay us an initial franchise fee in the amount as set out in the Data Addendum (Exhibit A) (the "**Initial Franchise Fee**"). The Initial Franchise Fee is due and payable to us on the day that you sign this Agreement. If you have paid a deposit to us ("**Deposit**") pursuant to our "Franchise Application Agreement," then, upon execution of this Agreement, the Deposit shall be applied toward the total Initial Franchise Fee due, and you must upon entering into this Agreement pay the balance of the Initial Franchise Fee. The Initial Franchise Fee is not refundable under any circumstance, in consideration of administrative and other expenses that we incur in granting this franchise and for our lost or deferred opportunity to grant a franchise to other parties. We may accept payment of the Deposit by credit card, but payment of the balance of the Initial Franchise Fee by credit card shall be prohibited.

4.2 *Management Services Fee*.

4.2.1 For each Month during the Term of this Agreement, you agree to pay us or our affiliate a continuing fee as set out in Section 4.2.3 below (the "**Management Services Fee**"). As used in this Agreement, the term "**Month**" means a calendar month or such other four (4) to five (5) week period that we may designate (provided that there will not be more than 13 "Months" during any year).

4.2.2 Your obligation to pay the Management Services Fee will commence on the first Month after completion of Initial Training.

4.2.3 The Management Services Fee will be in the amounts set out in the following chart:

Starting with this month after you have completed our Initial Training:	Through this month after you have completed our Initial Training:	The monthly MSF will be
The first complete calendar month	The 6th complete calendar month	$500
The 7th complete calendar month	The 11th complete calendar month	$750
The 12th complete calendar month	The 23rd complete calendar month	$1,000
The 24th complete calendar month	The 35th complete calendar month	$1,250
The 36th complete calendar month	The 47th complete calendar month	$1,500
The 48th complete calendar month	The 59th complete calendar month	$2,000
The 60th complete calendar month	End of the term of this Agreement	$2,500

4.3 *Due Date and Payments*. All payments required by this Section 4 and Section 13 below must be made available for withdrawal by us by 5:00pm (Toronto time) on the fifteenth (15th) day of each Month (or if the 15th falls on a weekend or bank holiday, the next business day). In addition, you agree to all of the following:

4.3.1 You agree to establish an arrangement for electronic funds transfer to us, or electronic deposit to us of any payments required under this Agreement. Among other things, to implement this point, you agree to sign and return to us our current form of "ACH - Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Exhibit D (and any replacements for that form that we deem to be periodically needed to implement this Section 4.3.1), and you agree to; **(a)** comply with the payment procedures that we may specify in the Manual or otherwise

in writing; and **(b)** maintain an adequate balance in your bank account at all times to pay by electronic means the charges that you owe under this Agreement. If we elect to use ACH withdrawal to sweep payment of fees, then you will not be required to submit a separate payment to us unless you do not maintain sufficient funds to pay the full amount due.

4.3.2 We 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 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 payment or in any letter accompanying any payment or elsewhere shall constitute or be considered as an accord or satisfaction. In addition, if there are any amounts that we owe to you pursuant to this Agreement or otherwise, you agree that we may elect to set-off your payments to us under this Agreement in order to pay such amounts.

4.3.3 You acknowledge and agree that your obligations to make full and timely payment of Management Services Fee and the Branding Fee (and all other sums due to us) are absolute, unconditional, fully-earned (by us), and due starting from opening the Franchised Business.

4.3.4 You agree that you will not, for any reason, delay or withhold the payment of any amount due to us under this Agreement; put into escrow any payment due to us; set-off payments due to us against any claims or alleged claims that you may allege against us, the Branding Fund, affiliates, suppliers, or others.

4.3.5 You agree that you will not, whether on grounds of alleged non-performance by us or others, withhold payment of any amount due to us under this Agreement, including, without limitation, Management Services Fee or Branding Fee, nor withhold or delay submission of any reports due under this Agreement.

4.4 *No Subordination*. You agree: (**a**) not to subordinate to any other obligation your obligation to pay us the Management Services Fee and/or any other amount payable to us, whether under this Agreement or otherwise; and (**b**) that any such subordination commitment that you may give without our prior written consent will be null and void.

4.5 *Late Payment*. If we do not receive any payment due under this Agreement on or before the due date, then that amount will be deemed overdue. If any payment is overdue, then you agree to pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid, at the rate of eighteen percent (18%) per annum (but not more than the maximum rate permitted by law, if any such maximum rate applies). Our entitlement to such interest will be in addition to any other remedies we may have. Any report that we do not receive on or before the due date will also be deemed overdue.

4.6 *Other Funds Due*. You agree to pay us, within ten (10) days of our written request (which is accompanied by reasonable substantiating material), any amounts that we have paid, that we have become obligated to pay, and/or that we choose to pay on your behalf.

4.7 *Technology, Website and Other Fees.*

4.7.1 You may contract with us, our affiliate or an independent supplier approved by us, for hosting and other digital marketing services, and you must pay us, our affiliate, or the approved suppliers as applicable and when invoiced, for such services.

4.7.2 You shall pay to us (or our designee), on a Monthly basis, a continuing and non-refundable fee in the amount of Four Hundred and Seventy- Five Dollars ($475) (the "**Technology Tool Set Fee**") in consideration for having access to our technology tool set and systems as further defined by the Manuals in the operation of the Franchised Business. We may periodically change or enhance the technology tool set to keep up with the latest technological advancements. Once a change or enhancement is released, you will have six (6) months to update your technology tool set at your cost. The monthly Technology Tool Set Fee may be periodically increased by Franchisor in an amount that is commensurate with the Franchisor's increased costs in connection with technology for the System. This fee shall be payable at the same time and in the same manner as the Management Services Fee.

4.8 *Index*. We have the right to adjust, for inflation, all fixed-dollar amounts under this Agreement (except for the Initial Franchise Fee) once a year to reflect changes in the Index from the year in which you signed this Agreement. For the purpose of this Section 4.8, the term "**Index**" means the Consumer Price Index (1982-84=100; all items; CPI-U; all urban consumers) as published by the U.S. Bureau of Labor Statistics ("**BLS**"). If the BLS no longer publishes the Index, then we will have the right to designate a reasonable alternative measure of inflation.

5 FRANCHISED BUSINESS COMMENCEMENT

5.1 *Opening the Franchised Business.* You or your Operating Principal (defined in Section 6.2 below) must complete our Initial Training program within one hundred and twenty (120) days after the Effective Date. You must begin operation of your WSI Business within one (1) week after you or your Operating Principal successfully completes (to our satisfaction) our Initial Training program. **Time is of the essence**.

5.2 *Pre-Opening*. Before opening for business, you agree to meet all of the pre-opening requirements specified in this Agreement, the Manual, and/or that we may otherwise specify in writing.

6 OPERATING PRINCIPAL, PERSONNEL, AND TRAINING

6.1 *Operating Principal and Management*.

6.1.1 If you are a corporation, partnership or LLC, you must have an individual owner serve as your "**Operating Principal**." The Operating Principal must supervise the operation of the Franchised Business and must own at least fifty-one percent (51%) of the voting and ownership interests in the franchisee entity, unless you obtain our prior written approval for the Operating Principal to hold a smaller interest. The Operating Principal must have qualifications reasonably acceptable to us to serve in this capacity, complete our training program as described below, must have authority over all business decisions related to the Franchised Business, must have the power to bind you in all dealings with us, and must have signed and delivered to us the Guarantee, Indemnification, and Acknowledgement attached to this Agreement as Exhibit B. You may not change the Operating Principal without our prior written approval.

6.1.2 The Franchised Business must at all times be under the active full-time management of either you (or the Operating Principal, if you are an entity) who has successfully completed (to our satisfaction) our Initial Training program. You must, at all times, actively promote the Services and products offered by the Franchised Business, and use best efforts to cultivate, develop and expand the market for these Services and products within the Designated Territory. You also agree to conduct approved lead-

generation activities in accordance with our requirements and standards. You (or, if you are an entity, the Operating Principal) shall devote full time and best efforts to the management and operation of the Franchised Business.

6.1.3 The term "**Specially Trained Management Personnel**" is agreed to mean the Operating Principal and any other management individuals who have successfully completed our Initial Training and ongoing training requirements and possess the qualifications necessary to the management and/or service roles that each such performs in the Franchised Business.

6.2 *Initial Management Training*. Before opening your Franchised Business, you (or if you are an entity, your Operating Principal), and, if applicable, one (1) additional management individual, must attend and successfully complete, to our satisfaction, the WSI Digital Marketing Foundations course ("**Initial Training**") that we offer for WSI Business franchisees at our headquarters or another location that we specify online or through a mix of on line and in-person. You may send up to two (2) individuals (including the Specially Trained Management Personnel) to the Initial Training. We will cover the cost of delivering the Initial training for up to 2 persons, however you will be responsible for all of the other costs of attendance, including travel, room and board, and your employees' wages, benefits and other expenses. If you ask to send more than two (2) individuals to the Initial Training, and for each replacement training for a Specially Trained Management Personnel and we agree to the request, you agree to pay us a training fee in the amount of Two Thousand Five Hundred Dollars ($2,500) per day for each day of the in-person component of the Initial Training for each additional or replacement individual to be trained, with payment to be made in full before training starts. If you or your personnel do not attend a schedule training session, you agree to pay a rescheduling fee of Five Hundred Dollars ($500) per missed session. Upon successful completion of the Initial Training, you will earn your WSI Certified Franchisee designation.

6.3 *Additional Obligations and Terms Regarding Training*.

6.3.1 You (or your Operating Principal, if you are an entity) and, if applicable, one (1) additional management individual must attend and complete the second portion of our certification program, Quick Start Program ("QSP") during the first 6 months after opening the Business. Only individuals who have successfully completed the Initial Training are eligible to participate in QSP. We will cover the cost of delivering QSP for up to 2 people. If you ask to send more than two (2) individuals to the QSP training and we agree, for each replacement QSP training for a Specially Trained Management Personnel, you agree to pay us a training fee in the amount of Two Thousand Five Hundred Dollars ($2,500) for each individual to be trained, with payment to be made in full before training starts.

6.3.2 If you (or your Operating Principal, if you are an entity) ceases active management or employment at the Franchised Business, or if we disapprove of the service of you (or your Operating Principal) in a specific role (but not as an employee), or if we revoke the certification of you (or your Operating Principal, if you are an entity) to serve in that capacity, then you agree to enroll a qualified replacement (who must be reasonably acceptable to us to serve in that capacity) in our Initial Training within thirty (30) days after the former individual ended his/her full time employment and/or management responsibilities. The replacement must attend and successfully complete QSP, to our reasonable satisfaction, as soon as it is practical to do so.

6.3.3 We may require that you and your Specially Trained Management Personnel attend such refresher courses, seminars, and other training or certification programs as we may reasonably require periodically. Where such training is provided directly by us, any associated registration or attendance fees will be included as part of the monthly Education Fee. However, where training or certification is delivered by a third-party provider, additional registration, enrollment, or participation fees may apply. This includes the requirement that you (or your Operating Principal if you are an entity) complete a 12-month third party sales training course ("Sales Training") that must begin within one year after commencing operations (the current cost of Sales Training is $5,000 for one participant and $650 for each additional person per Franchised Business). We reserve the right, in our sole discretion, to lessen or waive this requirement to complete Sales Training based on your previous business and sales experience.

6.3.4 We may require you to enroll each of your employees in web-based training programs relating to the Services and products that each will assist in providing to customers of the Business.

6.3.5 All of your trainees must sign and deliver to us a personal covenant of confidentiality in substantially the form of Exhibit F to this Agreement.

6.3.6 Training Costs and Expenses.

6.3.6.1 We will bear the cost of providing the instruction and required materials, except as otherwise provided in this Section 6.

6.3.6.2 You agree to bear all expenses incurred in connection with any training, including without limitation the costs of transportation, lodging, meals, wages, benefits, and worker's compensation insurance for you and your employees.

6.3.6.3 You also agree to cover all of your employees at all times (including the pre-opening period, and including those attending training) under the insurance policies required in Section 15 below.

6.3.6.4 We have the right to reduce the duration or content of the training program for any trainee who has prior experience with our System or in similar businesses.

6.4 *Additional On-Site Training*. You may ask us to provide on-site training in addition to that which we will provide to you in connection with the Initial Training and/or the opening of the Franchised Business, and if we approve such request, then you agree to pay us our then-current per diem training charges as well as our out-of-pocket expenses. Additionally, if we determine that you are not operating the Franchised Business in accordance with our standards as set forth in the Manual, we may place you in default of this Agreement and/or require you and/or your employees to complete additional training at the Franchised Business or a location that we designate, at your expense, which will include our then-current per diem training charges and our out-of-pocket expenses for any training conducted at your Franchised Business.

6.5 *Conventions, Meetings and Additional Training Events*. You agree to attend the conventions, meetings and ongoing training events (which may include regional meetings, WSI hosted webinars, WSI e-learning courses, and third party courses and certifications),that we may periodically require, and to pay a reasonable fee for each person who is required to attend (and, if applicable, additional attendees that you choose to send as well). You will be required

to pay to us the convention or meeting attendance "Education Fee" regardless of whether you (or your Operating Principal or manager) actually attend the meeting or convention. This monthly fee covers your mandatory registration fees per person for the ongoing training provided by us and conference and regional meetings that you must attend as specified by us from time to time. The Education Fee shall be payable at the same time and in the same manner as the Management Services Fee. You will also be responsible for all of the other costs of attendance, including travel, room and board, and your employees' wages, benefits and other expenses. The Education Fee is currently $99.00 per person per month. This fee may be periodically increased by Franchisor in an amount that is commensurate with the Franchisor's increased costs to deliver additional and ongoing training, conventions or regional meetings.

7 PRODUCTS, SERVICES AND SUPPLIERS

While your Business will focus principally on the provision of Services, you will also offer certain products at your Business. This Section 7 addresses those items.

7.1 *Products and Services*. You agree to buy all products, services, equipment, supplies, materials, and other products used or offered for sale at or from the Business only from suppliers as to whom we have given you our prior written approval (and that we have not later disapproved). In this regard, the parties further agree:

7.1.1 In determining whether we will approve any particular supplier, we will consider various factors, including: **(a)** whether the supplier can demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such services; **(b)** whether the supplier has adequate quality controls and capacity to supply your needs promptly and reliably; **(c)** whether approval of the supplier would enable the System, in our sole opinion, to take advantage of marketplace efficiencies; and **(d)** whether the supplier will sign a confidentiality agreement and a license agreement in the form that we may require (which may include a Management Services Fee for the right to use our Proprietary Marks and any other proprietary rights, recipes, and/or formulae).

7.1.2 For the purpose of this Agreement, the term "**supplier**" includes, but is not limited to, manufacturers, distributors, resellers, vendors, production centers, online platforms, managed services, developers, and services related to digital marketing.

7.1.3 You acknowledge and agree that we have the right to appoint only one supplier for any particular product or item (which may be us or one of our affiliates).

7.1.4 You agree to offer and sell only Services and authorized products at the Franchised Business. You may not offer or sell anything at the Franchised Business that is not a Service or a product.

7.1.5 If you want to buy any products or services or any item from an unapproved supplier (except for proprietary items, which are addressed in Section 7.2 below), then you must first submit a written request to us asking for our prior written approval. You agree not to buy from any such supplier unless and until we have given you our prior written consent to do so. We have the right to require that our representatives be permitted to inspect the supplier's facilities. You (or the supplier) may be required to pay a charge, not to exceed the reasonable cost of the inspection, as well as the actual cost of the test. We have the right to also require that the supplier comply with such other requirements that we have the right to designate, including payment of reasonable

continuing inspection fees and administrative costs and/or other payment to us by the supplier on account of their dealings with you or other franchisees, for use of our trademarks, and for services that we may render to such suppliers. We also reserve the right, at our option, to periodically re-inspect the facilities and products or services of any such approved supplier and to revoke our approval if the supplier does not continue to meet any of our then-current criteria. We are not required to approve any particular supplier, nor to make available our standards, specifications, or formulas to prospective suppliers, which we have the right to deem confidential.

7.1.6 You agree we have the right to establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers that are willing to supply all or some WSI Businesses with some or all of the products and/or services that we require for use and/or sale in the development and/or operation of WSI Businesses, notwithstanding anything to the contrary contained in this Agreement. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all products and other products and services, and/or refuse any of your requests if we believe that this action is in the best interests of the System or the network of WSI Businesses. We have the right to approve or disapprove of the suppliers who may be permitted to sell products to you. Any of our affiliates that sell products to you will do so at our direction. If you are in default of this Agreement, we reserve the right to direct our affiliates not to sell products to you, or to withhold certain discounts which might otherwise be available to you.

7.1.7 You acknowledge and agree that we have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "**Allowances**") offered by suppliers to you or to us (or our affiliates) based upon your purchases of products and other goods and services. You assign to us or our designee all of your right, title and interest in and to any and all such Allowances and authorize us (or our designee) to collect and retain any or all such Allowances without restriction.

7.1.8 If we require you to offer and sell items that bear our Proprietary Marks, or to use items that bear our Proprietary Marks, then you must buy, use, and sell only the items that we require, and you must buy those items only from our approved suppliers.

7.2 *Proprietary Items*. You acknowledge and agree that: (**a**) we have the right to require that certain items that you offer at the Franchised Business must be produced in accordance with our proprietary standards and specifications (and/or those of our affiliates), and that such items are our proprietary products; and (**b**) we have the right to require that you purchase and offer branded non-proprietary private-label products at your Business. In order to maintain the high standards of quality and uniformity associated with proprietary items, and other products and packaging bearing the Proprietary Marks, you agree to purchase those proprietary items and products, as well as any packaging bearing the Proprietary Marks (and any other products we may now or in the future designate), only from us, our affiliates, and/or our approved suppliers, and not to offer or sell any other such products at or from the Franchised Business. We have the right to determine whether any particular item will be a "Proprietary Item."

7.3 *Use of the Marks*. You must require all marketing materials, signs, decorations, paper goods (including, without limitation, and all forms and stationery used in the Franchised Business), and other items which we may designate to bear the Proprietary Marks in the form, color, location, and manner we prescribe (and subject to our prior written approval, for example as provided in Section 13.4 below).

8 YOUR DUTIES

In addition to all of the other duties specified in this Agreement, for the sake of brand enhancement and protection, you agree to all of the following:

8.1 *Importance of Following Standards*. You understand and acknowledge that every detail of the Franchised Business is important to you, to us, and to other "WSI" franchisees and licensees in order to develop and maintain high operating standards, to provide superior customer service to customers and participants, to increase the demand for the services and products sold, by all franchisees, and to protect and enhance the reputation and goodwill associated with our brand.

8.2 *Opening*. In connection with the opening of the Franchised Business:

8.2.1 You agree to conduct, at your expense, such promotional and marketing activities as we may require.

8.2.2 You agree to open the Franchised Business by the date specified in Section 5.1 above.

8.2.3 Unless otherwise approved by us to initiate marketing and lead generation activities, You agree not to commence operations of the Franchised Business until you (or your Operating Principal, if you are an entity) have successfully completed all training that we require, and not until you have hired and trained to our standards a sufficient number of employees to service the anticipated level of the Franchised Business' customers.

8.2.4 In addition, you agree not to commence operations of the Franchised Business until the Initial Franchise Fee and any other amounts due to us (and our affiliates) under this Agreement or any other agreements have been paid.

8.3 *Staffing*.

8.3.1 You agree to maintain a competent, conscientious staff in numbers sufficient to promptly service customers and to comply with staffing and service criteria, which may include without limitation specified positions that we may designate from time to time as necessary or appropriate for providing quality member experience according to our standards. We will provide our requirements for service/function positions that we may establish from time to time and which will be set forth in our Manuals. We reserve the right to require you to employ additional staff if we determine that you are not meeting our standards with respect to customer service and quality of performance.

