

## FRANCHISE DISCLOSURE DOCUMENT

### POSTNET INTERNATIONAL FRANCHISE CORPORATION



a Nevada corporation  
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Lakewood, Colorado 80228  
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<http://x.com/postnet>

As a PostNet franchisee, you will operate a franchised business that provides a broad array of printing and document services, graphic design, shipping, packaging, and mailing services, and other related business services, under the “PostNet” trade name and business system.

The total investment necessary to begin operation of a new PostNet franchise is \$223,207 to \$289,807. This includes \$173,957 to \$184,357 that must be paid to the franchisor or its affiliate(s). If you wish to convert your current business into a PostNet franchise, the total investment necessary to begin operation is \$75,700 to \$286,807. This includes \$26,450 to \$181,857 that must be paid to the franchisor or its affiliate(s). If you wish to acquire a business that is similar to a PostNet franchise and convert it into a PostNet franchise, the total investment necessary to begin operation is \$75,700 to \$286,807. This includes \$26,450 to \$181,857 that must be paid to the franchisor or its affiliate(s).

If you sign an area development agreement, you must pay a development fee equal to \$9,500 for each franchised business to be developed, which will be applied toward the applicable initial franchise fees noted above if and when you sign a franchise agreement for that franchised business. You must develop a minimum of one additional franchised business under the area development agreement.

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 the PostNet Franchise Development Team at [info@postnet.com](mailto:info@postnet.com), (303) 771-7100, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228.

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, such as a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission (“FTC”). 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**Issuance Date:** April 25, 2024

**POSTNET**

Franchise Disclosure Document | 2024  
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## How to Use This Franchise Disclosure Document

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

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

## What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration, or litigation only in Colorado. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with the franchisor in Colorado than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement and area development agreement, even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

**NOTICE REQUIRED BY  
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.**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that the 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 terms 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 six (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 or 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 there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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

To simplify the language in this Franchise Disclosure Document, the terms “we,” “us,” “our,” or “PIFC” mean PostNet International Franchise Corporation, the franchisor. The terms “You,” “your,” or “Franchisee” mean the person, and its owners if the Franchisee is a business entity, who buys the franchise from PIFC.

The Franchisor

PIFC is a Nevada corporation, incorporated on October 27, 1992. Our principal business address is 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228. We conduct business under the name PostNet and do not conduct business under any other name. We do not have any predecessors. We have offered PostNet franchised businesses since July 1993. In the past, we have offered franchises for area representatives (also referred to as area franchisees). We do not currently offer new franchises for area representatives but may do so again in the future. In addition, in the past, we allowed certain franchisees to operate under the trademarks “PostNet Express” or “ShipNet,” but we no longer offer franchises under these brands. As of December 31, 2023, we have one franchised business in Nevada that operate under the trademark “PostNet Express,” which businesses provide some of the services and products that are provided by a PostNet franchised business. There are no longer any franchised businesses that operate under the “ShipNet” brand. We currently do not operate any corporate-owned PostNet businesses. We do not engage in any other business.

Our agent for service of process in Nevada is CT Corporation System, 701 S. Carson St., Ste. 200, Carson City, Nevada, 89701. Our agents for service of process for other states are identified by state in Exhibit F. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

Parents, Predecessors and Affiliates

We are a wholly owned subsidiary of our parent, U.S. Business Holdings, Inc., a Delaware corporation (“USBH”) formed on March 24, 2017. USBH acquired all of the stock of PIFC on April 25, 2017. USBH also owns all of the stock of AlphaGraphics, Inc., which operates AlphaGraphics® business centers, as further discussed below. USBH’s principal business address is 143 Union Boulevard, Suite 660, Lakewood, Colorado 80228. USBH does not offer franchises in any line of business.

USBH is a wholly owned subsidiary of its parent, MBE Worldwide S.p.A. (“**MBE Worldwide S.p.A.**”), with a principal business address of Viale Lunigiana 35/37, Milan Italy 20125.

In October 2017, USBH acquired all of the issued and outstanding ownership interests of AlphaGraphics, Inc. (“AGI”). AGI is a Delaware corporation formed on December 4, 1986. AGI’s principal business address is 143 Union Boulevard, Suite 650, Lakewood, Colorado 80228. AGI is the franchisor of business centers that provide customized print and marketing solutions to businesses, which operate under the trade name and service mark “AlphaGraphics.” AGI’s predecessor began offering franchises for AlphaGraphics business centers in November 1979. As of December 31, 2023, there were 232 business centers operating under the AlphaGraphics brand in the United States and 21 in other countries. AGI has never offered franchises in any other line of business.

On June 5, 2019, USBH acquired all of the stock of Print Speak Pty. Ltd., an Australian Proprietary Company with a principal business address of 2/16 McDougall Street, Kirribilli NSW 2061 Australia



(“**Print Speak**”). Print Speak is a service provider for AGI franchisees, and may be a service provider for our franchisees in the future.

Certain services that we may provide to you may be provided by departments or personnel of us or our affiliates who simultaneously provide the same or similar services to the franchisees and licensees of our affiliates (including AGI and WO US). Some services are performed for us or our affiliates and/or either of our franchisees on a shared service or combined basis (including, for example, utilizing the same or shared personnel) or in conjunction with the performance of the same, similar, or different services on behalf of our or our affiliates’ company-owned, company-operated, licensed, or franchised businesses. Any service may be provided to us, our affiliates, and/or franchisees on a shared service basis, including but not limited to accounting and tax preparation, cash management and treasury, audit-related, human resources, legal, procurement, information technology, real estate, office support, insurance, network sales and operations, retail network development, learning and development/training, and marketing services. We and our affiliates may also provide services and programs to our franchisees, and to our affiliates and/or their licensees and franchisees. Many of the same corporate personnel responsible for providing services to our franchisees and licensees also may provide services and programs to us, our affiliates, and/or their franchisees and licensees. We and our affiliates may also utilize the same vendors for a particular service provided by third parties. We reserve the right to allocate costs, personnel, and other resources among any combined or shared services or programs. To the extent we agree to provide any support or services to you (including any support or services that we delegate to others as described in this paragraph), we alone—and not USBH or any of our affiliates—ultimately will be responsible for providing any such agreed-upon support or services to you.

In April 2009, MBE Worldwide S.p.A. acquired the Mail Boxes Etc. brand, know-how, and related business outside of the United States and Canada from United Parcel Service of America, Inc. and Mail Boxes Etc., Inc., both Delaware corporations. MBE Worldwide S.p.A. offers Master License rights and agreements for the Mail Boxes Etc. system outside of the United States and Canada, for packing, shipping, printing and logistics services (the “**MBE Business**”). Although the MBE Business may be substantially similar your PostNet franchised business, MBE Worldwide S.p.A. and its affiliates do not offer such services, through franchises or otherwise, in the United States or Canada, except through the ownership of PIFC and under the PostNet brand and through the ownership of AGI and under the AlphaGraphics® brand. MBE Worldwide S.p.A. is not affiliated with and does not do business as Mail Boxes Etc. in the United States and Canada. As December 31, 2023, MBE Worldwide S.p.A. has 46 master franchisees and 14 trademark licensees outside of the United States and Canada for the performance of the MBE Business. Otherwise, MBE Worldwide S.p.A. does not offer franchises in any line of business.

Sistema Italia 93 S.r.l. is an affiliate with a principal business address of Viale Lunigiana 35/37, Milan Italy 20125 (“**Sistema Italia**”). Sistema Italia franchises the Mail Boxes Etc. system in Italy for the MBE Business under a Master License Agreement, and has done so since June 1992. As of December 31, 2023, Sistema Italia had 600 franchises in Italy. Sistema Italia has been operating its own Mail Boxes Etc. location in Milan, Italy since April 1993.

MBE Deutschland GmbH is an affiliate with a principal business address of Bundesallee 39-40a 10717 Berlin, Germany (“**MBE Deutschland**”). MBE Deutschland franchises the Mail Boxes Etc. system in Germany for the MBE Business under a Master License Agreement, and has done so since November 2002. As of December 31, 2023, MBE Deutschland has 154 franchises in Germany. MBE Deutschland has been operating its own Mail Boxes Etc. location in Berlin, Germany since 2003. As of December 31, 2023, MBE Deutschland also operates 2 of its own Mail Boxes Etc. locations in Berlin, Germany.

