

FRANCHISE DISCLOSURE DOCUMENT

OfficeZilla Franchise Company, LLC

1815 Old 41 Highway, Suite 330

Kennesaw, GA 30152

(800) 699-7549

officezilla.com

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The franchise is for the establishment and operation of a business that specializes in the sale and distribution of office essentials and other products (“OfficeZilla Business” or “Business”).

The total investment necessary to begin operation of a OfficeZilla Business ranges from \$29,550 to \$47,000. These totals include \$12,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Darin Kraetsch at 1815 Old 41 Highway, Suite 330, Kennesaw, Georgia 30152 and (800) 699-7549.

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

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

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

Date of Issuance: May 1, 2014

STATE COVER PAGE

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

Call the state franchise administrator listed in Attachment A for information about the franchisor or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY AT THE AAA OFFICE NEAREST OUR PRINCIPAL PLACE OF BUSINESS IN ATLANTA, GEORGIA AND SUE US ONLY IN THE STATE OR FEDERAL JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED. OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT GEORGIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. WE BILL YOUR CUSTOMERS FOR THEIR PURCHASE ORDERS AND COLLECT ALL PAYMENTS FROM THEM. AFTER WE DEDUCT OUR FEES, WE WILL PAY YOU YOUR SHARE ON A MONTHLY BASIS, WHICH MAY HAVE A NEGATIVE EFFECT ON YOUR CASH FLOW.
4. THE AREA OF OPPORTUNITY UNDER YOUR FRANCHISE AGREEMENT IS NOT EXCLUSIVE OR PROTECTED.
5. WE ARE A DEVELOPMENT STAGE COMPANY WITH LIMITED FRANCHISE OPERATING HISTORY.
6. YOU MUST COMPLY WITH MAXIMUM PRICES THAT MAY BE SET BY THE FRANCHISOR FOR THE GOODS AND SERVICES YOU SELL. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE.

7. WE HAVE LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND OUR PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

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

OFFICEZILLA FRANCHISE COMPANY, LLC

STATE EFFECTIVE DATE SUMMARY PAGE

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

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

California	-	Effective Date: June 2, 2014
Illinois	-	Effective Date: May 15, 2014
Indiana	-	Effective Date: May 15, 2014
Maryland	-	Effective Date: August 20, 2014
Michigan	-	Effective Date: May 14, 2014
Minnesota	-	Effective Date: June 11, 2014
New York		Effective Date: August 7, 2014
Washington	-	Effective Date: September 4, 2014
Wisconsin	-	Effective Date: May 14, 2014

**ADDENDUM TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

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

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

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

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

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

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

ADDRESS FOR NOTICES TO THE MICHIGAN ATTORNEY GENERAL:

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

**OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE DISCLOSURE DOCUMENT**

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor, Its Parent, Predecessors, and Affiliates

The Franchisor is OfficeZilla Franchise Company, LLC, referred to in this disclosure document as “we,” “us” or “our.” We refer to the person interested in buying a franchise as “you” or “your.” If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement will apply to your owners. These will be addressed in this disclosure document where appropriate.

We were organized as a Georgia limited liability company on March 13, 2014. Our principal business address is 1815 Old 41 Highway, Suite 330, Kennesaw, Georgia 30152.

We do business under our corporate name and under the name the “OfficeZilla.” Our agents for service of process in the states which require franchise registration are listed in Attachment B.

We sell franchises for businesses that specialize in the sale and distribution of office essentials, including general office supplies, cleaning and breakroom supplies, office furniture, office technology equipment and supplies, and other products (“OfficeZilla Businesses” or “Businesses”). OfficeZilla Businesses do business under the name “OfficeZilla” and other trademarks identified in Item 13 (the “Marks”). We do not operate an OfficeZilla Business, but our affiliate, OfficeZilla, LLC (“OfficeZilla”), has operated OfficeZilla as an online office products business since June 2012.

We began to offer franchises on May 1, 2014. We are not engaged in any other businesses and have never offered franchises in any other lines of business.

Our affiliate, Flip Flop Shops Franchise Company, LLC (“FFS”) has offered franchises for retail stores that specialize in the sale of flip flops and sandals and related footwear and accessories under the name “Flip Flop Shops” since October 9, 2007. As of December 31, 2013, FFS had sold 191 Flip Flop Shops store franchises in the United States, and 81 Flip Flop Shops stores are operational in the United States. FFS shares our principal business address.

Our parent is Zilla Holdings, LLC (“Holdings”). Holdings shares our principal business address.

Except as described above, we have no predecessors or affiliates that have offered franchises for this business or any other lines of business.

The Franchise

We offer qualified applicants franchises for the right to operate OfficeZilla Businesses that specialize in the sale and distribution of office essentials and other products (“Products”) in designated nonexclusive geographic areas (each, an “Area of Opportunity” or “AOO”). A franchise operates from 1 business location (an “Office”) located within (or within a 20-mile radius of the outside boundaries of) the AOO described in the Franchise Agreement under the OfficeZilla business system (the “System”) and the Marks.

The System includes specifications, policies and procedures for operations; quality of the products and services offered; procedures for sales, management and financial control; customer service; training and assistance; and advertising and promotional programs, all of which may be changed, improved, and further developed by us periodically. You must operate your OfficeZilla Business under the Marks and use other trade names, service marks, trademarks, logos, and other symbols we designate (or may later designate) in writing for use in the System.

We may require your current and future Principals (as defined in the Franchise Agreement) to sign a Principals' Guaranty and Assumption Agreement ("Guaranty"), guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. Those of your Principals who are not required to sign the Guaranty will each sign a Confidentiality Agreement and Ancillary Covenants Not to Compete, with Principal undertakings, in the form attached to the Franchise Agreement. (See Item 15)

The operation of your OfficeZilla Business in the AOO must be directly supervised by a person you designate as your "Operating Principal." Your Operating Principal is the main individual responsible for your business. If you are an individual, you will be the Operating Principal. If you are not an individual, you must designate someone who meets our requirements and whom we approve to be your Operating Principal. Your Operating Principal must have and maintain at least 10% ownership interest in you. Your Operating Principal will sign the Guaranty.

The person or entity signing the Franchise Agreement is the "Franchisee." In this disclosure document, the terms "Principals" and "Operating Principal" and "you" and "your" include the franchisee under the Franchise Agreement unless we have noted otherwise.

Competition

The market for office products is well-established and highly competitive. There is active price competition among general and specialty stores and other businesses (including online businesses) that sell office products, as well as competition for management personnel and salespersons. You must expect to compete with other stores and businesses offering office products. Competitors may be locally-owned or large regional or national chains. The office products business is also affected by demographics and economic conditions.

Industry Specific Regulation

You must comply with all laws, rules and regulations governing the operation of the OfficeZilla Business. Your state or locality may require you to obtain certain permits and licenses. You will be responsible for ensuring compliance with all requirements. You also will be required to comply with federal, state, and local laws applicable to businesses generally. You should consider these laws and regulations when evaluating your purchase of a franchise and should consult with your attorney, accountant, and local, county, state and federal government agencies.

ITEM 2

BUSINESS EXPERIENCE

Darin Kraetsch: Co-Founder, Director, President, and Chief Executive Officer

Mr. Kraetsch is our co-founder and has served as our President and Chief Executive Officer and has been a member of our board of directors since our formation in March 2014. Mr. Kraetsch is also co-founder and serves as President and Chief Executive Officer for, and is a member of the board of directors of, Holdings and OfficeZilla and has held those positions since December 2010. He is also Chief Executive Officer and a member of the board of directors for FFS Holdings, LLC and FFS (since August 2007), a principal and board member of FFS Online, LLC (since August 2010), and managing member of Family Flip Flop Shops, LLC (since June 2007). Mr. Kraetsch is based in Kennesaw, Georgia.

Brian Curin: Co-Founder and Director

Mr. Curin is our co-founder and has been a member of our board of directors since our formation in March 2014. Mr. Curin is also co-founder and is a member of the board of directors of Holdings and OfficeZilla and has held that position since December 2010. He is also President and a member of the board of directors of FFS and FFS Holdings, LLC (since August 2007) and a board member of FFS Online, LLC (since August 2010). Mr. Curin is based in Vancouver, British Columbia.

Alan Woods: Co-Founder and Director

Mr. Woods is our co-founder and has been a member of our board of directors since our formation in March 2014. Mr. Woods is also co-founder and is a member of the board of directors of, Holdings and OfficeZilla and has held that position since December 2010. He also serves as Chief Operating Officer and a member of the board of directors of FFS and FFS Holdings, LLC and has held those positions since August 2007. He is based in the Atlanta, Georgia area.

Susan Mintmire: Vice President of Operations

Ms. Mintmire has served as our Vice President of Operations since our formation in March 2014. She also serves as Vice President of Operations for OfficeZilla and has held that position since August 2013. From October 2012 to September 2013, she served as OfficeZilla's Director of Marketing. Prior to joining OfficeZilla, Ms. Mintmire was the National Sales Manager for Faber-Castell USA in Cleveland, Ohio (from August 2010 to April 2011). She also was the owner of PaperCrafter's Corner in Powder Springs, Georgia from June 2009 to February 2013. Ms. Mintmire is based in Kennesaw, Georgia.

Jeff Curtis: Vice President of Sales

Mr. Curtis has served as our Vice President of Sales since our formation in March 2014. He also serves a Vice President of Sales for OfficeZilla and has held that position since February 2012. Prior to joining OfficeZilla, Mr. Curtis was a Mortgage Banker in Kennesaw, Georgia at the Brand Mortgage Group (October 2010 to February 2013) and the RealEstate Mortgage Network (March 2008 to September 2010). Mr. Curtis is based in Kennesaw, Georgia.

Roger Richey: Director

Mr. Richey has been a member of our board of directors since our formation in March 2014. Mr. Richey has over 40 years experience in the office products industry. Most recently, he served for 11 years as the Regional Business Development Manager for United Stationers, the largest wholesale distributor of business products, including office products, in North America. He retired from United Stationers in August 2011. Mr. Richey is based in Alpharetta, Georgia.

Mark Duggan: Director

Mr. Duggan has been a member of our board of directors since our formation in March 2014. Mr. Duggan also serves as President of MSDuggan, LLC (since 2010). Mr. Duggan has extensive experience with some of the top brands in the sports equipment industry, including serving as President of Umbro North America (2008-2009), CEO of Nike Bauer (2006-2008), and various executive management roles at Nike Inc. for over 28 years. He is based in Greenland, New Hampshire.

Christopher Zimmerman: Director

Mr. Zimmerman has been a member of our board of directors since our formation in March 2014. Mr. Zimmerman also serves as a principal of the Bonfire Group, LLC, (since April 2013), a board member of Ritchie Brothers Auctioneers in Vancouver, British Columbia (since April 2008), and is on the advisory board for Flip Flop Shops Franchise Company, LLC (since 2008). From March 2010 to March 2013, Mr. Zimmerman served as president of Easton Sports in Vancouver, British Columbia. He also served as president and CEO of Canucks Sports and Entertainment from November 2006 to August 2009 and has held various positions in the Nike organization, including, most recently, President and Chief Executive Officer of Nike Bauer Hockey. Mr. Zimmerman is based in Manhattan Beach, California.

ITEM 3

LITIGATION

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

California residents, see the California Addendum to this disclosure document for additional disclosures required by California law.

ITEM 4

BANKRUPTCY

There is no bankruptcy information that is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

When you sign the Franchise Agreement, you must pay us an initial franchise fee of \$12,000. The initial franchise fee is not refundable and is imposed uniformly on all franchisees.

Additional Salesperson Fee

When you sign the Franchise Agreement, you must pay us an Additional Salesperson Fee of \$7,500 for each salesperson, if any, you engage for your OfficeZilla Business in addition to yourself. The additional salesperson fee is not refundable and is imposed uniformly on all franchisees.

ITEM 6

OTHER FEES

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Gross Margin Split ⁽²⁾	40% of your Gross Margin.	See remarks.	You will submit customer purchase orders to us and we, our affiliates, and/or our designees will fulfill and ship the orders to customers directly or to you for delivery by you. We or our affiliate will administer customer billing, and customers will pay us or our affiliates directly. We will then retain 40% of your monthly Gross Margin and will remit 60% of your monthly Gross Margin to you. Your Gross Margin Split will be paid on or before the 10th day of each calendar month with respect to your Gross Margin for the calendar month before the immediately preceding calendar month (e.g., your Gross Margin for September will be paid by November 10). See Note 3 for a definition of Gross Margin.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Salesperson Fee	\$7,500 for each new or additional salesperson.	No later than 10 days following engagement of any new or additional salesperson.	If you engage any new or additional salesperson in your organization, you must notify us in writing, provide information we reasonably require to enter such salesperson our systems, and pay us this fee.
Technology Fee	\$1,200 per year	No later than 15 days following the beginning of the second and each subsequent Agreement Year.	You must pay this annual technology fee beginning in the second Agreement Year.
Marketing Materials	Reasonable fee.	On demand.	We make available to you certain advertising and promotional materials periodically for use in marketing and advertising the OfficeZilla system.
Local Advertising (including your Cooperative contribution, if any) ⁽⁴⁾	At least 0.5% of your Gross Sales each calendar year.	As incurred.	<p>You must spend this amount on local advertising for your Business each calendar year (either individually or through a Cooperative, if any).</p> <p>Currently, there are no advertising Cooperatives in the System. If a Cooperative is established in your area, you must pay your Cooperative contribution in the amount listed in the Cooperative's governing documents. Your contribution amount may not be more than the amount you are required to spend on local advertising and will be applied toward satisfaction of your local advertising requirement.</p> <p>See Note 3 for a definition of Gross Sales.</p>
Interest	10% per year or the maximum lawful rate.	On demand.	We may charge interest on all overdue amounts.

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
On-site Remedial Training	The then-current per diem fee for remedial training, plus costs. Our current per diem rate is \$250.	When billed.	If you ask or if we believe it is appropriate, we will (subject to availability) provide trained representatives to conduct on-site remedial training in your AOO or at your Office.
Transfer Fee	1/2 of the then-current initial franchise fee.	With transfer application	This fee is for reimbursement of our legal and administrative costs associated with the transfer, for the initial training of the transferee, and other services.
Renewal Fee	\$3,000	Signing of renewal franchise agreement.	This fee is for reimbursement of our legal and other administrative costs associated with renewal of your Franchise Agreement. You must give us at least 6 months' and not more than 9 months' notice to renew and meet other renewal conditions. If your annual Gross Sales for the 12 months immediately preceding the effective date of the renewal franchise agreement is \$1,000,000 or more, we will waive the renewal fee
Inspection and Testing	Cost of inspection, if applicable, and cost of test.	When billed.	Before approving a non-designated supplier, we may require you to pay the cost of testing the supplier's products and inspecting its facilities.
Indemnification	Varies according to loss.	On demand.	You must indemnify us when certain of your actions result in loss to us.
Insurance Fee	A reasonable amount based on our expenses.	On demand.	If you fail to maintain the required insurance, we may (but need not) obtain it for you. If we do, we will charge you a fee, plus our expenses.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Enforcement Costs	Will vary.	As incurred.	You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the Franchise Agreement.

Notes:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

(2) If your Gross Margin is \$0 or negative in any calendar month, you will not receive any Gross Margin Split for that month, and if you experience a negative Gross Margin during any calendar month, that negative Gross Margin will be carried forward to subsequent month(s) and will be offset against future Gross Margin Splits to which you are entitled. If you experience a negative Gross Margin for 3 or more consecutive calendar months, we will have the right to terminate the Franchise Agreement immediately upon notice to you, and we will be entitled to recover from you out-of-pocket amounts that we incurred as a result of product purchases and delivery and other charges and other amounts owned.