8.3.2 For the sake of efficiency and to enhance and protect our brand you and your staff must, at all times, cooperate with us and with our representatives, and conduct the operation of the business in a first-class and professional manner in terms of dealing with customers, vendors, and our staff as well.

8.3.3 Although we will neither require the methods you use, nor will we monitor how you do so, you agree to develop, cultivate, and at all times maintain a cooperative, cordial, respectful, and professional work environment for your customers to experience, as well as for your staff and among all of the staff and owners of the Franchised Business and us.

8.4 *Operation According to Our Standards.* To ensure that the highest degree of quality and service is maintained, you agree to operate your Franchised Business in strict conformity with such methods, policies, standards, and specifications that we may periodically require in the Manual or otherwise in writing. In this regard, you agree to do all of the following:

8.4.1 You agree to maintain in sufficient supply, and to offer and/or sell at all times only the Services and products that meet our written standards and specifications, and you also agree not to deviate from our standards and specifications by using or offering any non-conforming items without our specific prior written consent.

8.4.2 If applicable or otherwise permitted under the terms of this Agreement, you may 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 suppliers we have approved and who meet and continue to meet our reasonable standards and specifications for such products and related items. .

8.4.3 You agree: (**a**) to sell or offer for sale only those Services and products that we have approved in writing for you to sell at your Franchised Business (including Services that may be offered by and/or through third parties we designate); (**b**) to sell or offer for sale all those Services and products, employing the techniques that we (and/or third parties) specify in writing; (**c**) not to deviate from our standards and specifications, including manner of maintenance of your equipment and products; (**d**) to stop selling and offering for sale any Services or products that we at any time disapprove in writing (recognizing that we have the right to do so at any time); and (**e**) that if you propose to deviate (or if you do deviate) from our standards and specifications, whether or not we have approved the deviation, that deviation will become our property.

8.4.4 To use only us, our affiliates or other designated suppliers approved by us, for all digital marketing services, and to comply with all our policies as may be contained in the Manuals 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.

8.4.5 To conduct online paid search advertising only through Our central account with Our authorized supplier(s).

8.4.6 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.

8.4.7 To submit all leads, prospects and clients using our designated CRM; customer projects and client purchase orders to Our approved suppliers.

8.4.8 To use Our Net Promoter Scoring System (currently HubSpot) or with our consent, an alternate system, and stay within 15 points of the company average NPS which will be updated annually.

8.4.9 If a threat or danger to public health or safety results from the maintenance or operation of the Franchised Business, you agree to immediately suspend operation of the Franchised Business, notify us in writing, and not resume operation until the threat or danger is fully remedied.

8.5 *Operating Codes*. You agree to fully and faithfully comply with all Operating Codes applicable to your Franchised Business. You will have the sole responsibility to fully and faithfully comply with any Operating Codes, and we will not review whether you are in compliance with any Operating Codes. The term "**Operating Codes**" means applicable international, federal, state, and local laws, codes, ordinances, and/or regulations that apply to the Services, products, and other aspects of operating the Franchised Business. You agree to provide to us, within three (3) days of your receipt, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Franchised Business. You must also obtain and maintain during the term of this Agreement all licenses and approvals from any governmental or regulatory agency required for the operation of the Franchised Business or provision of the Services you will offer, sell, and provide. Where required, you must obtain the approval of any regulatory authority with jurisdiction over the operation of your Franchised Business. You acknowledge that we will have no liability to you or any regulatory authority for any failure by you to obtain or maintain during the term of this Agreement any necessary licenses or approvals required for the operation of the Franchised Business.

8.6 *Upgrading.* You agree to upgrade the Franchised Business at your expense to conform to our then-current standards and requirements concerning presentation of the Proprietary Marks in a manner consistent with the then-current image for new WSI Businesses.

8.7 *Use of the Proprietary Marks*. You will require all marketing and promotional materials, signs, decorations, merchandise, any and all replacement trade dress products, and other items that we may designate to bear our then-current Proprietary Marks and logos in the form, color, location, and manner that we have then-prescribed.

8.8 *If You Are an Entity:*

8.8.1 *Corporate Franchisee*. If you are a corporation, then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** maintain stop transfer instructions on your records against the transfer of any equity securities and will only issue securities upon the face of which a legend, in a form satisfactory to us, appears which references the transfer restrictions imposed by this Agreement; **(c)** not issue any voting securities or securities convertible into voting securities; and **(d)** maintain a current list of all owners of record and all beneficial owners of any class of voting stock of your company and furnish the list to us upon request.

8.8.2 *Partnership/LLP Franchisee*. If you are a partnership or a limited liability partnership (LLP), then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** furnish us with a copy of your partnership agreement as well as such other documents as we may reasonably request, and any amendments thereto; **(c)** prepare and furnish to us, upon request, a current list of all of your general

and limited partners; and **(d)** consistent with the transfer restrictions set out in this Agreement, maintain instructions against the transfer of any partnership interests without our prior written approval.

8.8.3 *LLC Franchisee*. If you are a limited liability company (LLC), then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** furnish us with a copy of your articles of organization and operating agreement, as well as such other documents as we may reasonably request, and any amendments thereto; **(c)** prepare and furnish to us, upon request, a current list of all members and managers in your LLC; and **(d)** maintain stop transfer instructions on your records against the transfer of equity securities and will only issue securities upon the face of which bear a legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.

8.8.4 *Guarantees*. You agree to obtain, and deliver to us, a guarantee of your performance under this Agreement and covenant concerning confidentiality and competition, in the form attached as Exhibit B, from each current and future direct and indirect: **(a)** shareholder of a corporate Franchisee; **(b)** member of a limited liability company Franchisee; **(c)** partner of a partnership Franchisee; and/or **(d)** partner of a limited liability partnership Franchisee.

8.9 *Quality-Control and Customer Survey Programs.* We may periodically designate an independent evaluation service to conduct a "mystery shopper," "customer survey," and/or similar quality-control and evaluation programs with respect to WSI Businesses. You agree to participate in such programs as we require, and promptly pay the then-current charges of the evaluation service. If you receive an unsatisfactory or failing report in connection with any such program, then you agree to: **(a)** immediately implement any remedial actions we require; and **(b)** reimburse us for the expenses we incur as a result thereof (including the cost of having the evaluation service re-evaluate the Franchised Business, our inspections of the Franchised Business, and other costs or incidental expenses).

8.10 *Prices*. You agree that we may set reasonable restrictions on the maximum and minimum prices you may charge for the Services and products offered and sold from the Franchised Business under this Agreement. You will have the right to set the prices that you will charge to your customers; provided, however, that (subject to applicable law): **(a)** if we have set a maximum price for a particular item, then you may charge any price for that item up to and including the maximum price we have set; and **(b)** if we have set a minimum price for a particular item, then you may charge any price for that item that is equal to or above the minimum price we have set.

8.11 *Environmental Matters*. We are committed to working to attain optimal performance of WSI Businesses with respect to environmental, sustainability, and energy performance. We each recognize and agree that there are changing standards in this area in terms of applicable law, competitors' actions, consumer expectations, obtaining a market advantage, available and affordable solutions, and other relevant considerations. In view of those and other considerations, as well as the long-term nature of this Agreement, you agree that we have the right to periodically set reasonable standards with respect to environmental, sustainability, and energy for the System through the Manual, and you agree to abide by those standards.

8.12 *Innovations.* You agree to disclose to us all ideas, concepts, methods, techniques and products conceived or developed by you, your affiliates, owners and/or employees during the term of this Agreement relating to the development and/or operation of the WSI Businesses.

All such products, services, concepts, methods, techniques, and new information will be deemed to be our sole and exclusive property and works made-for-hire for us. You hereby grant to us (and agree to obtain from your affiliates, owners, employees, and/or contractors), a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques and products in any businesses that we and/or our affiliates, franchisees and designees operate. We will have the right to use those ideas, concepts, methods, techniques, and/or products without making payment to you. You agree not to use or allow any other person or entity to use any such concept, method, technique or product without obtaining our prior written approval.

9 PROPRIETARY MARKS

9.1 *Our Representations*. We represent to you that we own (or have an appropriate license to) all right, title, and interest in and to the Proprietary Marks, and that we have taken (and will take) all reasonably necessary actions to preserve and protect the ownership and validity in, and of, the Proprietary Marks.

9.2 *Your Agreement*. With respect to your use of the Proprietary Marks, you agree that:

9.2.1 You will use only the Proprietary Marks that we have designated in writing, and you will use them only in the manner we have authorized and permitted in writing; and all items bearing the Proprietary Marks must bear the then-current logo.

9.2.2 You will use the Proprietary Marks only for the operation of the business franchised under this Agreement and only at the location authorized under this Agreement, or in franchisor-approved marketing for the business conducted at or from that location (subject to the other provisions of this Agreement).

9.2.3 Unless we otherwise direct you in writing to do so, you agree to operate and advertise the Franchised Business only under the name “WSI” without prefix or suffix.

9.2.4 During the term of this Agreement and any renewal of this Agreement, you will identify yourself (in a manner reasonably acceptable to us) as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as we may designate in writing.

9.2.5 Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof will constitute an infringement of our rights.

9.2.6 You agree not to use the Proprietary Marks to incur any obligation or indebtedness on our behalf.

9.2.7 You agree not to use the Proprietary Marks:

9.2.7.1 as part of your corporate or other legal name;

9.2.7.2 as part of your identification in any email address, domain name, or other electronic medium (except as otherwise provided in Section 14.10.3 below); and/or

9.2.7.3 in connection with any employment or human-resources (H.R.) documents (including employment applications, paychecks, pay stubs, and employment agreements).

9.2.8 You agree to execute any documents that we (or our affiliates) deem necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

9.2.9 With respect to litigation involving the Proprietary Marks, the parties agree that:

9.2.9.1 You agree to promptly notify us of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the Proprietary Marks licensed under this Agreement. You acknowledge and agree that we will have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We will also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

9.2.9.2 If you used the Proprietary Marks in accordance with this Agreement, then we will defend you at our expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of your use thereof. If you used the Proprietary Marks in a manner that does not comply with this Agreement, then we will still defend you, but at your expense, against such third party claims, suits, or demands.

9.2.9.3 We agree to reimburse you for your out-of-pocket travel costs in doing such acts and things, and you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement, unless such litigation is the result of your use of the Proprietary Marks in a manner that does not comply with this Agreement.

9.2.9.4 To the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, then you agree to reimburse us (upon our request, which may be periodic and/or upon the conclusion of the proceedings) for the cost of such litigation and/or upon our written request, pay our legal fees directly (your obligation under this Section includes reasonable attorneys' fees, court costs, discovery costs, and all other related expenses, as well as the cost of any judgment or settlement).

9.2.9.5 If we undertake the defense or prosecution of any litigation or other similar proceeding relating to the Proprietary Marks, then you agree to sign any and all documents, and do those acts and things that may, in our counsel's opinion, be necessary to carry out the defense or prosecution of that matter (including becoming a nominal party to any legal action).

9.3 *Your Acknowledgements*. You expressly understand and acknowledge that:

9.3.1 We own all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them.

9.3.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System.

9.3.3 Neither you nor any of your owners, principals, or other persons acting on your behalf will directly or indirectly contest the validity or our ownership of the Proprietary Marks, nor will you, directly or indirectly, seek to register the Proprietary Marks with any government agency (unless we have given you our express prior written consent to do so).

9.3.4 Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.

9.3.5 Any and all goodwill arising from your use of the Proprietary Marks will inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license granted as part of this Agreement, there will be no monetary amount assigned as attributable to any goodwill associated with your use of our System or of our Proprietary Marks.

9.3.6 The right and license of the Proprietary Marks that we have granted to you under this Agreement is non-exclusive, and we therefore have the right, among other things:

9.3.6.1 To use the Proprietary Marks ourselves in connection with selling Services and products;

9.3.6.2 To grant other licenses for the Proprietary Marks, in addition to licenses we may have already granted to existing franchisees; and

9.3.6.3 To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises for those other marks without giving you any rights to those other marks.

9.4 *Change to Marks*. We reserve the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating as part of the System if our currently owned Proprietary Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different Proprietary Marks will be beneficial to the System. In such circumstances, you must immediately cease using any discontinued marks and must immediately begin using such substituted marks (including in your marketing materials), and your right to use the substituted proprietary marks will be governed by (and pursuant to) the terms of this Agreement.

10 CONFIDENTIAL MANUALS

10.1 *You Agree to Abide by the Manual*. In order to protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you agree to conduct your business in accordance with the written instructions that we provide, including the Manual. We will permit you to have access to one (1) copy of our Manual, only for the term of this Agreement, and only for your use in connection with operating the Franchised Business during the term of this Agreement.

10.2 *Format of the Manual*. We will have the right to provide the Manual in any format we determine is appropriate (including paper and/or by making some or all of the Manual available to you only in electronic form, such as through an internet website or an extranet). If at any time we

choose to provide the Manual electronically, you agree to immediately return to us any and all physical copies of the Manual that we have previously provided to you.

10.3 *We Own the Manual*. The Manual will at all times remain our sole property and you agree to promptly return the Manual when this Agreement expires or if it is terminated.

10.4 *Confidentiality and Use of the Manual*.

10.4.1 The Manual contains our proprietary information and you agree to keep the Manual confidential both during the term of this Agreement and after this Agreement expires and/or is terminated. You agree that, at all times, you will ensure that your copy of the Manual will be available in a current and up-to-date manner. Whenever the Manual is not in use by authorized personnel, you agree to maintain secure access to the Manual at the Franchised Business, and you agree to grant only authorized personnel (as defined in the Manual) with access to the security protocols for the Manual.

10.4.2 You agree to never make any unauthorized use, disclosure, and/or duplication of the Manual in whole or in part.

10.5 *You Agree to Treat Manual as Confidential*. You agree that at all times, you will treat the Manual, any other manuals that we create (or approve) for use in the operation of the Franchised Business, and the information contained in those materials, as confidential, and you also agree to use your best efforts to maintain such information as secret and confidential. You agree that you will never copy, duplicate, record, or otherwise reproduce those materials, in whole or in part, nor will you otherwise make those materials available to any unauthorized person.

10.6 *Which Copy of the Manual Controls*. You agree to ensure that the Manual is kept current and up to date. You also agree that if there is any dispute as to the contents of the Manual, the terms of the master copy of the Manual that we maintain in our home office will be controlling. Access to any electronic version of the Manual will also be subject to our reasonable requirements with respect to security and other matters, as described in Section 14 below.

10.7 *Revisions to the Manual*. We have the right to revise the contents of the Manual whenever we deem it appropriate to do so, and you agree to make corresponding revisions to your copy of the Manual and to comply with each new or changed standard, procedure or policy.

10.8 *Modifications to the System*. You recognize and agree that we may periodically change or modify the System and you agree to accept and use for the purpose of this Agreement any such change in the System (which may include, among other things, new or modified trade names, service marks, trademarks or copyrighted materials, new products, new equipment or new techniques, as if they were part of this Agreement at the time when you and we signed this Agreement; provided the financial burden placed upon you is not substantial). You agree to make such expenditures and such changes or modifications as we may reasonably require pursuant to this Section and otherwise in this Agreement.

11 CONFIDENTIAL INFORMATION

11.1 *Confidentiality*.

11.1.1 You agree that you will not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use (for yourself and/or for the benefit of any other person, persons, partnership, entity, association, or corporation) any Confidential Information

that may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement. You agree that you will divulge our Confidential Information only to those of your employees that must have access to it in order to operate the Franchised Business.

11.1.2 Any and all information, knowledge, know-how, and techniques that we designate as confidential will be deemed Confidential Information for the purposes of this Agreement, except information that you can demonstrate came to your attention before disclosure of that information by us; or which, at or after the time of our disclosure to you, had become or later becomes a part of the public domain, through publication or communication by another party that has the right to publish or communicate that information.

11.1.3 Any employee who may have access to any Confidential Information regarding the Franchised Business must execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with you. Such covenants must be on a form that we provide, which form will, among other things, designate us as a third party beneficiary of such covenants with the independent right to enforce them.

11.1.4 As used in this Agreement, the term "**Confidential Information**" includes, without limitation, our business concepts and plans, operating techniques, marketing methods, processes, vendor information, results of operations and quality control information, financial information, demographic and trade area information, market penetration techniques, plans, or schedules, the Manuals, customer profiles, databases, data, customer lists, mailing lists, preferences, or statistics, itemized costs, franchisee composition, territories, and development plans, and all related trade secrets or other confidential or proprietary information treated as such by us, whether by course of conduct, by letter or report, or by the use of any appropriate proprietary stamp or legend designating such information or item to be confidential or proprietary, by any communication to such effect made prior to or at the time any Confidential Information is disclosed to you.

11.2 *Consequences of Breach*. You acknowledge and agree that any failure to comply with the requirements of this Section 11will cause us irreparable injury, and you agree to pay all costs (including, without limitation, reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

12 ACCOUNTING, FINANCIAL AND OTHER RECORDS, AND INSPECTIONS

12.1 *Accounting Records and Sales Reports*.

12.1.1 With respect to the operation and financial condition of the Franchised Business, we will have the right to designate, and you agree to adopt, the fiscal year and interim fiscal periods that we decide are appropriate for the System. We have the right to require you to use a third party payroll service provider that we have approved.

12.1.2 With respect to the Franchised Business, you agree to maintain for at least seven (7) years during (as well as after) the term of this Agreement (and also after any termination and/or transfer), full, complete, and accurate books, records, and accounts prepared in accordance with generally accepted accounting principles and in the form and manner we have prescribed periodically in the Manual or otherwise in writing,

including: **(a)** daily cash reports; **(b)** cash receipts journal and general ledger; **(c)** cash disbursements and weekly payroll journal and schedule; **(d)** monthly bank statements, daily deposit slips and cancelled checks; **(e)** all tax returns; **(f)** supplier's invoices (paid and unpaid); **(g)** dated daily and weekly cash receipt reports in accordance with our standards; **(h)** semi-annual fiscal period balance sheets and fiscal period profit and loss statements; **(i)** operational schedules and weekly inventory records; **(j)** records of promotion; and **(k)** such other records that we may periodically and reasonably request.

12.1.3 We have the right to specify the accounting software and a common chart of accounts, and, if we do so, you agree to use that software and chart of accounts (and require your bookkeeper and accountant to do so) in preparing and submitting your financial statements to us. We have the right to require you to use only a designated bookkeeping service and an approved independent certified public accountant. You agree to provide to the accounting service provider complete and accurate information that we or the accounting service provider require, and agree that we will have full access to the data and information that you provide to the accounting service provider or through the designated program.

12.1.4 No later than the tenth (10th) day of each Month, you agree to submit to us, in the form we specify and/or utilizing our Required Software, a sales report for the immediately preceding Month. You agree to submit the report to us by whatever method that we reasonably require (whether electronically through your use of our Required Software or otherwise) for our receipt no later than the times required under Section 4.3 above. You agree that if do not submit those reports to us in a timely manner, we will have the right to charge you for the costs that we incur in auditing your records.

12.2 *Financial Statements*.

12.2.1 You agree to provide us, at your expense, and in a format that we reasonably specify, a complete annual financial statement prepared within ninety (90) days after the end of each fiscal year of the Franchised Business during the term of this Agreement. Your financial statement must be prepared according to generally accepted accounting principles, including income tax returns, a fiscal year-end balance sheet, an income statement of the Franchised Business for that fiscal year reflecting all year-end adjustments, and a statement of changes in your cash flow reflecting the results of operations of the Franchised Business during the most recently completed fiscal year.

12.2.2 You must certify as correct and true all reports and information that you submit to us pursuant to this Section 12.2.