MBE France SARL is an affiliate with a principal business address of 37 Bis rue du Général Leclerc - 92130 Issy Les Moulineaux, France (“**MBE France**”). MBE France franchises the Mail Boxes Etc. system

in France for the MBE Business under a Master License Agreement, and has done so since January 2014. As of December 31, 2023, MBE France has 92 franchises in France. As of December 31, 2023, MBE France also operates two of its own Mail Boxes Etc. locations in Paris, France.

MBE Spain 2000 S.L. is an affiliate with a principal business address of Gran Via de led Corts Catalanes, 129-131, Pl. 12, 08014, Barcelona, Spain (“**MBE Spain**”). MBE Spain franchises the Mail Boxes Etc. system in Spain and Portugal for the MBE Business. MBE Spain offers franchises in Spain under a Master License Agreement, and has done so since October 1999. MBE Spain offers franchises in Portugal under a Master License Agreement, and has done so since May 2015. As of December 31, 2023, MBE Spain has 257 franchises in Spain and 21 franchises in Portugal.

MBE Poland Sp.z.o.o. is an affiliate with a principal business address of ul.Domaniewska 39A - 02-672 Warsaw, Poland (“**MBE Poland**”). MBE Poland franchises the Mail Boxes Etc. system in Poland for the MBE Business under a Master License Agreement, and has done so since January 2014. As of December 31, 2023, MBE Poland has 34 franchises in Poland.

On March 1, 2021, MBE Worldwide S.p.A acquired an indirect controlling interest in Pack & Send Systems Pty Limited (“**Pack & Send**”). Pack & Send has a principal business address of MFive Industrial Park Unit 3C, 1 Moorebank Avenue, Moorebank, NSW 2170. Pack & Send offers agreements for the Pack & Send system outside of the United States and Canada, for courier and freight resale and associated services (the “**Pack & Send Business**”). Pack & Send also franchises the Pack & Send system in the United Kingdom and New Zealand under Master License Agreements, and has done so since 2008. On February 29, 2023, MBE Worldwide S.p.A acquired an indirect controlling interest in the master franchisee in the United Kingdom, Pack & Send UK Ltd., which has a principal business address of 3a Tournament Court, Tournament Fields, Warwick, Warwickshire, England, CV34 6LG. On May 9, 2023, MBE Worldwide S.p.A. acquired the total controlling interest in the master franchisee in New Zealand, BF Maro Investments Limited, a New Zealand private limited company with a principal address of c/o Sarah Roberts, 132 D St Stephens Avenue, Parnell, Auckland 1052, New Zealand. Pack & Send, Pack & Send UK Ltd., and its Australian affiliates do not offer services, through franchises or otherwise, in the United States or Canada. Although the Pack & Send Business may be substantially similar to your PostNet franchised business, Pack & Send, Pack & Send UK Ltd., and its Australian affiliates do not offer such services, through franchises or otherwise, in the United States or Canada. As of December 31, 2023, there are 128 franchised Pack & Send Businesses in Australia, 21 in New Zealand, and 21 in the United Kingdom.

On March 31, 2021, MBE Worldwide S.p.A acquired the total controlling interest in Mail Boxes Etc. (UK) Limited, an English private limited company with a principal business address of 3a Tournament Court, Tournament Fields, Warwick, Warwickshire, England, CV34 6LG. Mail Boxes Etc. (UK) Limited franchises operate the Mail Boxes Etc. system in the United Kingdom and Ireland for the MBE Business under a Master License Agreement, and have done so since 1997. As of December 31, 2023, Mail Boxes Etc. (UK) Limited has 136 franchises in the United Kingdom (one of which it directly operates) and 4 in Ireland.

On March 22, 2021, MBE Worldwide S.p.A acquired the total controlling interest in MultiCopy Netherlands B.V., a Dutch private limited company with a principal business address of Transistorstraat 7, 1322 CJ Almere, The Netherlands. MultiCopy Netherlands B.V. franchises operate the MultiCopy system in The Netherlands and has done so since 1981. As of December 31, 2023, MultiCopy Netherlands B.V. had 42 franchises in The Netherlands.

On July 2, 2022, MBE Worldwide S.p.A. acquired an indirect controlling interest in World Options (Franchise) Ltd. (“**WO UK**”), a company incorporated under the laws of England and Wales, with a principal business address of 3a Tournament Court, Tournament Fields, Warwick, England, CV34 6LG;

World Options Limited (“WOL”), a company incorporated under the laws of England and Wales, with a principal business address of Unit 1 Petre Court, Petre Road, Accrington, UK, BB5 5HY; and World Options, Inc. (“WO US”), a company incorporated under the laws of the state of Utah, with a principal address of 143 Union Blvd., Suite 625, Lakewood, Colorado 80228. WO UK offers franchises in the United Kingdom, and WOL offers franchises through a master licensee in Singapore, the Netherlands, Belgium, and Australia, all offering shipping and freight services, and they have done so since 2012. As of December 31, 2023, WOL has 35 franchises in Singapore, the Netherlands, Belgium, and Australia. As of December 31, 2023, WO UK has 95 franchises in the United Kingdom. WO US offered franchises in the United States for World Options businesses, which offer shipping and freight services, from 2017 until 2020. WO US resumed offering franchises in the United States in 2023. As of December 31, 2023, WO US has 4 franchisees in the United States.

Except as described above, we, our predecessors, and our affiliates do not offer franchises in any other line of business, and we do not engage in any other business.

### The Franchise Offered

We offer franchises for the use of our “PostNet” trademarks, trade names, service marks, and logos (“**Proprietary Marks**”) for the operation of PostNet franchised businesses (“**PostNet Franchise(s)**” or “**Franchise(s)**”). PostNet franchised businesses are operated under our PostNet system (“**System**”). The System may be changed or modified by us throughout your ownership of the Franchise. PostNet Centers service the needs of consumers and business customers. The market for the goods and services offered by a PostNet Center is well established and in demand. PostNet franchised businesses provide printing and document services, including digital printing, large format and finishing services, scanning, graphic design, shipping, packaging, and mailing services including direct mail, domestic and international shipping, and related services and products such as facsimile and notary services to the general public. Each PostNet features a unique and distinctive center design and selling system under the PostNet brand. PostNet Centers compete with other businesses which offer similar services and products, including independent, national, and franchised businesses. PostNet franchised businesses operating under the System and Proprietary Marks are referred to in this Franchise Disclosure Document as a “**PostNet Business(es)**,” “**PostNet Center(s)**,” or “**Center(s)**.” You will operate your PostNet Center from an approved location. PostNet Centers are typically located in high traffic areas that provide ample parking, significant foot traffic, and exposure to main public areas. You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit A (“**Franchise Agreement**”). You may operate one PostNet Center for each Franchise Agreement you sign.

We reserve the right to offer area representative (“**Area Franchisee**”) franchises to select franchisees under a separate disclosure document, and they are not a part of this offering. We do not currently offer new franchises for area representatives but may do so again in the future. Area Franchisees have the right and obligation to provide certain training and assistance to PostNet Centers operated by franchisees in an exclusive territory and the obligation to solicit franchisees for their territory.

We also offer conversion opportunities to existing independent businesses that provide services and products similar to those offered by PostNet Centers. To be eligible to convert to a PostNet Center, you must have operated your business for at least six (6) months at the time of conversion (“**Conversion Franchisees**”). Conversion Franchisees will sign a Franchise Agreement that will include an addendum for conversion franchisees, which is attached to this Franchise Disclosure Document in Exhibit H. Conversion Franchisees must modify their business premises to our design plans and specifications, use our Proprietary Marks, and complete our training.

We also offer Acquire and Convert opportunities to potential franchisees interested in buying existing independent businesses that provide services and products similar to those offered by PostNet Centers. To

be eligible for Acquire and Convert, the target business must have been operated continuously for at least six (6) months at the time of the Acquire and Convert, and then must be bought by a franchisee and converted to a PostNet Center as described below (“**Acquire and Convert Franchisees.**”) Acquire and Convert Franchisees will sign a Franchise Agreement that will include an addendum for Acquire and Convert Franchisees, which is attached to this Franchise Disclosure Document in Exhibit H. Acquire and Convert Franchisees must modify their business premises to our design plans and specifications, use our Proprietary Marks, and complete our training.