(3) “Gross Margin” means Gross Sales from all products actually received by us or our affiliates with respect to purchases by customers credited to you, less cost of goods sold; all taxes applicable thereto; all transportation and freight costs applicable thereto; all handling costs applicable thereto; and all returns and allowances. “Gross Sales” means all revenue from product sales of the OfficeZilla Business, including the amounts received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions, excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

(4) You must submit to us proof of your local advertising spending in the form and at the time and place that we designate. Certain expenditures will not count towards your required local advertising spending, unless we agree otherwise in writing, including (1) incentive programs for your employees or agents, including the cost of honoring any discounts or coupons, and salaries and expenses of your employees; (2) non-media costs incurred in any promotion; (3) charitable, political or other contributions or donations; and (4) grand opening expenditures spent during the 3 consecutive months starting 1 month prior to the Opening Date of your Business.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount Low – High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$12,000	Lump Sum	Execution of Franchise Agreement	Us
Furniture, Fixtures, & Equipment ⁽²⁾	\$500 - \$2,000	As Arranged	Before Opening	Suppliers
Computer Hardware & Software ⁽³⁾	\$1,500 - \$3,000	Lump Sum	Before Opening	Suppliers
Office Supplies, Printing, and Stationary ⁽⁴⁾	\$500 - \$1,000	As Arranged	Before Opening	Suppliers
Insurance Deposit and Prepayment ⁽⁵⁾	\$750 - \$1,500	Lump Sum	Before Opening	Insurance Broker or Agent
Initial Training Expenses ⁽⁶⁾	\$1,500 - \$3,000	As Arranged	As Incurred	Employees and Suppliers
Professional Fees ⁽⁷⁾	\$1,500 - \$2,500	As Arranged	As Incurred	Attorney and Accountant
Promotional Expenses ⁽⁸⁾	\$1,000	As Arranged	As Arranged	Suppliers
Licenses and Permits ⁽⁹⁾	\$300 - \$1,000	As Arranged	Before Opening	Government Agencies

Type of Expenditure	Amount Low – High	Method of Payment	When Due	To Whom Payment is to be Made
Additional Funds (for first 3 months of operation) ⁽¹⁰⁾	\$10,000 - \$20,000	As Arranged	After Opening	Various
TOTAL ⁽¹¹⁾	\$29,550 - \$47,000			

Notes:

- (1) See Item 5. This assumes that your OfficeZilla Business will begin operations with only 1 salesperson. If you wish to have more than 1 salesperson, you will be required to pay an Additional Salesperson Fee of \$7,500 for each such additional salesperson.
- (2) You may operate your OfficeZilla Business from a home office. If you locate your office in your home, we require that you establish a space for the operation of your Business that is separate and distinct from your general living space. The estimate in the chart is for items such as a desk, chair, task lighting, waste basket, land-line telephone handset, file cabinet and table for your printer-fax-scanner machine to be included in a home office. We do not specify the brand of furniture or fixtures that you must purchase. The lower end of the estimate contemplates that you presently have office furniture that you can use in your home office, and the high end of the estimate contemplates the purchase of office furniture. If you elect to establish your business in an office location other than your home, you may need additional furniture or fixtures that will increase your expenditure, and you will have rent deposit expenses and other expenses not contemplated in this chart.
- (3) This estimate is for the purchase of a computer, software, printer-fax-scanner, and other personal communications devices that we specify for the operation of your OfficeZilla Business. (See Item 11.)
- (4) This estimate is for the office supplies, such as paper, presentation folders, pens, pencils, printer ink, paper clips, stapler, file folders, note pads, stationery, business cards, etc., that you will need to operate your OfficeZilla Business. The low end of the estimate is for lower quality and quantity of supplies and the higher estimate represents a higher quality product and/or quantity of supplies.
- (5) You are required to obtain and maintain the minimum amount of insurance specified in Item 8 of this disclosure document. An insurance deposit may be required by the issuing company in order to obtain the minimum types and amounts of insurance as required. You will need to check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your business will be located, your experience with the insurance carrier, the loss experience of the carrier, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our stated minimums.

- (6) We do not charge tuition or materials for the initial training; however you are responsible for all transportation, lodging and other costs associated with attending training. Your costs will vary, depending upon your point of origin, method of travel, class of accommodation, and living expenses (food, transportation, etc.). These estimates cover the cost of any transportation, accommodation and meals incurred during the training period for one person. The lower estimate in this range covers moderately priced travel expenses, while the higher estimate covers higher priced flights, rental car, and accommodations. Actual costs are based on the travel and accommodations chosen by you while attending training and may be higher or lower than what is estimated. Wages for your personnel while in training are not included. (See Item 11.)
- (7) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation. The cost of professional services can vary widely.
- (8) For a period 3 consecutive months, beginning 1 month prior to your opening date, you must carry out a grand opening promotion for the OfficeZilla Business in accordance with our standards. You must spend at least \$1,000 on the grand opening promotion.
- (9) You are solely responsible for obtaining and maintaining all licenses and permits necessary to operate the OfficeZilla Business. The estimates in this Item 7 represent the costs experienced by our affiliate and the experience of our management in operating the business model contemplated in this disclosure document. We strongly recommend that you investigate all permit costs and requirements in your area before making the decision to become a OfficeZilla franchisee.
- (10) You will need additional funds during the start-up phase of your OfficeZilla Business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves.
- (11) This estimate is based upon Holdings' experience in developing the OfficeZilla business. Your costs may vary based on a number of factors including, but not limited to, the geographic area in which you open, local market and economic conditions, your sales skills and the time it takes to build sales of the business, the quality of any employees that you hire, and your skills at operating the business. We recommend that you use the categories and estimates in this Item 7 as a guide to develop your own business plan and budget and that you investigate specific laws, regulations and licensing requirements and associated costs of compliance in your area. You should review these figures carefully with your business advisor before deciding to acquire the franchise.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control.

We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You generally have no obligation to purchase or lease from us, our affiliates, or other designated third party suppliers any of the products, services, supplies, fixtures, equipment (including computer hardware and software), inventory or real estate used in establishing or operating the Business. However, there are some exceptions, as follows:

Promotional Items

We have the right to make available to you for a reasonable amount promotional items identifying the OfficeZilla System. These items may include OfficeZilla memorabilia, like coffee mugs, T-shirts, pens, and calendars. If we make these types of items available, we may require you to purchase them from suppliers we designate in amounts necessary to meet demand.

Approved Products List and Designated Suppliers

We will provide you with access to an Approved Products List containing the products approved by us for sale and which you must offer to customers of your OfficeZilla Business. We will update the Approved Products List periodically. We will, in our discretion, determine the Products and items included on the Approved Products List. We do not guarantee the availability of any of the items on the Approved Products List or that your Business will be able to offer for sale any particular brand of office or other product.

If you want to offer other Product brands or items that are not on the Approved Products List, you must submit to us a written request for approval. We may approve or disapprove your request in our sole discretion. We do not disclose our criteria for approving requests to our franchisees. Generally speaking, however, we will evaluate a request for approval and make our decision based on whether the proposed item meets our standards and specifications and other criteria, including quality, style, image, price, and capacity and capability for distribution through the OfficeZilla System. We do not charge you a fee for making our decision.

Approved Suppliers

In addition to the above, if we have approved suppliers (including manufacturers, distributors and other sources) for any inventory, fixtures, furnishings, and equipment, you must obtain these items from those suppliers. Approved suppliers are those who demonstrate the ability to meet our then-current standards and specifications for inventory, fixtures, furnishings, equipment and other items used or offered for sale in the OfficeZilla Businesses and who possess adequate quality controls and the capacity to supply your needs promptly and reliably, whom we have approved in writing and whom we have not later disapproved. We may change the number of approved suppliers at any time and may designate ourselves, an affiliate, or a third party as the exclusive source for any particular item. We may profit from your purchases from designated and other suppliers, and we and/or our affiliates may receive certain rebates, payments, fees, allowances, commissions and/or reimbursements from such suppliers in respect of your purchases.

Neither we nor our affiliates are currently approved suppliers of Products for our franchisees, but we may, in our sole discretion, require supplies and items to be purchased exclusively from us or our affiliates or from approved suppliers or distributors. We may derive revenue based on your purchases (including from charging you for products and services that we or our affiliates provide to you and from payments made to us or our affiliates by suppliers that we designate or approve).

If you wish to purchase, lease or use any products, services, or other items from an unapproved supplier, you or your supplier must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We may re-inspect the facilities and products of any approved supplier, and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier, you must promptly discontinue use of that supplier. You must reimburse us for the costs that we incur in the supplier approval process. We are not required to approve any particular supplier, and we are not required to notify you of our approval or disapproval within any specified period of time. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

None of our officers owns an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers, of the OfficeZilla franchise system. From time to time, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

Purchases According to Specifications

You must comply with all of our standards and specifications relating to the purchase of all inventory, fixtures, furnishings, equipment (including computer hardware and software) and other products used or offered for sale in the Business. We formulate our standards and specifications based on a variety of factors, including our experience in licensing the System and the Marks. In addition, the following must comply with our specifications:

Advertising and Promotional Materials

All of your advertising and promotions must conform to our standards and requirements. We must approve all advertising and promotional plans and materials before you use them if we have not prepared them or previously approved them during the 12 months preceding the date of their proposed use. You must submit any unapproved plans and materials to us, and we will approve or disapprove them within 10 days after we receive them. You must not use the plans or materials until we have approved them, and must promptly discontinue using any advertising or promotional plans or materials, whether or not we have previously approved them, if we notify you to do so.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage, or any loss,

liability or expense related to or connected with the operation of the OfficeZilla Business. These policies must be written by a responsible insurance carrier or carriers satisfactory to us and in accordance with our standards and specifications for insurance coverage.

Vehicles

Any vehicle you use in the operation of the Business must meet our image and standards. You must place the signs and other decor items we require on the vehicle and keep it clean and in good working order at all times. You cannot permit anyone to operate the vehicle who is under 18 years old or who does not have a valid driver's license in the state in which the Business is located. You must require each vehicle operator to comply with all laws, regulations and rules of the road and use due care and caution in operating and maintaining the vehicle.

Purchasing Arrangements

Unless we otherwise grant you our approval in writing, you must offer for sale to customers of the OfficeZilla Business only such Products that are on the Approved Products List and from designated suppliers.

We intend to negotiate certain purchase arrangements (including price terms) for the purchase of certain items with suppliers for the benefit of franchisees. In doing so, we will seek to promote the overall interests of our franchise system and our interests as the franchisor. We or our affiliates may receive rebates from approved or designated sources. We do not provide material benefits to franchisees based upon their use of designated or approved suppliers. There are currently no purchasing or distribution cooperatives for the System.

Neither we nor our affiliates had any revenues from the sale of products or services to franchisees in our last fiscal year (ending December 31, 2013).

Your obligations to purchase or lease goods, services, supplies, fixtures, equipment, inventory, and computer hardware and software from us or our designee, from suppliers we approve, or under our specifications are all considered "required purchases." We describe these obligations in detail in the preceding sections of this Item 8. The magnitude of required purchases in relation to all purchases you make to establish and operate the Business is difficult to determine due to the highly variable nature of expenditures necessary to establish and operate the Business as described in Item 7. We estimate that your total initial required purchases will be about 20% of the cost of your initial purchases or leases. We estimate your required purchases for the operation of the Business will be 20% or more of your annual purchases or leases. The majority of these required purchases will be from designated suppliers.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement 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 Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	N/A	N/A
b. Pre-opening purchases/leases	Sections 6, 7 and 10	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	N/A	N/A
d. Initial and ongoing training	Sections 4.H. and 6.K	Items 6, 7 and 11
e. Opening	Section 1.E. and Attachment C	Items 7 and 11
f. Fees	Section 3	Items 5 and 6
g. Compliance with standards and policies/Manuals	Sections 2, 5, 6, 7, 8, 9, and 10	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Sections 8 and 9 and Attachment B	Items 11, 13 and 14
i. Restrictions on products/services offered	Section 5	Items 8 and 16
j. Warranty and customer service requirements	Section 6	Item 16
k. Territorial development and sales quotas	Sections 3.E(3), 15.C(12), and 15.E.	Item 12
l. Ongoing product/service purchases	Sections 6 and 7	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Section 6	Item 8

Obligation	Section in Franchise Agreement	Disclosure Document Item
n. Insurance	Section 10	Items 7 and 8
o. Advertising	Section 7 of the Franchise Agreement	Items 6, 8 and 11
p. Indemnification	Section 13	Item 6
q. Owner's participation/ management/staffing	Section 5	Items 1, 11 and 15
r. Records and reports	Sections 3 and 7	Item 11
s. Inspections and audits	Sections 7 and 8	Item 11
t. Transfer	Section 12	Items 6, 12 and 17
u. Renewal or extension of rights	Section 2	Items 6, 12 and 17
v. Post-termination obligations	Section 16	Item 17
w. Noncompetition covenants	Section 9 and Attachment B	Item 17
x. Dispute resolution	Sections 17.F. and G.	Item 17

ITEM 10

FINANCING

Neither we nor any agent or affiliate of ours offers direct or indirect financing to you, guarantees any note, lease or obligation of yours.

ITEM 11

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

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

Pre-Opening Obligations. Before you open your Business we will:

1. Provide you with access to 1 set of our Manuals, either in paper or electronic form. (Franchise Agreement, Section 4.A.)
2. For a reasonable fee based on our reasonable costs, provide you with any software programs that we acquire or develop for use in the System; however, we are under no obligation to develop or acquire any such software programs. (Franchise Agreement, Section 4.B.)
3. For a reasonable fee based on our reasonable costs, provide you with certain advertising and promotional materials we have developed (if any) for use by franchisees in marketing and advertising the System. (Franchise Agreement, Section 4.C.)
4. Provide you with an Approved Products List and a list of designated suppliers. (Franchise Agreement, Section 4.E.)
5. Conduct an initial training program. (Franchise Agreement, Section 4.F.)

Site Selection of Your OfficeZilla Business.

You must operate your OfficeZilla Business from an Office that is located within your AOO or within a 20-mile radius of the boundaries of your AOO. Your Office may be located in your home, but it must be separate and distinct from your living space and be dedicated to your OfficeZilla Business. The Office location will be listed in Attachment C to the Franchise Agreement. If you have not selected a location for your Office at the time that we sign the Franchise Agreement, you and we will amend Attachment C to the Franchise Agreement to reflect the address of your Office when the location of your Office is determined. The AOO will be determined and described in Attachment C to the Franchise Agreement before you sign it. We are not required to assist you in selecting a site for an Office. You must notify us in writing of any change in your Office location before your Office is relocated. Our only requirements with respect to your Office are that it must be in the Territory or within a 20-mile radius of the boundaries of your AOO and that any signage that you use at your Office meet our standards and specifications. We do not otherwise have approval rights with respect to the location of your Office. If you do not locate a site and open your Office and Business within 60 days of signing the Franchise Agreement, you will be in default, and we can terminate your Franchise Agreement. (Franchise Agreement, Sections 1.E. and 15.C.(2).)

Typical Length of Time Before You Open Your OfficeZilla Business.

The typical length of time between the signing of the Franchise Agreement and the opening of your Business is approximately 30 to 60 days. Factors that may affect this period may include whether

you have an office furnished when you sign the Franchise Agreement, your ability to meet local requirements, attend and complete the initial training, and other factors.

Continuing Obligations. During the operation of your Business, we will:

1. Give you any advice and written materials we may develop on the techniques of managing and operating OfficeZilla Businesses. (Franchise Agreement, Section 4.D.)
2. Give you an updated Approved Products List and a list of designated suppliers as we deem appropriate. (Franchise Agreement, Section 4.E.)
3. Provide additional training programs at our option and remedial training as we deem it to be necessary. (Franchise Agreement, Section 4.G.)
4. Provide you with access to our proprietary software programs (if any) as may be developed by us or on our behalf for use in the System. We reserve the right to charge a reasonable license fee. (Franchise Agreement, Section 4.B.)
5. For a reasonable fee, provide you with certain advertising and promotional materials we have developed (if any) for use by franchisees in marketing and advertising the System. (Franchise Agreement, Section 4.C.)
6. Administer the billing of customers for product orders and ship products either directly to your customers or to you, in which event, you will then deliver the products to its customers in accordance with our standards and specifications. (Franchise Agreement, Section 3.D.)
7. Provide credit terms to your customers that qualify for the extension of credit, as determined by us or our affiliate or designee, under a form of credit agreement required by us or our affiliate or designee, as applicable, if your customers wish to purchase products on credit terms, as opposed to immediate payment by credit card, online payment mechanisms, or checks or drafts drawn on accounts with immediately available funds. (Franchise Agreement, Section 3.D(2))

Advertising

You must participate in all advertising and sales promotion programs that we may authorize or develop for OfficeZilla Businesses. You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention programs that we implement for all or part of the OfficeZilla franchise system and sign the forms and take the other action we require for you to participate in these programs. (Franchise Agreement, Section 7.A.)

We will periodically provide you advertising and marketing materials in quantities we deem appropriate and for a reasonable fee. (Franchise Agreement, Section 4.C.)

All advertising and promotion by you must be conducted in a dignified manner and conform to our standards and specifications. You are required to obtain our approval of all advertising and promotional plans and materials, including those placed on the Internet, prior to use if the plans and materials have not

been prepared or previously approved by us during the previous 12 months. We will approve or disapprove your plans and materials within 10 days after receiving them. If we do not respond to your request for approval within the 10-day period, the materials or plans will be deemed approved by us. You are not permitted to use any unapproved plans or materials until they have been approved or deemed approved by us, and you must promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved or deemed approved, upon notice from us. (Franchise Agreement, Section 7.B.)

You must spend an amount equal to or greater than one-half of one percent (0.5%) of the OfficeZilla Business's Gross Sales on local advertising in each calendar year throughout the term of the Franchise Agreement. You must submit to us such forms, reports, records, information and data regarding your local advertising expenditures as we may reasonably designate, in the form and at the times and places reasonably required by us to confirm this expenditure. Expenditures incurred for any of the following may not be included in local advertising expenditures, unless we first approve them in writing:

- (1) Incentive programs for your employees or agents, including the cost of honoring any discounts or coupons, and salaries and expenses of any of your employees,
- (2) Non-media costs incurred in any promotion;
- (3) Charitable, political or other contributions or donations;
- (4) In-store materials consisting of fixtures or equipment;
- (5) The cost of Yellow Pages listings; and
- (6) Grand opening expenditures.

We have the right to designate any geographic area in which 2 or more OfficeZilla Businesses are located as a region for purposes of establishing an advertising Cooperative. Each Cooperative will be organized and governed as, and will begin operation on a date, we determine. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area that includes your AOO, you must execute the Cooperative documents promptly upon our request and participate as a member of the Cooperative. Among other things, this means that (i) you must submit to the Cooperative and to us all statements and reports that we or the Cooperative may require, and (ii) you must contribute to the Cooperative the amounts required by the Cooperative's governing documents; provided, that you will not be required to contribute more than the amount you would otherwise be required to spend on local advertising and your Cooperative contribution will be applied toward satisfaction of your local advertising requirement.