12.2.3 You agree that upon our request, and for a limited period of time, you will provide us (and/or our agents, such as our auditors) with passwords and pass codes necessary for the limited purpose of accessing your Computer System (defined below) in order to conduct the inspections specified in this Section 12. You also agree that you will change all passwords and pass codes after the inspection is completed.

12.3 *Additional Information*. You also agree to submit to us (in addition to the sales reports required pursuant to Section 12.1.4 above), for review or auditing, such other forms, reports, records, information, and data as and when we may reasonably designate, in the form and format, and at the times and places as we may reasonably require, upon request and as specified periodically in the Manual or otherwise in writing, including: **(a)** information in electronic format; **(b)** restated in accordance with our financial reporting periods; **(c)** consistent with our then-

current financial reporting periods and accounting practices and standards; and/or **(d)** as necessary so that we can comply with reporting obligations imposed upon us by tax authorities with jurisdiction over the Franchised Business and/or our company. The reporting requirements of this Section 12.3 will be in addition to, and not in lieu of, the electronic reporting required under Section 14 below.

12.4 *PCI Compliance and Credit Cards*. With respect to your acceptance and processing of customer payments by credit and debit cards, you agree to do all of the following:

12.4.1 You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Payment Vendors**") that we may periodically designate as mandatory. The term "Payment Vendors" includes, among other things, companies that provide services for electronic payment, including "Apple Pay", "Google Wallet", as well as other vendors' mobile and other payment applications). The obligations specified in this Section include your agreement to pay the applicable charges imposed by the Payment Vendors for participation in, and transactions conducted through, those methods.

12.4.2 You agree not to use any Payment Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval.

12.4.3 We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider.

12.4.4 You agree to comply with all of our policies regarding acceptance of payment by credit and/or debit cards, including for example minimum purchase requirements for a customer's use of a credit card (we may set these requirements in the Manual).

12.4.5 In addition to the other requirements of this Agreement to provide us with various information and reports, you agree to provide us with the information that we reasonably require concerning your compliance with data and cybersecurity requirements.

12.4.6 You agree to comply with our requirements concerning data collection and protection, as specified in Section 14.3 below.

12.4.7 You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

12.5 *Our Right to Inspect Your Books and Records*. We have the right at all reasonable times to examine, copy, and/or personally review or audit (at our expense) all of your sales receipts, books, records, and sales and income tax returns in person or through electronic access (at our option). We will also have the right, at any time, to have an independent audit made of your books and records. If we conduct an inspection because you did not timely provide sales reports to us, or if an inspection discloses that you understated your sales in any report to us by two percent (2%) or more, or if you did not maintain and/or provide us with access to your

records, then you agree to reimburse us for any and all costs and expenses we incur in connected with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). These remedies will be in addition to any other remedies we may have. We may exercise our rights under this Section 12 directly or by engaging outside professional advisors (for example, a CPA) to represent us.

13 MARKETING

13.1 *Marketing Activities and Funds*. For each Month during the term of this Agreement, you agree to contribute One Hundred Dollars ($100) per Month to be allocated in the manner described in Section 13.2 below (the "**Branding Fee**"). You agree to pay the Branding Fee in the manner and at the times required under Section 4.3 above (and as otherwise provided in this Section 13).

13.2 *Branding Fund*. The Branding Fee will be contributed to a System-wide marketing and promotional fund (the "**Branding Fund**"). The following provisions will apply to the Branding Fund:

13.2.1 We (or our designee) will have the right to direct all marketing programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Branding Fund is intended to maximize general public recognition, acceptance, and use of the System around the world; and that we and our designee are not obligated, in administering the Branding Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Branding Fund.

13.2.2 The Branding Fund, all contributions to that fund, and any of that fund's earnings, will be used exclusively to meet any and all costs of maintaining, administering, staffing, directing, conducting, preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System (including, among other things, the costs of preparing and conducting marketing and media advertising campaigns on radio, television, cable, and other media; direct mail advertising; developing and implementing website, social networking/media, search optimization, and other electronic marketing strategies; marketing surveys and other public relations activities; employing marketing personnel (including salaries for personnel directly engaged in consumer-oriented marketing functions), advertising and/or public relations agencies to assist therein; purchasing and distributing promotional items, conducting and administering visual merchandising, and other merchandising programs; engaging individuals as spokespersons and celebrity endorsers; purchasing creative content for sales materials; reviewing ads; market research; conducting sponsorships, sweepstakes and competitions; engaging mystery shoppers for WSI Businesses and their competitors; paying association dues (including the International Franchise Association), establishing third-party facilities for customizing advertising; purchasing and installing signage; and providing promotional and other marketing materials and services to the WSI Businesses operated under the System).

13.2.3 You agree to pay the Branding Fee in the manner specified in Section 4.3 above. The Branding Fund and its earnings will not inure to our benefit. We or our designee will maintain separate bookkeeping accounts for the Branding Fund.

13.2.4 The Branding Fund is not and will not be our asset. We will prepare and make available to you upon reasonable request an annual statement of the operations of the Branding Fund as shown on our books.

13.2.5 Although once established the Branding Fund is intended to be of perpetual duration, we maintain the right to terminate the Branding Fund. The Branding Fund will not be terminated, however, until all monies in the Branding Fund have been expended for marketing purposes.

13.3 *Standards*. All of your marketing and promotion must: **(a)** be in the media, and of the type and format, that we may approve; **(b)** be conducted in a dignified manner; and **(c)** conform to the standards and requirements that we may specify. You agree not to use any advertising, marketing materials, and/or promotional plans unless and until you have received our prior written approval, as specified in Section 13.4 below.

13.4 *Our Review and Right to Approve All Proposed Marketing*. For all proposed advertising, marketing, and promotional plans, you (or the Branding Fund, where applicable) must submit to us samples of such plans and materials (by means described in Section 24 below), for our review and prior written approval. If you (or the Branding Fund) have not received our written approval within fourteen (14) days after we have received those proposed samples or materials, then we will be deemed to have disapproved them. You acknowledge and agree that any and all copyright in and to advertising, marketing materials, and promotional plans developed by or on behalf of you will be our sole property, and you agree to sign such documents (and, if necessary, require your employees and independent contractors to sign such documents) that we deem reasonably necessary to give effect to this provision.

13.5 *Rebates*. You acknowledge and agree that periodic rebates, giveaways and other promotions and programs will, if and when we adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in reasonable rebates, giveaways, marketing programs, and other promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities.

13.6 *Considerations As to Charitable Efforts*. You acknowledge and agree that certain associations between you and/or the Franchised Business and/or the Proprietary Marks and/or the System, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, our reputation and/or the good will associated with the Proprietary Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that are, or which may be perceived by the public to be, taken in the name of, in connection or association with you, the Proprietary Marks, the Franchised Business, us, and/or the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

13.7 *Additional Marketing Expenditure Encouraged*. You understand and acknowledge that the required contributions are minimum requirements only, and that you may (and we encourage you to) spend additional funds for marketing and promotion, which will focus on disseminating marketing directly related to your Franchised Business.

14 TECHNOLOGY

14.1 *Computer Systems and Required Software.* You must obtain and utilize in the operation of the Franchised Business such computer hardware, software and other equipment (collectively, the "**Computer System**") as we periodically specify in the Manuals or otherwise. We will have the right, but not the obligation, to develop or have developed for us, or to designate computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"). You agree to implement and periodically make upgrades and other changes at your expense to the Computer System and Required Software as we may reasonably request in writing (collectively, "**Computer Upgrades**").

14.2 *Data*.

14.2.1 You agree that all data that you collect, create, provide, or otherwise develop that you create or collect in connection with the System, and in connection with your operation of the Franchised Business (including customer information and transaction data, but excluding consumer credit and debit card information), and regardless of whether such data is saved, uploaded from your Computer System to our system, held by a vendor in connection with the Franchised Business, and/or downloaded to our system, is and will be owned exclusively by us during the term of, and after termination or expiration of, this Agreement. You acknowledge and agree that we will have the right to access, download, and use that data in any manner that we deem appropriate without compensation to you.

14.2.2 In order to operate your Franchised Business under this Agreement, we hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and for your use in connection with operating the Franchised Business. You acknowledge and agree that except for the right to use the data under this clause, you will not develop or have any ownership rights in or to the data.

14.2.3 You agree to transfer to us all data (in the digital machine-readable format that we specify, and/or printed copies, and/or originals, but excluding consumer credit and debit card information) promptly upon our request when made, whether periodically during the term of this Agreement, upon termination and/or expiration of this Agreement, any transfer of an interest in you, and/or a transfer of the Franchised Business.

14.3 *Data Requirements and Usage*. We may periodically specify in the Manual or otherwise in writing the information that you agree to collect and maintain on the Computer System installed at the Franchised Business, and you agree to provide to us such reports as we may reasonably request from the data so collected and maintained. In addition:

14.3.1 You agree to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("**Privacy Laws**").

14.3.2 You agree to comply with our standards and policies that we may issue (without any obligation to do so) pertaining to the privacy of consumer, employee, and transactional information. If there is a conflict between our standards and policies and Privacy Laws, you agree to: **(a)** comply with the requirements of Privacy Laws; **(b)** immediately give us written notice of such conflict; and **(c)** promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to privacy within the bounds of Privacy Laws.

14.3.3 You agree to not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to such policy.

14.3.4 You agree to implement at all times appropriate physical and electronic security as is necessary to secure your Computer System, including complex passwords that you change periodically, and to comply with any standards and policies that we may issue (without obligation to do so) in this regard.

14.4 *Extranet*. You agree to comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet and/or such other computer systems as we may reasonably require. The term "**Extranet**" means a private network based upon Internet protocols that will allow users inside and outside of our headquarters to access certain parts of our computer network via the Internet, currently referred to as the "Virtual Office." We may establish an Extranet (but are not required to do so or to maintain an Extranet). If we establish an Extranet, then you agree to comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet, and utilizing the Extranet in connection with the operation of your Franchised Business. The Extranet may include, without limitation, the Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You agree to purchase and maintain such computer software and hardware (including telecommunications capacity) as may be required to connect to and utilize the Extranet. You agree to execute and deliver to us such documents as we may deem reasonably necessary to permit you to access the Extranet.

14.5 *No Separate Digital sites*. Unless we have otherwise approved in writing, you agree to neither establish nor permit any other party to establish a Digital Site relating in any manner whatsoever to the Franchised Business or referring to the Proprietary Marks. We will have the right, but not the obligation, to provide one or more references or webpage(s), as we may periodically designate, within our Digital site. The parties agree that the term "**Digital site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, webpages, microsites, social media and networking sites (e.g., Facebook, Twitter, LinkedIn, You Tube, Snapchat, Pinterest, Instagram, etc.), blogs, vlogs, podcasts, applications to be used on mobile devices (e.g., iOS or Android apps), and other applications, etc. (whether they are now in existence or developed at some point in the future). However, if we give you our prior written consent to have some form of separate Digital Site (which we are not obligated to approve), then each of the following provisions will apply to that Digital Site:

14.5.1 You agree that you will not establish or use any Digital site without our prior written approval.

14.5.2 Any Digital site owned or maintained by or for your benefit will be deemed "marketing" under this Agreement, and will be subject to (among other things) our approval under Section 13.4 above.

14.5.3 Before establishing any Digital site, you agree to submit to us, for our prior written approval, a sample of the proposed Digital site domain name, format, visible content (including, without limitation, proposed screen shots, links, and other content), and non-visible content (including, without limitation, meta tags, cookies, and other electronic tags) in the form and manner we may reasonably require.

14.5.4 You may not use or modify such Digital site without our prior written approval as to such proposed use or modification.

14.5.5 In addition to any other applicable requirements, you agree to comply with the standards and specifications for Digital sites that we may periodically prescribe in the Manual or otherwise in writing (including requirements pertaining to designating us as the sole administrator or co-administrator of the Digital site). You further agree that we may require you to use us or a third party we designate to provide the platform for any Digital sites you maintain.

14.5.6 If we require, you agree to establish such hyperlinks to our Digital site and others as we may request in writing.

14.5.7 If we require you to do so, you agree to make weekly or other periodic updates to our Digital site to reflect information regarding specials and other promotions at your Franchised Business.

14.5.8 We may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf, and we will have the right (but not the obligation) to exercise all of the rights and privileges that an administrator may exercise.

14.5.9 You understand and agree that we cannot (and do not) guarantee or make any representations about the manner in which the Digital site will be maintained, including the degree to which the Digital site promotes and/or drives traffic to you.

14.6 *Recordation of Gross Sales*. You agree to record all sales and transactions for the Franchised Business on computer-based systems that we have approved in writing or on such other types of equipment that we may designate in the Manual or otherwise in writing, which will be deemed part of your Computer System. You agree to utilize computer-based systems that are fully compatible with any program or system (which we will have the right to require) and you agree to record all Gross Sales and all sales information on such equipment.

14.7 *Electronic Identifiers; EMail*.

14.7.1 You agree not to use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any email address, domain name, social network or social media name or address, and/or any other identification of you and/or your business in any electronic medium.

14.7.2 You agree not to transmit or cause any other party to transmit advertisements or solicitations by email, text message, and/or other electronic method unless it is compliance with our playbooks governing lead generation activity. In addition to any other provision of this Agreement, you will be solely responsible for compliance with any laws pertaining to sending electronic communication (including the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003") and the Federal Telephone Consumer Protection Act, as well as laws that apply from outside the U.S., such as the Canadian Anti-Spam Law, or CASL.) (As used in this Agreement, the term "**electronic communication**" includes all methods for sending communication electronically, whether or not currently invented or used, including without limitation emails, text messages, internet-based communication, and faxes.)

14.8 *Telephone Service and Directories*.

14.8.1 You must use our authorized supplier to obtain all of the phone number(s) for the Franchised Business and to install your telephones, and you acknowledge that your telephone numbers (and any facsimile numbers, if applicable) and any listings (including directory and Internet listings) for the Franchised Business shall be our property and must therefore remain with us following termination or expiration of this Agreement.

14.8.2 You must utilize our designated phone numbers in all advertisements. If you are engaged in businesses other than the Franchised Business, you must maintain different telephone numbers and may make no reference to the Franchised Business in any telephone directory listings of such other businesses.

14.8.3 Upon termination of this Agreement for any reason, or expiration of this Agreement, the telephone and fax numbers shall remain with us, and in the event that we elect to disconnect any such numbers, you shall not provide a call forwarding or telephone number referral with respect to any such disconnected telephone number (except to a telephone number designated by us) and shall not indicate in any manner you were previously affiliated with us.

14.8.4 You further agree to execute any applicable telephone number transfer forms relating to telephone numbers for the Franchised Business that we require. Also, you hereby irrevocably appoint and designate us as your attorney-in-fact to transfer any listed telephone numbers and directory listings relating to the Franchised Business if necessary, and to discontinue telephone and other directory listings using the fictitious name or assumed name, in the event of termination or expiration of this Agreement. In order to facilitate this requirement, you agree to execute the "Telephone Number Assignment Agreement and Power of Attorney" attached to this Agreement as Exhibit E.

14.9 *Changes*. You acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to abide by those reasonable new standards we establish as this Section 14 were periodically revised by us for that purpose.

14.10 *Electronic Communication – Including EMail, Fax, and Texts*. You acknowledge and agree that exchanging information with us by electronic communication methods is an important way to enable quick, effective, and efficient communication, and that we are entitled to rely upon your use of electronic communications as part of the economic bargain underlying this Agreement. To facilitate the use of electronic communication to exchange information, you authorize the transmission of those electronic communications by us and our employees, vendors, and affiliates (on matters pertaining to the business contemplated under this Agreement) (together, "**Official Senders**") to you during the term of this Agreement.

14.10.1 In order to implement the terms of this Section 14.10, you agree that: **(a)** Official Senders are authorized to send electronic communications to those of your employees as you may occasionally designate for the purpose of communicating with us and others; **(b)** you will cause your officers, directors, members, managers, and employees (as a condition of their employment or position with you) to give their consent (in an electronic communication or in a pen-and-paper writing, as we may reasonably

require) to Official Senders' transmission of electronic communication to those persons, and that such persons may not opt-out, or otherwise ask to no longer receive electronic communication, from Official Senders during the time that such person works for or is affiliated with you; and **(c)** you will not opt-out, or otherwise ask to no longer receive electronic communications, from Official Senders during the term of this Agreement.

14.10.2 The consent given in this Section 14.10 will not apply to the provision of notices by either party under this Agreement using email unless the parties otherwise agree in a pen-and-paper writing signed by both parties.

14.10.3 We may permit or require you to use a specific email address (or address using another communications method) (for example, one that will contain a Top Level Domain Name that we designate, such as "jan.jones@wsiworld.com") (the "**Permitted Email Address**") in connection with the operation of the Franchised Business, under the standards that we set for use of that Permitted Email Address. You will be required to sign the form Email authorization letter that we may specify for this purpose. If we assign you a Permitted Email Address, then you agree that you (and your employees) will use only that email account for all business associated with your Franchised Business.

14.11 *Online Services*. We may establish and maintain an online platform to provide certain Services to customers located throughout the world (the "**Online Platform**"). If established, you will be required to participate in the Online Platform and to make your personnel available to provide digital marketing services in connection with the Online Platform in the manner required in the Manual, as it may be periodically revised. You must comply with the procedures and specifications for the Online Platform that may be described in the Manual.

15 INSURANCE

15.1 *Required Insurance Coverage*. Before starting any activities or operations under this Agreement, you agree to procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required under this Agreement for events having occurred during the Term of this Agreement), at your expense, at least the following insurance policy or policies in connection with the Franchised Business or other facilities on premises, or by reason of the establishment or operation of the Franchised Business. Such policy or policies must be written by an insurance company or companies we have approved, having at all times a rating of at least "A-" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and licensed and admitted to do business in the state in which the Franchised Business is located, and must include, at a minimum (except that we may reasonably specify additional coverages and higher policy limits for all franchisees periodically in the Manual or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances), the following:

15.1.1 Comprehensive general liability insurance, with fire, vandalism and extended coverage insurance with primary and excess limits of not less than the full replacement value of the furniture, fixtures and equipment of the Franchised Business in the amount of Two Million Dollars ($2,000,000);

15.1.2 Worker's compensation and employer's liability insurance as well as such other insurance as may be required by statute or rule of the state in which you are located and operated; and

15.1.3 Cyber Security Insurance – Recommended but not required.

15.1.4 Any other insurance coverage that is required by federal, state, or municipal law.

15.2 *Endorsements*. All policies listed in Section 15.1 above (unless otherwise noted below) must contain such endorsements as will, periodically, be provided in the Manual. All policies must waive subrogation as between us (and our insurance carriers) and you (and your insurance carriers).

15.3 *Notices to us*. In the event of cancellation, material change, or non-renewal of any policy, sixty (60) days' advance written notice must be provided to us in the manner provided in Section 24 below.

15.4 *Other Insurance Does Not Impact your Obligation*. Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified will not be limited in any way by reason of any insurance that we may maintain, nor will your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 21.4 below. Additionally, the requirements of this Section 15 will not be reduced, diminished, eroded, or otherwise affected by insurance that you carry (and/or claims made under that insurance) for other businesses, including other WSI Businesses that you (and/or your affiliates) operate under the System.

15.5 *Additional Named Insured*. All public liability and property damage policies must list us as an additional named insured, and must also contain a provision that we, although named as an insured, will nevertheless be entitled to recover under said policies on any loss occasioned to us or our servants, agents, or employees by reason of the negligence of you or your servants, agents, or employees.