If you are a current franchisee who wishes to obtain multi-unit development rights and obligations, you may choose to sign our Area Development Agreement. Our current Area Development Agreement is in the form of Exhibit B. The Area Development Agreement will state the number of PostNet Centers to be developed, the geographic area in which you will develop such Centers (“**Development Area**”), and the schedule within which you must develop such Centers. You must enter into a separate Franchise Agreement for each Center you ultimately develop. For each Center developed under the Area Development Agreement, you must sign our then-current franchise agreement, the terms of which may be materially different from our current form of Franchise Agreement attached to this Disclosure Document.

### Market and Competition

PostNet Centers service the needs of consumers and business customers. PostNet Centers’ services are not seasonal in nature. The market for the goods and services offered by a PostNet Center is well established and very competitive. PostNet Centers compete with other businesses that offer similar services and products, including independent, national, and franchised businesses.

### Industry-Specific Laws

PostNet Centers operate as a “Commercial Mail Receiving Agency” which is described in the U.S. Postal Service domestic mail manual. You will also have to comply with government and state shipping regulations regarding interstate shipping of certain materials or items (alcohol, tobacco, hazardous materials, etc.), including the rules and regulations adopted by the Transportation Security Administration and the Federal Maritime Commission, to the extent such laws, rules, and regulations affect your PostNet Center. You will also be required to comply with your state’s regulations and application procedures for becoming a notary public. A few states, and even some counties, regulate mailbox rentals by establishing certain prohibitions relating to the use of rented mailboxes. You also should investigate whether there are state or local regulations and/or requirements that may apply in the geographic area in which you intend to operate your PostNet Center, and consider both the effect and cost of compliance. You must also obtain all necessary permits, licenses, and approvals to operate your PostNet Business.

You should consult with a legal advisor about whether these and/or other requirements apply to your PostNet Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

## **ITEM 2 BUSINESS EXPERIENCE**

### Director, Chief Executive Officer: Paolo Fiorelli

Mr. Fiorelli has served as one of our Directors and as our Chief Executive Officer since April 2017. Since October 2017, Mr. Fiorelli has also served on AGI’s Board of Directors and as AGI’s Chief Executive Officer. Mr. Fiorelli has also served as Chairman of the Board of our parent MBE Worldwide S.p.A. since November 2016, and as its Chief Executive Officer and Director since October 2010. Since March 2017,

Mr. Fiorelli has served as Chief Executive Officer, President, and Director of USBH. Mr. Fiorelli has also served as an officer or director for various companies, including: for Sistema Italia 93 S.r.l., located in Milan, Italy, as Chairman of the Board since November 2016, a Director since June 1992, and Chief Executive Officer since February 2000; as Sole Director of MBE France S.a.r.l., located in Paris, France, since January 2012; as Chairman of the Board of Directors and Chief Executive Officer of MBE Spain 2000 S.l., located in Barcelona, Spain, since October 1999; as Sole Director of MBE Poland S.p.z.o.o., located in Warsaw, Poland, since August 2013; as a Director of Fineffe S.r.l., located in Milan, Italy, since November 2016; for Direfarestampare (DFS) S.r.l., located in Milan Italy, as Chairman of the Board of Directors from November 2016 to December 2021 and a Director from June 2002 to December 2021, which company was cancelled in October 2022; as Chairman of the Board of Directors of Buy-Me S.r.l., located in Milan, Italy, from April 2017 to October 2018, which company was cancelled in February 2020; as Sole Director of P-FIN S.r.l., located in Milan, Italy, since October 2011; as Sole Director of Aurelide S.r.l., located in Milan, Italy, since March 2009; and as Chairman of the Board of Directors and Chief Executive Officer of Prestashop SA, located in Paris, France, since November 2021. Unless otherwise stated above, Mr. Fiorelli is and has been located in Milan, Italy, for each position listed above.

Director, Secretary: Samuele Spaccia

Mr. Spaccia has served as one of our Directors since April 2017, as our Secretary since December 2019, and as our Treasurer since October 2020. Since June 2019, Mr. Spaccia has also served as a Director, and the Treasurer and Secretary, of Print Speak. Since May 2019, Mr. Spaccia has also served as a Director and the Chief Executive Officer and Treasurer of AGI Direct. Since October 2017, Mr. Spaccia has also served on AGI's Board of Directors and as AGI's Vice President since October 2017; he has also served as AGI's Secretary since October 2018 and Treasurer since October 2020. Mr. Spaccia has also served as Chief Financial Officer of our parent MBE Worldwide S.p.A., located in Milan, Italy, since March 2014. Since March 2017, Mr. Spaccia has served as Vice President, Director and Secretary of USBH. Mr. Spaccia also served as Sole Director of E-Partecipazioni S.r.l., located in Milan, Italy, from February 2017 to October 2018, and as its liquidator from October 2018 until around November 2020, and as Chairman of the Board of Directors of Eurocubia S.r.l., located in Milan, Italy, since June 2017. Mr. Spaccia has also served as Director of MBE Deutschland GmbH, located in Berlin, Germany, since July 2019. Mr. Spaccia has also served as Director of Pack & Send and its following affiliates since March 2021: Aus Business Holdings Co. Pty Limited, Pack & Send Holdings Pty Limited, Pack & Send Online Pty Limited. Mr. Spaccia has also served as a Director of Prestashop SA, located in Paris, France, since November 2021. Mr. Spaccia has also served as a Director of MBE Australia Pty Ltd since September 2021. Mr. Spaccia has also served as a Director of World Option Holding Limited, Mail Boxes Etc. (UK) Limited, SIID Limited, World Option Limited, World Option System Limited, World Options (Franchise) Ltd., and World Options, Inc., since July 2022. Mr. Spaccia has served as Director of Pack & Send UK Ltd and Pack & Send Trading Ltd, since February 2023. In May 2023, Mr. Spaccia became a Director for BF Maro. Unless otherwise stated above, Mr. Spaccia is and has been located in Milan, Italy, for each position listed above.

Director and Executive Vice President: Giuseppe Rudi

Mr. Rudi has served as one of our Directors since September 2019, and as Executive Vice President since December 2019. Mr. Rudi has also served as a Director of USBH and AGI since September 2019, and Executive Vice President of USBH and AGI since December 2019. Mr. Rudi has also served our parent MBE Worldwide S.p.A. since 2014, in various roles, including the following: Group MBE Chief Operating Officer since January 2020; MBE Brand Chief Operating Officer from May 2017 to December 2019; and Director from April 2016 to February 2020. Mr. Rudi has also served as an officer or director for various companies, including: President of Jonathan & Assist S.r.l., in Brescia, Italy, since January 2018; President of CZ Mail S.r.l. in Mantova, Italy, since December 2019; President of Forama S.r.l. in Pesaro, Italy since July 2019; Director and CEO of Eurocubia S.r.l. in Milan, Italy since June 2017; Director of MBE

Deutschland GmbH, in Berlin, Germany, since February 2019; President and CEO of Marcana 2017 SL in Barcelona, Spain from July 2017 to December, 2020, which company was merged into MBE Spain 2000 SL in December 2020; Sole Director of MBE Gesdirect SL from April 2018 to present; Director of MBE Spain 2000 SL in Barcelona, Spain since Director 2020; President of MAS Milano SRL in Milan, Italy since December 2021; President of GEL Proximity SRL in Milan, Italy since April 2022; Director of World Option Holding Limited, Mail Boxes Etc. (UK) Limited, SIID Limited, World Option Limited, World Option System Limited, World Options (Franchise) Ltd., and World Options, Inc., since July 2022, and Director of Pack & Send UK Ltd and Pack & Send Trading Ltd, since February 2023. Unless otherwise stated above, Mr. Rudi is and has been located in Milan, Italy, for each position listed above.