You are not required to contribute to or participate in an advertising fund. We do not currently have an advertising council, and you are not currently required to participate in any local or regional advertising cooperatives.

Computer and Electronic Cash Register Systems

You must install and maintain a functioning personal computer that has a high-speed modem that permits you to connect to the Internet and to transmit and receive e-mail and that has the most current Microsoft Office suite of software installed on it. Other than this requirement, we do not currently have any additional specifications or requirements for your computer system.

We estimate that the cost of the computer system will be approximately \$1,500 to \$3,000. (See Item 7.)

You must also have a mobile device (including telephone) with access to the internet.

We do not require you to install or operate any electronic cash register systems.

Neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system, and there are currently no optional or required maintenance/upgrade contracts for the computer system.

You must pay us annual technology fee of \$1,200 beginning in the second Agreement Year to cover a portion of the cost for OfficeZilla technology systems, including website maintenance and enhancements.

You must maintain a high-speed Internet connection (with e-mail capability).

You must install any other hardware or software for the operation of the Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. Specifically, we may require that you install and maintain systems that permit us to independently access and retrieve electronically any information stored in your computer systems, including information concerning your Business's gross sales, at the times and in the manner that we may specify periodically. There is no contractual limitation on the frequency or cost of these obligations, other than that your costs will be reasonable in our opinion. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by OfficeZilla Businesses.

Confidential Operations Manuals

After you sign the Franchise Agreement and when you begin initial training, we will provide you with access to a copy of our Manuals either in electronic or paper form. A copy of the table of contents of the Manuals is attached as Exhibit E. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential.

Training

Before the opening date of your Business, your Operating Principal must have attended and completed to our satisfaction our initial management training program. (Franchise Agreement, Section 6.K.)

Currently, the initial training is conducted in Kennesaw, Georgia. We provide instructors and training materials at no charge, but you must pay all expenses you and your personnel incur in initial

training, including costs of travel, lodging, meals and wages. We may charge a reasonable training fee for training all successor or replacement personnel. (Franchise Agreement, Section 6.K.)

The initial training program is administered and directed by Marisa Pensa. Ms. Pensa has over 10 years of experience in training individuals in the office products and similar businesses. Training may also be conducted by other members of our staff or other authorized training vendors that have experience relevant to the operation of the OfficeZilla Business.

The initial training program is offered as needed during the year depending on the number of new franchisees entering the System, the number of other personnel needing training, and the scheduled opening of new OfficeZilla Businesses. Initial training generally lasts approximately 6 days. The subjects covered and other information relevant to our initial training program are described below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Orientation	4	0	Kennesaw, Georgia and Webinar
Industry Overview	1	0	Kennesaw, Georgia
Office Products Category Training	4	0	Kennesaw, Georgia
Powerful Prospecting	2	0	Kennesaw, Georgia
The Sales Process	6	0	Kennesaw, Georgia
Using Salesforce.com	4	0	Kennesaw, Georgia
Selling Over the Phone	4	3	Kennesaw, Georgia and Webinar
Time Management	4	0	Kennesaw, Georgia
Pricing & Margin Management	4	2	Kennesaw, Georgia and Webinar
The "Bid" Process	2	1	Kennesaw, Georgia and Webinar
Extending Credit Terms	1	0	Kennesaw, Georgia
Metrics to Run Your Business	4	2	Kennesaw, Georgia and Webinar
"My Office Manager" tool: Features & Benefits	2	0	Kennesaw, Georgia
Totals	42	8	

The materials used in training include the Manuals as well as other presentation materials, including PowerPoint presentations and handouts. Our initial training program is subject to change without notice to reflect updates in the materials, methods and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees.

We may require your Operating Principal to attend additional training programs. We have the right to charge a reasonable fee for these additional training programs. You must pay all expenses you or your personnel incur in any training program or seminar, including the cost of travel, lodging, meals and wages. (Franchise Agreement, Section 6.K.)

ITEM 12

TERRITORY

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

We will designate a non-exclusive “Area of Opportunity” or “AOO” in which you will operate your OfficeZilla Business. The AOO is not exclusive or protected for any purpose. We may grant franchises to others for OfficeZilla Businesses with AOOs that include all or a part of your AOO, and other franchisees’ offices may be located within your AOO. Therefore, multiple OfficeZilla franchisees (in addition to Franchisee) may be granted the right to operate OfficeZilla Businesses within the AOO (or parts thereof) assigned to you.

You may not market or sell any services outside your AOO, including through use of the Internet, catalog sales, telemarketing or other direct marketing, except with our prior written consent or in accordance with our then-current policies regarding the marketing and sale of products outside the AOO. You must also comply with all of Franchisor’s policies relating to customer protection, including, refraining from offering or selling, or attempting to offer or sell, products to other OfficeZilla franchisees’ customers.

Your AOO will be delineated by specific geographic boundaries. A written description of the AOO will be inserted in Attachment C to the Franchise Agreement before you sign. These may be municipal or county boundaries, or the boundaries corresponding to postal zip codes or a specified trade area within a municipality or county. The actual size of the AOO will vary depending upon the availability of contiguous markets, our long range plans, your financial and operational resources, and market conditions.

The Franchise Agreement gives you the right to operate the OfficeZilla Business only from the Office location specified in Attachment C to the Franchise Agreement. The Office location must be either within the AOO or within a 20-mile radius of the boundaries of the AOO. You must notify us in writing before you relocate your Office. You are prohibited from sublicensing your rights to others and from assigning or delegating your rights and obligations to operate your OfficeZilla Business without our prior written consent.

We and our affiliates retain all rights within and outside the AOO. Accordingly, we, our affiliates, and any other authorized person or entity will have the right, among others, (i) to operate, and license others to operate, OfficeZilla Businesses at any location within and outside the AOO; (ii) within and outside the AOO to develop and establish other business systems using other names or marks and to grant licenses to use those systems; (iii) to advertise and promote the System in the AOO; and (iv) to engage, directly or indirectly, in the license, provision and sale of any and all services and products, including, office and other products under the Marks or under other names or marks, within and outside the AOO, through any method of distribution, including the Internet, regardless of the competitive impact on the

your OfficeZilla Business. We, our affiliates, and other authorized persons or entities may engage in these activities without compensation to you.

We do not grant franchisees any options, rights of first refusal or similar rights to acquire additional OfficeZilla franchises for any other territories.

You may use the Internet to advertise on the OfficeZilla website only in compliance with the Franchise Agreement and as approved by us in our sole discretion.

ITEM 13

TRADEMARKS

The Franchise Agreement gives you a license to operate a OfficeZilla Business under the mark “OfficeZilla” and to use any future Marks we authorize.

The following Marks have been registered with the U. S. Patent and Trademark Office (PTO) and are owned by our affiliate, Holdings. Holdings intends to renew the registrations and to file all appropriate affidavits at the appropriate times required by law.

Mark	Register	Registration Number	Registration Date
OFFICEZILLA	Principal	4,517,858	April 22, 2014
OFFICE ZILLA	Principal	4,200,024	August 28, 2012

Holdings has filed applications for registration of certain principal trademarks on the Principal Register of the PTO. Following registration and at the appropriate times, Holdings intends to renew the registration and to file all appropriate affidavits.

Mark	Register	Application Number	Application Date
OFFICEZILLA	Principal	86/103,967	October 29, 2013

Neither we nor Holdings have a federal registration for the trademark in the immediately preceding chart. Therefore, this trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use this trademark is challenged, you may have to change to alternative trademarks, which may increase your expenses.

There is no presently effective determination of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which are relevant to the Mark’s ownership, use or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks.

Our rights to the Marks and the proprietary System know-how are derived from a nonexclusive perpetual license (the “Intercompany License”) between us and Holdings dated May 1, 2014. The Intercompany License grants us the right to use the Marks and the proprietary information related to the

System, such as the know-how and the Manuals, for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you.

You must immediately notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate and our or their counsel about any infringement, challenge or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or PTO (or other) proceeding, from any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, and do not have any pending patent applications, that are material to the franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of OfficeZilla Businesses and the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially. You and your Principals must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your Principals must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You and your Principals can give this confidential information only to your employees who need it to operate your OfficeZilla Business. You must have your any of your personnel who have received or will have access to our confidential information sign similar covenants. (See Item 15.)

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

When you sign the Franchise Agreement, you must designate an individual to serve as your “Operating Principal.” If you are an individual, you will be the Operating Principal. If you are not an individual, your Operating Principal must maintain a direct or indirect ownership interest in you of not less than 10%, unless we consent otherwise. This interest may not be pledged, mortgaged, hypothecated, or be subjected to any lien, charge, or encumbrance, voting agreement, proxy, security interest or purchase right or option, without our consent. Your Operating Principal will be individually, jointly and severally bound by all of your obligations and the obligations of the Operating Principal and a Principal under the Franchise Agreement (See Item 1).

Unless a Manager is appointed, as discussed below, your Operating Principal must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement and may not engage in any other business. He or she must satisfy our training requirements and our other standards and must guaranty your performance under the Franchise Agreement.

You may, at your option and subject to our written consent, designate a Manager to supervise your operations under the Franchise Agreement. Even if we permit you to designate a Manager to supervise your operations under the Franchise Agreement, your Operating Principal remains ultimately responsible for the Manager’s performance. The Manager must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement.

You must notify us promptly if your Operating Principal or Manager cannot continue to serve or no longer qualifies as an Operating Principal or a Manager. You will have 30 days from the date of the notice (or from any date that we independently determine the Operating Principal or Manager no longer meets our standards) to take corrective action. During that 30 day period, you must provide for interim management of your operations in compliance with the Franchise Agreement.

At our request, you must have your Manager, if applicable, and other personnel that we designate and who will have access to our training, sign covenants not to compete and to maintain the confidentiality of information they have access to through their relationship with you. (See Item 14.) These covenants will be in substantially the form of Attachment B to the Franchise Agreement. Those of your Principals who are not signing the Guaranty also must sign these covenants. If you are an individual, your spouse must sign a personal guaranty, making your spouse jointly and severally liable for your obligations. We have the right, in our sole discretion, to decrease the period of time or geographic scope of the noncompetition covenants or eliminate the noncompetition covenant altogether for any person who must sign an agreement described in this paragraph. (See Item 17.)

If your customers wish to purchase products on credit terms, as opposed to immediate payment by credit card, online payment mechanisms, or checks or drafts drawn on accounts with immediately available funds, we or our affiliate or designee will provide such credit terms to customers that qualify for the extension of credit, as determined by us or our affiliate or designee, under a form of credit agreement required by us or our affiliate or designee, as applicable. If credit terms are extended by us or our affiliate and the customer fails to pay amounts due in accordance with the applicable credit agreement, we may do any or all of the following: (i) terminate the credit agreement with the customer and no longer provide credit terms to such customer; (ii) terminate the Franchise Agreement if you do not cure such failure to pay on behalf of the customer within the designated cure period; and/or (iii) and/or offset amounts owed by that customer against future Gross Margin Splits to which Franchisee may be entitled.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products you use or sell in your Business must conform to our standards and specifications (See Item 8.). These are described in our Manuals and other writings, including the Approved Products List. You must not deviate from our standards and specifications unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Business.

You must offer and sell all items, products and services we require, including those on the Approved Products List. You must sell only the items, products and services that we have expressly approved in writing. You must stop selling any items, products or services that we disapprove in writing. We may change the types of items, products and services we require franchisees to offer and sell at any time in our discretion. You must display all items in the manner described in our Manuals or other written instructions. You must not use or offer nonconforming items, unless we first give you our written consent. You may not market or sell any services outside your AOO, except with our prior written consent or in accordance with our then-current policies regarding the marketing and sale of products outside the AOO. The products and services to be offered in your Business may be supplemented, improved or otherwise modified by us periodically. You must actively operate the Business during the times that we specify in the Manual or otherwise in writing.

We do not guarantee the availability of any of the items on the Approved Products List or that your Business will be able to carry any particular brand of office or other product.

You will submit product orders to us or our affiliate on behalf of your customers in accordance with our standards and using the systems required by us, or your customers will submit product orders directly to us or our affiliate through our website and other means acceptable to us. We or our affiliate will administer the billing of customers for product orders credited to Franchisee, and customers must pay us or our affiliate directly. You are prohibited from directly billing any customer or accepting payment directly from any customer. We or our affiliate or designee will ship products either directly to your customers or to you, in which event, you will then deliver the products to its customers in accordance with our standards and specifications.

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

You may not advertise, promote, post or list information relating to the Business on the Internet (through the creation of a website or otherwise), with the exception of the listing and promotion of your

Business on the OfficeZilla website that we approve. You will not use the Marks as part of any domain name, web address or e-mail address.

You must participate in any special sales or other promotional programs we require generally for OfficeZilla Businesses, including joint advertising and promotional programs.

Although you are only granted the right to operate a OfficeZilla Business in the AOO, you must use the method, manner and style of distribution that we may in the future prescribe in writing, in the Manuals or otherwise. You must comply with the terms of any distribution program and sign any documents or instruments that we require.

We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or on sell or the customers to whom you may offer or sell.

ITEM 17

**RENEWAL, TERMINATION, TRANSFER
AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.A	5-year initial term.
b. Renewal or extension of the term	Section 2.B	3 consecutive 5-year periods.
c. Requirements for franchisee to renew or extend	Section 2.B	Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document. Other conditions include: you must give written notice; you must update required items; you are not be in default; you must pay all money owed;

Provision	Section in Franchise Agreement	Summary
		you must pay us a renewal fee; you must sign general release; you must comply with then-current qualifications and training requirements.
d. Termination by franchisee	Section 15.E.	If your Gross Sales are less than \$500,000 in the 3rd Agreement Year, you or we may give written notice to the other that it wishes to terminate, within sixty (60) days following the end of the 3rd Agreement Year. If either party exercises this right to terminate, the parties will enter into a mutual termination and release agreement in the form we require within 30 days following the date of the termination notice.
e. Termination by franchisor without cause	Section 15.E.	If your Gross Sales are less than \$500,000 in the 3rd Agreement Year, you or we may give written notice to the other that it wishes to terminate, within sixty (60) days following the end of the 3rd Agreement Year. If either party exercises this right to terminate, the parties will enter into a mutual termination and release agreement in the form we require within 30 days following the date of the termination notice.
f. Termination by franchisor with “cause”	Section 15	We may terminate on your default. See also line item e. above.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Section 15.D	For any default except those specified as noncurable you have 30 days to cure (5 days for failure to submit a required report or pay monies; 5 days if your customers do not pay amounts owed under credit agreements with us; 24 hours for misuse of the Marks; 7 days if you fail to obtain the required insurance coverages; 30 days if you fail to obtain execution of confidentiality/noncompetition covenants; 10 days if you fail to pay any amount due and owing any creditor; 30 days if you fail to designate a qualified replacement Operating Principal).
h. "Cause" defined – non-curable defaults	Sections 15.B and 15.C.	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; operation of Business outside of the AOO; failure to comply with our lead or customer protection or solicitation policies; failure to begin business within the required time period; abandonment or forfeiture of right to do business; conviction of certain crimes; unauthorized transfer; failure to comply with confidentiality covenants; false reports; breach of any covenants or false representations or material misstatements or omissions; failure to comply with quality assurance program; default of any other franchise agreement; if you experience negative a Gross Margin for 3 or more consecutive months; repeated defaults whether or not cured.

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/nonrenewal	Section 16	Stop operating the Business and using the System's confidential methods, procedures, techniques and marks; cancel any registration containing the Marks; pay amounts due and our damages and enforcement costs; comply with confidentiality and non-competition covenants; return all Manuals and other proprietary materials; at our option, sell or assign us your rights in business telephone numbers.
j. Assignment of contract by franchisor	Section 12.A.	We may transfer our rights without restriction.
k. "Transfer" by franchisee – defined	Sections 12.B.	You must not transfer any direct or indirect interest in you, the Franchise Agreement or the assets of the franchised business without our consent.
l. Franchisor's approval of transfer by franchisee	Section 12.B.	We must consent and you must meet conditions before transferring.
m. Conditions for franchisor's approval of transfer	Section 12.B.	Pay all amounts due; not be in default; sign a general release; pay transfer fee; and remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guaranty obligations; enter into then-current franchise agreement and upgrade the Office.
n. Franchisor's right of first refusal to acquire franchisee's business	N/A	N/A
o. Franchisor's option to purchase franchisee's business	N/A	N/A

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	N/A	N/A
q. Non-competition covenants during the term of the franchise	Section 9.C.(1).	You may not operate or have an interest in a business which is similar to the franchised business.
r. Non-competition covenants after the franchise is terminated or expires	Sections 9.C.(2).	For 2 years you may not divert any of your business or customers to a competitor or solicit any customer of the franchised business or have an interest in any business that is similar to the franchised business, within the AOO, within a 25-mile radius of the AOO, or within a 25-mile radius of any other OfficeZilla franchisee's AOO then in existence or under development.
s. Modification of the agreement	Sections 9.A and 17.B.	Except for changes we can make unilaterally, changes require mutual agreement. You must comply with the Manuals as amended.
t. Integration/merger clause	Section 17.B.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. We may not disclaim representations made in the disclosure document.
u. Dispute resolution by arbitration or mediation	Section 17.F.	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except actions based on monies owed, the Marks or confidential information.