15.6 *Certificates of Insurance*. At least thirty (30) days before the time you are first required to carry any insurance under this Agreement, and from then on, at least thirty (30) days before the expiration of any such policy, you agree to deliver to us certificates of insurance evidencing the proper coverage with limits not less than those required under this Agreement. All certificates must expressly provide that we will receive at least thirty (30) days' prior written notice if there is a material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. Additional certificates evidencing the insurance required by Section 15.1 above must name us, and each of our affiliates, directors, agents, and employees, as additional insured parties, and must expressly provide that any interest of same therein will not be affected by any breach by you of any policy provisions for which such certificates evidence coverage.

15.7 *Proof of Coverage*. In addition to your obligations under Section 15.6 above, on the first anniversary of the Effective Date, and on each subsequent anniversary of the Effective Date, you agree to provide us with proof of insurance evidencing the proper coverage with limits not less than those required under this Agreement, in such form as we may reasonably require. If you for any reason fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees by the Manuals or otherwise in writing, we shall have the right and authority (without, however, any obligation to do so) to immediately procure such insurance and to charge the same to you, which charges, together with a reasonable fee for our expenses in so acting, including attorneys' fees, shall be payable by you to us immediately upon your receipt of written notice.

15.8 *Coverages are Minimums*. You acknowledge and agree that the specifications and coverage requirements in this Section 15 are minimums, and that we recommend that you review these with your own insurance advisors to determine whether additional coverage is warranted in the operation of your Franchised Business.

15.9 *Changes*. We will have the right, periodically, to make such changes in minimum policy limits and endorsements as we may determine are necessary or appropriate; provided, however, all changes will apply to all of our franchisees who are similarly situated.

16 TRANSFER OF INTEREST

16.1 *By Us*. We will have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity, and any assignee of us, which assignee will become solely responsible for all of our obligations under this Agreement from the date of assignment.

16.2 *Your Principals*. If you are an entity, then each party that holds any interest (direct, indirect, and/or beneficial) in you (each, a "**Principal**"), and the interest that each such Principal holds, is identified in Exhibit C to this Agreement. You represent and warrant to us, and agree, that your owners are accurately set forth on Exhibit C to this Agreement, and you also agree not to permit the identity of those owners and/or their respective interests in you, to change without complying with this Agreement.

16.3 *Principals*. We will have a continuing right to designate any person or entity that owns a direct or indirect interest in you as a Principal, and Exhibit C will be so amended automatically upon written notice to you.

16.4 *By You*. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted this franchise in reliance on your (or your Principals') business skill, financial capacity, and personal character. Accordingly:

16.4.1 You agree not to make a transfer (and not to permit any other party to make a transfer) without our prior written consent.

16.4.1.1 As used in this Agreement, the term "**transfer**" is agreed to mean any sale, assignment, conveyance, pledge, encumbrance, merger, creation of a security interest in, and/or giving away of any interest (including direct, indirect, and beneficiary interests) in: **(a)** this Agreement; **(b)** you; **(c)** any or all of your rights and/or obligations under this Agreement; and/or **(d)** all or any significant portion of the assets of the Franchised Business.

16.4.1.2 Any purported transfer for which we did not provide our prior written consent as required by this Section 16 shall be null and void and shall also constitute a material breach of this Agreement, for which we may immediately terminate this Agreement without opportunity to cure, pursuant to Section 17.2.5 below.

16.4.2 If you are an entity (other than a partnership or a limited liability partnership), then you agree that: **(a)** without our prior written approval, you will not issue any voting securities or interests, or securities or interests convertible into voting securities; and **(b)** the recipient of any such security or other interest will become a Principal under this Agreement, if we designate them as such.

16.4.3 If you are a partnership or limited liability partnership, then the partners of that partnership will not, without our prior written consent, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner in such a partnership will automatically be deemed to be a Principal.

16.4.4 No Principal may transfer, pledge, and/or otherwise encumber their interest in you without our prior written consent.

16.5 *Transfer Conditions*. We will not unreasonably withhold any consent required by Section 16.4 above; provided, that if you propose to transfer your obligations under this Agreement or any material asset, or if any party proposes to transfer any direct or indirect interest in you, then we will have the right to require that you satisfy any or all of the following conditions before we grant our approval to the proposed transfer:

16.5.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective officers, directors, members, managers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us, and/or our respective affiliates, and federal, state, and local laws and rules.

16.5.2 The transferee of a Principal will be designated as a Principal and each transferee who is designated a Principal must enter into a written agreement, in a form satisfactory to us, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in you; and, if your obligations were guaranteed by the transferor, the Principal must guarantee the performance of all such obligations in writing in a form satisfactory to us.

16.5.3 The proposed new Principals (after the transfer) must meet our educational, managerial, and business standards; each must possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Franchised Business, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the Franchised Business.

16.5.4 We will have the right to require that you execute, for a term ending on the expiration date of this Agreement, the form of franchise agreement that we are then offering to new System franchisees, and such other ancillary agreements that we may require for the business franchised under this Agreement, and those agreements will supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher Management Services Fee , Branding Fee and other monthly fees.

16.5.5 If we request, then you must upgrade the Franchised Business to conform to the then-current standards and specifications of new WSI Businesses then-being established in the System, and you agree to complete the upgrading and other requirements specified above in Section 8.6 within the time period that we specify.

16.5.6 You agree to pay in full all of your monetary obligations to us and our affiliates, and to all vendors (whether arising under this Agreement or otherwise), and you must not be

otherwise in default of any of your obligations under this Agreement (including your reporting obligations).

16.5.7 The transferor must remain liable for all of the obligations to us in connection with the Franchised Business that arose before the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and must execute any and all instruments that we reasonably request to evidence such liability.

16.5.8 A principal of the transferee whom we designate to be a new Operating Principal, and those of the transferee's Specially Trained Management Personnel as we may require, must successfully complete (to our satisfaction) all training programs that we require upon such terms and conditions as we may reasonably require (and while we will not charge a fee for attendance at such training programs, the transferee will be responsible for the salary and all expenses of the person(s) that attend training).

16.5.9 You agree to pay us a transfer fee to compensate us for our legal, accounting, training, and other expenses incurred in connection with the transfer. The transfer fee will be in an amount equal to Eleven Thousand Dollars ($11,000), plus any applicable broker or commission fees.

16.5.10 The transferor must acknowledge and agree that the transferor will remain bound by the covenants contained in Sections 19.3 – 19.5 below.

16.6 *Right of First Refusal*. If you or any of your Principals wish to accept any *bona fide* offer from a third party to purchase you, any of your material assets, or any direct or indirect interest in you, then all of the following will apply:

16.6.1 You (or the Principal who proposes to sell his/her interest) must promptly notify us in writing of the offer and provide to us the information and documentation relating to the offer that we may require. We will have the right and option, exercisable within thirty (30) days after we have received all such information that we have requested, to send written notice to the seller that we intend to purchase the seller's interest on the same economic terms and conditions offered by the third party. After exercising our right, we will also have the right to conduct additional reasonable due diligence and to require the seller to enter into a purchase agreement in a form mutually acceptable to us and to the seller. If we elect to purchase the seller's interest, then the closing on such purchase will occur within thirty (30) days from the date of notice to the seller of the election to purchase by us.

16.6.2 Any material change in the terms of the offer before closing will constitute a new offer subject to our same rights of first refusal (as set forth in this Section 16.6) as in the case of the third party's initial offer. If we do not exercise the option afforded by this Section 16.6 that will not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 16, with respect to a proposed transfer.

16.6.3 If 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 the third party, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one independent appraiser, then we will promptly designate an independent appraiser and

you will promptly designate another independent appraiser and those two appraisers will, in turn, promptly designate a third appraiser; and all three appraisers will promptly confer and reach a single determination, which determination will be binding upon both you and us. Both parties will equally share the cost of any such appraisal.

16.6.4 If we exercise our rights under this Section 16.6, then we will have the right to set-off all amounts due from you (including one-half (½) of the cost of an appraisal, if any, conducted under Section 16.6.3 above) against any payment to you.

16.7 *Death or Incapacity*. If you or any Principal dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must promptly notify us of the circumstances, and apply to us in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 16, as applicable; however, we may, under certain circumstances (such as death), not impose a transfer fee for such a transfer if you reimburse us for our reasonable out-of-pocket expenses incurred in reviewing, approving, and documenting your proposed transaction, including our attorneys' fees.

16.7.1 In addition, if the deceased or incapacitated person is the Operating Principal, we will have the right (but not the obligation) to take over operation of the Franchised Business until the transfer is completed and to charge a reasonable management fee for our services.

16.7.2 For purposes of this section, "**incapacity**" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement: **(a)** for a period of thirty (30) or more consecutive days; or **(b)** for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 16.3, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement.

16.7.3 If an interest is not disposed of under this section within six (6) months after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement under Section 17.2 below.

16.8 *Consent to Transfer*. Our consent to a transfer that is the subject of this Section 16 will not constitute a waiver of any claims that we may have against the transferring party, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

16.9 *No Transfers to a Non-Franchisee Party to Operate a Similar Business*. You agree that neither you nor any Principal of yours will transfer or attempt to transfer any or all of your Franchised Business to a third party who will operate a similar business but not under the System and the Proprietary Marks, and not under a franchise agreement with us.

16.10 *Bankruptcy Issues*. If you or any person holding any interest (direct or indirect) in you become a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of you, your obligations, and/or rights under this Agreement, any material assets of yours, and/or any indirect or direct interest in you will be subject to all of the terms of this Section 16, including without limitation the terms of Sections 16.4, 16.5, and 16.6 above.

16.11 *Securities Offers*. All materials for an offering of stock, ownership, and/or partnership interests in you or any of your affiliates that are required by federal or state law must be submitted to us for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering must be submitted to us for such review before their use.

16.11.1 You agree that: (**a**) no offering by you or any of your affiliates may imply (by use of the Proprietary Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities or your affiliates; (**b**) our review of any offering will be limited solely to the relationship between you and us (and, if applicable, any of your affiliates and us); and (**c**) we will have the right, but not obligation, to require that the offering materials contain a written statement that we require concerning the limitations stated above.

16.11.2 You (and the offeror if you are not the offering party), your Principals, and all other participants in the offering must fully indemnify us and all of the Franchisor Parties (as defined in Section 21.5.2 below) in connection with the offering.

16.11.3 For each proposed offering, you agree to pay us a non-refundable fee of Eleven Thousand Dollars ($11,000) or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering.

16.11.4 You agree to give us written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 16.11 commences. Any such offering will be subject to all of the other provisions of this Section 16, including without limitation the terms set forth in Sections 16.4, 16.5, 16.6; and further, without limiting the foregoing, it is agreed that any such offering will be subject to our approval as to the structure and voting control of the offeror (and you, if you are not the offeror) after the financing is completed.

16.11.5 You also agree that after your initial offering, described above, for the remainder of the term of the Agreement, you will submit to us for our review and prior written approval all additional securities documents (including periodic reports, such as quarterly, annual, and special reports) that you prepare and file (or use) in connection with any such offering. You agree to reimburse us for our reasonable costs and expenses (including legal and accounting fees) that we incur in connection with our review of those materials.

17 DEFAULT AND TERMINATION

17.1 *Automatic*. If any one or more of the following events take place, then you will be deemed to be in default under this Agreement, and all rights granted in this Agreement will automatically terminate without notice to you: **(a)** if you will become insolvent or makes a general assignment for the benefit of creditors; **(b)** if a bill in equity or other proceeding for the appointment of a receiver for you or another custodian for your business or assets is filed and consented to by you; **(c)** if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; **(d)** if proceedings for a composition with creditors under any state or federal law is instituted by or against you; **(e)** if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); **(f)** if you are dissolved; or if execution is levied against your business or property; **(g)** if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against you and not dismissed within

thirty (30) days; and/or **(h)** if the real or personal property of your Franchised Business will be sold after levy thereupon by any sheriff, marshal, or constable.

17.2 *With Notice.* If any one or more of the following events occur, then you will be in default under this Agreement, and we will have the right to terminate this Agreement and all rights granted under this Agreement, without affording you any opportunity to cure the default, effective immediately upon the delivery of our written notice to you (in the manner provided in Section 24 below):

17.2.1 If you do not commence operation of the Franchised Business within the time limits specified in Section 5.1 above, and within the requirements specified in Sections 5 and 8.2 above;

17.2.2 If you at any time cease to operate or otherwise abandon the Franchised Business for ten (10) consecutive business days (without our prior written consent to do so), or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located;

17.2.3 If you, any of your Principals or personnel are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein;

17.2.4 If a threat or danger to public health or safety results from the maintenance or operation of the Franchised Business;

17.2.5 If you or any of your Principals purport to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 16 above;

17.2.6 If you fail to comply with the requirements of Section 19 below;

17.2.7 If, contrary to the terms of Sections 10 or 11 above, you disclose or divulge the contents of the Manual or other confidential information that we provide to you;

17.2.8 If an approved transfer of an interest in you is not completed within a reasonable time, as required by Sections 16.7 above;

17.2.9 If you knowingly maintain false books or records, or submit any false reports (including information provided as part of your application for this franchise) to us;

17.2.10 If you commit three (3) or more defaults under this Agreement in any fifty-two (52) week period, whether or not each such default has been cured after notice;

17.2.11 If, after receipt of notice from us of a violation of the provisions of Sections 7.1 and/or 8.4 above, you continue to purchase any products from an unapproved supplier, or sell any products or services from the Business that are not products or Services, as prohibited under Sections 7.1 and 8.4 above;

17.2.12 If you or any of your Specially Trained Management Personnel fail to attend and successfully complete any mandatory training program unless attendance is excused or waived, in writing, by us;

17.2.13 If your bank or credit card issuer (if we have required you to provide us with a valid credit card on which to charge continuing fees due hereunder) has declined or denied a charge by us, or if you have insufficient funds necessary for any withdrawals required under this Agreement, three (3) times during the term of this Agreement;

17.2.14 If you engage in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice; and/or

17.2.15 If you make any unauthorized or improper use of the Proprietary Marks, or if you or any of your Principals use the Proprietary Marks in a manner that we do not permit (whether under this Agreement and/or otherwise) or that is inconsistent with our direction, or if you or any of your Principals directly or indirectly contest the validity of our ownership of the Proprietary Marks, our right to use and to license others to use the Proprietary Marks, or seek to (or actually do) register any of our Proprietary Marks with any agency (public or private) for any purpose without our prior written consent to do so.

17.3 *With Notice and Opportunity to Cure*.

17.3.1 Except as otherwise provided above in Sections 17.1 and 17.2 above, if you are in default of your obligations under this Agreement, then we may terminate this Agreement by giving you written notice of termination (in the manner provided under Section 24 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that you may avoid termination by: **(a)** immediately initiating a remedy to cure such default; **(b)** curing the default to our satisfaction; and **(c)** promptly providing proof of the cure to us, all within the thirty (30) day period. If you do not cure any such default within the specified time (or such longer period as applicable law may require), then this Agreement will terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).

17.3.2 If you are in default under the terms of any other franchise agreement or other contract between you (and/or your affiliates) and us (and/or our affiliates), that will also constitute a default under Section 17.3.1 above.

17.4 *Bankruptcy*. If, for any reason, this Agreement is not terminated pursuant to this Section 17, and the Agreement is assumed, or assignment of the same to any person or entity who has made a *bona fide* offer to accept an assignment of the Agreement is contemplated, pursuant to the U.S. Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: **(a)** the name and address of the proposed assignee; and **(b)** all of the terms and conditions of the proposed assignment and assumption; must be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of the Agreement; and, in any event, within ten (10) days before the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption. We will then have the prior right and option, to be exercised by notice given at any time before the effective date of such proposed assignment and assumption, to accept an assignment of the Agreement to us upon the same terms and conditions, and for the same consideration, if any, as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions that may be payable by you out of the consideration to be paid by such assignee for the assignment of the Agreement.

17.5 *Our Rights Upon Default and Instead of Termination*.

17.5.1 If you are in default of this Agreement for failure to pay any amounts due to us, you acknowledge and agree that, in addition to all of our other rights under this Agreement, we reserve the right to suspend your access to our systems or other services, including email and web property access, for as long as such amounts remain unpaid to us. Such suspension of your access does not relieve you of any of your duties and obligations under this Agreement and does not constitute a constructive termination of this Agreement.

17.5.2 If we are entitled to terminate this Agreement in accordance with Sections 17.2 or 17.3 above, then we will also have the right to take any lesser action instead of terminating this Agreement, including but not limited to terminating, modifying, or eliminating completely, the Designated Territory described in Section 1.3 above and/or suspending access to Technology Tool Set (and subject to Section 17.6 below).

17.6 *Reservation of Rights under Section 17.5*. If any rights, options, arrangements, or areas are terminated or modified in accordance with Section 17.5 above, such action will be without prejudice to our right to terminate this Agreement in accordance with Sections 17.2 or 17.3 above, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

17.7 *Early Termination*. You will have the option to terminate this Agreement on or after the three (3) year anniversary of the Effective Date, subject to the conditions set forth in this Section 17.7. If you elect to terminate this Agreement pursuant to this Section 17.7, you must compensate Us by paying Us, as liquidated damages but not as a penalty, an early termination fee equal to twenty percent (20%) of the total remaining Management Services Fee payable for the remainder of the initial term (or, if applicable, the renewal term) of this Agreement, and You must provide Us a signed general release in a form We prescribe. Such termination will be subject to your compliance with the provisions in Section 18 below relating to Your obligations on termination or expiration of this Agreement and subject to compliance with all post-term obligations as set out in this Agreement..

17.8 *Damages*. You agree to pay us all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses), that we incur as a result of any default by you under this Agreement and any other agreement between the parties (and their respective affiliates) (in addition to other remedies that we may have).

18 OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to you will forthwith terminate, and all of the following will take effect:

18.1 *Cease Operation*. You agree to: **(a)** immediately and permanently stop operating the Franchised Business; and **(b)** cease representing yourself as being a franchisee of the Franchisor.

18.2 *Stop Using Marks and Intellectual Property*. You agree to immediately and permanently cease to use, in any manner whatsoever, all aspects of the System, including any confidential methods, procedures and techniques associated with the System, the mark "WSI" and any and all other Proprietary Marks, distinctive forms, slogans, signs, symbols, and devices associated with the System, and any and all other intellectual property associated with the System. Without limiting the foregoing, you agree to stop making any further use of any and

all signs, marketing materials, displays, stationery, forms, and any other articles that make any use of, reference to, and/or display of the Proprietary Marks.

18.3 *Cancel Assumed Names*. You agree to take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "WSI" and any and all other Proprietary Marks, and/or any other service mark or trademark of ours, and you will give us evidence that we deem satisfactory to provide that you have complied with this obligation within five (5) days after termination or expiration of this Agreement.

18.4 *Our Option to Buy Your Assets*. We will have the right (but not the obligation), which we may exercise at any time within thirty (30) days after expiration, termination, or default under this Agreement and/or default under your lease/sublease for the premises of any retail location that you may have established, to buy from you (and/or your affiliates) any or all of the tangible assets related to the operation of the Franchised Business, at the lesser of your cost or fair market value. The parties agree that "cost" will be determined based upon a five (5) year straight-line depreciation of original costs. For equipment and fixtures that are five (5) or more years old, the parties agree that fair market value is deemed to be ten percent (10%) of the equipment's original cost. If we elect to exercise any option to purchase provided in this Section, we will have the right to set-off all amounts due from you. If you acquire the franchise through a transfer, then the cost referred to above will be that of the original franchisee.

18.5 *No Use of the Marks in Other Businesses*. You agree, if you continue to operate or subsequently begin to operate any other business, that you will not use any reproduction, counterfeit copy, and/or colorable imitation of the Proprietary Marks, 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 rights in and to the Proprietary Marks. You further agree not to use, in any manner whatsoever, any designation of origin, description, trademark, service mark, or representation that suggests or implies present association or connection with us, the System, the equipment, and/or the Proprietary Marks.