President and Chief Operating Officer: Ryan Farris

Mr. Farris has served as our President and Chief Operating Officer since August 2020. He has also served as AGI's President since December 2017 and its Chief Operating Officer since July 2017. He has also served as a Director and the President and Chief Executive Officer for Print Speak since June 2019, and as Chief Operating Officer for USBH since August 2020. Mr. Farris has served as Region Executive Vice President of MBE Worldwide S.p.A since January 2024. In March 2024, Mr. Farris became a Director for BF Maro as well as Pack & Send and its following affiliates: Aus Business Holdings Co. Pty Limited; Pack & Send Holdings Pty Limited; and Pack & Send Online Pty Limited. Additionally, Mr. Farris has also served as Director for Threshold Brands, located in Boston, Massachusetts, since October 2021.

Executive Vice President of Network Sales: Dale Myska

Mr. Myska has been Executive Vice President of Network Sales for us and AGI since October 2023. He has also served as Chief Operating Officer for World Options, Inc. since August 2023. Mr. Myska served as Executive Vice President of Network Sales and Operations for us and AGI from August 2020 to September 2023. Mr. Myska served as our Chief Operating Officer from December 2019 to August 2020, and as our Vice President of Retail Network Development from August 2018 to December 2019.

Vice President of Franchise Development: William "Bill" McPherson

Mr. McPherson has served as our Vice President of Franchise Development since August 2020. He has also served as AGI's Vice President of Franchise Development since September 2018.

Vice President of Marketing: Stephanie Johnson

Ms. Johnson has served as our Vice President of Marketing since August 2020. She has also served as AGI's Vice President of Marketing since February 2020. Ms. Johnson previously served as AGI's Marketing Campaign Manager from January 2019 to February 2020.

Vice President of Learning and Development: Clain Udy

Mr. Udy has served as our Vice President of Learning and Development since August 2020. He has served as AGI's Vice President of Learning and Development since February 2018.

Vice President of Information Technology: Dave Tecson

Mr. Tecson has served as Vice President of Information Technology for us and AGI since January 2024. He served as Information Technology Director for us and AGI from October 2023 to December 2023. He previously served as AGI's Program Director - E-commerce and National Sales from April 2023 to September 2023 and prior to that served as AGI's Product Manager from June 2020 to March 2023. Prior

to joining us, he served as a Product Manager for Coretex, in Houston, Texas, from November 2018 to May 2020.

People Vice President: Karla Tapia

Ms. Tapia has served as People Vice President for us and AGI since January 2024. Previously, she served as People Director for us and AGI from September 2022 to December 2023, and as a People Business Partner for us and AGI from January 2022 to September 2022. Prior to joining us, she served as a Human Resources Specialist for Saunders Construction, in Denver, Colorado, from December 2018 to December 2021.

Vice President of Finance and Accounting: Peter Lopez

Mr. Lopez has served as our Vice President of Finance and Accounting since November 2020. He has also served as Vice President of Finance and Accounting for AGI and USBH since November 2020. Prior to joining us, Mr. Lopez was Vice President of Finance at OneTouchPoint West Division, located in Denver, Colorado, from June 2015 to October 2020.

Group Chief Corporate Affairs Officer: Kathleen Panek

Ms. Panek has served as Group Chief Corporate Affairs Officer of USBH since February 2023 and Chief Corporate Affairs Officer of MBE Worldwide S.p.A since June 2022. She previously served as General Counsel for us, AGI, and USBH from February 2018 until February 2023. She has also served as Assistant Secretary of Print Speak since June 2019 and as a Director and the Secretary and General Counsel of AGI Direct from May 2019 to December 2023.

General Counsel: Alexandra Williams

Ms. Williams has served as General Counsel for us, AGI, and USBH since February 2023. She has served as General Counsel and Secretary for World Options, Inc. since August 2023 and AGI Direct since December 2023. Prior to joining us, Ms. Williams was Senior Corporate Attorney at Church Mutual Insurance Company, S.I., headquartered in Merrill, Wisconsin with an office in Denver, Colorado, from August 2018 to February 2023.

Vice President of Purchasing and Operations: Richard “Cory” Sawatzki

Mr. Sawatzki has been Vice President of Purchasing and Operations for us, USBH, and AGI since October 2023. He previously served as Vice President of Purchasing for us, USBH, and AGI from September 2018 to October 2023.

Unless otherwise stated above, each individual listed in Item 2 currently maintains an office at our headquarters in Lakewood, Colorado, and each position listed above is or was based in Lakewood, Colorado.

Area Franchisees

Exhibit C to this Franchise Disclosure Document contains a list of our current Area Franchisees, as well as their employment histories during the past five (5) years.

### ITEM 3 LITIGATION

#### Litigation Against Franchisees

During the last fiscal year, we initiated the following action against a former franchisee and its guarantors:

#### *Suit to Collect Past Due Amounts:*

*PostNet International Franchise Corporation v. B Services LLC, Jason Bushman, Melodie Bushman, Joseph Bushman, and Donella Bushman, Jefferson County (Colorado) District Court Case No. 2023CV31430.*

Other than this action, no litigation is required to be disclosed in this Item.

### ITEM 4 BANKRUPTCY

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

### ITEM 5 INITIAL FEES

#### *Initial Franchise Fee*

You must pay us an initial franchise fee (“**Initial Franchise Fee**”) of \$37,900, which is payable when you sign the Franchise Agreement. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your PostNet Center and also offsets some of our franchisee recruitment expenses. Your Initial Franchise Fee is fully earned and non-refundable when paid. Except as outlined below, these fees are uniformly imposed.

If you are a new, single-unit franchisee opening a new PostNet Center, then your Initial Franchise Fee also covers your first Network Conference Registration Fee.

We currently offer a reduced Initial Franchise Fee under the following circumstances:

1. If you are a Conversion Franchisee or Acquire and Convert Franchisee, we offer a reduced Initial Franchise Fee ranging from \$18,950 to \$37,900. The range of the fee will be based on experience, length of time in business, sales volume, growth, and future potential. Conversion Franchisees and Acquire and Convert Franchisees that have been in business longer and have larger sales volume, growth, and potential will qualify for a greater reduction in the Initial Franchise Fee, while those Conversion Franchisees and Acquire and Convert Franchisees that have been in business for a short period of time will receive a smaller reduction. We did not sell any Conversion or Acquire and Convert PostNet Centers during our last fiscal year.
2. If you are an existing PostNet franchisee who desires to purchase another Franchise, you must satisfy our then-current Certification For Expansion (“CFE”) requirements and qualifications prior to us granting approval for an additional Franchise. Our CFE requirements include but are not limited to business experience, net worth, and liquidity requirements, the existing PostNet Center’s performance meeting or exceeding metrics



targets, compliance with your existing franchise agreement, system standards, and a satisfactory, detailed multi-unit business plan. In addition, your PostNet Center must be operated by a Designated Manager who has completed training which is equivalent to our then-current initial training program. If you are an existing PostNet franchisee and purchase an additional PostNet Franchise, you will receive a discount of 50% off the Initial Franchise Fee that we are charging under the then-current franchise agreement.

3. We participate in the VetFran program. Under this program, qualifying honorably discharged United States veterans or their spouses receive a 35% discount on our Initial Franchise Fee. VetFran discounts are only granted to new, single-unit franchisees and are not available to existing or multi-unit franchisees.
4. We participate in the Diversity Discount Initiative. Under this program, if you are a member of an ethnic minority group or if your franchisee entity is 100% owned by members of an ethnic minority group (i.e., every individual with an ownership interest in the franchisee entity is a member of an ethnic minority group), you will receive a discount of 10% on our Initial Franchise Fee. For the purposes of our program, a “minority” means an individual who is a United States citizen and who is a member of an ethnic minority group. Diversity Discount Initiative are only granted to new, single-unit franchisees and are not available to existing or multi-unit franchisees.
5. If you are a woman or if your franchisee entity is 100% owned by women (i.e., every individual with an ownership interest in the franchisee entity is a woman), you will receive a discount of 10% on our Initial Franchise Fee. This discount is only granted to new, single-unit franchisees and is not available to existing or multi-unit franchisees.