Provision	Section in Franchise Agreement	Summary
v. Choice of forum	Sections 17.G and 19.H.	<p>Unless contrary to applicable state law: Mediation in Atlanta, Georgia, except actions based on the Marks or confidential information; venue for any other proceeding is Cobb County, Georgia or the federal district court for the Northern District of Georgia (subject to state law).</p> <p>In addition to the provisions noted in this chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of the right to a jury trial, a waiver of punitive or exemplary damages and limitations on when claims may be raised. (See Franchise Agreement, Section 17). We recommend that you carefully review all of these provisions, and all of the contracts listed in Item 22, with a lawyer.</p>
w. Choice of law	Section 19.I.	Unless contrary to applicable state law, the Franchise Agreement is to be interpreted and construed under Georgia law, except for Georgia choice of law rules (subject to state law).

California residents, see the California Addendum to this disclosure document for additional disclosures required by California law.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance

information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Darin Kraetsch at 1815 Old 41 Highway, Suite 330, Kennesaw, Georgia 30152 and (949) 385-3547, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

**Systemwide Outlet Summary
For years 2011 to 2013⁽¹⁾**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Company-Owned	2011	1	1	0
	2012	1	1	0
	2013	1	1	0
Total Outlets	2011	1	1	0
	2012	1	1	0
	2013	1	1	0

Note:

1. All numbers are as of our fiscal year end, which is December 31.

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2011 to 2013⁽¹⁾**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2011	0
	2012	0
	2013	0
Total	2011	0
	2012	0
	2013	0

Note:

1. All numbers are as of our fiscal year end, which is December 31.

Table No. 3

**Status of Franchised Outlets
For years 2011 to 2013⁽¹⁾**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera- tions- Other Reasons	Col. 9 Outlets at End of the Year
All States ²	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
Totals	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0

Notes:

1. All numbers are as of our fiscal year end, which is December 31.
2. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the OfficeZilla System.

Table No. 4
Status of Company-Owned Outlets
For years 2011 to 2013⁽¹⁾

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
All States ⁽²⁾	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
	2013	1	0	0	0	0	1
TOTALS	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
	2013	1	0	0	0	0	1

Notes:

1. All numbers are as of our fiscal year end, which is December 31.
2. Holdings has operated OfficeZilla as an online office products business since June 2012.

Table No. 5
Projected Openings As Of December 31, 2013

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlet In the Next Fiscal Year
California	0	1	0
Florida	0	1	0
Georgia	0	2	0
Illinois	0	2	0
Texas	0	2	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Washington	0	2	0
TOTAL	0	10	0

The name, business address, and business telephone number of each current franchisee and their outlet as of December 31, 2013 are listed on Exhibit C.

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

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

As of the date of this disclosure document, we are not offering outlets we control that were previously owned by a franchisee. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a supplement to this disclosure document.

As of December 31, 2013, we have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the OfficeZilla franchise system.

As of the date of this disclosure document, no independent trademark-specific franchisee organizations have asked to be included in this disclosure document and there are no franchisee organizations sponsored or endorsed by us.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A are our audited financial statements for the period from March 13, 2014 (inception) through April 30, 2014.

ITEM 22

CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

1. Franchise Agreement, Attachments and State Specific Amendments (Exhibit B).
2. Form of General Release (Exhibit F)

ITEM 23

RECEIPTS

Attached as the last 2 pages of this disclosure document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A
FINANCIAL STATEMENTS



ROBIN BROWN
& ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICEZILLA FRANCHISE COMPANY, LLC

FINANCIAL STATEMENTS (Audited)

For the Period Ended April 30, 2014

OFFICEZILLA FRANCHISE COMPANY, LLC

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ROBIN BROWN
& ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Member
OfficeZilla Franchise Company, LLC
Kennesaw, Georgia

We have audited the accompanying balance sheet of OfficeZilla Franchise Company, LLC (a limited liability company) as of April 30, 2014, and the related statements of income and member's capital, and cash flows for the period then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OfficeZilla Franchise Company, LLC as of April 30, 2014, and the results of their operations and their cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Robin Brown + Associates, LLC

ROBIN BROWN & ASSOCIATES, LLC

Certified Public Accountants

April 30, 2014

**OFFICEZILLA FRANCHISE COMPANY, LLC
BALANCE SHEET
APRIL 30, 2014**

ASSETS

Cash	\$ <u>300,000</u>
Total Current Assets	<u>300,000</u>
Total Assets	\$ <u><u>300,000</u></u>

LIABILITIES AND MEMBER'S CAPITAL

Total Liabilities	\$ <u>-</u>
Member's Capital	<u>300,000</u>
Total Liabilities and Member's Capital	\$ <u><u>300,000</u></u>

See Accompanying Notes and Independent Auditor's Report

**OFFICEZILLA FRANCHISE COMPANY, LLC
STATEMENT OF INCOME AND MEMBER'S CAPITAL
FOR THE PERIOD FROM
MARCH 13, 2014 THROUGH APRIL 30, 2014**

Revenue	\$	0
Expenses		<u>0</u>
Net Income (Loss) from Operations		0
Other Income (Expense)		<u>0</u>
Net Income (Loss)		0
Member's Capital, Beginning of Year		0
Member's Contributions		300,000
Member's Distributions		<u>0</u>
Member's Capital, End of Year	\$	<u><u>300,000</u></u>

See Accompanying Notes and Independent Auditor's Report

OFFICEZILLA FRANCHISE COMPANY, LLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM
MARCH 13, 2014 THROUGH APRIL 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	\$ <u>0</u>
Net cash provided by operating activities	<u>0</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash used by investing activities	<u>0</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions from Member	300,000
Distributions to Member	<u>0</u>
Net cash used by financing activities	<u>300,000</u>
 NET INCREASE IN CASH	 300,000
 CASH, BEGINNING	 <u>0</u>
 CASH, ENDING	 \$ <u><u>300,000</u></u>
 Cash paid for Interest Expense	 \$ 0
Cash paid for Income Taxes	\$ 0

See Accompanying Notes and Independent Auditor's Report

OFFICEZILLA FRANCHISE COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2014

NOTE 1 – ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

Organization

OfficeZilla Franchise Company, LLC (the “Company”) was established on March 13, 2014 in Georgia. The Company is a single member LLC engaged in offering and selling franchises throughout the United States for businesses that specialize in the sale and distribution of office essentials and other products. The Company is owned by Zilla Holdings, LLC which is owned by active and passive members.

Basis of Presentation

The Company prepares its financial statements in accordance with generally accepted accounting principles. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

These financial statements are prepared in conformity with accounting principles generally accepted in the United States.

Cash

Cash consists of a business checking account maintained at one financial institution. The account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company’s cash balances at April 30, 2014 exceeded the FDIC insurance limits by \$50,000.

The Company considers all cash in bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – MEMBER’S CAPITAL

The member initially contributed \$300,000 cash for 100% equity and profit sharing interests.

OFFICEZILLA FRANCHISE COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2014

NOTE 3 - SUBSEQUENT EVENTS

In accordance with the FASB issued Accounting Standard Codification (ASC) 855-10 (formerly known as Statement of Financial Accounting Standards No. 165), subsequent events have been evaluated through April 30, 2014, the date the financial statements have been issued. No subsequent events outside of the normal scope of operations were noted through that date.

EXHIBIT B

**FRANCHISE AGREEMENT, ATTACHMENTS AND
STATE SPECIFIC AMENDMENTS**



OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT

Name of Franchisee

Street Address

City State Zip Code

Telephone

Franchisee ID Number

Form dated: May 1, 2014
FDD dated: May 1, 2014

**OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT**

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ATTACHMENTS

- Attachment A Principals' Guaranty and Assumption Agreement
- Attachment B Confidentiality Agreement and Ancillary Covenants Not to Compete
- Attachment C Selected Terms: Area of Opportunity, Office Location, and Opening Date
- Attachment D Statement of Ownership Interests and Management Information
- Attachment E Definitions

**OFFICEZILLA FRANCHISE COMPANY LLC
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into by and between OfficeZilla Franchise Company, LLC, a Georgia limited liability company (“Franchisor”), and _____, a _____ (“Franchisee”), to be effective as of the ___ day of _____, 20___, (the “Effective Date,” which is the date on which Franchisor executes this Agreement). Certain initially capitalized terms used frequently in this Agreement are defined in Attachment F hereto.

RECITALS:

Franchisor has the right to use and license the use of a system (the “System”) for the establishment and operation of franchised businesses that specialize in the sale and distribution of office essentials and other products (the “Products”) under the Marks (defined below) (“OfficeZilla Businesses” or “Business”).

The distinguishing characteristics of the System include, without limitation, specifications, policies and procedures for operations; quality of the products and services offered; procedures for sales, management and financial control; customer service; training and assistance; and advertising and promotional programs, all of which may be changed, improved, and further developed by Franchisor from time to time.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “OfficeZilla” and such other trade names, service marks, trademarks, logos, emblems and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System (the “Marks”).

Franchisee wishes to obtain a franchise to establish and operate an OfficeZilla Business using the Marks and the System in the Area of Opportunity identified on Attachment C.

Franchisor is willing to grant Franchisee a franchise to do so upon the terms and conditions set forth in this Agreement in reliance on Franchisee’s application and Franchisee’s representations made in this Agreement.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. GRANT

A. Grant of Rights. Franchisor hereby grants Franchisee the non-exclusive right and license, and Franchisee hereby accepts the right and obligation, to establish and operate an OfficeZilla Business in accordance with this Agreement under the Marks and the System in the Area of Opportunity (“AOO”) described in Attachment C to this Agreement. Franchisee may not market and/or sell any Products outside of the AOO except with Franchisor’s prior written consent or in accordance with Franchisor’s then-current policies regarding the marketing and sale of Products outside the AOO, which may be modified or eliminated at any time in Franchisor’s sole discretion. Additionally, Franchisee shall comply with all of Franchisor’s policies relating to customer protection, including, without limitation, refraining from offering or selling, or attempting to offer or sell, Products to other OfficeZilla franchisees’ customers.

B. No Exclusivity. The AOO shall not be exclusive or protected for any purpose.

C. Reserved Rights. Franchisee agrees that Franchisor and its affiliates expressly retain all rights within and outside the AOO. Accordingly, Franchisor, its affiliates, and any other authorized person or entity will have the right, among others, (i) to operate, and license others to operate, OfficeZilla Businesses at any location within and outside the AOO; (ii) within and outside the AOO to develop and establish other business systems using other names or marks and to grant licenses to use those systems; (iii) to advertise and promote the System in the AOO; and (iv) to engage, directly or indirectly, in the license, provision and sale of any and all services and products, including, without limitation, office and other products under the Marks or under other names or marks, within and outside the AOO, through any method of distribution, including, but not limited to, the Internet, regardless of the competitive impact on the Franchisee's OfficeZilla Business. Without limitation of the foregoing, Franchisee acknowledges and agrees that multiple OfficeZilla franchisees (in addition to Franchisee) may be granted the right to operate OfficeZilla Businesses within the AOO.

D. Opening Date. Franchisee shall commence business with the public no later than sixty (60) days after the execution of this Agreement, unless Franchisee obtains a written extension of such time period from Franchisor. Franchisee shall not commence business without the written authorization of Franchisor, which authorization shall be conditioned upon Franchisee's strict compliance with this Agreement, including, but not limited to, those obligations described in Section 5 of this Agreement. If Franchisee fails to comply with any of its obligations under this Agreement, Franchisor shall have the right to prohibit Franchisee from opening. Franchisee's failure to commence business in compliance with these provisions shall be deemed a material event of default under this Agreement.

2. TERM AND RENEWAL

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue until five (5) years from the Opening Date.

B. Renewal. Franchisee may, at its option, renew its rights under this Agreement for three (3) additional consecutive terms of five (5) years each, subject to any or all of the following conditions which must, at Franchisor's option, be met prior to and at the time of renewal:

(1) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than nine (9) months before the end of the initial term and renewal term, as applicable;

(2) Franchisee shall renovate and modernize, in a manner satisfactory to Franchisor and consistent with the then-current standards of the System, Franchisee's Office (including home office), computer and software systems, and other facilities, equipment, and vehicles used in the OfficeZilla Business as Franchisor may reasonably require;

(3) Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto; neither Franchisee nor its affiliates shall be in default of any other agreement with Franchisor or any of its affiliates; and Franchisee and its affiliates shall have substantially and timely complied with the terms and conditions of such agreements during the respective terms thereof;

(4) Franchisee shall have timely satisfied all monetary obligations owed to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates;

(5) Franchisee shall execute Franchisor's then-current form of renewal franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which (including, without limitation, the fees and methods of compensation) may differ from the terms of this Agreement;

(6) Franchisee shall pay to Franchisor a renewal fee in an amount equal to Three Thousand Dollars (\$3,000) in consideration for Franchisor's legal and other administrative costs; provided, however, that if Franchisee's annual Gross Sales for the twelve (12) months immediately preceding the effective date of the renewal Franchise Agreement is One Million Dollars (\$1,000,000) or more, Franchisor will waive the renewal fee.

(7) Franchisee and its Principals shall execute a general release of any and all claims against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders; and

(8) Franchisee shall comply with Franchisor's then-current qualification and training requirements.

3. FEES; CUSTOMER BILLING AND PRODUCT DELIVERY; COMPENSATION

A. Initial Franchise Fee. Franchisee shall pay Franchisor an initial franchise fee of Twelve Thousand Dollars (\$12,000) upon execution of this Agreement. The initial franchise fee shall be deemed fully earned and nonrefundable upon execution of this Agreement, and shall be in consideration for the right and license to use the Marks in connection with the Business; initial product, marketing, and sales training; access to Franchisor's manufacturer network utilizing volume purchasing power; ongoing assistance; and other services set forth herein.

B. Salesperson Fee. Franchisee must notify Franchisor in writing before Franchisee engages new or additional salespersons for the OfficeZilla Business and provide Franchisor with the information Franchisor requires to enter such salesperson into the appropriate OfficeZilla systems. For each new or additional salesperson that Franchisee engages, Franchisee must pay Franchisor a salesperson fee in an amount equal to Seven Thousand Five Hundred Dollars (\$7,500) within ten (10) days after such new or additional salesperson is engaged.

C. Technology Fee. Franchisee shall pay to Franchisor, its affiliate, or its designee via any means reasonably specified by Franchisor, its affiliate, or its third-party designee a continuing annual technology fee in an amount equal to One Thousand Two Hundred Dollars (\$1,200), payable no later than the fifteenth (15th) day of each Agreement Year during the term hereof, beginning with the second Agreement Year.

D. Customer Billing and Product Delivery; Credit Terms Offered to Customers.

(1) Franchisee shall submit Product orders to Franchisor or its affiliate on behalf of its customers in accordance with the Franchisor's standards and using the systems required by Franchisor, or Franchisee's customers will submit Product orders directly to Franchisor or its affiliate through Franchisor's website and other means acceptable to Franchisor. Franchisor or its affiliate will administer the billing of customers for Product orders credited to Franchisee, and customers shall pay Franchisor or its affiliate directly. Franchisee is expressly prohibited from directly billing any customer or accepting payment directly from any customer. Franchisor or its affiliate or designee will ship Products either directly to Franchisee's customers or to Franchisee, in which event, Franchisee will then deliver the Products to its customers in accordance with Franchisor's standards and specifications.

(2) If Franchisee's customers wish to purchase Products on credit terms, as opposed to immediate payment by credit card, online payment mechanisms, or checks or drafts drawn on accounts with immediately available funds, Franchisor or its affiliate or designee will provide such credit terms to customers that qualify for the extension of credit, as determined by Franchisor or its affiliate or designee in their sole discretion, under a form of credit agreement required by Franchisor or its affiliate or designee, as applicable. If credit terms are extended by Franchisor or its affiliate and the customer fails to pay amounts due in accordance with the applicable credit agreement, Franchisor, in its sole discretion, may do any or all of the following: (i) terminate the credit agreement with the customer and no longer provide credit terms to such customer; (ii) terminate this Agreement in accordance with Section 15.D. if Franchisee does not cure such failure to pay on behalf of the customer within the designated cure period; and/or (iii) and/or offset amounts owed by that customer against future Franchisee Gross Margin Splits (defined below) to which Franchisee may be entitled.

E. Gross Margin Split.

(1) In consideration for the services provided to Franchisee hereunder, Franchisor shall retain forty percent (40%) of Franchisee's monthly Gross Margin, and Franchisor shall remit sixty percent (60%) of Franchisee's monthly Gross Margin (the "Franchisee Gross Margin Split") to Franchisee.

(2) Franchisor will administer the payment of the Franchisee Gross Margin Split, which Franchisee Gross Margin Split will be paid on or before the tenth (10th) day of each calendar month with respect to Franchisee's Gross Margin for the calendar month before the immediately preceding calendar month (e.g., Franchisee's Gross Margin Split for September will be paid by November 10).

(3) If Franchisee's Gross Margin is \$0 or negative in any calendar month, Franchisee will not receive any Franchisee Gross Margin Split for that month, and if Franchisee experiences a negative Gross Margin during any calendar month, that negative Gross Margin will be carried forward to subsequent month(s) and will be offset against future Franchisee Gross Margin Splits to which Franchisee is entitled. If Franchisee experiences a negative Gross Margin for three (3) or more consecutive calendar months, Franchisor will have the right to terminate this Agreement immediately upon notice to Franchisee pursuant to Section 15.C., and Franchisor will be entitled to recover from Franchisee out-of-pocket amounts that Franchisor incurred as a result of Product purchases and delivery and other charges and other amounts owned.

F. Records. Franchisee shall maintain during the term of this Agreement, in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals, and shall preserve for at least five (5) years from the date of preparation, full, complete and accurate books, records and accounts of the Business. Franchisee shall submit to Franchisor such forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor.