18.6 *Pay All Sums Due*. You agree to promptly pay all sums owing to us and our affiliates (regardless whether those obligations arise under this Agreement or otherwise). In the event of termination for any of your defaults, those sums will include all damages, costs, and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses), that we incur as a result of the default.

18.7 *Pay Damages*. You agree to pay us all damages, costs, and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur as a result of your default under this Agreement and/or subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 18, which will be in addition to amounts due to us under Section 18.11 below.

18.8 *Return Confidential Information*. You agree to immediately return to us all Confidential Information, the Manual, and all other manuals, records, data, customer lists, and instructions containing Confidential Information (including, without limitation, any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be our property. You further agree to transfer all telephone numbers and directories to us pursuant to the terms of Section 14.9.4 above.

18.9 *Right to Continue Operations*. In order to preserve the goodwill of the System following expiration and/or termination, we (or our designee) will have the right (without liability to you,

your Principals, or otherwise) to continue (or delegate to a third party the right to continue) to operate the Franchised Business' operation and maintaining the goodwill of the business.

18.10 *Customer Deposits, Details and Payments*. In order to preserve the goodwill of the System following expiration and/or termination, you agree to: (a) provide to us a written report of all funds taken from customers for services that have not yet been fully delivered as of the date of termination and/or expiration ("**Pre-Payments**"), including such detail as we may require; and (b) refund all Pre-Payments in full to the appropriate customers (unless we require you to pay them to us or to our designee).

18.11 *Our Rights.* You agree not to do anything that would potentially interfere with or impede the exercise of our rights under this Section 18.

18.12 *Offsets*. We have the right to offset amounts that you owe to us against any payment that we may be required to make under this Agreement.

19 COVENANTS

19.1 *Full Time Efforts*. You agree that during the term of this Agreement, except as we have otherwise approved in writing, you (or the Operating Principal, if you are an entity) will devote full time, energy, and best efforts to the management and operation of the Franchised Business.

19.2 *Understandings*.

19.2.1 You acknowledge and agree that: **(a)** pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and Confidential Information from us and our affiliates regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the System; **(b)** the System and the opportunities, associations and experience we have established and that you will have access to under this Agreement are of substantial and material value; **(c)** in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(d)** we would be unable to adequately protect the System and its trade secrets and Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among franchisees in our system if franchisees were permitted to hold interests in Competitive Businesses (as defined below); and **(e)** restrictions on your right to hold interests in, or perform services for, Competitive Businesses will not unreasonably or unnecessarily hinder your activities.

19.2.2 As used in this Section 19, the term "**Competitive Business**" is agreed to mean any business that: (a) is the same as or substantially similar to the Franchised Business; and/or (b) derives more than twenty-five percent (25%) of its revenue from providing digital marketing services to its customers.

19.3 *Covenant Not to Compete or Engage in Injurious Conduct.* Accordingly, you covenant and agree that, during the term of this Agreement and for a continuous period of one (1) year after the expiration or termination of this Agreement, and/or a transfer as contemplated in Section 16 above, you will not directly, indirectly, for yourself, or through, on behalf of, or in conjunction with any party, in any manner whatsoever, do any of the following:

19.3.1 Divert or attempt to divert any actual or potential business or customer of any WSI Business to any competitor or otherwise take any action injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

19.3.2 Disparage to, or otherwise share negative opinions with, any third parties regarding us, the System or any WSI Businesses specifically or generally.

19.3.3 Own, maintain, develop, operate, engage in, franchise or license, make loans to, lease real or personal property to, and/or have any whatsoever interest in, or render services or give advice to, any Competitive Business.

19.4 *Where Restrictions Apply*. During the term of this Agreement, there is no geographical limitation on the restrictions set forth in Section 19.3 above. During the one-year period following the expiration or earlier termination of this Agreement, or a transfer as contemplated under Section 16 above, these restrictions will apply only within the Regional Territory (if you have selected a Regional Territory), within twenty-five (25) miles of the Approved Office (if you select a National Territory or International Territory) or customers of your Franchised Business, or anywhere within the territory granted to then-existing or planned WSI Business operated elsewhere, except as we may otherwise approve in writing. These restrictions will not apply to businesses that you operate that we (or our affiliates) have franchised to you pursuant to a valid franchise agreement.

19.5 Post-Term. You further covenant and agree that, for a continuous period of two (2) years after (**a**) the expiration of this Agreement, (**b**) the termination of this Agreement, and/or (**c**) a transfer as contemplated in Section 16 above:

19.5.1 you will not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease, and/or transfer any or all of the Franchised Business to any person, firm, partnership, corporation, or other entity that you know, or have reason to know, intends to operate a Competitive Business in the Designated Territory

19.5.2 You agree that, by the terms of any conveyance, selling, assigning, leasing or transferring your interest in the Franchised Business, you shall include these restrictive covenants as necessary to ensure that a Competitive Business that would violate this Section is not operated at in the Designated Territory for this two-year period, and you will take all steps necessary to ensure that these restrictive covenants become a matter of public record.

19.6 *Periods of Non-Compliance*. Any period of non-compliance with the requirements of this Section 19, whether such non-compliance takes place after termination, expiration, and/or a transfer, will not be credited toward satisfying the two-year obligation specified above.

19.7 *Publicly-Held Entities*. Section 19.3.3 above will not apply to your ownership of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Agreement, the term "**publicly-held corporation**" will be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.

19.8 *Personal Covenants*. You agree to require and obtain execution of covenants similar to those set forth in Sections 9.3, 11, 16, 18 above, and this Section 19 (as modified to apply to an individual), from your Specially Trained Management Personnel and other managerial and/or executive staff, as well as your Principals. The covenants required by this section must be in

the form provided in Exhibit F to this Agreement. If you do not obtain execution of the covenants required by this section and deliver to us those signed covenants, that failure will constitute a default under Section 17.2.6 above.

19.9 *Construction*. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. We have the right to reduce in writing the scope of any part of this Section 19 and, if we do so, you agree to comply with the obligations as we have reduced them.

19.10 *Claims Not a Defense*. You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants in this Section 19. You agree to pay all costs and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in connection with the enforcement of this Section 19.

19.11 *Covenant as to Anti-Terrorism Laws*. You and the owners of your business ("**Owners**") agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and the Owners certify, represent, and warrant that none of their respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of the Owners are in violation of any of the Anti-Terrorism Laws. You also agree not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or in any way relating to terrorist acts and/or acts of war.

19.12 *Defaults*. You acknowledge and agree that your violation of the terms of this Section 19 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct in violation of the terms of this Section 19.

20 TAXES, PERMITS, AND INDEBTEDNESS

20.1 *Payment of Taxes*. You agree to promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of the business franchised under this Agreement. You agree to pay us an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax) imposed on us with respect to any payments that you make to us as required under this Agreement, unless the tax is credited against income tax that we otherwise pay to a state or federal authority.

20.2 *Payment of Trade Creditors*. You agree to promptly pay when due all trade creditors and vendors (including any that are affiliated with us) that supply goods or services to you and/or the Franchised Business.

20.3 *Your Right to Contest Liabilities*. If there is a bona fide dispute as to your 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; however, in no event will 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 premises of the Franchised Business, or any improvements thereon.

20.4 *Compliance with Law*. You agree to comply with all applicable international, federal, state, and local laws, rules, and regulations, and to timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business franchised under this Agreement, including, without limitation, licenses to do business, health certificates, fictitious name registrations, sales tax permits, and fire clearances. To the extent that the requirements of any such laws are in conflict with the terms of this Agreement, the Manual, or our other instructions, you agree to: **(a)** comply with said laws; **(b)** immediately provide us with written notice describing the nature of the conflict; and **(c)** cooperate with us and our counsel in developing a way to comply with the terms of this Agreement, as well as applicable law, to the extent that it is possible to do so.

20.5 *Notice of Violations and Actions*. You agree to notify us in writing within five (5) days after you receive notice of any health or safety violation, 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, or within five (5) days occurrence of any accident or injury which may adversely affect the operation of the Franchised Business or your financial condition, or give rise to liability or a claim against either party to this Agreement.

21 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 *Independent Contractor Relationship.* The parties acknowledge and agree that:

21.1.1 this Agreement does not create a fiduciary relationship between them;

21.1.2 you are the only party that will be in day-to-day control of your franchised business, even though we will share the brand and Proprietary Marks as specified in this Agreement, and neither this Agreement nor any of the systems, guidance, computer programs, processes, or requirements under which you operate alter that basic fact;

21.1.3 nothing in this Agreement and nothing in our course of conduct is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever; and

21.1.4 neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa

21.2 *Notice of Status*. At all times during the term of this Agreement and any extensions hereof, you will hold yourself out to the public as an independent contractor operating the business pursuant to a franchise from us. You agree to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place and/or in communications with your customers, the content of which we reserve the right to specify.

21.3 *No Contracts in our Name*. It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and that we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action; nor will we be liable by reason of any act or omission in your conduct of the Franchised Business or for any claim or judgment arising therefrom against either party to this Agreement.

21.4 *Indemnification*. You agree to indemnify, defend, and hold harmless each of the Franchisor Parties against any and all Damages arising directly or indirectly from any Asserted Claim as well as from your breach of this Agreement. Your indemnity obligations will survive the

expiration or termination of this Agreement, and will not be affected by any insurance coverages that you or we may maintain.

21.5 *Definitions*. As used in Section 21.4 above, the parties agree that the following terms will have the following meanings:

21.5.1 "**Asserted Claim**" means any allegation, claim or complaint that is the result of, or in connection with, your exercise of your rights and/or carrying out of your obligations under this Agreement (including any claim associated with your operation of the Franchised Business or otherwise), or any default by you under this Agreement, notwithstanding any claim that any Franchisor Party was or may have been negligent.

21.5.2 "**Franchisor Parties**" means us, our shareholders, parents, subsidiaries, and affiliates, and their respective officers, directors, employees, and agents.

21.5.3 "**Damages**" means all claims, demands, causes of action, suits, damages, liabilities, fines, penalties, assessments, judgments, losses, and expenses (including without limitation expenses, costs and lawyers' fees incurred for any indemnified party's primary defense or for enforcement of its indemnification rights).

21.6 *Indemnification Procedure*. We will give you reasonable notice of any Assert Claim for which the Franchisor Parties intend to seek indemnification; however, the failure to give notice will not relieve you of any obligation except to the extent of any actual prejudice to you. You will have a reasonable opportunity to assume the defense of the Asserted Claim, at your expense and through legal counsel reasonably acceptable to us, provided that you must proceed in good faith, expeditiously, and diligently, and that the defense that you undertake does not jeopardize any of the Franchisor Parties' defenses. We will have the right: (i) to participate in any defense that you undertake with counsel of our own choosing, at our expense; and (ii) to undertake, direct, and control the defense and settlement of the Asserted Claim (at your expense) we determine that you have not properly and competently assumed defense of the Asserted Claim within a reasonable time and/or if, in our sole judgment, there would be a conflict of interest between us and you.

22 FORCE MAJEURE

22.1 *Impact*. Neither party will be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: **(a)** acts of nature; **(b)** acts of war, terrorism, or insurrection; **(c)** strikes, lockouts, labor actions, boycotts, floods, fires, epidemics, other public health emergencies, hurricanes, tornadoes, other environmental emergencies, and/or other casualties; and/or **(d)** our inability (and that of our affiliates and/or suppliers) to produce, purchase, and/or cause delivery of any services or products used in the operation of the Franchised Business.

22.2 *Transmittal of Funds*. The inability of either party to obtain and/or remit funds will be considered within control of such party for the purpose of Section 22.1 above. If any such delay occurs, any applicable time period will be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that you will remain obligated to promptly pay all fees owing and due to us under this Agreement, without any such delay or extension.

23 APPROVALS AND WAIVERS

23.1 *Request for Approval*. Whenever this Agreement requires our prior approval or consent, you agree to make a timely written request to us therefor, and such approval or consent must be obtained in writing.

23.2 *No Warranties or Guarantees*. You acknowledge and agree that we make no warranties or guarantees upon which you may rely, and that we assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

23.3 *No Waivers*. No delay, waiver, omission, or forbearance on our part to exercise any right, option, duty, or power arising out of any breach or default by you or any other franchisee under any of the terms, provisions, covenants, or conditions of this Agreement, and no custom or practice by the parties at variance with the terms of this Agreement, will constitute our waiver of our right to enforce any such right, option, duty, or power as against you, or as to subsequent breach or default by you. If we accept late payments from you or any payments due, that will not be deemed to be our waiver of any earlier or later breach by you of any terms, provisions, covenants, or conditions of this Agreement. No course of dealings or course of conduct will be effective to amend the terms of this Agreement.

24 NOTICES

24.1 Any and all notices required or permitted under this Agreement must be in writing, sent in the English language, and personally delivered, sent by certified U.S. mail, or by another method that affords the sender evidence of delivery, of rejected delivery, or attempted delivery to the respective parties at the addresses shown on the signature page of this Agreement (unless and until a different address has been designated by written notice to the other party).

24.2 Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

24.3 The Manual, any changes that we make to the Manual, and/or any other written instructions that we provide relating to operational matters, are not considered to be “notices” for the purpose of the delivery requirements in this Section 24.

25 ENTIRE AGREEMENT AND AMENDMENT

25.1 *Entire Agreement*. This Agreement and the exhibits referred to in this Agreement constitute the entire, full, and complete Agreement between the parties to this Agreement concerning the subject matter hereof, and supersede all prior agreements. The parties confirm that: **(a)** they were not induced by any representations other than the words of this Agreement (and the FDD) before deciding whether to sign this Agreement; and **(b)** they relied only on the words printed in this Agreement in deciding whether to enter into this Agreement. However, nothing in this Section is intended as, nor will it be interpreted to be, a disclaimer by us of any representation made in our Franchise Disclosure Document (“**FDD**”), including the exhibits and any amendments to the FDD.

25.2 *Amendment*. Except for those changes that we are permitted to make unilaterally under this Agreement, no amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

26 SEVERABILITY AND CONSTRUCTION

26.1 *Introductory Paragraphs*. The parties agree that the introductory paragraphs of this Agreement, under the heading "Introduction," are accurate, and the parties agree to incorporate those paragraphs into the text of this Agreement as if they were printed here.

26.2 *Severability*. Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement will be considered severable; and if, for any reason, any section, part, term, and/or provision 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 will 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 will continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions will be deemed not to be a part of this Agreement.

26.3 *No Third Party Rights*. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than you, we, and such of our respective successors and assigns as may be contemplated (and, as to you, permitted) by Section 16.4 above, any rights or remedies under or by reason of this Agreement.

26.4 *Captions Don't Amend Terms*. All captions in this Agreement are intended solely for the convenience of the parties, and no caption will be deemed to affect the meaning or construction of any provision hereof.

26.5 *Including*. The parties agree that when used in this Agreement, the terms "includes" and "including" means "*including but not limited to*".

26.6 *Survival*. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, will so survive the expiration and/or termination of this Agreement.

26.7 *How We Exercise Our Rights*. Although we may exercise any of our rights, carry out any of our obligations, or otherwise discharge any of our duties under this Agreement directly, through the use of employees, independent contractors, professional advisors (for example, a CPA), or otherwise, we will still remain responsible for the proper performance of our obligations to you under this Agreement. You agree that in any instance in which we have a right as set out in this Agreement, we may exercise that right (unless otherwise provided) once and/or at any additional times that we deem it appropriate to do so.

26.8 *Expenses*. Each party will bear all of the costs of exercising its rights and carrying out its responsibilities under this Agreement, except as otherwise provided.

26.9 *Counterparts*. This Agreement may be signed in counterparts, and signature pages may be exchanged by email to each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, will be considered as one complete Agreement.

27 APPLICABLE LAW AND DISPUTE RESOLUTION

27.1 *Choice of Law*. This Agreement takes effect only when all of the parties have signed this document. The parties agree that New York has a deep body of law that will aid in interpreting

and understanding the terms of this Agreement and that they therefore have agreed that this Agreement will be interpreted and construed exclusively under the laws of the State of New York (which laws will prevail in the event of any conflict of law, without applying New York choice-of-law rules); provided, however, that if the covenants in Section 19 of this Agreement would not be enforced as written under New York law, then the parties agree that those covenants will instead be interpreted and construed under the laws of the state in which the Franchised Business is located. Nothing in this Section 27.1 is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of law of the State of New York (or any other state) that would not otherwise apply without the words of this Section 27.1.

27.2 *Choice of Venue.* Subject to Section 27.3 below, the parties agree that any action that you bring against us, in any court, whether federal or state, must be brought only within the courts that have jurisdiction over Erie County, New York. Any action that we bring against you in any court, whether federal or state, may be brought within the courts that have jurisdiction over Erie County, New York or in the state and judicial district in which we maintain our principal place of business.

27.2.1 The parties agree that this Section 27.2 will not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue will be as set forth above.

27.2.2 The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

27.2.3 Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action.

27.3 *Mediation*. Before any party may bring an action in court against the other, the parties agree that they must first meet to mediate the dispute (except as otherwise provided in Section 27.5 below). Any such mediation will be non-binding and will be conducted in accordance with the then-current rules for mediation of commercial disputes of JAMS, Inc. (formerly, "Judicial Arbitration and Mediation Services, Inc.") and will take place in Toronto, Ontario, Canada.

27.4 *Parties Rights Are Cumulative*. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

27.5 *Injunctions*. Nothing contained in this Agreement will bar our right to obtain injunctive relief in a court of competent jurisdiction against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

27.6 ***WAIVER OF JURY TRIALS.*** **EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

27.7 ***MUST BRING CLAIMS WITHIN ONE YEAR.*** **EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, AND/OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE**

OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR, IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES, SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED. THIS SECTION 27.7 DOES NOT APPLY TO CLAIMS FOR INDEMNIFICATION UNDER THIS AGREEMENT.

27.8 ***WAIVER OF PUNITIVE DAMAGES*. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES IT HAS SUSTAINED (THE PARTIES AGREE THAT THE PROVISIONS OF SECTION 17.7 ARE CONSISTENT WITH THIS PROVISION AND SHALL BE ENFORCED NOTWITHSTANDING THE WAIVER IN THIS SECTION 27.8).**

27.9 *Payment of Legal Fees*. You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: **(a)** obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including without limitation Sections 9 and 17 above); and/or **(b)** successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

28 ACKNOWLEDGMENTS

28.1 *Your Investigation of the Business Possibilities.* You acknowledge and agree that you have conducted an independent investigation of the business franchised under this Agreement, recognize that this business venture involves business risks, and that your success will be largely dependent upon your ability (or, if you are an entity, your owners as independent businesspersons).

28.2 *No Warranties or Guarantees.* We expressly disclaim the making of, and you acknowledge and agree that you have not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

28.3 *Receipt of FDD and Complete Agreement.* You acknowledge and agree receipt of a copy of this Agreement, the exhibit(s), and agreements relating to this Agreement (if any), with all of the blank lines filled in, with ample time within which to review with applicable advisors. You also acknowledge that you received the FDD at least fourteen (14) days before the date on which this Agreement was signed.

28.4 *You Have Read the Agreement.* You acknowledge and agree that you have read and understood the FDD, this Agreement, and the exhibits to this Agreement.

28.5 *Your Advisors.* You acknowledge that we have recommended that you seek advice from advisors of your own choosing (including a lawyer and an accountant) about the potential benefits and risks of entering into this Agreement, and that you have had sufficient time and opportunity to consult with those advisors.