We have instituted a 2024 incentive program that offers a payment plan for the Initial Franchise Fee. If you are a new, single-unit franchisee opening a new PostNet Center and you sign your Franchise Agreement within thirty (30) days of the post-discovery day approval notice, the Initial Franchise Fee will be payable as follows: (1) half is payable when you sign the Franchise Agreement, and (2) the remaining balance of the Initial Franchise Fee is payable in nine (9) equal installments beginning on the first day of the calendar month following the effective date of the Franchise Agreement. If you are an Acquire and Convert Franchisee and you sign your Franchise Agreement within thirty (30) days of the post-discovery day approval notice, the Initial Franchise Fee will be payable as follows: (1) half is payable when you sign the Franchise Agreement, and (2) the remaining balance of the Initial Franchise Fee is payable prior to attending Initial Owner Training. If you are a Conversion Franchisee and you sign your Franchise Agreement within thirty (30) days of the post-discovery day approval notice, the Initial Franchise Fee will be payable as follows: (1) half is payable when you sign the Franchise Agreement, and (2) the remaining balance of the Initial Franchise Fee is payable in six (6) equal installments beginning on the first day of the calendar month following the effective date of the Franchise Agreement. If you are a transfer Franchisee who is not an existing PostNet franchisee and you sign a Conditional Consent to Transfer and Release Agreement (“CCTA”) within thirty (30) days of the post-discovery day approval notice, you will pay a transfer fee (in lieu of the Initial Franchise Fee) as follows: (1) half is payable when you sign the CCTA, and (2) the remaining balance of the Initial Franchise Fee is payable when you sign the Franchise Agreement. Your Initial Franchise Fee is fully earned and non-refundable when paid, including if paid through the incentive program.

Under certain circumstances, we may determine, at our sole option, that if your protected territory was subject to a franchise agreement with another franchisee in the twenty-four (24) months preceding your signing of a Franchise Agreement, your protected territory qualifies for additional financial and operational support (“Support Program”). In making that determination, we may, in our sole judgment, take into

account: prior ownership, prior operational compliance, prior sales or lack thereof, financial management of the territory, current client base, and prior staffing levels, tenure and training. If that determination is made, you may at your option pay the Initial Franchise Fee in twelve (12) monthly installments with the first installment due upon signing of the Franchise Agreement, and you will receive additional discounts on some recurring fees as described below in Item 6.

### *Center Development Package*

You are required to purchase a “**Center Development Package**” from us that consists of computer hardware, equipment, fixtures, and supplies for your PostNet Center, in the amount of \$126,057 (“**Center Development Fee**”). The Center Development Fee also includes the costs of an exterior sign up to 24 inches in height for your PostNet Center and 25 hours of graphic and design services to be used within the first 180 days of the Center’s opening date. Attachment B of the Franchise Agreement contains complete descriptions of the items included in the Center Development Package. We may substitute items of greater or equal value at our sole discretion. The Center Development Fee is not refundable under any circumstances, and is payable when you sign the lease for your PostNet Center’s premises, or 90 days before the projected opening date of the PostNet Center (“**Opening Date**”), whichever date is later. Conversion Franchisees and Acquire and Convert Franchisees must transform their businesses to conform to the PostNet Center standards and will have to pay some or all of the Center Development Fee, but we reserve the right to issue credits against the Center Development Fee (up to the full amount) for equipment already existing in the business being converted that is called for in the Center Development Package, which meets our specifications. You will be required to pay sales and/or use tax on some or all of the equipment, fixtures, and other assets from the Center Development Package that are not for resale (such as inventory items). In some cases, we will collect those taxes from you and pay them directly to the states, in which case you will be required to make a payment to us in excess of \$126,057. If required, this tax payment is due after your Center Development Fee, but before the Opening Date. In other cases, you will be required to pay these taxes directly to the appropriate taxing authority.

There may be additional development expenses related to the size of your PostNet Center premises and/or external sign. For example, the Center Development Package includes an exterior sign up to 24 inches in height. If you desire or require an exterior sign that is larger than 24 inches, you will be required to pay us the difference between the cost of a 24-inch exterior sign and the size of the exterior sign that you desire or require. The same would be true if your PostNet Center is larger than 1,200 square feet and incur additional expenses related to flooring or fixtures. We estimate these additional expenses to be between \$0 and \$10,400. (See Item 7). These fees are nonrefundable under any circumstances.

If you are an existing PostNet franchisee and you are purchasing another PostNet franchise, we may, at our sole option, allow you to obtain certain equipment, fixtures, or supplies listed in Attachment B of the Franchise Agreement from an alternative source, which items and sources must meet our specifications, for use in your new PostNet Center. In such circumstances, you must pay the full Center Development Fee, but we will issue credits to you for the specific equipment, fixtures, or supplies that will not be included in your Center Development Package and that we authorize you to obtain from an alternative source.

### *Initial Marketing Program*

Prior to opening and beginning operations of your Center, you must pay us a \$10,000 initial marketing fee (“**Initial Marketing Fee**”). If you are a Conversion Franchisee or an Acquire and Convert Franchisee, you will pay a reduced Initial Marketing Fee of \$7,500. If you are a transfer franchisee, you will pay a reduced Initial Marketing Fee of \$5,000. If your Franchise Agreement is for a new, non-operational center, you must pay the Initial Marketing Fee at the same time you pay your Center Development Fee; provided, if you sign your Franchise Agreement within thirty (30) days of receiving your post-discovery day approval

notice, this Initial Marketing Fee will be payable in twelve (12) equal monthly installments beginning on the first day of the calendar month following the effective date of the Franchise Agreement. In the case of a Conversion Franchise or the transfer of an existing, operational PostNet Center, you must pay the Initial Marketing Fee when you sign the Franchise Agreement. In the case of an Acquire and Convert Franchise, you must pay the Initial Marketing Fee upon the closing of the business purchase. These fees are nonrefundable under any circumstances. We will use this money to conduct marketing efforts that we deem appropriate on your behalf during the initial onset of your operations, and general and administrative expenses in administering such efforts. This will include the development and implementation, by us and/or by third parties, of the appropriate local advertising and promotional activities for your Center, including but not limited to a grand opening for your Center. Depending on your market, we expect that these activities will include programs such as digital advertising and direct mail. We will also provide collateral and other branded items needed to assist you in effectively generating awareness of the brand. As long as you operate the Center, you must actively and continuously engage in local marketing activities (in addition to those activities described elsewhere in Item 11) that are designed to increase business for your Center. We will specify in the Manual or otherwise in writing the types of promotional activities needed, as well as the minimum monthly time and financial commitment that must be made to local promotional activities.

We have instituted a 2024 incentive program. If you are a multi-unit franchisee opening a new PostNet Center, then you may elect not to invest in an Initial Marketing Fee.

#### *Development Fee*

When you sign the Area Development Agreement, you will pay a development fee of \$9,500 multiplied by the number of Centers to be developed under the Area Development Agreement (the “**Development Fee**”). The formula for the Development Fee is uniform, but the actual dollar amount paid will vary depending on the number of Centers you agree to develop. The Development Fee is non-refundable and considered fully earned when paid.

When you develop each Center under the Area Development Agreement, you will sign our then-current form of Franchise Agreement. A credit of \$9,500 will be applied towards the then-current Initial Franchise Fee due under each Franchise Agreement to be executed pursuant to the Area Development Agreement upon the signing of that Franchise Agreement.

**ITEM 6  
OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Royalty <sup>(2)</sup>	5% of Gross Sales	5th day of month	The “Royalty” is based on “Gross Sales” during the previous month. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Brand Fund Contribution	2% of Gross Sales	Same as Royalty	This fee is currently two percent (2%) of Gross Sales. Franchisees may choose to increase this contribution. If your PostNet Center is subject to a Support Program as described in Item 5, your obligation to make Fund contributions will be waived for the first 12 months after your Franchise Agreement is signed. See Item 11 for more details.
Individual Advertising Expense <sup>(3)</sup>	Greater of 2% of Gross Sales for previous calendar year or \$6,000 per year. Instead of the annual requirement, we may require the greater of 2% of Gross Sales for the previous calendar year quarter or \$1,500 per quarter.	As incurred	Franchisee must begin this advertising during the first month of operation of the PostNet Center. If you fail to spend your required Individual Advertising Expense on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the PostNet brand fund. See Note 3.
Advertising Cooperative	3% of Gross Sales	As incurred	You may be required to contribute all or a portion of the Individual Advertising Expense to an advertising cooperative that we establish in the future. We have not established any advertising cooperatives at this time. If we establish an advertising cooperative, you will be required to contribute a maximum of three percent (3%) of Gross Sales. The amounts you pay to the cooperative will be credited toward your Individual Advertising Expense. There are no current franchisor-owned outlets and even if there were, franchisor-owned outlets would not have controlling voting power on any fees imposed by the cooperative(s).