G. Past Due Amounts; Acceptance and Application of Payments.

(1) In addition to the initial franchise fee, salesperson fee, and annual technology fee, Franchisee shall pay when due all other fees, amounts or reimbursements described in this Agreement. Time is of the essence for all payments to be made by Franchisee to Franchisor. Any payment not actually received by Franchisor on or before the due date provided by Franchisor shall be deemed overdue. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of ten (10%) percent per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the

maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Acceptance by Franchisor of any payments due subsequent to the due date shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or the Principals of any terms, provisions, covenants or conditions of this Agreement.

(3) Franchisor shall have the right to apply any payment it receives from Franchisee to any amounts Franchisee owes Franchisor or its affiliates under this Agreement or any other agreement between them and may offset any amounts owed against Franchisee Gross Margin Splits to which Franchisee may be entitled, even if Franchisee has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Franchisee without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) Franchisee shall have no right to withhold any payments due Franchisor on account of Franchisor's breach or alleged breach of this Agreement, and no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Franchisee.

4. FRANCHISOR'S OBLIGATIONS

Franchisor agrees to provide, or cause the following services to be provided to Franchisee:

A. Manuals. Beginning during the initial training program, access to one (1) set of the Manuals, either in paper or electronic form.

B. Software Programs. For a reasonable fee based on Franchisor's reasonable costs, any Software Programs that Franchisor acquires or develops for use in the System; provided, that Franchisor is under no obligation to develop or acquire such Software Programs.

C. Advertising. For a reasonable fee based on Franchisor's reasonable costs, certain advertising and promotional materials developed by Franchisor from time to time for use in marketing and advertising for the System.

D. Operational Advice. Advice and written materials concerning techniques for managing and operating OfficeZilla Businesses, including new developments and improvements in System products and services, sales strategy, and other support.

E. Designated Supplier; Approved Products List. A list of designated suppliers, which Franchisor may change from time to time in its sole discretion, and selections for and publication of the Approved Products List, which Products and pricing may change from time to time in Franchisor's sole discretion.

F. Training. An initial training program for Franchisee's Operating Principal and additional training programs in accordance with Section 6.K.

G. Remedial Training. Upon Franchisee's reasonable request or if Franchisor shall determine it to be necessary during the term of this Agreement, on-site remedial training; provided, that remedial training shall be conducted subject to the availability of Franchisor's personnel, and provided further, that Franchisor may require Franchisee to pay the per diem fee then being charged for on-site remedial training, and pay or reimburse Franchisor for the expenses incurred by its representatives, including the costs of travel, lodging, meals, and wages.

5. FRANCHISEE'S AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Franchisee's Investigation of this Franchise. Franchisee acknowledges that Franchisee has read this Agreement and that Franchisee understands the terms of this Agreement and accepts them as being reasonably necessary for Franchisor to maintain the uniformity of OfficeZilla Businesses and to protect the goodwill of the Marks and the integrity of the System. Franchisee has had an opportunity to engage an attorney to advise it regarding this Agreement. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that an investment in an OfficeZilla Business involves business risks; that Franchisee's success is largely dependent on Franchisee's abilities and efforts; and that the nature of OfficeZilla Businesses may change over time. Franchisee has not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits or success of the business contemplated by this Agreement.

B. Organization and Ownership. If Franchisee is a corporation, partnership, limited liability company or other legal entity: (i) Franchisee is duly organized and validly existing under the laws of the state of its formation; (ii) Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification; (iii) Franchisee's corporate charter or written partnership or limited liability company agreement shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the OfficeZilla Business; and (iv) the ownership interests in Franchisee are accurately and completely described in Attachment D.

C. Financial Matters. The Principals that Franchisor designates shall jointly and severally guarantee the performance of Franchisee's obligations under this Agreement pursuant to the terms and conditions of the Principal's Guaranty and Assumption Agreement at Attachment A hereto, and shall otherwise bind themselves to the terms of this Agreement as stated herein. Franchisee shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

D. Legal Compliance. In addition to complying with Franchisee's obligations under this Agreement, Franchisee agrees to comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is Franchisee's sole responsibility to apprise itself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement.

E. Powers of Attorney. Franchisee hereby appoints Franchisor its true and lawful attorney-in-fact, with full power and authority to assign to Franchisor upon the termination or expiration of this Agreement all rights to the telephone numbers of the Business, any related Yellow Pages trademark listings, and all rights to any website listings or services, search engines or systems, and any other business listings related to the Business.

6. BUSINESS OPERATIONS

A. Standards Compliance. Franchisee acknowledges the importance of maintaining uniformity among all of the OfficeZilla Businesses and the importance of complying with all of Franchisor's standards and specifications relating to the operation of the OfficeZilla Businesses. To protect the reputation and goodwill of Franchisor and to maintain the high standards of operation under the Marks, Franchisee shall conduct its business in accordance with the Manuals, other written directives which Franchisor may issue to Franchisee from time to time, and any other manuals and materials created or approved for use in the operation of OfficeZilla Businesses.

B. Office. Franchisee shall establish and maintain at all times an office that shall be located in the AOO or within a twenty (20) mile radius of the outside boundaries of the AOO (the "Office"). The Office may be located in Franchisee's or one of its Principals' homes, or it may be located in a separate commercial office location. All signage, if any, at the Office must comply with Franchisor's standards. If the Office is located in Franchisee's or one of its Principals' home, it must be separate and distinct from the living space and be dedicated to the Business. If Franchisee has not selected a location for the Office at the time that the parties execute this Agreement, the parties will amend Attachment C to reflect the address of the Office when the location of the Office is determined. Franchisee acknowledges that Franchisor does not review or approve the location of the Office; provided, if the Office is not located in Franchisee's or one of its Principals' home, Franchisor shall have the right to review the location to confirm that such location meets Franchisor's standards. The inclusion of the address of the Office in Attachment C does not constitute a guarantee, assurance, representation or warranty of any kind, express or implied, as to the suitability of the Office for the operation of the Business or for any other purpose. Franchisee acknowledges that it has independently investigated the suitability of the Office for the operation of an OfficeZilla Business. Franchisor may require Franchisee at the time(s) Franchisor designates to make improvements to the Office to conform it to Franchisor's then-current standards.

C. Sourcing. Franchisee shall comply with all of Franchisor's standards and specifications relating to the purchase of all inventory, equipment (including computer hardware and software), marketing materials, and other products used or offered for sale in the Business. Franchisee shall offer for sale to customers only such Products that are contained on the Approved Products List and from such suppliers designated by Franchisor. Franchisor's designated suppliers are those with which Franchisor has entered into volume purchasing arrangements and which continue to demonstrate the ability to meet Franchisor's then-current standards and specifications for inventory, equipment and other items used or offered for sale in the OfficeZilla Business and who possess adequate quality controls and capacity to supply Franchisee's needs and distribute promptly and reliably over an extended period of time.

(1) Franchisee acknowledges and agrees that Franchisor may change the number of designated and approved suppliers at any time and may designate itself, its affiliate, or a third party as the exclusive source for any particular item. Franchisee further acknowledges and agrees that Franchisor will profit from Franchisee's purchases from designated and other suppliers, and will receive certain rebates, payments, fees, allowances, commissions and/or reimbursements from such suppliers in respect of Franchisee's purchases.

(2) If Franchisee desires to purchase, lease or use any products or other items from a non-designated supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so. Franchisee shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by Franchisor, which approval may be withheld by Franchisor in its sole discretion and which shall be, at a minimum, contingent upon Franchisor entering into a volume purchasing arrangement with such supplier and entering into an agreement with such supplier to supply the product through the systems designated by Franchisor and in accordance with Franchisor's standards and specifications. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be

delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge, not to exceed the cost of the inspection and of the test (including Franchisor's administrative costs attributable to both), shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisee's failure to comply with the provisions of this Section 6.C. shall be deemed a material breach under this Agreement.

D. Approved Products List.

(1) Franchisee will have access to an Approved Products List containing the Products approved by Franchisor for sale by OfficeZilla Businesses. Franchisee must make available for customer purchase only such items contained in the Approved Products List. Franchisor will update the Approved Products List periodically. Franchisor will, in its discretion, determine Products and items included on the Approved Products List. Franchisor shall have no responsibility and does not guarantee the availability of any of the items on the Approved Products List.

(2) If Franchisee desires to offer any other brand or inventory items not on the Approved Products List, Franchisee shall submit to Franchisor a written request for approval in writing, which approval Franchisor may grant or withhold in Franchisor's sole discretion.

E. Operational Requirements. Franchisee shall operate the Business in full conformity with Franchisor's methods, standards and specifications as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, Franchisee agrees:

(1) To actively sell and offer for sale all Products required by Franchisor utilizing the method, manner and style of distribution prescribed by Franchisor;

(2) To sell and offer for sale only such Products that are listed on the Approved Products List or that have otherwise been expressly approved for sale in writing by Franchisor; to discontinue selling and offering for sale any inventory items, products or services and any method, manner or style of distribution which Franchisor may, in its sole discretion, disapprove in writing at any time; and to refrain from deviating from Franchisor's standards and specifications without Franchisor's prior written consent;

(3) To purchase or lease and install, at Franchisee's expense, all equipment (including computer systems), signs (if the Office is not a home office), and related items at the Office that Franchisor may reasonably direct from time to time in the Manuals or otherwise in writing;

(4) To maintain a competent, courteous, conscientious, sales-oriented trained staff and to take any and all steps as are necessary to ensure that its employees preserve good customer relations and comply with any dress code and/or uniform requirements Franchisor may prescribe;

(5) To comply with all manufacturer warranty duties, if any, applicable to safety and warranty laws and regulations; and

(6) To refrain from offering or facilitating the purchase of any non-manufacturer Product warranty to customers and from representing to any customer that Franchisor provides any non-manufacturer Product warranty of any kind.

F. Computer Systems. Franchisee agrees to use the Computer System that Franchisor specifies from time to time for use in the operation of the Business. Franchisee acknowledges that Franchisor may make reasonable modifications to the specifications and the components of any such Computer System from time to time. As part of the Computer System, Franchisor may require Franchisee to obtain specified computer hardware and/or software, including, without limitation, a license to use Software Programs developed by Franchisor or others. Changes to the Computer System specifications may require Franchisee to incur reasonable costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the term of this Agreement. Franchisee acknowledges that Franchisor cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to Franchisee of obtaining the Computer System (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, Franchisee agrees to incur such costs. Within sixty (60) days after Franchisee receives notice from Franchisor, Franchisee agrees to obtain the components of the Computer System that Franchisor requires. Franchisee further acknowledges and agrees that Franchisor has the right to charge a reasonable systems fee for any software or systems modifications and enhancements specifically made for Franchisor that are licensed to Franchisee and other maintenance and support services that Franchisor or its affiliate may furnish to Franchisee.

G. OfficeZilla Website; Internet; Intranet. Franchisor has established an Internet website containing contact information for the franchised OfficeZilla Businesses and other information about the System, the products and services offered by OfficeZilla Businesses. Franchisor shall have sole discretion and control over the website, including timing, design, contents and continuation. Without Franchisor's prior written approval, which Franchisor may give or withhold in Franchisor's sole discretion, Franchisee may not develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to the Internet, bulletin boards, social networking sites (e.g., Facebook), and news groups) in connection with the Business. Franchisee agrees that Franchisee has no authority to, and Franchisee will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the System without Franchisor's express prior written consent. Franchisor also has the sole right (but no obligation) to develop an Intranet through which Franchisor and Franchisor's franchisees can communicate by e-mail or similar electronic means. If Franchisor develops an Intranet, Franchisee agrees to participate in strict compliance with Franchisor's standards, protocols and restrictions.

H. Customer Complaints. Franchisee shall process and handle all consumer complaints connected with or relating to the Business, and shall promptly notify Franchisor of all: (i) safety or health violations, (ii) claims exceeding One Thousand Dollars (\$1,000), and (iii) any other material claims against or losses suffered by Franchisee. Franchisee shall maintain any communications with governmental authorities affecting the Business during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof.

I. Vehicles. Any vehicle used by Franchisee in connection with the operation of the Business, including, without limitation, Franchisee's delivery truck, shall meet Franchisor's image and other standards. Franchisee shall place such signs and decor items on the vehicle as Franchisor may require and shall at all times keep the vehicle clean and in good working order. Franchisee shall not permit anyone to operate a vehicle used in connection with the Business who is under the age of eighteen (18) years or who does not possess a valid driver's license issued by state in which the Business is located. Franchisee shall require each person who operates a vehicle used in connection with Business operations to comply with all applicable laws, regulations and rules of the road and to use due care and caution in the operation and maintenance of the vehicles. Except as stated herein, Franchisor does not exercise any control over any motor vehicle used by Franchisee.

J. Operating Principal. Upon the execution of this Agreement, Franchisee shall designate, and shall retain at all times during the term of this Agreement, an individual to serve as Franchisee's Operating Principal. If Franchisee is an individual, Franchisee shall perform all obligations of the Operating Principal.

(1) The Operating Principal shall maintain a direct or indirect ownership interest of not less than ten percent (10%) in Franchisee. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Franchisee shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Operating Principal shall execute this Agreement as a Principal, and shall be individually, jointly and severally, bound by all obligations of Franchisee, the Operating Principal and a Principal hereunder.

(2) Notwithstanding Section 6.J.(1), Franchisee may, at its option and subject to Franchisor's written consent, designate a Manager to supervise the operation of Franchisee's OfficeZilla Business, provided, Franchisee and its Operating Principal shall remain fully responsible for the Manager's performance. The Manager shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete attached as Attachment B to this Agreement.

(3) Unless a Manager is designated pursuant to Section 6.J.(2), Franchisee's Operating Principal shall devote full time and best efforts to the supervision of the OfficeZilla Business and, if applicable, Franchisee's affiliates, and, without Franchisor's written consent, shall not engage in any other business. The foregoing provision shall not apply if a Manager is designated, provided, the Manager shall devote his or her full time and best efforts to the supervision and operation of the OfficeZilla business.

(4) The Operating Principal and any Manager shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on behalf of Franchisee.

(5) Franchisee must promptly notify Franchisor if the Operating Principal cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Franchisee must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 6.J. will be a material breach of this Agreement.

K. Training. Franchisee's Operating Principal and, if applicable, the Manager, shall successfully complete Franchisor's management training program prior to the Opening Date. Any successor or replacement Operating Principal or Manager shall successfully complete Franchisor's management training program within a reasonable time after such persons are designated. Such persons, and any other personnel of Franchisee whom Franchisor may designate, shall attend and complete any additional training that Franchisor may from time to time require. Training shall be conducted at locations designated by Franchisor.

(1) Initial management training for Franchisee's Operating Principal or Manager is provided at no additional charge; however, Franchisor reserves the right to charge a reasonable fee for training successor or replacement personnel and for any additional training programs. Franchisee shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by Franchisee, its Operating Principal, and Manager.

(2) If the Operating Principal or Manager, if applicable, fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's management training program, and Franchisee fails to cure such default within forty-five (45) days following written notice from Franchisor, Franchisor may terminate this Agreement.

L. Pricing. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum or other pricing requirements with respect to the prices Franchisee may charge for products or services.

M. National Accounts. Franchisee acknowledges that from time to time, Franchisor may, in its sole discretion, provide referral customers through its National Accounts system to Franchisee. Franchisee hereby agrees to service such customers according to the protocols for National Account customers which are described in the Manuals and further agrees that in the event the Franchisee fails to service such customers as required by such protocols and within the time required, that Franchisor, in its sole discretion, may immediately arrange to service them directly or with other franchisees. Without limitation of the foregoing, Franchisee must honor the terms and conditions Franchisor may specify and develop for National Accounts, including the maximum pricing for services. Franchisor reserve the right to designate any of Franchisee's customers as National Accounts, which determination will be made in Franchisor's sole discretion, at which time, the servicing and treatment of such customer will be pursuant to Franchisor's National Account protocols and policies.

7. ADVERTISING AND RELATED FEES

A. Promotional Programs. Franchisee shall participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention programs that Franchisor implements for all or part of the OfficeZilla franchise system and shall sign the forms and take the other action that Franchisor requires in order for Franchisee to participate in such programs. Franchisor may, from time to time, in its sole discretion, develop and administer advertising and sales promotion programs designed to promote all OfficeZilla Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor. The standards and specifications established by Franchisor for such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, shall be final and binding upon Franchisee.

B. Advertising Approvals. All advertising and promotion by Franchisee in any medium shall be conducted in a dignified manner and shall conform to Franchisor's standards and specifications. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials, including, without limitation, those placed on the Internet pursuant to Section 6.G., prior to use if such plans and materials have not been prepared or previously approved by Franchisor during the twelve (12) month period immediately preceding their proposed use. Franchisee shall submit any unapproved plans and materials to Franchisor, and Franchisor shall approve or disapprove such plans and materials within ten (10) days after receiving them. If Franchisor does not respond to Franchisee's request for approval within such ten (10)-day period, the materials or plans shall be deemed approved by Franchisor. Franchisee shall not use any unapproved plans or materials until they have been approved or deemed approved by Franchisor, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved or deemed approved, upon notice from Franchisor.