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

28.7 *Your Responsibility for the Choice of the Designated Territory.* You acknowledge and agree that you have sole and complete responsibility for the choice of the Designated Territory; that we have not (and will not be deemed to have, even by our approval of the Designated Territory) given any representation, promise, or guarantee of your success in the Designated Territory; and that you will be solely responsible for your own success in the Designated Territory.

28.8 *Your Responsibility for Operation of the Franchised Business.* Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of your franchised Business, you retain the right and sole responsibility for the day-to-day management and operation of the Franchised Business and the implementation and maintenance of system standards at the Franchised Business.

28.9 *Different Franchise Offerings to Others.* You acknowledge and agree that we may modify the terms under which we will offer franchises to other parties in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

28.10 *Our Advice*. You acknowledge and agree that our advice is just that; that our advice is not a guarantee of success; and that you are the party that must reach and implement your own decisions about how to operate your Franchised Business on a day-to-day basis under the System.

28.11 *Your Independence*. You acknowledge and agree that:

28.11.1 you are the only party that employs and engages your staff (even though we may provide you with advice, guidance, and training);

28.11.2 we are not your employer;

28.11.3 we are not the employer of any of your staff, and even if we express an opinion or provide advice, we will play no role in your decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);

28.11.4 the guidance that we provide, and requirements under which you will operate, are intended to promote and protect the value of the brand and the Proprietary Marks;

28.11.5 when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including our System and the requirements under this Agreement); and

28.11.6 you have made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including adopting our standards as your standards), and hiring employees and employment matters (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal), engaging professional advisors, and all other facets of your operation.

28.12 *Success Depends on You.* You acknowledge and agree that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, your active participation in the daily

affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

28.13 *Two or More Signatories*. If two or more persons are signing this Agreement as the "franchisee" (each, a "**Signatory**"), the parties agree that:

28.13.1 Each Signatory will have the power to individually bind "you" with respect to us and third parties;

28.13.2 We have the right to treat each Signatory as having the full authority to bind all other Signatories in any and all matters;

28.13.3 We have the right to treat each Signatory as if s/he represents and can act on behalf of all the other Signatory(ies) in all matters;

28.13.4 Even though there may be more than one Signatory, all of the Signatories' rights will be one and none of the Signatories will have the right to exercise any right independent of (and/or apart from) one another;

28.13.5 We have the right to communicate with or provide notice to any Signatory, and such communication or notice will be deemed as having been given to all Signatories; and

28.13.6 If there is a conflict among the Signatories (including us receiving conflicting information from or requests between the Signatories), we have the right to select from among any conflicting or inconsistent requests by, or information from, any of the Signatories, and our selection in such case will be final and dispositive with respect to any such conflict.

28.14 *General Release*. If this Agreement is not the first contract between you (and your affiliates) and us (and our affiliates), then you agree to the following:

*You (on behalf of yourself and your parent, subsidiaries and affiliates and their respective past and present members, officers, directors, members, managers, shareholders, agents and employees, in their corporate and individual capacities) and all guarantors of your obligations under this Agreement (collectively, "**Releasors**") freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "**Releasees**"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "**claims**"), which any Releasor now owns or holds or may at any time have owned or held, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any Releasee, the sale of any franchise to any Releasor, the development and operation of the WSI Businesses and the development and operation of all other businesses operated by any Releasor that are franchised by any Releasee. You understand as well that you may later learn of new or different facts, but still, it is your intention to fully, finally, and forever release all of the claims that are released above. This includes your waiver of state laws that may otherwise limit a release (for example, Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or*

released party"). You expressly agree that fair consideration has been given by us for this General Release and you fully understand that this is a negotiated, complete and final release of all claims. This General Release does not release any claims arising from representations made in our Franchise Disclosure Document and its exhibits or otherwise impair or affect any claims arising after the date of this Agreement.

*****

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by this Agreement, have duly signed and delivered this Agreement all as of the Effective Date.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Effective Date:_____	
Address for Notices:	Address for Notices:
91 Skyway Avenue, Suite 104 Toronto, Ontario, M9W 6R5 Canada Fax: (____) _____ Attn: President	_____ _____ Fax:_____ Attn:_____

NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
EXHIBIT A
DATA ADDENDUM

¶	Section Cross-Reference	Item
1	1.1	The Franchised Business will be a (select one): ☐ Regional Territory Franchise ☐ National Territory Franchise ☐ International Territory Franchise
2	1.2	The Approved Office will be at: _____
3	1.3	The Designated Territory under this Agreement will be: _____
4	4.1	The Initial Franchise Fee is: _____

Initials

_____ _____
Franchisee Franchisor

NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
EXHIBIT B
GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

In order to induce National Internet Corporation ("**Franchisor**") to sign the National Internet Corporation Franchise Agreement between Franchisor and _____ ("**Franchisee**"), dated _____, 202_____ (the "**Agreement**"), each of the undersigned parties, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations (monetary and otherwise) under the Agreement as well as any other contract between you and Franchisor (and/or Franchisor's affiliates) will be punctually paid and performed.

Each person signing this Personal Guarantee acknowledges and agrees, jointly and severally, that:

- Upon Franchisor's demand, s/he will immediately make each payment required of Franchisee under the Agreement and/or any other contract with Franchisor and/or its affiliates.

- S/he waives any right to require Franchisor to: ***(a)*** proceed against Franchisee for any payment required under the Agreement (and/or any other contract with Franchisor and/or its affiliates); ***(b)*** proceed against or exhaust any security from Franchisee; ***(c)*** pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; and/or ***(d)*** give notice of demand for payment by Franchisee.

- Without affecting the obligations of the undersigned persons under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any of Franchisee's indebtedness or obligations, or settle, adjust, or compromise any claims against Franchisee. Each of the undersigned persons waive notice of amendment of the Agreement (and any other contract with Franchisor and Franchisor's affiliates) and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Agreement (and any other contract with Franchisor and Franchisor's affiliates).

- S/he will defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any of its obligations under the Agreement (and any other contract with Franchisor and Franchisor's affiliates) and/or any amendment to the Agreement.

- S/he will be personally bound by all of Franchisee's covenants, obligations, and promises in the Agreement.

- S/he agrees to be individually bound by all of Franchisee's covenants, obligations, and promises in the Agreement, which include, but are not limited to, the covenants in the following portions of the Agreement: **Section 9.3** (generally regarding trademarks), **Section 11** (generally regarding confidentiality), **Section 16** (generally regarding Transfers), **Section 18** (generally regarding obligations upon termination or expiration of this Agreement), and **Section 19** (generally regarding covenants against competition) of the Agreement.

- S/he understands that: **(a)** this Guarantee does not grant her/him any rights under the Agreement (including but not limited to the right to use any of Franchisor's marks such as the "WSI" marks) and/or the system licensed to Franchisee under the Agreement; **(b)** that they

have read, in full, and understand, all of the provisions of the Agreement that are referred to above in this Guarantee, and that they intend to fully comply with those provisions of the Agreement as if they were printed here; and **(c)** s/he has had the opportunity to consult with a lawyer of their own choosing in deciding whether to sign this Guarantee.

This Guarantee will be interpreted and construed in accordance with **Section 27** of the Agreement (including but not limited to the waiver of punitive damages, waiver of jury trial, agreement to bring claims within one year, and agreement not to engage in class or common actions). Among other things, that means that this Guarantee will be interpreted and construed exclusively under the laws of the State of New York, and that in the event of any conflict of law, New York law will prevail (without applying New York conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned persons has signed this Guarantee as of the date of the Agreement.

_____	_____	_____
(in his/her personal capacity)	(in his/her personal capacity)	(in his/her personal capacity)
Printed Name:_____	Printed Name:_____	Printed Name:_____
Date:_____	Date:_____	Date:_____
Home Address:	Home Address:	Home Address:
_____	_____	_____
_____	_____	_____

NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
EXHIBIT C
LIST OF PRINCIPALS

Name of Principal	Home Address	Interest %

Initials

Franchisee

Franchisor

NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
EXHIBIT D

AUTHORIZATION AGREEMENT FOR ACH PAYMENTS
(DIRECT DEBITS FOR ROYALTY, BRANDING FEE, AND OTHER FEES)

_____ (Name of Person or Legal Entity)

_____(ID Number)

The undersigned depositor ("**Depositor**" or "**you**") hereby authorizes National Internet Corporation ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**" or "**Bank**") to debit or credit such account(s) pursuant to our instructions.

Depository	Branch	
City	State	Zip Code
Bank Transit/ABA Number	Account Number	

This authorization is to remain in full and force and effect until sixty days after we have received written notification from you of its termination.

Printed Name of Depositor: _____

Signed By: _____

Printed Name: _____

Title: _____

Date: _____

NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
EXHIBIT E
TELEPHONE NUMBER ASSIGNMENT AGREEMENT AND POWER OF ATTORNEY

TELEPHONE NUMBER ASSIGNMENT AGREEMENT AND POWER OF ATTORNEY

FOR VALUE RECEIVED, the undersigned ("**you**" or the "**Franchisee**") irrevocably assigns the telephone listing and numbers stated below and any successor, changed or replacement number or numbers effective upon the date of termination or expiration of the Franchise Agreement described below to National Internet Corporation ("**Franchisor**") upon the following terms:

1. This assignment is made under the terms of the National Internet Corporation Franchise Agreement dated _____, 202__(the "**Franchise Agreement**") between Franchisor and you authorizing you to do business as a "WSI" franchisee, which in part pertains to the telephone listing and numbers that you used in the operation of the WSI Business authorized under the Franchise Agreement.

2. You retain the limited right to use the Numbers and Listings (defined and identified below) only for transactions and advertising under the Franchise Agreement while the Franchise Agreement remains in full force, but upon termination or expiration of the Franchise Agreement, the Franchisee's limited right of use of the Numbers and Listings also terminates. In this event, you agree to immediately discontinue use of the Numbers and Listings. At Franchisor's request, you will immediately sign all documents, pay all monies, and take all other actions necessary to transfer the Numbers and Listings to Franchisor.

3. The telephone numbers and affiliated listings subject to this assignment are: _____ and all numbers on the rotary series and all numbers that you use in connection with your "WSI" franchise in the future (the "**Numbers and Listings**").

4. You shall pay all amounts owed for the use of the Numbers and Listings it incurs. On termination or expiration of the Franchise Agreement, you shall immediately pay all amounts owed for the Numbers and Listings, whether or not due, including all sums owed under existing contracts for telephone directory advertising.

5. You appoint Franchisor as your attorney-in-fact to act in your place, for the purpose of assigning any telephone number covered by Paragraph 3 above to Franchisor or Franchisor's designees or transferees. You grant Franchisor full authority to act in any manner proper or necessary to the exercise of these powers, including full power of substitution and signing or completion of all documents required or requested by any telephone company to transfer the Numbers and Listings, and ratifies every act that Franchisor lawfully performs in exercising those powers.

This power of attorney is effective for five (5) years from the date of expiration, cancellation or termination of your rights under the Franchise Agreement for any reason.

You intend that this power of attorney be coupled with an interest. You declare this power of attorney to be irrevocable and renounce all right to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney is not affected by your later incapacity. This power is created to secure performance of a duty to Franchisor and is for consideration.

THE PARTIES have caused this Agreement to be duly signed as evidenced by their signatures appearing below.

National Internet Corporation Franchisor	_____ Franchisee Entity
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Effective Date:_____	

NATIONAL INTERNET CORPORATION
FRANCHISE AGREEMENT
EXHIBIT F

SAMPLE FORM OF
NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
(to be signed by franchisee with its executive/management personnel)

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("Agreement") is made this _____ day of _____, 202___, by and between _____ (the "**you**"), and _____, who is a Principal, manager, supervisor, member, partner, or a person in an executive or managerial position with, you (the "**Member**").

Background:

A. National Internet Corporation ("**Franchisor**") owns a format and system (the "**System**") relating to the establishment and operation of "WSI" businesses providing full-service digital marketing services, under its Proprietary Marks, as defined below (each, a "**Business**").

B. Franchisor identifies "WSI" Businesses by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin (including for example the mark "WSI") and certain other trade names, service marks, and trademarks that Franchisor currently and may in the future designate in writing for use in connection with the System (the "**Proprietary Marks**").

C. Franchisor and you have executed a Franchise Agreement ("**Franchise Agreement**") granting you the right to operate a "WSI" Business (the "**Franchised Business**") and to offer and sell products, services, and other ancillary products approved by Franchisor and use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement.

D. The Member, by virtue of his or her position with you, will gain access to certain of Franchisor's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that you is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are acknowledged, the parties agree as follows:

1. Confidential Information. Member agrees that Member will not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Member or of which Member may be apprised by virtue of your operation under the terms of the Franchise Agreement. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential will be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to its attention before disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to you, had become or later becomes a part of the public domain, through publication or communication by others.

2. Covenants Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of his/her position with you, Member will receive valuable specialized training and confidential

information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(b) Member covenants and agrees that during the term of the Franchise Agreement, except as otherwise approved in writing by Franchisor, Member will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) Divert or attempt to divert any business or customer of the Franchised Business or of any Franchised Business using the System 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 Franchisor's Proprietary Marks and the System.

(ii) Either directly or indirectly for him/herself or on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Franchised Business.

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Franchisor, Member will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, Member will not own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Franchised Business and which business is, or is intended to be, located within a twenty-five (25) mile radius of the Designated Territory under the Franchise Agreement.

(d) As used in this Agreement, the term "same as or similar to the Franchised Business" will include, but not be limited to, any business that offers digital marketing services.

(e) As used in this Agreement, the term "Post-Term Period" means a continuous uninterrupted period of two (2) years from the date of: ***(i)*** a transfer as contemplated under Section 16 of the Franchise Agreement; ***(ii)*** expiration or termination of the Franchise Agreement (regardless of the cause for termination); ***(iii)*** termination of Member's employment with you; and/or ***(iv)*** a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Agreement; either directly or indirectly (through, on behalf of, or in conjunction with any persons, partnership, corporation or entity).

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all costs (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, will be held invalid by any court of competent jurisdiction for any reason, then the Member agrees that the court will have the authority to reform and modify that provision in order that the restriction will be the maximum necessary to protect Franchisor's and/or Member's legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court will impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by the Franchisor or you to exercise any right under this Agreement, and no partial or single exercise of that right, will constitute a waiver of that or any other

right provided herein, and no waiver of any violation of any terms and provisions of this Agreement will be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Third-Party Beneficiary. Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with you.

IN WITNESS WHEREOF, the Franchisee and the Member confirm that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

FRANCHISEE	MEMBER
_____	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT D TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

National Internet Corporation

Financial Statements

For the years ended December 31, 2024 and 2023
(Expressed in U.S. Dollars)

National Internet Corporation
Financial Statements
For the years ended December 31, 2024 and 2023
(Expressed in U.S. Dollars)

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Tel: 289 881 1111
Fax: 905 845 8615
www.bdo.ca

BDO Canada LLP
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

Independent Auditor's Report

To the Board of Directors of National Internet Corporation

Opinion
We have audited the accompanying financial statements of National Internet Corporation (the "Company"), which comprise the balance sheets as at December 31, 2024 and 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, 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.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities Audit of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
March 24, 2025

National Internet Corporation
Balance Sheets
(Expressed in U.S. Dollars)

December 31	2024	2023
Assets		
Current		
Cash	**$ 262,800**	$ 163,317
Accounts receivable	**111,520**	144,724
Due from related party (Note 1)	**676,580**	614,602
Deferred costs - current	**70,186**	45,476
	1,121,086	968,119
Deferred costs	**478,457**	311,237
	$ 1,599,543	$ 1,279,356
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	**$ 25,016**	$ 24,433
Income taxes payable	**50,219**	-
Due to related party (Note 1)	**15,900**	15,300
Deferred revenue - current	**290,337**	179,247
	381,472	218,980
Deferred revenue	**551,223**	330,974
	932,695	549,954
Shareholder's equity		
Share capital (Note 2)	**250,000**	250,000
Retained earnings	**416,848**	479,402
	666,848	729,402
	$ 1,599,543	$ 1,279,356

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

National Internet Corporation
Statements of Operations and Retained Earnings
(Expressed in U.S. Dollars)

For the years ended December 31	2024	2023
Revenue		
Franchise	**$ 239,709**	$ 328,857
Service	**2,396,856**	1,763,595
	2,636,565	2,092,452
Direct costs	**383,779**	221,988
Gross profit	**2,252,786**	1,870,464
Expenses		
Management and licensing fees (Note 1)	**2,206,762**	1,786,520
Professional fees	**46,196**	40,574
Bank, interest and service charges	**9,137**	7,222
	2,262,095	1,834,316
Income (loss) before income taxes	**(9,309)**	36,148
Income taxes		
Current	**53,245**	42,675
Loss for the year	**(62,554)**	(6,527)
Retained earnings, beginning of year	**479,402**	485,929
Retained earnings, end of year	**$ 416,848**	$ 479,402

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

National Internet Corporation
Statements of Cash Flows
(Expressed in U.S. Dollars)

For the years ended December 31	2024	2023
Cash flows from operating activities		
Net income (loss) for the year	**$ (62,554)**	$ (6,527)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Accounts receivable	**33,204**	100,205
Deferred costs	**(191,930)**	(115,541)
Accounts payable and accrued liabilities	**583**	(24,629)
Income taxes payable	**50,219**	-
Deferred revenue	**331,339**	135,340
	160,861	88,848
Cash flows from investing activity		
Repayment to related party	**(61,978)**	(263,964)
Cash flows from financing activity		
Advances from (repayment to) related party	**600**	(1,300)
Increase (decrease) in cash during the year	**99,483**	(176,416)
Cash, beginning of year	**163,317**	339,733
Cash, end of year	**$ 262,800**	$ 163,317

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2024 and 2023

Nature of Business

National Internet Corporation (the "Company") was incorporated under the General Corporation Law of the State of Delaware on December 31, 1996 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 processes and methodologies, including the Internet Solutions Lifecycle. 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. As of December 31, 2024, the Company had 159 (2023 - 153) franchised stores in the U.S.

Basis of Accounting

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Revenue Recognition

Initial franchise fee revenue is recognized based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring service to a customer. The total transaction price is allocated to the performance obligations based on the standalone selling price, which is estimated using the relative cost of each performance obligation. As such, the revenue is recognized once the following criteria are met:

- final payment has been received;
- the franchisee has executed a franchise agreement/ evidence of an agreement exists; and
- the service related to the performance obligation is performed

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2024 and 2023

Revenue Recognition (continued)

Revenue from royalties is recognized over the term of the franchise agreement. The Company satisfies the following conditions under topic ASC 606-10-55-65:

- franchisor uses the IP over the life of the agreement; and
- the performance obligation to provide the continuous services to franchises is satisfied on monthly basis for which it receives sales-based royalty

Accordingly, revenue from royalties are considered as sales-based royalties received in exchange for a license of intellectual property and recognized on monthly basis.

Deferred revenue consists of initial franchise fees collected for which corresponding training remains outstanding at year end. Significant changes in the contract liability balances during the year are as follows:

	2024	2023
Deferred revenue - beginning of year	**$ 510,221**	$ 374,881
Revenue recognized	**(185,120)**	(305,180)
Amounts billed not recognized	**516,459**	440,520
Deferred revenue - end of year	**$ 841,560**	$ 510,221

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.

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2024 and 2023

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued and subsequently measured at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

Financial Instruments - Credit Losses

On January 1, 2023, the Company adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

The Company expects that its expected credit losses would not materially change the already existing provision based on history and aging schedule.

Income Taxes

The Company provides for income taxes using the asset and liability method. This approach recognizes the amount of taxes payable for the current year, as well as deferred tax assets and liabilities for the future tax consequences of events recognized in the financial statements and income tax returns.

Deferred income tax assets, net of valuation allowances, are recognized only to the extent that, in the opinion of management, it is more likely than not that deferred income tax assets will be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment of the change.