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Interest on Late Payments	Lesser of 18% or the maximum amount allowed by state law	Upon demand	Payable on overdue Royalty payments, advertising contributions, or other payments due to us. The interest rate is per annum, calculated daily.
Transfer Fee <sup>(4)</sup>	Greater of \$10,000 or 50% of our then-current Initial Franchise Fee	At the time we grant our conditional consent to the transfer or the transferee signs our then-current form of agreement, whichever is earlier	See Note 4.
Referral Fee <sup>(5)</sup>	\$10,000 to \$15,000	Upon demand	See Note 5.
Remodel or PostNet Center Upgrades <sup>(6)</sup>	\$0 - \$40,000	Upon execution of successor franchise agreement or transfer of an existing PostNet Center that has not completed the required remodels	Payable to various third parties, possibly by escrow, upon execution of successor franchise agreement for a PostNet Center that has not completed the required remodels or is not in compliance with current standards, or for the transfer of an existing PostNet Center that has not completed the required remodels or is not in compliance with current standards. See Note 6.
Audit	Amount of any underpayment with interest, plus the cost of audit which is estimated to be between \$700 to \$15,000	Upon demand	Cost of audit is payable only if the understatement exceeds two percent (2%).
Default Fee <sup>(7)</sup>	In certain circumstances, at least 3% and no more than 12% of Gross Sales. For all other defaults, all of our costs related to the default including our attorney fees and administrative costs.	Same as Royalty	See Note 7.
Additional Training	Then-current fee (currently \$500 per day, plus reimbursement of the trainer's expenses, which are estimated to be between \$200 to \$350 per day, plus airfare/travel expenses)	Upon demand	This expense is for any optional training that you request. See Item 11 for more details.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Successor Franchise Fee	25% of the then-current Initial Franchise Fee	Upon execution of the successor franchise agreement	This fee is commonly referred to as a “renewal fee.” It is payable if you execute a successor franchise agreement. This fee may be discounted in our discretion if you incur remodel upgrades in an amount equal to or in excess of this fee, or in the event of an early renewal, in our discretion.
Network Conference Registration Fee <sup>(8)</sup>	Then-current fee (currently \$725 per person)	As a default, one (1) conference registration fee will be paid monthly over a twelve-month period (Jan. – Dec.). The option to pay the conference fee in its entirety will be available for a two-week period in early January.	This fee covers the registration fee related to the Network Conference. See Note 8.
Network Conference Absentee Fee <sup>(8)</sup>	\$250	As incurred	See Note 8.
Point-Of-Sale Fee(s) <sup>(9)</sup>	Then-current fee (currently \$125 per month)	Same as Royalty	This fee covers your software license, updates, and service for each month, which may be paid to us or our approved supplier(s). If your PostNet Center is subject to a Support Program as described in Item 5, this fee is waived for the first 12 months after your Franchise Agreement is signed. See Note 9.
Technology Fee	Then-current fee (currently \$125 per month)	Same as Royalty	This fee covers the costs associated with the Google apps account (3 Google email addresses with enhanced security), website- hosting, and other technologies that are utilized in the operation of your PostNet Center. We reserve the right to increase this fee if our costs increase and/or we offer updated, additional, or different software or technology for use in the PostNet Center. You may purchase additional email address with enhanced security for \$8.75 per additional email address per month.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
QuickBooks Online (“QBOE”) Business Package and Qvinci <sup>(10)</sup>	QBOE at the then-current fee (currently \$48 per month), and Qvinci at the then-current fee (currently \$25 per month)	Same as Royalty	This subscription fee covers your PostNet Center’s license for a QBOE account. See Note 10.
Canva Design Tool <sup>(11)</sup>	Then-current subscription fee (currently \$12 per month)	Same as Royalty	See Note 11.
Reimbursement of monies paid or incurred by us on your behalf	Varies	Upon demand	For payments you fail to make and that we make on your behalf, plus expenses incurred by us in doing so.
Unauthorized Advertising Fee	\$500 per occurrence	Upon demand	This fee is payable to the PostNet brand fund if you use unauthorized advertising.
Indemnification	Will vary under circumstances	As incurred	You must pay for any expenses or losses that we or our representatives incur related in any way to your PostNet Center or the operation of your PostNet Business.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.
Payment Service Fee	Up to 4% of total charge	As incurred	If payment is made to us or our affiliate by credit card, we may charge a service charge of up to four percent (4%) of the total charge.
Insufficient Funds Fee	\$100 per occurrence	As incurred	Payable if EFT payment is not successful due to insufficient funds, stop payment, or any similar event.
Customer Satisfaction Reimbursement	Reasonable costs we incur for responding to a customer complaint, which varies	On invoice	We may, in our sole discretion, remedy any issues with customers of your PostNet Center, including full reimbursement of any fees paid to you. You are required to reimburse us for any such costs.

**Notes:**

1. **Fees.** All fees paid to us, unless otherwise noted, are uniformly applied to new system franchisees. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us via electronic funds transfer (“EFT”) or other similar means. You must complete the EFT Authorization (in the form attached to this Franchise Disclosure Document in Exhibit H) for direct debits from your business bank

operating account. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. **“Gross Sales”** include all revenue from the PostNet Center, minus sales and other taxes collected by you. Gross Sales also includes seventy percent (70%) of the full retail value of services or products you use for your personal use and seventy percent (70%) of the full retail value of any gift certificate or coupon sold for use at the PostNet Center that has been discounted more than thirty percent (30%) off of the retail price (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation). A Conversion Franchisee and an Acquire and Convert Franchisee will pay Royalties at a reduced rate for the initial two (2) years of the Franchise Agreement at the following rates: three percent (3%) of Gross Sales during the first year of the Franchise Agreement; four percent (4%) of Gross Sales during the second year of the Franchise Agreement; and five percent (5%) of Gross Sales during for the remainder of the term of the Franchise Agreement. We reserve the right to require the Royalty fee and brand fund contribution on a weekly instead of monthly basis as specified in our operations manual.
3. **Individual Advertising Expense.** The Individual Advertising Expense is currently evaluated on a yearly basis. We reserve the right to change the Individual Advertising Expense’s yearly requirement to a quarterly requirement upon written notice to you. If we change the Individual Advertising Expense from the yearly requirement to the quarterly requirement, you must spend a minimum of either the greater of two percent (2%) of your total quarterly Gross Sales based on the Gross Sales you generated in each quarter of the previous calendar year, or no less than \$1,500 per calendar quarter.
4. **Transfer Fee.** Except for transfers: (i) to a corporation or other legal entity you control, where the beneficial owners of the corporation are the same individuals who initially signed the franchise agreement; or (ii) necessitated by the death or incapacity of you or certain employees, you or the prospective transferee, at our sole option, must pay us a non-refundable Transfer Fee equal to the greater of \$10,000 or fifty percent (50%) of the then-current Initial Franchise Fee. If you transfer a PostNet Center that was purchased with a reduced Initial Franchise Fee within the first year of operations, you will be required to pay the difference between the reduced Initial Franchise Fee and the then-current Initial Franchise Fee for PostNet Centers. In certain cases, the Transfer Fee may be reduced by fifty percent (50%) under our Legacy Program (as described in Item 11). We reserve the right to change the Legacy Program at any time. There is no Transfer Fee associated with a transfer by you to a legal entity which is controlled by the same individuals who are the existing franchisees. We reserve the right to reduce the Transfer Fee or provide a payment plan for the Transfer Fee in our discretion.
5. **Referral Fee.** If, prior to commencing serious negotiations with you or one of your principals, a transferee (or any individual associated with any transferee entity) had contacted us, one of our Area Franchisees, or a third-party franchise broker with whom we have a referral fee arrangement, then you also must pay us an additional fee of: (i) \$15,000 if we must pay a third-party broker, or (ii) \$10,000 in all other circumstances.
6. **Remodel or PostNet Center Upgrades.** If you purchase an existing PostNet Center, or if you are a current PostNet franchisee entering into a successor franchise agreement, and your PostNet Center has not been remodeled to the then-current design or is not in compliance with then-current standards, you will be required to, prior to execution of the Franchise Agreement or successor franchise agreement, have an approved plan for remodeling and either: (1) purchase substantially



all of the assets required to complete the remodel; or (2) put an estimated amount into escrow toward the remodel. You must also successfully complete the remodel within two (2) months of execution of the Franchise Agreement or successor franchise agreement, unless we mutually agree to a longer timeframe.