C. Local Advertising. Franchisee must spend an amount equal to or greater than one-half of one percent (0.5%) of the Business's Gross Sales on local advertising in each calendar year throughout the term of this Agreement. Franchisee shall submit to Franchisor such forms, reports, records, information and data regarding Franchisee's local advertising expenditures as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor to confirm this expenditure. Expenditures incurred for any of the following may not be included in local advertising expenditures for purposes of this Section 7.C., unless Franchisor first approves them in writing:

- (1) Incentive programs for Franchisee's employees or agents, including the cost of honoring any discounts or coupons, and salaries and expenses of any of Franchisee's employees,
- (2) Non-media costs incurred in any promotion;
- (3) Charitable, political or other contributions or donations; and
- (4) Grand opening expenditures incurred pursuant to Sections 7.E.

D. Cooperatives. Franchisor has the right to designate any geographic area in which two (2) or more OfficeZilla Businesses are located as a region for purposes of establishing an advertising Cooperative. Each Cooperative will be organized and governed as, and will begin operation on a date, Franchisor determines. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area that includes the AOO, Franchisee shall execute the Cooperative documents promptly upon Franchisor's request and participate as a member of the Cooperative. Among other things, this means that (i) Franchisee must submit to the Cooperative and to Franchisor all statements and reports that Franchisor or the Cooperative may require, and (ii) Franchisee must contribute to the Cooperative the amounts required by the Cooperative's governing documents; provided, that Franchisee's Cooperative contribution will be applied toward satisfaction of its local advertising requirement under Section 7.C.

E. Grand Opening. For a period of three (3) consecutive months, beginning one (1) month prior to your Opening Date, Franchisee shall carry out a grand opening promotion for the Business in accordance with Franchisor's standards, including, without limitation, those related to the type and size of the grand opening promotion. Franchisor must approve all advertising items, methods and media Franchisee uses in connection with such grand opening promotion in accordance with Section 7.B. Franchisee must spend at least One Thousand Dollars (\$1,000) on the Business's grand opening promotion. Franchisee shall submit one or more expenditure reports to Franchisor, accurately reflecting Franchisee's grand opening expenditures. Amounts paid for the initial grand opening promotion will not be credited toward any other obligation of Franchisee under this Section 7.

8. MARKS

A. Right to Use the Marks. Franchisor grants Franchisee the right to use the Marks during the term of this Agreement in accordance with this Agreement and Franchisor's standards and specifications.

B. Agreements Regarding the Marks. Franchisee expressly acknowledges that:

(1) As between Franchisor and Franchisee, Franchisor is the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the rights of Franchisor or its affiliates in and to the Marks. Nothing in this Agreement shall give Franchisee any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from Franchisee's use of the Marks shall inure solely and exclusively to the benefit of Franchisor or its affiliates, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be attributable to any goodwill associated with Franchisee's use of the Marks.

(4) Franchisee shall not contest, or assist others to contest, the validity, or the interest, of Franchisor or its affiliates in the Marks.

(5) Any unauthorized use of the Marks shall constitute an infringement of Franchisor's or its affiliates' rights in the Marks and a material event of default under this Agreement. Franchisee shall provide Franchisor with all assignments, affidavits, documents, information and assistance related to the Marks that Franchisor or its affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of Franchisor or its affiliates in the Marks.

(6) Franchisor shall have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and the OfficeZilla Businesses operating under the System if the current Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different marks will be beneficial to the System. In such event, Franchisor may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Marks or to use one or more additional or substitute marks.

(7) Franchisee shall, in its business cards, use the Marks only in obvious conjunction with the words, "An Independent OfficeZilla Franchisee."

C. Use of the Marks. Franchisee further agrees that Franchisee shall:

(1) Operate and advertise the Business only under the name "OfficeZilla," without prefix or suffix, unless otherwise authorized or required by Franchisor. Franchisee shall not use the Marks or any portion thereof as part of its corporate or other legal name.

(2) Identify itself as the owner of the Business in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, and shall display a notice in such content and form and at such conspicuous locations on the premises of the Business or on any vehicle used in the operation of the Business as Franchisor may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

(4) Comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by Franchisor or its counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

(5) Franchisee shall not use the Marks or any abbreviation or other name associated with Franchisor or the System as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium, except as expressly permitted by Franchisor in writing. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Franchisor's written consent as to the content of such e-mail advertisements or solicitations as well as Franchisee's plan for transmitting such advertisements. In addition, Franchisee shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act of 2003").

D. Infringement. Franchisee shall notify Franchisor immediately of any apparent infringement of or challenge to Franchisee's use of any Mark and of any claim by any person of any rights in any Mark. Franchisee and the Principals shall not communicate with any person other than Franchisor, its affiliates, their counsel, and Franchisee's counsel in connection with any such apparent infringement, challenge or claim. Franchisor shall have complete discretion to take any action it deems appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. Franchisee agrees to execute all such instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any affiliate in the Marks.

9. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

A. Manuals. The Manuals shall be provided to Franchisee in either paper or electronic form. The Manuals are Franchisor's property and any print copies (if permitted or made available by Franchisor) shall be returned to Franchisor when this Agreement expires or is terminated for any reason. Franchisee and the Principals shall at all times treat the Manuals, and the information contained therein, as confidential and shall maintain such information as secret and confidential in accordance with this Section 9. Franchisee and the Principals shall not at any time copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make the same available to any unauthorized person. Franchisee shall make the Manuals available only to those of Franchisee's employees who must have access to them in order to operate the Business. Franchisor has the right to add to or modify the Manuals from time to time to, among other reasons, change operating procedures, maintain the goodwill associated with the Marks, and enable the System to remain competitive. Franchisee shall comply with the terms of all additions and modifications to the Manuals and shall keep the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy at Franchisor's offices shall control. The entire contents of the Manuals, and Franchisor's mandatory specifications, procedures and rules prescribed from time to time, shall constitute provisions of this Agreement as if they were set forth herein.

B. Nondisclosure of Confidential Information. Franchisor will disclose to Franchisee those parts of Franchisor's Confidential Information Franchisor deems necessary or advisable from time to time for the establishment and operation of the Business. Franchisee agrees the Confidential Information is owned by Franchisor or its affiliate and that Franchisee and Franchisee's Principals will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information disclosed to Franchisee in operating the Business during the term of this Agreement, and that the use or duplication

of any Confidential Information in any other business would constitute an unfair method of competition. Franchisee agrees to disclose the Confidential Information to Franchisee's Principals and employees only to the extent reasonably necessary for the operation of the Business pursuant to this Agreement. Franchisor's Confidential Information is proprietary, includes trade secrets owned by Franchisor and its affiliates, and is disclosed to Franchisee solely on the condition that Franchisee agrees, and Franchisee does hereby agree, that Franchisee: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt and implement all reasonable procedures that Franchisor prescribes from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to Business personnel and others. These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each of the Principals.

C. Noncompetition and Nonsolicitation Covenants. Franchisee and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. Franchisee and the Principals further acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Franchisee and the Principals covenant as follows:

(1) With respect to Franchisee, during the term of this Agreement (or with respect to each of the Principals, for so long as such person satisfies the definition of "Principal" under this Agreement), except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Principals shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the Business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to OfficeZilla Businesses operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to an OfficeZilla Businesses (including, without limitation, any business which primarily offers and sells office and related products) and which is located within the United States, Canada, and their respective territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

(2) With respect to Franchisee, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Franchisee's interest in, this Agreement (or, with respect to each of the Principals, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of Franchisee's interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Franchisee, nor any of the Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the OfficeZilla Business to any competitor or solicit any customer of the OfficeZilla Business or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to OfficeZilla Businesses operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to an OfficeZilla Business (including, without limitation, any business that primarily offers office and related products) and which is, or is intended to be, located (i) in the AOO, (ii) within a twenty-five (25) mile radius of the AOO, or (iii) within a twenty-five (25) mile radius of any other OfficeZilla franchisee's area of opportunity then in existence.

(3) Franchisee agrees that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or Franchisor's other business interests. Each covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 9.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and Franchisee's Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 9.C.

(a) Franchisee and Franchisee's Principals acknowledge that Franchisor will have the right, in Franchisor's sole discretion, to reduce the scope of any covenant set forth in this Section 9.C. without Franchisee's or Franchisee's Principals' consent, effective immediately upon notice to Franchisee; and Franchisee and Franchisee's Principals agree to promptly comply with any covenant as modified.

(b) Franchisee and Franchisee's Principals expressly agree that the existence of any claims Franchisee or they may have against Franchisor, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9.C.

D. Injunctive Relief. Franchisee and Franchisee's Principals acknowledge that any failure to comply with the requirements of this Section 9 shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee and Franchisee's Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Franchisee or Franchisee's Principals in violation of the terms of this Section 9, without the requirement that Franchisor post a bond. Franchisee and Franchisee's Principals agree to pay all court costs and reasonable attorneys' fees and costs that Franchisor incurs in connection with the enforcement of this Section 9, including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Article, or any part of it.

E. Execution of Covenants by Franchisee's Principals and Management. Franchisee agrees to require and obtain the execution of covenants similar to those set forth in Sections 9.B. and C. from all of Franchisee's Principals not signing the Principals' Guaranty and Assumption Agreement, from all Business management personnel, and, at Franchisor's request, any other of Franchisee's personnel. These covenants must be substantially in the form set forth in Attachment B; provided, however, that Franchisor reserves the right, in Franchisor's sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement.

10. INSURANCE

A. Franchisee shall procure and maintain in full force and effect during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee and Franchisor (as an additional insured), and their respective officers, directors, partners, and employees, against any claims for loss, liability, personal injury, death, property damage, or any expense whatsoever arising out of or occurring upon or in connection with the Business. Such policy or policies shall be written by an insurance company satisfactory to Franchisor in accordance with its then-current standards and specifications for insurance coverage.

B. Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, Franchisee shall promptly submit evidence of satisfactory insurance and proof of payment therefor to Franchisor, together with, upon request, copies of all policies and policy amendments. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least thirty (30) days prior written notice to Franchisor. Should Franchisee, for any reason, fail to procure or maintain any insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in writing, Franchisor shall have the right and authority (without, however, any obligation to do so), immediately to procure such insurance and to charge the cost of same to Franchisee.

11. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. Franchisee shall promptly pay when due all Taxes, levied or assessed and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the franchised business. Without limiting the provisions of Section 13, Franchisee shall be solely liable for the payment of all Taxes and shall indemnify Franchisor for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed.

B. No Deduction. Each payment to be made to Franchisor hereunder shall be made free and clear and without deduction for any Taxes.

C. Disputed Liability. In the event of any bona fide dispute as to Franchisee's liability for Taxes or other indebtedness, Franchisee may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the assets of the franchised business or any improvements thereon.

D. Credit Standing. Franchisee recognizes that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by Franchisee in good faith, Franchisee agrees to promptly pay when due all amounts owed by Franchisee to Franchisor, its affiliates, and other suppliers.

E. Notice of Adverse Orders. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

12. TRANSFER

A. By Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Franchisee's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By Franchisee and Principals. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of Franchisee and the Principals. Accordingly, neither Franchisee nor any Principal, nor any successor or assign of Franchisee or any Principal, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Business or in Franchisee without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach under this Agreement. If Franchisee wishes to transfer all or part of its interest in the Business or this Agreement, or if Franchisee or a Principal wishes to transfer any ownership interest in Franchisee, transferor and the proposed transferee shall apply to Franchisor for its consent. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, in the Business or in this Agreement but may require any or all of the following as conditions of its consent:

(1) All accrued monetary obligations of Franchisee and its affiliates to Franchisor and its affiliates arising under this Agreement, or any other agreement, shall have been satisfied in a timely manner, and Franchisee shall have satisfied all trade accounts and other debts of whatever nature or kind;

(2) Franchisee and its affiliates shall not be in default of this Agreement, or any other agreement with Franchisor or its affiliates, and shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms, including, without limitation, the Minimum Performance Standard set forth in Section 1.D.;

(3) The transferor and its principals, if applicable, shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims, against Franchisor and its affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with Franchisor or its affiliates, and under federal, state or local laws, rules, and regulations or orders;

(4) The transferee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's then-current qualifications, and, at the transferee's expense, its operating principal, business manager, and any other personnel required by Franchisor shall complete any training programs then in effect for OfficeZilla Businesses upon such terms and conditions as Franchisor may require;

(5) The transferee shall enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several, liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of Franchisee under this Agreement. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's principals who are designated as principals, also shall execute such agreement and guarantee the performance thereof;

(6) The transferee shall execute Franchisor's then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, but the transferee shall not be required to pay an initial license fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's principals who are designated as principals, also shall execute such agreement and guarantee the performance thereof;

(7) The transferor shall remain liable for all of its obligations to Franchisor under this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability; and

(8) Franchisee shall pay to Franchisor a transfer fee in an amount equal to one-half (1/2) of the then-current initial franchise fee generally charged to new OfficeZilla franchisees, in consideration for Franchisor's legal and administrative costs associated with the transfer, initial training for the transferee, and other services.

13. INDEMNIFICATION

Franchisee agrees to indemnify, defend and hold harmless Franchisor, Franchisor's affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, and liabilities directly or indirectly arising out of the operation of the Business or Franchisee's breach of this Agreement, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties in connection therewith, including, without limitation, the other Indemnified Parties. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from Franchisor's gross negligence or willful misconduct, except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to Franchisee, Franchisee's Principals, officers, directors, employees, independent contractors or affiliates. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. Franchisor has the right to defend any such claim against Franchisee. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will Franchisor or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate Franchisor's, their or Franchisee's losses and expenses, in order to maintain and recover fully a claim against Franchisee. Franchisee agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts Franchisor or another Indemnified Party may recover from Franchisee. The terms of this Section 13 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

14. RELATIONSHIP OF THE PARTIES

A. Independent Contractor Relationship. Franchisee agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Franchisee no duties except as expressly provided in this Agreement. Franchisee shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor conducting its Business operations pursuant to the rights granted by Franchisor.

B. No Authority. Nothing in this Agreement authorizes Franchisee or any of the Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Principals or any claim or judgment arising therefrom.

15. TERMINATION

A. Default and Termination. Franchisee acknowledges that each of Franchisee's obligations described in this Agreement is a material and essential obligation; that nonperformance of such obligations will adversely and substantially affect the Franchisor and the System; and that the exercise by Franchisor of the rights and remedies set forth herein is appropriate and reasonable.

B. Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or if an involuntary petition is filed with respect to Franchisee under any such laws and is not dismissed within sixty (60) days after it is filed; or if Franchisee admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated as bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business; or if a judicial or non-judicial action to foreclose any lien or mortgage against the equipment is instituted against Franchisee and is not dismissed or settled by the earlier of (i) thirty (30) days from commencement or (ii) consummation of such sale; or if the personal property of Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal or constable.

C. Termination on Notice; No Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, upon the occurrence of any of the following events:

(1) If Franchisee sells any products or services to any customers that are not located in the AOO, unless such sales are approved in writing by Franchisor or made in accordance with Franchisor's then-current policies regarding the marketing and sale of Products outside the AOO;

(2) If Franchisee fails to comply with Franchisor's lead or customer protection or solicitation policies;

(3) If Franchisee fails to open the Business within the period specified in Section 1.E. of this Agreement.

(4) If Franchisee at any time ceases to operate or otherwise abandons the Business, or otherwise forfeits the right to do or transact business in any jurisdiction located within the AOO.

(5) If Franchisee or any of the Principals is convicted of, or has entered a plea of nolo contendere to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Franchisor's interests therein.

(6) If Franchisee or any of the Principals purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the Business to any third party without Franchisor's prior written consent.

(7) If, contrary to the terms of Section 9.B., Franchisee or any of the Principals discloses or divulges any Confidential Information.

(8) If Franchisee knowingly submits any false reports to Franchisor.

(9) If Franchisee breaches in any material respect any of the covenants, or has falsely made any of the representations or warranties, set forth in Section 5, or if Franchisee makes any material misstatement or omission in the application for this franchise or in any other information provided to Franchisor.

(10) If Franchisee fails to comply with Franchisor's quality assurance program and fails to cure any default thereunder within the applicable cure period.

(11) If Franchisee or any affiliate of Franchisee is in default of any other agreement with Franchisor or its affiliate and fails to cure such default within the applicable cure period, if any.

(12) If Franchisee experiences a negative Gross Margin for three (3) or more consecutive calendar months.

(13) If Franchisee or any of the Principals repeatedly commits a material event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee after notice by Franchisor.

D. Termination on Notice; Opportunity to Cure. Except as provided in Sections 15.B. and 15.C. of this Agreement, upon any default by Franchisee which is capable of being cured, Franchisor may terminate this Agreement by giving Franchisee written notice of termination stating the nature of the default and the time period within which the default must be cured. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the time period set forth below or any longer period that applicable law may require ("cure period"). If any such default is not cured within the cure period, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If Franchisee fails to procure and maintain the insurance policies required by Section 10 and fails to cure such default within seven (7) days following notice from Franchisor.

(2) If Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein and fails to cure such default within twenty-four (24) hours following notice from Franchisor.

(3) If Franchisee fails to obtain the execution of the confidentiality and related covenants as required under Section 9.D. of this Agreement within ten (10) days after being requested to do so by Franchisor and fails to cure such default within thirty (30) days following notice from Franchisor.

(4) If Franchisee or any of its affiliates fails, refuses, or neglects promptly to pay any monies owed to Franchisor or any of its affiliates, when due under this Agreement or any other agreement, or fails to submit the financial or other information required by Franchisor under this Agreement, and does not cure such default within five (5) days following notice from Franchisor.