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2024 and 2023

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 on a review of specific accounts outstanding and the history of uncollectible accounts.

Foreign Currency

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.

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.

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2024 and 2023

Variable Interest Entities (Continued)

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 franchise of 159 outlets as of December 31, 2024 (2023 - 153), 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 interest 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.

Use of Estimates

The preparation of these financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting periods.

These estimates are reviewed periodically and as adjustments become necessary, they are reporting 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) allocation of consideration to performance obligations based on the relative stand alone selling price.

National Internet Corporation
Notes to Financial Statements
(Expressed in U.S. Dollars)

December 31, 2024 and 2023

1. Related Party Balances and Transactions

The amounts due from and to related parties under common control are non-interest bearing, unsecured and due on demand.

The following table summarizes the Company's related party transactions for the year ended December 31:

	2024	2023
Management fees	**$ 2,190,862**	$ 1,771,220
Licensing fees	**15,900**	15,300

The Company has an agreement with Research and Management Corporation ("RAM") and 1175856 Ontario Ltd ("ON117"), companies which are under common control, 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 licensing services involving design, development and hosting. The services provided by ON117 are subject to intellectual property fees and licensing fees.

2. Share Capital

	2024	2023
Authorized		
1,500 Common shares		
Issued		
1,000 Common shares	**$ 250,000**	$ 250,000

3. 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:

	2024	2023
Deferred costs	**$ (111,169)**	$ (71,004)
Deferred revenue	**176,728**	107,146
Foreign tax credit carryforward	**123,578**	64,528
Non-capital loss carryforward	**100,970**	100,970
Valuation allowance	**(290,107)**	(201,640)
	$ -	$ -

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 $480,811 (2023 - $480,811), of which $349,581 will expire between 2032 and 2036 if not utilized. The remaining $131,230 can be carried indefinitely.

4. Financial Instruments

Fair Value

The Company accounts for certain financial assets and liabilities at fair value following the provisions of ASC 820. This Topic applies to certain assets and liabilities that are being measured and reported on a fair value basis. The Topic defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. This Topic enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that financial assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 - quoted market prices in active markets for identical assets or liabilities
Level 2 - observable market based inputs or unobservable inputs that are corroborated by market data
Level 3 - unobservable inputs that are not corroborated by market data

The fair value of cash, accounts receivable, due from and to related party and accounts payable and accrued liabilities approximates the carrying value due to the short-term nature of these financial instruments.

4. Financial Instruments (Continued)

Credit Risk

The Company is exposed to credit risk on its cash, accounts receivable and due from related party. The risk is mitigated by maintaining cash with major financial institutions and credit policies that include regular monitoring of the debtor's payment history, aging of the accounts receivable and performance to assess collectibility.

The Company uses the current expected credit loss model in determining provisions for accounts receivable that measures lifetime expected credit losses based on historical loss rates, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

An analysis of accounts receivable, net of impairment provisions, is as follows:

	2024	2023
0 - 30 days	**$ 107,565**	$ 119,952
31 - 60 days	**1,059**	11,912
61 - 90 days	**1,138**	7,652
91 + days	**1,758**	5,208
	$ 111,520	$ 144,724

The change in the provision for expected credit losses is as follows:

	2024	2023
Balance, beginning of year	**$ 386,043**	$ 406,074
Amounts written off	**(28,869)**	(20,031)
	$ 357,174	$ 386,043

4. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Company encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover financial assets. Liquidity risk arises from accounts payable and accrued liabilities and due to related party. The Company manages this risk by maintaining adequate liquidity to meet operating working capital requirements and regular monitoring of forecasted and actual cash flows. This risk has not changed during the fiscal year.

5. 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.

National Internet Corporation

Financial Statements

For the years ended December 31, 2023 and 2022
(Expressed in U.S. Dollars)

National Internet Corporation
Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in U.S. Dollars)

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Tel: 289 881 1111
Fax: 905 845 8615
www.bdo.ca

BDO Canada LLP
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

Independent Auditor's Report

To the Board of Directors of National Internet Corporation

Opinion

We have audited the accompanying financial statements of National Internet Corporation (the "Company"), which comprise the balance sheets as at December 31, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities Audit of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
March 12, 2024

National Internet Corporation
Balance Sheets
(Expressed in U.S. Dollars)

December 31	2023	2022
Assets		
Current		
Cash	$ 163,317	$ 339,733
Accounts receivable	144,724	244,929
Due from related party (Note 1)	614,602	350,638
Deferred costs - current	45,476	34,644
	968,119	969,944
Deferred costs	311,237	206,528
	$ 1,279,356	$ 1,176,472
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	$ 24,433	$ 49,062
Due to related party (Note 1)	15,300	16,600
Deferred revenue - current	179,247	170,885
	218,980	236,547
Deferred revenue	330,974	203,996
	549,954	440,543
Shareholder's equity		
Share capital (Note 2)	250,000	250,000
Retained earnings	479,402	485,929
	729,402	735,929
	$ 1,279,356	$ 1,176,472

On behalf of the Board:

_____ Director

_____ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

National Internet Corporation
Statements of Operations and Retained Earnings
(Expressed in U.S. Dollars)

For the years ended December 31	2023	2022
Revenue		
Franchise	$ 328,857	$ 549,283
Service	1,763,595	1,855,757
	2,092,452	2,405,040
Direct costs	221,988	224,018
Gross profit	1,870,464	2,181,022
Expenses		
Management and licensing fees (Note 1)	1,786,520	2,030,234
Professional fees	40,574	50,448
Bank, interest and service charges	7,222	7,007
	1,834,316	2,087,689
Income before income taxes	36,148	93,333
Income taxes		
Current	42,675	-
Net income (loss) for the year	(6,527)	93,333
Retained earnings, beginning of year	485,929	392,596
Retained earnings, end of year	$ 479,402	$ 485,929

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

National Internet Corporation
Statements of Cash Flows
(Expressed in U.S. Dollars)

For the years ended December 31	2023	2022
Cash flows from operating activities		
Net income (loss) for the year	$ **(6,527)**	$ 93,333
Adjustments to reconcile net income to net cash provided by operating activities		
Accounts receivable	**100,205**	(15,919)
Deferred costs	**(115,541)**	27,804
Accounts payable and accrued liabilities	**(24,629)**	(10,537)
Deferred revenue	**135,340**	(58,482)
	88,848	36,199
Cash flows from investing activity		
Advances from (repayment to) related party	**(263,964)**	463,903
Cash flows from financing activity		
Repayment to related party	**(1,300)**	(641,300)
Decrease in cash during the year	**(176,416)**	(141,198)
Cash, beginning of year	**339,733**	480,931
Cash, end of year	$ **163,317**	$ 339,733

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2023 and 2022

Nature of Business

National Internet Corporation (the "Company") was incorporated under the General Corporation Law of the State of Delaware on December 31, 1996 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 processes and methodologies, including the Internet Solutions Lifecycle. 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. As of December 31, 2023, the Company had 153 (2022 - 164) franchised stores in the U.S.

Basis of Accounting

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Revenue Recognition

Initial franchise fee revenue is recognized based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring service to a customer. The total transaction price is allocated to the performance obligations based on the standalone selling price, which is estimated using the relative cost of each performance obligation. As such, the revenue is recognized once the following criteria are met:

- final payment has been received;
- the franchisee has executed a franchise agreement/ evidence of an agreement exists; and
- the service related to the performance obligation is performed

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2023 and 2022

Revenue Recognition (continued)

Revenue from royalties is recognized over the term of the franchise agreement. The Company satisfies the following conditions under topic ASC 606-10-55-65:

- franchisor uses the IP over the life of the agreement; and
- the performance obligation to provide the continuous services to franchises is satisfied on monthly basis for which it receives sales-based royalty

Accordingly, revenue from royalties are considered as sales-based royalties received in exchange for a license of intellectual property and recognized on monthly basis.

Deferred revenue consists of initial franchise fees collected for which corresponding training remains outstanding at year end. Significant changes in the contract liability balances during the year are as follows:

	2023	2022
Deferred revenue - beginning of year	$ 374,881	$ 433,363
Revenue recognized	(305,180)	(293,962)
Amounts billed not recognized	440,520	235,480
Deferred revenue - end of year	$ 510,221	$ 374,881

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.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued and subsequently measured at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2023 and 2022

Income Taxes

The Company provides for income taxes using the asset and liability method. This approach recognizes the amount of taxes payable for the current year, as well as deferred tax assets and liabilities for the future tax consequences of events recognized in the financial statements and income tax returns.

Deferred income tax assets, net of valuation allowances, are recognized only to the extent that, in the opinion of management, it is more likely than not that deferred income tax assets will be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment of the change.

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 on a review of specific accounts outstanding and the history of uncollectible accounts.

Foreign Currency

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.

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.

National Internet Corporation
Summary of Significant Accounting Policies
(Expressed in U.S. Dollars)

December 31, 2023 and 2022

Variable Interest Entities (Continued)

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 franchise of 153 outlets as of December 31, 2023 (2022 - 164), 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 interest 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.

Use of Estimates

The preparation of these financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting periods.

These estimates are reviewed periodically and as adjustments become necessary, they are reporting 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) allocation of consideration to performance obligations based on the relative stand alone selling price.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-12, Financial Instruments - Credit Losses (Topic 326) effective for years beginning after December 31, 2022. The Company has adopted the methodology that reflects current expected credit losses and measures expected credit losses primarily utilizing credit loss history. Such expected credit losses consider current conditions and reasonable and supportable forecasts. The Company expects that its expected credit losses would not materially change the already existing provision based on history and aging schedule.

National Internet Corporation
Notes to Financial Statements
(Expressed in U.S. Dollars)

December 31, 2023 and 2022

1. Related Party Balances and Transactions

The amounts due from and to related parties under common control are non-interest bearing, unsecured and due on demand.

The following table summarizes the Company's related party transactions for the year ended December 31:

	2023	2022
Management fees	**$ 1,771,220**	$ 2,013,634
Licensing fees	**15,300**	16,600

The Company has an agreement with Research and Management Corporation ("RAM") and 1175856 Ontario Ltd ("ON117"), companies which are under common control, 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 licensing services involving design, development and hosting. The services provided by ON117 are subject to intellectual property fees and licensing fees.

2. Share Capital

		2023	2022
Authorized			
1,500	Common shares		
Issued			
1,000	Common shares	**$ 250,000**	$ 250,000

3. 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:

	2023	2022
Deferred costs	**$ (71,004)**	$ (41,000)
Deferred revenue	**107,146**	79,000
Foreign tax credit carryforward	**64,528**	21,000
Non-capital loss carryforward	**100,970**	101,000
Valuation allowance	**(201,640)**	(160,000)
	$ -	$ -

3. Income Taxes (Continued)

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 $480,811 (2022 - $480,811), of which $349,581 will expire between 2032 and 2036 if not utilized. The remaining $131,230 can be carried indefinitely.

4. Financial Instruments

Fair Value

The Company accounts for certain financial assets and liabilities at fair value following the provisions of ASC 820. This Topic applies to certain assets and liabilities that are being measured and reported on a fair value basis. The Topic defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. This Topic enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that financial assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 - quoted market prices in active markets for identical assets or liabilities
Level 2 - observable market based inputs or unobservable inputs that are corroborated by market data
Level 3 - unobservable inputs that are not corroborated by market data

The fair value of cash, accounts receivable, due from and to related party and accounts payable and accrued liabilities approximates the carrying value due to the short-term nature of these financial instruments.

4. Financial Instruments (Continued)

Credit Risk

The Company is exposed to credit risk on its cash, accounts receivable and due from related party. The risk is mitigated by maintaining cash with major financial institutions and credit policies that include regular monitoring of the debtor's payment history, aging of the accounts receivable and performance to assess collectibility.

The Company uses the current expected credit loss model in determining provisions for accounts receivable that measures lifetime expected credit losses based on historical loss rates, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

An analysis of accounts receivable and work in progress, net of impairment provisions, is as follows:

	2023	2022
0 - 30 days	$ 119,952	$ 218,609
31 - 60 days	11,912	9,754
61 - 90 days	7,652	6,777
91 + days	5,208	9,789
	$ 144,724	$ 244,929

The change in the provision for expected credit losses is as follows:

	2023	2022
Balance, beginning of year	$ 406,074	$ 660,178
Amounts written off	(20,031)	(254,104)
	$ 386,043	$ 406,074

4. Financial Instruments (Continued)

Liquidity Risk

Liquidity risk is the risk that the Company encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover financial assets. Liquidity risk arises from accounts payable and accrued liabilities and due to related party. The Company manages this risk by maintaining adequate liquidity to meet operating working capital requirements and regular monitoring of forecasted and actual cash flows. This risk has not changed during the fiscal year.

5. 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.

EXHIBIT E TO THE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES

Our Franchisees
(As of December 31, 2024)

Arizona				
Robbins Consulting LLC	15560 N. FLW BLVD, B4-5140, Scottsdale, Arizona, 85260		480	650 8157
Optimized Web Solutions Inc.	15811 S 15th Pl, Phoenix, Arizona, AZ 85048		210	858 9302
Kindseth Consulting Inc.	3435 East Lance Lane, Phoenix, 85018, Arizona		480	255 2656
SJ Leith Enterprises	9754 E Natal Ave, Mesa, Arizona, 85209, Unites States		480	544 2447

California				
Ronald M. Packer	2795 East Bidwell Street # 100 - 160, Folsom, California, 95630		916	983 7708
Kevin Dean	73 Bassett St., San Jose, California, 95110		510	687 9737
Alison Lindemann	27413 Tourney Road Suite 160, Valencia, California, 91355		661	255 8292
Chae Son Yi	24 La Vista Way, Danville, California, 94506		925	487 3400
Ardiman Elkana and Charmaine Ching-Arnold	3269 Cranbrook Place, Dublin, California, 94568		925	519 0364
Kenneth L. and Judy L. and Ryan J. Kelly	1 Bixby Court, Petaluma, California, 94952-7526		707	658 2884
Howard Raymond Walker	1348 Via De Los Reyes, San Jose, California, 95120		408	997 6188
Lori Bonitata	1254 Vingate Way, Auburn, California, 95603		530	889 5609
Sergio Prusky & Robyn Jo Prusky	2280 Wolfberry Way, Santa Rosa, California, 95404		636	482 3969
Next Gen Marketing INC.	1556 1st Street, Suite 101, Napa, California, 94559		650	440 2676
Angelica Villicana and Ignacio Alex Jimenez	22591 Hazeltine Mission Viejo, California, 92692 ,United States		949	305 7737
Andrew James Peters	11836 Redwood Road, Forrestville, California, 95436		650	245 7683
Push Marketing, LLC	7040 Avenida Encinas, Suite 104-5, Carlsbad, California, 92011		760	809 7151
CIVOBEL CONSULTING INC.	4210 Old Topanga Canyon Road, Calabasas, 91302, California		310	922 0745
G. Mick Smith	7855 Cowles Mountain Ct Unit A18, San Diego, 92119, California		408	529 7844
MLogiX LLC	3005 Drysdale Street, Danville, 94056-4831, California		408	341 5845
Abraham Bekele Negash	2213 Promontory Circle, San Ramon, 94583, California		415	855 5019
Nomanbhai, Tasneem	325 Lenox Ave, Unit 203, Oakland, 94610, California		773	679 4099
Yolande Creative, Inc.	20607 Martha Street, Woodland Hills, 91367, California	PT	415	810-5064

Colorado				
1 Click Solutions, LLC	4601 South Balsam Way, No.1036, Denver, Colorado, 80123		303	973 7078
Peak Digital Strategy, Inc.	17050 Colonial Park Drive, Monument, Colorado, 80132		719	425 9357
Barnaby Ventures LLC	13211 Krameria Street, Thorton, 80602, Colorado		303	359 8539

Connecticut				
Richard Sementilli	175 Green Pond Road, Sherman, Connecticut, 06784		917	385 8726
Frontallobe Digital Solutions LLC	23 Quigley Road, Wallingford, Connecticut, 06492		732	494 1411
Elevation Enterprises Corp.	`121 Sleepy Hollow Road, Ridgefield, 06877		203	403 3191
BEGONA INURRITEGUI LLC	101 Riverside Ave, Riverside, CT 06878, Connecticut		917	2245113
The Hargrave Group, Inc.	51 Milltown Rd, Danbury, 06811-2751, Connecticut		914	600 5316
Travis K. Bain	341 Hotchkiss Road, Orange, CT, 06477		203	843 4100

Delaware				
Advanced Internet Solutions Inc.	2405 Dorval Road, New Castle, Wilmington, Delaware, 19810		302	584 4641

Florida				
TopClick Marketing LLC	883 NW 53rd Street, Suite 450 Doral, Florida, 33166-4837		954	636 6024
JCZA Holdings LLC	80 S. W. 8th Street, Suite 2000, Miami, Florida, 33130		785	571 0054
Vivianne Kassin	11746 SW 106 Terrace, Miami, 33186, Florida		796	287 0771
K and J Enterprises LLC	6780 Congress Avenue, Apt. 404, Boca Raton, 33487, Florida		203	339 2684
Growth Ninja LLC	18115 Ramble On Way, Land O' Lakes, 34638, FL		847	630 2081
MICHESCOVERA,LLC	4807 SW 195th Terrace, Miramar, FL 33029		954	6496630
Infinitum Service Group, Corp	6940 Bay Drive, Apartment 8, Miami Beach, 33141		305	5000206
Adames, Daisy	14247 Pine Lodge Lane, Fort Myers, 33913, FL		239	2876936
CHAOS THEORY CORP.	17908 Fattoria Terrace, Bradenton, FL 34211	PT	781	3755512

Georgia				
Richard Knutsen	620 Green Valley Drive, Smyrna, Georgia, 30082		678	309 9780
Marketing Upside, LLC	328 Meadow Farm Lane, Lawrenceville, Georgia, 30045		404	219 7056
William Gwinner Sutherland Jr and Esther Horne Sutherland	120 Chelveston Place, Atlanta, Georgia, 30350		404	392 0205
Gerardo Ruben Kerik	3796 Sweat Creek Run, Marietta, Georgia, 30062		404	247 7406
Roan Windell and Kelly Crouse Biggs	530 Montrose Lane Atlanta, Georgia 30328		404	421 6773

Melissa Schroeder	765 Martina Drive, Atlanta, 30305, Georgia		404	803 3995
Andersport Solutions, LLC	425 Big Bend Trail, Sugar Hill, 30518, Georgia		678	457 1115
Eleventh House Enterprises LLC	3151 Stillhouse Creek Dr. SE Unit 25518, Atlanta, 30339, Georgia		404	414 8686
Cleared 4 Takeoff LLC	Wilson, Stephen Stanley & Elizabeth Nix, 490 Brook Circle, Roswell, 30075, Georgia		678	215 9013
Makengo LLC.	John's Creek Office evolutiob, Johns Creek, 30097, Georgia	PT	404	9158052

Illinois				
VinMman Inc.	18W140 Butterfield Road, Oakbrook Terrace, Illinois, 60181		630	834 2837
Cone Internet Consulting Corporation	521 S. Lincoln Avenue, Park Ridge, Illinois, 60068		847	825 6376
Lisa Kilrea	253 Hickory Street, Frankfort, Illinois, 60423		815	210 3765
Mikesell Digital Consulting, LLC	1530 South State Street, #506, Chicago, Illinois, 60605		614	352 6322
Jason M. McCoy	2124 Gardner Circle East, Aurora, Illinois, 60503		630	632 6422
Pamela C. DeLeon	18 Willow Bay Drive, South Barrington, Illinois, 60010		312	420 2444