7. Default Fee. In the event that you: (1) fail to allow, or cooperate with, any audit conducted by us or our designated agents as required by the Franchise Agreement within 30 days after receiving notice of the audit; (2) fail to follow or comply with our prescribed accounting system as required by the Franchise Agreement; (3) establish or use an unapproved website without our prior written approval; (4) fail to successfully complete any required training in the timeframe that we prescribe, as determined by us in our discretion; or (5) fail to remodel/upgrade the Center within 60 days of the requirement to do so we have the right to impose a separate fee equal to three percent (3%) of Gross Sales of the PostNet Center. Each separate three percent (3%) fee is in addition to the Royalty, and will continue until such time as the specific event of default is cured. For all other defaults, you will be required to reimburse us all of our costs and expenses related to the default including our reasonable legal fees and administrative expenses. This fee is intended to offset the damages that we incur as a result of your default and is not intended as a penalty.
8. Network Conference Registration Fee. All franchisees are required to send one (1) representative to our annual national conference of franchisees (“**Network Conference**”) each year from their PostNet Center. Our network conference registration fee is currently \$725 per person (\$60.42 per month). As a default, you will pay one (1) conference registration fee monthly over a twelve-month period (Jan. – Dec.). The option to pay the conference fee in its entirety (a “Pay Now” option) will be available for a two-week period of time in early January. If you do not attend conference, and have not received a formal “excused absence,” you will be charged the full conference fee vis a vis the monthly conference payment, and will not be credited back conference fee payments. To attend a network conference, you will also incur other costs, including food, lodging, transportation and other expenses.
9. Point-Of-Sale/Print/Web-to-Print Software Fee(s) (“POS Fees”). You must license required point-of-sale/print/web-to-print software from supplier we designate, which may be us or our affiliate, and pay any associated fees with software updates or support. We are currently the only approved supplier for such software. We reserve the right to change designated suppliers of required software. In lieu of requiring you to contract directly with any designated supplier for point-of-sale, print, web-to-print, or other services, we reserve the right to secure certain services from the supplier on behalf of the system and charge a monthly fee to each PostNet Center. The current fee is approximately \$125 per month. This fee may increase, and you will be responsible for any such increases. If your PostNet Center is subject to a Support Program as described in Item 5, your POS Fees will be waived for the first 12 months after your Franchise Agreement is signed.
10. QuickBooks Online (“QBOE”) Business Package and Qvinci. You must obtain a monthly subscription to QBOE, including integrated Qvinci accounting and financial reporting software. We currently require you to obtain your QBOE and Qvinci subscriptions through us pursuant to our master software license. The current monthly QBOE subscription fee we charge is approximately \$48. The current monthly Qvinci subscription fee we charge is approximately \$25. We reserve the right to increase this monthly fee in the future upon notice to you, including if QuickBooks increases the price it charges us.
11. Canva Design Tool (“Canva”). Canva is a ready-to-go online design solution that will allow PostNet Centers to speed up and simplify the graphic design process. The online design solution includes an editing tool and a gallery of ready-to-use design templates. We currently require you

to obtain your Canva subscription through us. The current monthly fee for the Canva subscription is \$12. We reserve the right to increase this monthly fee in the future upon notice to you, including if our costs increase.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

**FRANCHISE AGREEMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee <sup>(1)</sup>	\$37,900	\$37,900	Lump Sum	Upon signing the Franchise Agreement	Us
Center Development Package <sup>(2)</sup>	\$126,057	\$126,057	Lump sum	The later of: (a) when you sign your lease for the PostNet Center premises; or (b) 90 days before the Opening Date	Us
Extra Center Development Expense <sup>(3)</sup>	\$0	\$10,400	Lump sum	Prior to opening	Us or Suppliers
Lease of PostNet Center Premises <sup>(4)</sup>	\$2,500	\$5,250	Per agreement with landlord	Monthly	Landlord
Equipment Lease or Rental Payments <sup>(5)</sup>	\$750	\$1,000	Per agreement	Monthly	Equipment lessors
Security Deposit Fees <sup>(6)</sup>	\$3,000	\$8,000	Lump sum	Prior to opening	Landlord, utilities
Insurance <sup>(7)</sup>	\$900	\$2,000	Lump sum	Annually	Insurers
Initial Training Expenses <sup>(8)</sup>	\$2,100	\$4,200	As incurred	As incurred	Providers of transportation, food and lodging
Miscellaneous Pre-Opening Expenses <sup>(9)</sup>	\$10,000	\$35,000	As incurred	As incurred	Government agencies (such as sales and use tax), craftsmen, architectural, electrician, etc.
Initial Marketing Fee <sup>(10)</sup>	\$10,000	\$10,000	Lump Sum	The later of: (a) when you sign your lease for the PostNet Center premises; or (b) 90 days before the Opening Date	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Additional Funds (3 Months) <sup>(11)</sup>	\$30,000	\$50,000	As incurred	As required during the first three (3) months	Various
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(12)</sup></b>	\$223,207	\$289,807			

**Notes:**

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your PostNet Center. We do not offer direct or indirect financing for these items. Our estimates are based on our experience and our current requirements for PostNet Franchises. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your PostNet Franchise may be greater or less than the estimates given, depending upon the location of your PostNet Center, and current relevant market conditions. Your costs will also depend on factors such as how well you follow our methods and procedures; your management skills; your business experience and capabilities; local economic conditions; the local market for our products and services; the prevailing wage rates; competition; and sales levels reached during your initial phase of business operations. In addition, inflation may impact various costs. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

Except as described below, all fees are uniform and non-refundable.

1. **Initial Franchise Fee.** If you are a Conversion Franchisee, we offer a reduced Initial Franchise Fee ranging from \$18,950 to \$37,900. If you are an Acquire and Convert Franchisee, we offer a reduced Initial Franchise Fee ranging from \$18,950 to \$37,900. Reduced Initial Franchise Fees are available for existing franchisees that enter into additional franchise agreements, and franchisees eligible for the VetFran discount, the Diversity Discount Initiative, or the discount for women-owned businesses. Please see Item 5 for a description of the calculation methods of the Initial Franchise Fee in those instances. If you are a transferee, in lieu of the Initial Franchise Fee, you will pay the transfer fee set forth in the transferring franchisee's franchise agreement. If we determine that the PostNet Center being transferred qualifies for our Support Program, you may pay the transfer fee in twelve (12) monthly installments with the first installment due upon signing of the Franchise Agreement.
2. **Center Development Package.** The Center Development Package includes the initial cost of your computer system and other equipment, fixtures, signage, and supplies listed in Attachment B to the Franchise Agreement. All franchisees must pay this fee, but we may grant Conversion Franchisees and Acquire and Convert Franchisees credits against this fee (up to the full amount of the fee) for the value of items already existing in the business being converted which are called for in the Center Development Package, and which meet our then-current specifications. If you are an existing PostNet franchisee purchasing another PostNet franchise, we may, at our sole option, allow you to obtain certain equipment, fixtures, or supplies listed in Attachment B of the Franchise Agreement from an alternative source, which items and sources must meet our specifications, for use in your new PostNet Center. In such circumstances, you must pay the full Center Development Fee, but we will issue credits to you for the specific equipment, fixtures, or supplies that will not be included in your Center Development Package and that we authorize you to obtain from an alternative source. Please see Item 5 for additional description of the Center Development Package.