(5) If any of Franchisee's customers do not pay when due amounts owed to Franchisor or its affiliates under credit agreements and Franchisee does not cure such failure to pay on behalf of such customer within five (5) days following notice from Franchisor.

(6) If Franchisee fails to pay when due any fee, expense, charge, or other amount due and owing to any creditor of Franchisee or supplier and does not cure within ten (10) days following notice from Franchisor.

(7) Without limitation of Section 15.C(2), if Franchisee fails to maintain or observe any of the standards, specifications or procedures (which includes, without limitation, selling and offering for sale only such Products contained on the Approved Products List or otherwise approved by Franchisor in writing), prescribed by Franchisor in this Agreement or otherwise in writing, and fails to cure such default within thirty (30) days following notice from Franchisor.

(8) If Franchisee fails to comply with any other requirement imposed by this Agreement, or fails to carry out the terms of this Agreement in good faith and fails to cure such default within thirty (30) days following notice from Franchisor.

(9) If Franchisee fails to designate a qualified replacement Operating Principal within thirty (30) days after any initial or successor Operating Principal ceases to serve.

E. Mutual Termination Right. If Franchisee's Gross Sales are less than Five Hundred Thousand Dollars (\$500,000) in the third (3rd) Agreement Year hereof, either party may give written notice ("Termination Notice") to the other that it wishes to terminate this Agreement. The Termination Notice must be received by the other party within sixty (60) days following the end of the third (3rd) Agreement Year. If either party exercises this right to terminate, the parties shall enter into a mutual termination and release agreement in the form required by Franchisor within thirty (30) days following the date of the Termination Notice. Notwithstanding a termination under this Section 15.E., Franchisee will be required to comply with all of its post-termination obligations, including those set forth in Section 16. below.

16. POST-TERMINATION

A. Franchisee's Obligations Upon Termination. Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall terminate, and Franchisee shall:

(1) Immediately cease to operate the Business under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

(2) Immediately and permanently cease to use, in any manner whatsoever, any Confidential Information, methods, procedures, and techniques associated with the System and the Marks. Without limitation of the foregoing, Franchisee shall cease to use all signs, advertising materials, displays, stationery, forms and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "OfficeZilla" or any other Mark, and furnish Franchisor with satisfactory evidence of compliance within five (5) days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy or colorable imitation of the Marks, in connection with any other business, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Marks, nor shall Franchisee use any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

(5) Promptly pay all sums owing to Franchisor and its affiliates, and all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor as a result of any default by Franchisee or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Section 16, which obligation shall give rise to and remain a lien in favor of Franchisor against any and all assets of Franchisee, until such obligations are paid in full.

(6) Immediately deliver to Franchisor all Manuals, records, files, instructions, correspondence, Software Programs, and other materials related to the operation of the Business in Franchisee's possession or control, and all copies thereof, all of which are acknowledged to be Franchisor's property, and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

(7) Comply with the restrictions against the disclosure of Confidential Information in Section 9 of this Agreement and cause any other person required to execute similar covenants pursuant to Section 9 also to comply with such covenants.

(8) At Franchisor's option, assign to Franchisor all rights to the telephone numbers of the Business and any related Yellow Pages trademark or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time to transfer such service and numbers to Franchisor. Franchisee shall thereafter use different telephone numbers at or in connection with any subsequent business conducted by Franchisee.

B. Assignment of Franchisor Rights. Franchisor shall be entitled to assign any and all of its options in this Section 16 to any other party, without the consent of Franchisee.

17. MISCELLANEOUS

A. Notices.

Except as expressly provided in subsection (2) below, any and all notices required or permitted under this Agreement shall be in writing and shall be delivered by electronic mail to the parties at the following e-mail addresses:

Notices to Franchisor: notices@officezilla.com
Notices to Franchisee _____@officezilla.com and
and Controlling Principals: [INSERT PERSONAL EMAIL ADDRESS]

All notices and other written communications shall be sent through Franchisor’s server and shall be deemed delivered and received on the date the transmission is received in the e-mail box designated above, whether or not the party receiving such message opens and reads the message in a timely manner. Franchisor and Franchisee and Franchisee’s Operating Principal have, and each of them hereby accept, the obligation to check, open and read the messages in the e-mail boxes designated above at least once each Business Day. Franchisee and Franchisee’s Operating Principal further agree to forward any such message received to Franchisee’s Principals.

Upon the expiration or termination of this Agreement or if, for any reason, Franchisor no longer provides an officezilla.com e-mail account to Franchisee, then all future notices shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by prepaid facsimile (provided that the sender confirms the facsimile by sending an original confirmation copy by expedited delivery service or certified or registered mail within three (3) Business Days after transmission) to the respective parties at the addresses set forth below unless and until a different address has been designated by written notice to the other party. Any notice shall be deemed to have been given (whether or not delivery is accepted) at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided below).

Notices to Franchisor: OfficeZilla Franchise Company, LLC
1815 Old 41 Highway, Suite 330
Kennesaw, GA 30152
Attention: Chief Executive Officer
Telephone: (949) 385-3547
Facsimile: (949) 315-3179

Notices to Franchisee and
the Principals: _____

Attention: _____
Telephone: _____
Facsimile: _____

B. Entire Agreement. This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Franchisee and the Principals, and there are no other oral or written understandings or agreements between Franchisor, Franchisee and the Principals concerning the subject matter hereof; provided, however, that nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that franchise disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

C. No Waiver. No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee or the Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty or power against Franchisee or the Principals, or as to a subsequent breach or default by Franchisee or the Principals.

D. Approval or Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Franchisee, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Franchisee or any third party as a result thereof.

E. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision 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, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

F. MEDIATION. FRANCHISOR AND FRANCHISEE ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT FRANCHISOR AND FRANCHISEE ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, FRANCHISOR AND FRANCHISEE AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ANY OF FRANCHISOR AFFILIATES (AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE, (b) FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY FRANCHISOR AND FRANCHISEE AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN FIFTEEN (15) DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION (“AAA”) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO ATLANTA, GEORGIA. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS’ FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION 17.G. FRANCHISOR AND FRANCHISEE AGREE THAT STATEMENTS MADE BY EITHER FRANCHISOR OR FRANCHISEE IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 17.F., FRANCHISOR’S AND FRANCHISEE’S AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS OR THE CONFIDENTIAL INFORMATION AND SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON MONIES OWED BY FRANCHISEE TO FRANCHISOR OR ITS AFFILIATES. MOREOVER, REGARDLESS OF FRANCHISOR’S AND FRANCHISEE’S AGREEMENT TO MEDIATE, FRANCHISOR AND FRANCHISEE EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.

G. LITIGATION. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN SECTION 17.F. ABOVE, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE JURISDICTION IN WHICH FRANCHISOR MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISOR AND FRANCHISEE AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY GEORGIA OR FEDERAL LAW. FRANCHISOR AND FRANCHISEE FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE STATE AND FEDERAL COURTS FOR JURISDICTION IN WHICH FRANCHISOR MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS.

H. GOVERNING LAW. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER GEORGIA LAW (EXCEPT FOR GEORGIA CONFLICT OF LAW RULES); PROVIDED, HOWEVER, THAT IF THE COVENANTS IN SECTION 13 OF THIS AGREEMENT WOULD NOT BE ENFORCEABLE UNDER THAT STATE’S LAWS, AND YOUR STORE IS LOCATED

OUTSIDE OF THIS STATE, THEN SUCH COVENANTS WILL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THE STATE IN WHICH YOUR OFFICEZILLA BUSINESS IS LOCATED. NOTHING IN THIS SECTION 17.H. IS INTENDED BY THE PARTIES TO SUBJECT THIS AGREEMENT TO ANY FRANCHISE, BUSINESS OPPORTUNITY, CONSUMER PROTECTION, OR SIMILAR LAW, RULE, OR REGULATION OF A STATE TO WHICH THIS AGREEMENT WOULD NOT OTHERWISE BE SUBJECT.

I. PARTIES' ACKNOWLEDGMENTS. FRANCHISOR AND FRANCHISEE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. FRANCHISOR AND FRANCHISEE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

J. WAIVER OF PUNITIVE DAMAGES. EXCEPT WITH RESPECT TO FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION 13 AND CLAIMS FRANCHISOR BRING AGAINST FRANCHISEE FOR FRANCHISEE'S UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR AND FRANCHISEE AND FRANCHISEE'S PRINCIPALS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

K. LIMITATIONS OF CLAIM. EXCEPT FOR CLAIMS FRANCHISOR BRINGS WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION 13, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH FRANCHISOR OR FRANCHISEE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

L. JURY WAIVER. FRANCHISOR AND FRANCHISEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN FRANCHISOR AND FRANCHISEE OR FRANCHISOR'S AND FRANCHISEE'S RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

M. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

N. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

O. Survival. Any obligation of Franchisee or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or the Principals therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections 17.F., G. and H. are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

P. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by Franchisee in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

Q. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates, and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Section 15 of this Agreement shall not discharge or release Franchisee or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement. Additionally, Franchisee and the Principals shall pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.

R. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Section 12), any rights or remedies under or as a result of this Agreement.

S. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

T. Agreement Effective Upon Execution by Franchisor. This Agreement shall not become effective until signed by an authorized representative of Franchisor.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative.

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

a _____

By: _____
Name: _____
Title: _____

ATTACHMENT A

PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the "Guaranty") is given this _____ day of _____, 20__, in consideration of, and as an inducement to OfficeZilla Franchise Company, LLC ("Franchisor") to enter into that certain Franchise Agreement dated _____ (the "Agreement") with _____ ("Franchisee"). Each of the undersigned and any other parties who sign counterparts of this Guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") are Principals (as defined in the Agreement) of Franchisee and will receive material benefit from the execution of the Agreement by Franchisor.

Each Guarantor hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, that Franchisee will punctually perform its obligations and pay all amounts due under the Agreement, including, without limitation, amounts due for initial franchise fees, other fees, and purchases of equipment, materials, and supplies.

Each Guarantor waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty; and
- (vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (a) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and
- (b) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and
- (c) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

- (d) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Agreement; and
- (e) Franchisee's written acknowledgment, accepted in writing by us, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections 5, 6, 9, 12, 13, 16, 17.F., G., H., J., K., and L.

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevail in such proceeding, Franchisor will be entitled to reimbursement of Franchisor's costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Agreement was executed.

PRINCIPALS

 *Name: _____

 Name: _____

 Name: _____

 Name: _____

* Denotes individual who is Franchisee's Operating Principal

ATTACHMENT B

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into this ____ day of _____, 20__, between OfficeZilla Franchise Company, LLC, a Georgia limited liability company (“Franchisor”), _____, a _____ (“Franchisee”) and _____ (“Covenantor”) in connection with a franchise agreement between Franchisor and Franchisee dated _____, 20__ (“Franchise Agreement”). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Franchise Agreement.

RECITALS

Franchisor has the right to use and license the use of a System for the establishment and operation of OfficeZilla Businesses.

The System is identified by certain Marks including, the mark “OfficeZilla,” and includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.

Franchisor has granted Franchisee the right to operate an OfficeZilla Business pursuant to the Franchise Agreement.

In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information.

Franchisor and Franchisee have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information.

Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

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

Confidentiality Agreement

1. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of an OfficeZilla Business under the Franchise Agreement.

2. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.

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

4. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee.

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

6. Covenantor acknowledges that Franchisor grants Franchisee access to the Manuals for limited purposes only and that the Manuals remain the property of Franchisor. Covenantor agrees that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

[Covenants Not to Compete¹

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with or employment by Franchisee, and for a period of one (1) year following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Franchisee's interest in the Franchise Agreement, Covenantor will not, without Franchisor's prior written consent or as permitted under valid Franchise Agreements for OfficeZilla Businesses:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of the Business to any competitor; and

b. Directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association, or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or similar to an OfficeZilla Business (including, without limitation, any business which primarily offers and sells office and related products) and which is, or is intended to be, located within (i) the AOO, (ii) within a twenty-five (25) mile radius of the AOO, or (iii) within a twenty-five (25) mile radius of any other OfficeZilla franchisee's area of opportunity then in existence.]

[Principal's Undertaking

Covenantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in Sections 9.B., 9.C., 12, and 17.F., G., H., J., K. and L. of the Franchise Agreement and is obligated to perform thereunder.]

Miscellaneous

1. Franchisee shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

¹ If Covenantor is a Principal not signing the Principals' Guaranty and Assumption Agreement, delete the Covenants Not to Compete section and replace it with the Principal's Undertaking section.

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor shall be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

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

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

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF GEORGIA, WITHOUT REFERENCE TO GEORGIA CONFLICT OF LAW PRINCIPLES; PROVIDED, HOWEVER, THAT IF THE COVENANTS IN THIS AGREEMENT WOULD NOT BE ENFORCEABLE UNDER THAT STATE'S LAWS, AND YOU ARE LOCATED OUTSIDE OF THAT STATE, THEN SUCH COVENANTS WILL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THE STATE IN WHICH YOU ARE LOCATED. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE AND FEDERAL OF THE JURISDICTION IN WHICH FRANCHISOR MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY GEORGIA LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE AND FEDERAL COURTS OF THE JURISDICTION IN WHICH FRANCHISOR MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

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

7. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

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

OfficeZilla Franchise Company, LLC
1815 Old 41 Highway, Suite 330
Kennesaw, Georgia 30152
Attention: Chief Executive Officer
Telephone: (949) 385-3547
Facsimile: (949) 3153179

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

Attention: _____
Facsimile:(____)_____

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

Attention: _____
Facsimile:(____)_____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

8. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall insure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

{SIGNATURES APPEAR ON THE FOLLOWING PAGE}

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

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

COVENANTOR:

By: _____

Name: _____

Title: _____

Date: _____

* If Franchisor will not be a party, delete reference and modify the agreement to reflect, including the addition of the following third party beneficiary language: "Franchisor and Franchisor's successors and assigns shall be third party beneficiaries of this Agreement, with the full and independent right, at Franchisor's and their option and in Franchisor's and their sole discretion, to enforce this Agreement."

ATTACHMENT C

**SELECTED TERMS:
AREA OF OPPORTUNITY, OFFICE LOCATION, AND OPENING DATE**

1. AREA OF OPPORTUNITY:

2. OFFICE LOCATION: The Office shall be located at the following address:

3. OPENING DATE: The Opening Date of the Business is _____, 20__.

ATTACHMENT E

DEFINITIONS

“Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control (a.k.a. OFAC)) addressing or in any way relating to terrorist acts and acts of war.

An “affiliate” of a named person is any person or entity that is controlled by, controlling or under common control with such named person.

“Agreement Year” means each twelve (12) month period during the term of this Agreement, beginning on the first day of the month following the Opening Date and continuing until the expiration or termination of this Agreement. A partial Agreement Year between the end of the last full Agreement Year and the termination or expiration of this Agreement shall also constitute a separate Agreement Year.

“Approved Products List” means the list of items approved by Franchisor for sale in the OfficeZilla Business and which Franchisee is required to offer for sale in the Business. Franchisor will update the Approved Products List from time to time and provide Franchisee with access to the updated list. The Approved Products List and any updates thereto shall be deemed to be part of the Manual for all purposes.

“Area of Opportunity” or “AOO” means the non-exclusive geographic area assigned to Franchisee upon the execution of this Agreement and described on Attachment C within which Franchisee is granted the right to operate the OfficeZilla Business.

“Business” or “OfficeZilla Business” means the business operated by Franchisee in the AOO pursuant to this Agreement.

“Business Day” means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

“Computer System” means the computer hardware and software that Franchisor may designate from time to time for use in the operation of OfficeZilla Businesses.

“Confidential Information” means all proprietary and confidential information relating to the establishment and operation of OfficeZilla Businesses, including, without limitation: (i) Franchisor’s standards and specifications, including equipment, product, inventory, and supplier standards and specifications; (ii) advertising and marketing plans and programs; (iii) research, development and test programs for products, inventory, services and operations; (iv) the contents of the Manuals; (v) knowledge of the operating and financial results of OfficeZilla Businesses, other than Franchisee’s Business; (vi) Product pricing and margin information; (vii) customer information; and (viii) computer programs and systems, including electronic data files and passwords.

“Controlling Interest” means (a) if Franchisee is a corporation, that the Principals, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Franchisee’s issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement, or (b) if Franchisee is a partnership, that the Principals (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least fifty-one percent (51%) ownership interest in the partnership (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

“Gross Margin” means Gross Sales from all Products actually received by Franchisor or its affiliate with respect to purchases by customers credited to Franchisee, less cost of goods sold; all taxes applicable thereto; all transportation and freight costs applicable thereto; all handling costs applicable thereto; and all returns and allowances.

“Gross Sales” means all revenue from Product sales of the OfficeZilla Business, including, without limitation, the amounts received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions, excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

“Internet” means a global computer-based communications network.

“Intranet” means a restricted global computer-based communications network.

“Franchisee’s Principals” shall include, collectively and individually, Franchisee’s spouse, all officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) whom Franchisor designates as Franchisee’s Principals, and all holders of an ownership interest in Franchisee and of any entity directly or indirectly controlling Franchisee.

“Manual” or “Manuals” means Franchisor’s confidential operations manual, which may consist of one or more manuals, containing Franchisor’s mandatory and suggested standards, specifications and operating procedures relating to the development and operation of OfficeZilla Businesses and Franchisee’s obligations under this Agreement. The term also includes alternative or supplemental means of communicating information to Franchisee, including bulletins, videotapes, audio tapes, compact discs, computer diskettes, CD ROMs and electronic communications.