Indiana				
Julie S. Kiffmeyer and Joseph M Kiffmeyer	8520 Allison Pointe Blvd, Suite 220, Indianapolis, Indiana, 46250		317	482 1178
Z and Z Marketing, LLC	13040 Brunn Place, Fishers, 46038, Indiana		317	514 5893
BURRA, LLC.	10190 Olio Road, McCordsville, 46055, Indiana		317	445 0672
THE PROSE CO.	12272 BuBarry Drive, Carmel, 46033		317	797 1150

Kansas				
Jerold C. Ney and Lisa A. Ney	12718 West 118th Street, Overland Park, Kansas, 66210		913	980 7131
Laura Ann Munsch	522 Pine Ridge Drive, Salina, Kansas, 67401		785	577 2939

Kentucky				
WHELAN, LLC	3315 Lexington Road, Louisville, Kentucky, 40206		502	552 2377

Maryland				
Amanda Womack, Katheryne	103 Mulberry Ave, Pasadena, Maryland, 21122		951	400 1796

Massachusetts				
JCF Business Solutions Inc.	50 Raymond Tatro Lane, North Attleboro, Massachusetts, 2760		508	316 1528
Peter D. Berson	8 Holly Lane, Westford, Massachusetts, 01886		781	209 1676
Leticia Chumacero Solis	77 Jefferson St., Lynn, Massachusetts, 01902		781	732 5359

HAMOR BUSINESS SOLUTIONS LLC	7 Robin Road, Beverly, Massachusetts, 01915		978	223 0607
DARBY LLC	1337 Mass Avenue, Unit #223, Arlington, 2476		617	299 2600

Michigan				
Cook Technology Solutions LLC	12369 Verona Road, Battle Creek, Michigan, 49014		269	841 5007
Sian Digital Inc	10213 Rolan Meadows Drive, Belleville, 48111, Michigan		734	474 6959

Minnesota				
Brenda Norkosky	50 Rhode Island Avenue South, Golden Valley, Minnesota, 55426		763	218 9330
James Fredrick Swigart	5211 Baker Road, Minnetonka, 55343, Minnesota		651	5038126
Phoenix Strategies, Inc.	5330 Pine Island Rd, Woodbury, 55129, Minnesota		619	865 3395

Mississippi				
K.B.D.C. Inc.	309 Oak Hollow Drive, Madison, Mississippi, 39110		601	853 4449

Missouri				
Atharva Technology Group Inc.	16825 Hickory Crest Drive, Ballwin, Missouri, 63011		314	473 5681
Schormann Solutions, Inc,	4 Fair Isle Court, Ellisville, 63021		314	602 3967

Nevada				
Michael Watkins and Nicole Dupre	1778 Amarone Way, Henderson, Nevada, 89012		702	271 2958

New Jersey				
Internet Business Solutions LLC	12 Mackenzie Court, Freehold, New Jersey, 7728		732	252 6025
Joseph Politano	10 Welch Road, Ringwood, New Jersey, 7456		973	826 1513
Timothy C. and Karen M. Stauning	23 Greenview Avenue, Princeton, New Jersey, 08542		917	656 9119
Henderson Associates LLC	42 Coventry Road, Wayne, New Jersey, 07470		973	727 0039
Expanding Internet Horizons, LLC	6-05 Saddle River Road, #144, Fair Lawn, New Jersey, 07410		201	794 1707
Primus Ventures Inc.	102 Sunset Drive, Chatham, New Jersey, 07928		973	635 2131
Vikram Sharma and Gita Sharma	3 Bluebird Court, Edison, New Jersey, 08820		908	672 4937
American Business Consulting Group Inc	56 Weathervane Circle, Cream Ridge, 8514, New Jersey		732	423 5978
NIO MARKETING INC	8 Hannah Lee Road, Barnegat, 8005		609	6077857
Freebird Solutions LLC	14 Mohawk Drive, Springfield, NJ 07081		973	422 6540

New Mexico				
FinnPrint Inc.	6601 Tennyson St. NE, Apt. 4305, Albuquerque, New Mexico, 87111		505	850 9177

New York				
Integrated Web Marketing Inc.	12 Hermart Lane, Lake Ronkonkoma, New York, 11779		631	580 1947
Christopher L. and James E. Aldrich	463 Aurora Street, Lancaster, New York, 14086		716	984 8950
Gloria Po-Cheung Suen	44-15 Purves Street, #3B, Long Island City, New York, 11101		415	529 0725
Jean Patrick Charles	84 Hickory Road, Briarcliff Manor, New York, 10510		914	843 6816
Donald P. Ziccardi	34-57 82 Street, Apt 3A, Jackson Heights, 11372		929	609 1119

North Carolina				
Timothy R. Bennett and Charlotte Bennett	85 Mountain Dr., Biltmore Lake, North Carolina, 28715		866	751 7083
Duft Consulting Inc.	5969 Heartwood Court, Harrisburg, North Carolina, 28075		704	491 7265
The Dolz Group, LLC	5101 Lindstrom Drive, Charlotte, North Carolina, 28226		980	333 2614
Dynamic Digital Marketing LLC	1208 Artemis Drive, Fayetteville, North Carolina, 28311		910	261 9316
Elizabeth Ann Smith	2722 Briarcliff Place, Charlotte, North Carolina, 28207	PT	704	340 7326
RKW Consulting, L.C.C.	315 Greenbay Road, Mooresville, 28117 North Carolina		705	431 8756
BF Power Marketing, LLC	10524 Chambers Drive, Tampa, Florida, 33626		813	600 0930
BLULEMON LLC	8121 Penman Springs Drive, Waxhaw, NC 28173		305	434 0097
Marcelo Alvarenga Guimaraes	1110 Mosley Road, Greensboro, NC 27455		336	331 2135

Ohio				
Amstadt Internet Consulting Inc.	3690 Orange Place, Suite 450, Beachwood, Ohio, 44122		216	595 2323
The Shamrock Companies, Inc	24090 Detroit Road, Westlake, 44145, Ohio		440	899 9510

Oklahoma				
Gunnar and Leslie C. Hood	2000 Oak Valley Circle, Edmond, Oaklahoma, 73025		405	285 5570
Analytical Internet Marketing LLC (AIM)	6508 NW Grand Blvd., Oklahoma City, Oklahoma, 73116		405	317 9980
Moeller Enterprise Digital Services Corp.	29427 North 2780 Road, Okarche, 73762, Oklahoma		405	368 7447

Oregon				
Enso Group Inc.	3 Monroe Parkway, Suite P-436, Lake Oswego, Oregon, 97035		503	922 1406

Pennsylvania				
Vinkler Internet Enterprise	50 Casselberry Drive, Audubon, Pennsylvania, 19403		610	650 0227
Arash Kasaaian	123 Cambridge Rd, Landenberg, Pennsylvania, 19350		610	274 2003
RKF Media LLC	301 Callowhill Road, Chalfont, Pennsylvania, 18914		215	716 3043
Higher Images Inc	368 Commercial Street, Bridgeville, Pennsylvania, 15017		412	537 8348
Digital Wizards Marketing Solutions Inc.	231 Sugartown Road, Devon, Pennsylvania, 19333		610	668 6790
Ila Awasthi	110 McLaughlin Drive, Aston, Pennsylvania, 19014		610	558 4425
Mairym, LLC	519 Treeline Drive, Gibsonia, Pennsylvania, 15044		724	625 2325
MX4, LLC	256 Eagleview Blvd., Suite 193, Exton, Pennsylvania, 19343		610	942 3400
Rizen Strategies, LLC dba Rizen Metrics	1000 Dunham Drive, Dunmore, 18512, Pennsylvania		570	840 3560
HumanAIze XSIX, LLC	11 Swan Lake Drive, Garnet Valley, PA1906		956	566 3400
Christian Alberto Nicolini & Gisela Silvana Nicolini	523 Summercroft Dr, Exton, PA19341	PT	484	686 4366

Puerto Rico				
EASB Solutions, LLC	Sabanera 304, Camino de los Cedros, Dorado, 00646, Puerto Rico		787	626 5100

Rhode Island				
Kenneth J. Gallison	42 HOLMAN STREET, PORTSMOUTH, Rhode Island, 2871		401	619 2234
MP Ventures Corp.	39 Clinton Ave, Hope, 2831. US		401	225 8341

South Carolina				
B2B Marketing Inc.	3952 Gift Blvd, Johns Island, South Carolina, 29455		843	559 0753
Krause Consulting LLC	11 Altamont Forest Rd, Greenville, SC 29609		503	709 9730

Tennessee				
Hagy's Inc.	1340 Post Office Road, Michie, Tennessee, 38357-5062		662	415 5487
EBALLEST, LLC	850 Kaylee Circle, Murfreesboro, Tennessee, 37128-8232		618	205 2138

Texas				
OSP Hototo LLC	1704 Prescott Dr, Flower Mound, Texas, 75028		972	539 3916
Aaron L. Braunstein and Gretchen D. Braunstein	3615 Franklin #377, Waco, Texas, 76710		254	235 2432
Digital Marketing Consultants LLC	5760 Legacy Dr. B3#161, Plano, Texas, 75024		214	934 2359
Kalpana C. Murthy and Krishna S. Murthy	7816 Roaring Ridge Drive, Plano, Texas, 75025		972	208 0473

Alexacom LLC	19914 Kellicreek Drive, Katy, Texas, 77450		281	578 2230
A4C Digital, Inc.	221 Fawn RDG, Cibolo, Texas, TX 78108		210	913 4559
MHMGRPE1, LLC	125 Lady Bird Lane, Georgetown, Texas, 78628		512	850 4090
A Baer's Insight LLC	PO Box 5794, Austin, 78763, Texas		814	490 4187
Pamela Ann Bell	4301 Coronado Court, Midland, 79707, Texas		432	256 0360
Li Li	46 West Artist Grove Place, The Woodlands, 77382, Texas		713	854 1652
Richard Anthony Cruz	1104 13th St., Argyle,76226, Texas		909	333 4015
Sirach Consulting LLC	1007 Winding Creek Place, Round Rock, 78665, Texas		512	666 1085
Juan Carlos Urdaneta	13615 Arcott Bend Drive, Tomball, 77377		713	3929870
Shirux Group, LLC	800 Town & Country Blvd.Suite 500, Houston, TX 77024		525	577265457
You Are Found LLC	408 Augusta Drive, Keller, TX 76248		805	288 2270
Rosen’s Apostrophe Enterprises Inc.	5827 Picasso Place, Houston, TX 77096		713	714 1341

Utah				
Theta International Enterprises Incorporated	1072 W Tivoli Way, Syracuse, Utah, 84075		801	837 6360
Joseph A. Tibolla	1346 West Skyscape Way, South Jordan, Utah, 84095		801	381 0923
Jerry Lee Jackson	2485 West 800 North Street, Provo, 84601, Utah		385	204 1320

Virginia				
NEAL LAPPE	PO Box 998, Midlothian, Virginia, 23113		804	314 4050
Lena Marie Shafer	14441 Chamberry Circle, Haymarket, Virginia, 20169		703	498 8016
RJ Business Group, LLC	9213 Olden Court, Manassas, Virginia, 20110		703	331 0369

Washington State				
Kenneth J. Johnson	26012 SE 152nd Street, Issaquah, Washington, 98027		425	313 7356
Digital Shop Keys, LLC	7916 NE 125th Street, Kirkland, Washington State 98034		425	466 9006
WRITER'S VOICE LLC	249 Main Avenue South, North Bend, Washington 98045		425	223 6912

West Virginia				
Martin Addison Milligan	11 Emily Court, Fairmont, West Virginia, 26554		301	801 2643
Integrated Digital Solutions, Inc.	7 Lynwood Drive, Vienna, West Virginia, 26105		304	488 0702

Wisconsin				
Infinet Results LLC	362 East 4 Mile Road, Racine, Wisconsin, 53402		262	898 7142
Stephen Palmer	3652 Fence Line Road, Franksville, Wisconsin, 53126		847	401 8092

Falotico Consulting LLC	1811 Prestwick Dr., Lake Geneva, Wisconsin, 53147-4955		630	947 6236

EXHIBIT F TO THE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

(As of December 31, 2024)

California			
Kreative Webworks Inc.	620 Camino De Los Mares, Suite E465, San Clemente, California, 92673	949	481 0728
Florida			
Kinzelmann, LLC	8200 NW 41st Suite 315, Doral, Florida, 33166	786	403 3206
Illinois			
eProfit Solutions LLC	12864 Arboretum Drive, Belvidere, Illinois, 61008	815	323 0608
Massachusetts			
Miulan Millie Kwan	10 Nouvelle Way, Unit 826, Natick, Massachusetts, 01760	617	899 0440
New Hampshire			
Dennis Masella (Note 1)	204 Proctor Hill Road, Hollis, New Hampshire, 03049-6453	603	465 6573
New Jersey			
No Limit Solutions Group, Inc.	1 Luft Lane, West Orange, New Jersey, 07052	732	735 3159
New York			
Solutech 360 Inc.	7 Galleine, Commack, New York 11725	516	521 6204
North Carolina			
Internet Business Solutions LLC	1213 Culbreth Drive, Wilmington, North Carolina, 28405	910	339 5916
Maitri M. Meyer (Note 1)	3811 Green Pastures Rd, Charlotte, North Carolina, 28269	608	338 9949
Texas			
Aaron Jordan Whatley	6700 Cooper Lane #29, Austin, Texas, 78745	282	658 6098
Randy Charles Price	983 Hurricane Creek Circle, Anna, Texas, 75409	214	563 8824
Virginia			
Chesapeake Digital Solutions, LLC	8250 West Park Drive, McClean, Virginia, 22103	703	856 1211
Wisconsin			
Jonny Buroker & Laurie Ann Pinion Buroker	1009 Stanford Dr., Waunakee, Wisconsin, 53597	608	516 8853

EXHIBIT G TO THE DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF MANUAL

Table of Contents

	Pages
WSI Lifecycle	40
Previous Lifecycle	339
Operational Procedures & Processes	201
Product/Service Knowledge	1016
Knowledge Base & Collaboration System	5100*

**Page count changes on a daily basis. Current as of February 20, 2025. Total count including video and audio would equate to roughly 7000 pages.*

EXHIBIT H TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

NOTE: THIS DISCLOSURE ACKNOWLEDGEMENT STATEMENT SHALL NOT BE COMPLETED OR SIGNED BY YOU, AND WILL NOT APPLY, IN CALIFORNIA OR WASHINGTON.

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 Acknowledgment is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and award of the franchise and operation of your Franchised Business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*

1. Did you receive a copy of our Franchise Disclosure Document (and all exhibits and attachments) (together, our "**FDD**") at least 14 calendar days before signing the Franchise Agreement? Check one: (__) Yes (__) No. If no, please explain: _____

2. Did you sign and return to us an FDD receipt indicating the date on which you received the FDD?
   Check one: (__) Yes (__) No.

3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Franchise Agreement. (Attach additional pages, if necessary.)

4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more WSI businesses operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the FDD:

This addendum does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

FRANCHISEE:

Signed:_____
Print Name:_____
Title:_____
Date:_____

*All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law. Nothing contained in this Addendum is intended to disclaim any of the disclosures contained in our Franchise Disclosure Document.

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

The following is our current general release language, which we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal or an approved transfer. We have the right to periodically modify the release.

> *Franchisee, its officers and directors, partners, members and managers, owners, and their respective agents, heirs, administrators, successors, and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless National Internet Corporation, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the "**Franchisor Group**"), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group and/or its owners had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of the Facility. (The releases given here include the parties' waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states 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")). The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise Agreement or the Facility. The Franchisee Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein.*

The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

EXHIBIT J TO THE DISCLOSURE DOCUMENT
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 _____ which represents 25% of the franchise fee to be applied as a partial deposit/payment for the [license type], priced at [Price]. The Designated Territory will consist of:

_____

_____

IT IS UNDERSTOOD AND AGREED 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 10 business days to complete final payment for the territory after final approval by the corporate management team.

3. The Applicant acknowledges that the Company and its representatives have made no representations other than those contained in official Company literature.

4. Confidentiality. During the Evaluation Period, certain confidential information about Company and its system was disclosed or otherwise made known to Applicant ("Confidential Information"). Applicant agrees to respect and maintain the confidential nature of such Confidential Information, and not in any way disclose the Confidential Information to anyone else, nor in any way use the Confidential Information in the operation of any business (excluding a Franchised Business operated pursuant to a franchise agreement). It is agreed that Applicant's obligations under this Section shall not expire upon termination of this Agreement.

5. Background Check. Applicant authorizes the release of any information deemed necessary by Company to verify any and all of the information contained in the application. This authorization for release of information includes but is not limited to matters of opinion relating to Applicant's background, mode of living, credit worthiness, character, ability, reputation and past performance. Applicant authorizes all persons, schools, companies, corporation, credit bureaus, and law enforcement agencies to release such information without restriction or qualification to investigatory parties selected by Company, any of its officers, agents, employees and servants. Applicant voluntarily waives all recourse and releases them from liability for complying with this authorization. This authorization and release shall apply to this as well as any future information request.

6. Acknowledgment. Applicant acknowledges receipt of Company's Franchise Disclosure Document at least fourteen (14) calendar days before the Effective Date.

For New York Applicants only: Applicant acknowledges receipt of Company's Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the Effective Date.

For Iowa Applicants only: Applicant acknowledges receipt of Company's Franchise Disclosure Document at the earlier of the first personal meeting or fourteen (14) days before the Effective Date.

For Michigan Applicants only: Applicant acknowledges receipt of Company's Franchise Disclosure Document at least ten (10) business days before the Effective Date.

7. No Franchise Rights. This Agreement is not a franchise and does not grant Applicant any right whatsoever to use the "WSI" marks and/or system, which rights can only be granted under a franchise agreement entered into by Applicant and Company. Applicant shall not use the "WSI" marks or system, nor shall Applicant make any representation or commitment on Company's behalf.

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).

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATES	EFFECTIVE DATE
California	Pending
Hawaii	May 7, 2025
Illinois	Pending
Indiana	April 29, 2025
Maryland	Pending
Michigan	April 30, 2025
Minnesota	May 21, 2025
New York	Pending
North Dakota	April 29, 2025
Rhode Island	May 19, 2025
South Dakota	April 29, 2025
Virginia	Pending
Washington	Pending
Wisconsin	April 29, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

If National Internet Corporation ("**NIC**") offers you a franchise, it must provide this disclosure document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale; or (b) under New York law, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (c) Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship; or (d) Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

NIC is the franchisor, with its offices at 91 Skyway Avenue, Suite 104, Toronto, Ontario, M9W 6R5 Canada. National Internet Corporation authorizes the agents listed in Exhibit A to receive service of process for it in the particular state.

The issuance date of this disclosure document is April 28, 2025.

The franchise seller is Daniel Lattanzio and Valerie Dufour-Brown at 91 Skyway Avenue, Suite 104, Toronto, Ontario, M9W 6R5 Canada (tel: (905) 678.7588 ext. 1265). Any additional individual franchise sellers involved in offering the franchise are:

_____.

I received a disclosure document dated April 28, 2025, that included the following Exhibits:

A.	List of State Agencies/Agents for Service of Process	F.	List of Franchisees Who Have Left The System
B.	State Specific Addenda	G.	Table of Contents of Manual
C.	Franchise Agreement	H.	Franchisee Disclosure Acknowledgment Statement
D.	Financial Statements	I.	Form of General Release
E.	List of Franchisees	J.	Franchise Application Agreement

Date:_____, 202_____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

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 ("**NIC**") offers you a franchise, it must provide this disclosure document to you: (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale; or (b) under New York law, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (c) Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship; or (d) Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

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_____.

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D.	Financial Statements	I.	Form of General Release
E.	List of Franchisees	J.	Franchise Application Agreement

Date:_____, 202_____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

Please sign, date, and return this copy to us