“National Account” means a customer or a group of customers that either: (i) operate under common ownership or control; (ii) operate under the same trademarks or service marks through independent franchises or some other association; (iii) are members of an organization or an association; or, (iv) are a part of a government or similar organization with multiple locations. The locations of some of the National Accounts may be in your AOO, and they may have locations in other geographic areas.

“Opening Date” means the date the OfficeZilla Business opens to the public for business.

“Software Programs” means the proprietary or other software programs developed or acquired by or on behalf of Franchisor for use by OfficeZilla Businesses.

“Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor’s net income.

**AMENDMENT TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The OfficeZilla Franchise Company, LLC Franchise Agreement between _____, (“Franchisee” or “You”) and OfficeZilla Franchise Company, LLC (“Franchisor”) of even date herewith (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Business Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- b. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- c. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- d. The franchise agreement requires application of the laws of Georgia. This provision may not be enforceable under California law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment as of the date of the Agreement.

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

The OfficeZilla Franchise Company, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and OfficeZilla Franchise Company, LLC (“Franchisor”) of even date herewith (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1 *et seq.* To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to You concerning nonrenewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.
- c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act.
- d. If this Agreement requires that it be governed by a state’s law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, Illinois law governing claims arising under the Act will control.

2. Section 17. should be amended by the addition of the following as the last sentence of the section:

“However, this Section shall not act as a condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 at Section 705/41.”

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment as of the date of the Agreement.

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT
FOR THE STATE MARYLAND**

The OfficeZilla Franchise Company, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and OfficeZilla Franchise Company, LLC (“Franchisor”) of even date herewith (the “Agreement”) (shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. §§ 14-201 *et seq.* (2010 Repl. Vol. and Supp 2011) (the “Law”). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Under the Law, the general release required as a condition of renewal, sale, and/or assignment/transfer does not apply to any liability under the Law.

Any provision in the Agreement that requires you to disclaim and/or acknowledge the occurrence or nonoccurrence of any act that violates the Law as a condition to purchase a franchise, is amended to exclude such representation. Additionally, such representation will not act as a release, estoppel or waiver of any liability incurred under the Law.

- b. Any requirement that litigation be conducted in a forum other than the State of Maryland shall not be interpreted to limit any rights Franchisee may have under Section 14-216(c)(25) of the Law to bring suit in the State of Maryland.
- c. Any claims that Franchisee may have under the Law must be brought within 3 years after the grant of the franchise.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment as of the date of the Agreement.

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

The OfficeZilla Franchise Company, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and OfficeZilla Franchise Company, LLC (“Franchisor”) of even date herewith (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80C.01 et seq., and the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement/and or Franchise Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Minnesota Department of Commerce requires that franchisors indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee’s use of the franchisor’s proprietary marks infringes trademark rights of the third party.
- b. Minn. Stat. Sec. 80C.14, Subds. 3, 4., and 5 requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- c. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Franchise Act.
- d. If the Agreement requires that it be governed by the law of a State other than the State of Minnesota or arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.
- e. Any provision that requires the Franchisee to consent to a claims period that differs from the applicable statute of limitations period under Minn. Stat § 80C.17, Subd. 5. may not be enforceable under Minnesota.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the franchise disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including your rights to any procedure, forum, or remedies provided for in that law.

3. The Agreement/and or Franchise Disclosure Document is hereby amended to delete all references to Liquidated Damages (as defined) in violation of Minnesota law; provided, that no such deletion shall excuse the franchisee from liability for actual or other damages and the formula for Liquidated Damages in the Agreement/and or Franchise Disclosure Document shall be admissible as evidence of actual damages.

4. To the extent required by Minnesota Law, the Agreement/and or Franchise Disclosure Document is amended to delete all references to a waiver of jury trial.

5. All sections of the Agreement/and or Franchise Disclosure Document referencing Franchisor's right to obtain injunctive relief are hereby amended to refer to Franchisor's right to seek to obtain.

6. Each provision of this Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment as of the date of the Agreement.

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The OfficeZilla Franchise Company, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and OfficeZilla Franchise Company, LLC (“Franchisor”) of even date herewith (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.
- b. If the Agreement requires that it be governed by the law of a state, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment as of the date of the Agreement.

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON**

The OfficeZilla Franchise Company, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and OfficeZilla Franchise Company, LLC (“Franchisor”) of even date herewith (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

WASHINGTON LAW MODIFICATIONS

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, Wash Rev. Code §§ 19.100.010 to 19.100.940. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Washington Franchise Investment Protection Act provides rights to You concerning nonrenewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control. The Washington Department of Financial Institutions requires us to include the following statement: “There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.”
- b. If the Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Washington Franchise Investment Protection Act; except when the release is executed under a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the Agreement that unreasonably restrict or limit the statute of limitations period for claims brought under the Act, or other rights or remedies under the Act, those provisions may be unenforceable.
- c. If the Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of Washington, the requirement may be unenforceable under Washington law. Arbitration involving a franchise purchased in the State of Washington, must either be held in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
- d. If the Agreement requires that it be governed by the law of a state, other than the State of Washington, and there is a conflict between the law and the Washington Franchise Investment Protection Act, the Washington Franchise Investment Protection Act will control.
- e. Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

2. Section 3.A. of the Agreement is supplemented by the following language:

“Based on Franchisor’s current financial condition, the Washington Department of Financial Institutions has required that Franchisor defer Franchisee’s obligation to pay the initial franchise fee under this Agreement until the OfficeZilla Business is open and initial training has been provided. Therefore, during the period that such fee deferral requirement is in effect (“Fee Deferral Period”), Franchisee will not be required to pay the initial franchise fee until the OfficeZilla Business opens and initial training has been provided. After the Fee Deferral Period, Franchisee must pay the initial franchise fee as provided in this Section 3.A. of the Agreement.”

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment as of the date of the Agreement.

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

EXHIBIT C

LIST OF FRANCHISEES AS OF DECEMBER 31, 2013

None

EXHIBIT D

**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
AS OF DECEMBER 31, 2013**

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

None

EXHIBIT E

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OPERATIONS MANUAL TABLE OF CONTENTS

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EXHIBIT F
FORM OF GENERAL RELEASE

EXHIBIT F

FORM OF GENERAL RELEASE

[Current Form for Transfers and Renewals]

1. **Release of Claims**. Franchisee and its Owners and their respective assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively referred to as the “Franchisee Related Parties”) irrevocably and unconditionally release and forever discharge Franchisor, its predecessors, subsidiaries, affiliates and their respective owners, officers, directors, agents, independent contractors, servants, employees, representatives, attorneys, successors and assigns and all persons acting by, through, under or in concert with any of them (collectively “Releasees”), from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys’ fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent, except for claims under the Maryland Franchise Registration and Disclosure Law (“Claim” or “Claims”), which they now have or claim to have or at any time heretofore have had or claimed to have against each or any of the Releasees, including, without limitation, any and all such Claims arising from, based upon or related to the Franchise Agreement, but excluding claims based on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative in connection with the offer of the Franchise Agreement, subject to agreed-upon changes to the contract terms described in that Franchise Disclosure Document and reflected in the Franchise Agreement (including any riders or addenda signed at the same time as the Franchise Agreement).

[For California franchisees, add: Each of the Franchisee Related Parties expressly waives and relinquishes all rights and benefits which either may now have or in the future have under and by virtue of California Civil Code Section 1542. The parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that “[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.” For the purpose of implementing a general release and discharge as described in Section 1. above, the parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 1. above which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.]

2. **Unknown Claims**.
 - (a) Franchisee acknowledges for itself and the Franchisee Related Parties that there is a risk that subsequent to the execution of this Agreement, it will discover, incur or suffer Claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arose from, are based upon or are related to the Franchise Agreement or some part or aspect thereof, which if known by Franchisee on the date this Agreement is being executed may have materially affected its decision to execute this Agreement.
 - (b) Franchisee acknowledges and agrees for itself and the Franchisee Related Parties that by reason of the release contained in Section 1 above, it is assuming the risk of such unknown and unanticipated Claims and agrees that its release of the Releasees contained in this Agreement applies thereto.

3. **Covenant Not to Sue.** Franchisee covenants and agrees for itself and for the Franchisee Related Parties not to bring or allow to be brought on behalf of itself or any Franchisee Related Party, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against Franchisor and the Releasees arising out of, resulting from, or in any manner related to the matters referenced in Section 1.
4. **No Assignment of Claims.** Franchisee represents and warrants for itself and the Franchisee Related Parties that it has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claims released under Section 1 of this Agreement and agrees to indemnify, defend and hold the Releasees harmless from and against any and all Claims, based on or arising out of any such assignment or transfer, or purported assignment or transfer, of any Claims, or any portion thereof or interest therein. Franchisee represents and warrants that since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the Franchise, the Franchise Agreement, or any rights or interests therein or in the Franchisee.
5. **Full and Independent Knowledge.** Franchisee represents that it has been represented by an attorney in connection with the preparation and review of this Agreement, that it has specifically discussed with its attorney the meaning and effect of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein. Franchisee further represents that it does not rely and has not relied upon any representation or statement made by the Franchisor or, any of the Releasees or any of their representatives with regard to the subject matter, basis or effect of this Agreement.
6. **Compromise.** Franchisee agrees for itself and the Franchisee Related Parties that the releases contained herein are the result of a compromise and shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of Franchisor or the Releasees regarding any matter.
7. **General Provisions.**
 - (a) **Entire Agreement.** This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any of the terms or conditions set forth herein.
 - (b) **Authority.** By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein.
 - (c) **Counterpart Execution.** This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.
 - (d) **Survival.** All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

- (e) Further Assurance. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.
- (f) Complete Defense. Franchisee acknowledges that this Agreement shall be a complete defense to any claim released under the terms of Section 1 of this Agreement and hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.
- (g) Attorneys' Fees. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

OfficeZilla Franchise Company, LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

OWNERS:

Date: _____

Date: _____

Date: _____

[See Additional Note:

1. Add signature blocks for any additional parties identified pursuant to Section 1]

ATTACHMENT A
LIST OF STATE ADMINISTRATORS

**ATTACHMENT A
LIST OF ADMINISTRATORS**

The following is a list of state administrators responsible for registration and review of franchises for these states. We may register in one or more of these states.

CALIFORNIA

Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
866-275-2677

CONNECTICUT

Cynthia Antanaitis
Assistant Director
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8230

FLORIDA

Department of Agriculture and Consumer
Services
Mayo Building, 2nd Floor
Tallahassee, Florida 32399

HAWAII

Business Registration Division
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Chief, Franchise Bureau
Attorney General's Office
500 South Second Street
Springfield, Illinois 62706

INDIANA

Securities Commissioner
Indiana Securities Division
302 West Washington Street
Room E-111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Franchising Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa
Lansing, Michigan 48933

MINNESOTA

Franchise Examiner
Minnesota Department of Commerce
85 Seventh Place East
Suite 500
St. Paul, Minnesota 55101

NEBRASKA

Nebraska Department of Banking and Finance
Commerce Court
1230 "O" Street
Suite 400
P.O. Box 95006
Lincoln, Nebraska 68509-5006

NEW YORK

Assistant Attorney General
New York Department of Law
Investment Protection Bureau
120 Broadway, 23rd Floor
New York, New York 10271

NORTH DAKOTA

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Bismarck, North Dakota 58505-0510

OREGON

Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97301

RHODE ISLAND

Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Franchise Administrator
Department of Labor and Regulation
Division of Securities
445 E. Capitol Ave.
Pierre, South Dakota 57501

TEXAS

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711

UTAH

Director
Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 45804
Salt Lake City, Utah 84111

VIRGINIA

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Administrator
Department of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501
(360) 902-8760

WISCONSIN

Franchise Administrator
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

ATTACHMENT B
AGENTS FOR SERVICE OF PROCESS

**ATTACHMENT B
AGENTS FOR SERVICE OF PROCESS**

The following state agencies may be designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

CALIFORNIA

Commissioner of Business Oversight
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

MARYLAND

Maryland Securities Commissioner
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

CONNECTICUT

Banking Commissioner of State of
Connecticut
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8230

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
G. Mennen Williams Building, 6th Floor
525 West Ottawa
Lansing, Michigan 48933

HAWAII

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street
Honolulu, Hawaii 96813

MINNESOTA

Commissioner of Commerce
85 Seventh Place East
Suite 500
St. Paul, Minnesota 55101

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

NEW YORK

Secretary of State of
the State of New York
41 State Street
Albany, New York 12231

INDIANA

Secretary of State
201 State House
200 West Washington
Indianapolis, Indiana 46204

NORTH CAROLINA

Secretary of State of North Carolina
300 North Salisbury Street
Raleigh, North Carolina 27603

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - 5th Floor
Bismarck, North Dakota 58505-0510

OREGON

Director
Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND

Director
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Director
Department of Labor and Regulation
Division of Securities
445 E. Capitol Ave.
Pierre, South Dakota 57501

VIRGINIA

Clerk of the State
Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON

Director of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

WISCONSIN

Commissioner of Securities
Wisconsin Securities Commission
345 West Washington Avenue
Madison, Wisconsin 53703

ATTACHMENT C

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

**ADDENDUM TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

1. The California Department of Business Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Franchise Disclosure Document/and or Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

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

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

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

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- b. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- c. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- d. The franchise agreement requires application of the laws of Georgia. This provision may not be enforceable under California law.

2. 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.dbo.ca.gov.

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

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

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

6. 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.

**ADDENDUM TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

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

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

2. The Illinois Franchise Disclosure Act paragraph 705/41 provides that “Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.”

ADDENDUM TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

1. (a) The Summary column for Items 17.v., “Choice of Forum” (Franchise Agreement chart) is amended as follows:

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

(b) Item 17.c., “Requirements for you to renew or extend” (Franchise Agreement chart) and Item 17.m. “Conditions for our approval of transfer” (Franchise Agreement chart) is 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.”

(c) Item 17 is amended to add the following note at the end of that Item:

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

(d) The following is added as the last paragraph of Item 17:

“A provision in the Franchise Agreement which terminates the agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.”

**ADDENDUM TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

Item 3, "Litigation" is hereby amended by deleting the 1st paragraph in that Item and replacing it by the following language:

- (1) Neither we, any predecessor, any person identified in Item 2 above, nor any affiliate offering franchises under our principal trademark has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable allegations.
- (2) Neither we, any predecessor, any person identified in Item 2 above, nor any affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the date of this disclosure document, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved a violation of any franchise, anti fraud or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, misappropriation of property or comparable allegations.
- (3) Neither we, any predecessor any person identified in Item 2 above, nor any affiliate offering franchises under our principal trademark is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent."

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

"Neither OfficeZilla Franchise Company, LLC, nor any affiliate or predecessor or current officer or general partner have during the 10 year period immediately before the date of this Disclosure Document (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of OfficeZilla Franchise Company, LLC held this position with the company or partnership."

Item 17, “Renewal, Termination, Transfer and Dispute Resolution” is amended in the franchise and development agreement tables as follows:

(a) By adding the following in the “Summary” column opposite category d., “Termination by you”:

“To the extent required by the New York General Business Law, you may terminate the Agreement on any grounds available by law.”

(b) By adding the following in the “Summary” column opposite category w., “Choice of law”:

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

ADDENDUM TO OFFICEZILLA FRANCHISE COMPANY, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

1. Item 5 is supplemented by the following:

“Based on our current financial condition, the Washington Department of Financial Institutions has required that we defer your obligation to pay the initial franchise fee under the Franchise Agreement until your OfficeZilla Business is open and initial training has been provided. Therefore, during the period that such fee deferral requirement is in effect (“Fee Deferral Period”), you will not be required to pay the initial franchise fee until your OfficeZilla Business opens and initial training has been provided. After the Fee Deferral Period, you must pay the initial franchise fee as provided in Section 3.A. of the Franchise Agreement.”

New York Insert

(To be inserted immediately before the Acknowledgment of Receipt)

This Franchise Disclosure Document is amended by the addition of the following sentence:

Franchisor represents that this prospectus does not knowingly omit any material fact
or contain any untrue statement of a material fact.

ITEM 23
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 OfficeZilla Franchise Company, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, (b) Maine, New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, and (c) Iowa requires us to provide you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If OfficeZilla Franchise Company, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in **Attachment A** to this disclosure document).

The name, principal business address, and telephone number of each franchise seller offering the franchise follow:

Name	Principal Business Address	Telephone Number

Issuance Date: May 1, 2014

I received a disclosure document dated May 1, 2014. (See the state effective date summary page for state effective dates.) The disclosure document included the following Exhibits and Attachments:

- Exhibit A Financial Statements
- Exhibit B Franchise Agreement, Attachments and State Specific Amendments
- Exhibit C List of Franchised Businesses
- Exhibit D List of Franchisees Who Have Left the System
- Exhibit E Manual Table of Contents
- Exhibit F Form of General Release
- Attachment A List of State Administrators
- Attachment B Agents for Service of Process
- Attachment C State Specific Addenda to Franchise Disclosure Document

Dated: _____

Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

Printed Name

of _____
(a) _____ Corporation)
(a) _____ Partnership)
(a) _____ Limited Liability
Company)

[Keep this page for your records]

ITEM 23
RECEIPT

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Dated: _____

_____ Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

Printed Name

of _____
(a) _____ Corporation)
(a) _____ Partnership)
(a) _____ Limited Liability
Company)

[Sign and return this page to us]