3. Extra Center Development Expense. There may be additional development expenses related to the size of your PostNet Center premises and/or external sign. For example, the Center Development Package includes an exterior sign up to 24 inches in height. If you desire or require an exterior sign that is larger than 24 inches, you would pay the difference between the cost of a 24-inch exterior sign and the size of the exterior sign that you desire or require. The same would be true if your PostNet Center is larger than 1,200 square feet; you would incur additional expenses related to flooring or fixtures.
4. Lease of PostNet Center Premises. We anticipate that you will lease retail space. We estimate that the PostNet Center will require approximately 1,000 to 1,500 square feet of retail space and that the cost should range between \$16 and \$45 per annum per square foot. This cost will depend on a variety of factors, the most prominent being location and market conditions. The rent for urban areas may be higher than the reflected range. This estimate also does not include security deposits, prepaid rent, or landlord pass-through costs, such as common area maintenance fees, which the landlord may require.
5. Equipment Lease or Rental Payments. You will need to lease two cut sheet printing devices: specifically, one connected high-speed copier/printing device for Color and Black and White printing, and a second tabletop device for small format copies, faxes, and simple printing. You also will need to lease a small wide format roll printer for banner and photo printing. These devices must meet our minimum specification and are not furnished as part of our Center Development Package.
6. Security Deposit Fees. Security deposits generally are required by utilities, the landlord, and the equipment lessors. Amounts will vary depending on the provisions of various leases, utilities' policies, and your credit rating. The estimated cost includes a two (2) month deposit to the landlord. Conversion Franchisees and Acquire and Convert Franchisees will usually not incur any new expense for security deposits.
7. Insurance. The estimated cost covers the typical first year's insurance premium for required coverage for equipment and business liability insurance. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a PostNet Business, your rates may be significantly higher than those estimated above.
8. Initial Training Expenses. You and, if applicable, your Designated Manager must attend initial training. The cost will vary depending upon the number of attendees, the distance traveled, the mode of transportation, and the cost of meals and accommodations. The low range disclosed above is for one (1) person and the high range is for two (2) people to attend initial training. We estimate the cost at \$2,100 per attendee.
9. Miscellaneous Pre-Opening Expenses. You will incur expenses in connection with any leasehold improvements to your PostNet Center, which are not included in our Center Development Package, such as local requirements for permitting, taxes on leasehold improvements, miscellaneous electrical, flooring, painting, and other construction expenses. These are not required in all areas. The range is based on receiving your space in vanilla shell condition from the landlord and may be impacted by the landlord's willingness to perform certain electrical and other leasehold improvements. In most states, you will also be required to pay sales and use taxes on the equipment you purchase from us as part of the Center Development Package. These taxes may be paid to us or to the taxing authority.
10. Initial Marketing Fee. If your Franchise Agreement is for a new, non-operational center, the Initial

Marketing Fee is \$10,000. If you are a Conversion Franchisee or an Acquire and Convert Franchisee, you will pay a reduced Initial Marketing Fee of \$7,500. If you are a transfer franchisee, you will pay a reduced Initial Marketing fee of \$5,000. See Item 5 for a description of the Initial Marketing Fee.

11. Additional Funds. During the initial phase of your operation, which we estimate to be three (3) months, you will need capital to support ongoing expenses, such as payroll (excluding your salary or draws), supplies, rent, Royalties, advertising, and utilities, to the extent that these costs are not covered by Gross Sales. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your PostNet Business. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for our products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. This estimate is based on the reported experiences of existing franchisees. These amounts may be less if you are a Conversion Franchisee or an Acquire and Convert Franchisee.
12. Figures May Vary. This is an estimate of your initial startup expenses for one (1) PostNet Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise. The cost of acquiring the business that you will buy from a third-party seller as an Acquire and Convert franchisee is not included in these figures.

#### AREA DEVELOPMENT AGREEMENT

Type of Expenditure	Amount	Method of payment	When Due	To Whom Payments Is to be Made
Development Fee	\$ 9,500 multiplied by the number of Centers to be opened under the Area Development Agreement	Lump Sum	Due when you sign the Area Development Agreement	Us

Notes:

1. See Item 5 for a description of the Development Fee, which is not refundable. We do not offer direct or indirect financing for any fees or expenses at this time.

#### ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

To ensure that the highest degree of quality and service is maintained, you must operate the PostNet Center in strict conformity with the methods, standards, and specifications that we list in our proprietary and confidential operating manual (“**Manual**”), which may exist in various parts, locations, and formats, and may include a combination of audio, video, written material, electronic media, website content, and/or software components. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Proprietary Marks or the System. Our Manual states our standards, specifications, and guidelines for all goods and services that we require you to obtain in establishing and operating your PostNet Center. We based these specifications on our experience and upon the experience of our officers and franchisees.

We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Manual or through written communication (including electronic communication). We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information.

You must purchase, install, maintain in sufficient supply, and use, only fixtures, furnishings, equipment, computer hardware and software, signs, and supplies that conform to the standards and specifications described in the Manual or otherwise in writing; you must not use nonconforming items. In addition, you must sell or offer for sale only those products and services that we have expressly approved for sale in the Manual or otherwise in writing in addition to all products and services that we designate as being required, and discontinue selling any products or services that we, in our discretion, determine may adversely affect the System. You must not offer any unapproved products or services.

You must obtain and maintain insurance policies protecting you, us and our affiliates, and our respective shareholders, directors, employees, and agents against any demand or claim regarding personal and bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring at or in connection with the construction and/or operation of your PostNet Center. Such policies must be written by an insurer acceptable to us and conform to our standards and minimum amounts of coverage. All insurance policies you purchase must name us and any affiliate we designate as additional insureds, and provide for 30 days' prior written notice to us of a policy's material modification or cancellation. If you fail to obtain or maintain the insurance we specify, we may (but need not) obtain the insurance for you and your PostNet Center on your behalf. The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment histories.

You must carry a minimum of two million dollars (\$2,000,000) in general liability insurance; one million dollars (\$1,000,000) for each occurrence; seventy-five thousand dollars (\$75,000) against loss of fixtures and equipment; and five thousand dollars (\$5,000) for the protection of other people's (i.e., customers') property. You must also carry worker's compensation coverage as required by statute or rule of the state and/or province in which the PostNet Center is located. These amounts may periodically be increased at PIFC's discretion due to circumstances such as inflation, new risks, and changes in the law, etc. Each policy must contain a waiver by the Franchisee and its insurer of their subrogation rights against PIFC and its affiliates, and their respective shareholders, directors, employees and agents. Each policy must also name PIFC, and its affiliates, and their respective shareholders, directors, employees and agents be listed as an additional insured with primary non-contributory coverage.

#### Purchases from Approved Suppliers

You must purchase, lease, license, or sublicense, at our sole option and direction, your computer system (including required hardware and software, including point-of-sale and design software) from a supplier we designate, which may be us or our affiliate.

We are currently the only approved supplier of the Center Development Package, Google Suite, Hub4PostNet, the point-of-sale system, Hub2Print, Canva, QBOE, and Qvinci. We may require that you purchase, lease, license, or sublicense new hardware or software at any time at your sole expense. We are also an approved supplier of marketing materials, envelopes, and other relatively minor inventory items. Except for these items, you are currently not required to purchase or lease from us or our affiliates, any goods, services, supplies, fixtures, equipment, inventory, or real estate for the establishment or operation of the PostNet Center. You must, however, purchase all products, equipment, supplies, and materials used or sold by the PostNet Center, solely from suppliers (including manufacturers, wholesalers, and distributors): (i) who demonstrate, to our continuing reasonable satisfaction, the ability to meet our reasonable standards and specifications for these items; (ii) who possess adequate quality controls and

capacity to supply your needs promptly and reliably; (iii) whose approval would enable the System, in our opinion, to take advantage of marketplace efficiencies; and (iv) who have been approved by us in the Manual or otherwise in writing and not later disapproved. The items you must purchase or lease from approved suppliers include business equipment such as copiers, printers, computers, and software; inventory such as corrugated cartons, paper products, and printing supplies; and fixed assets such as our proprietary counters, cabinets, and signs. The required computer hardware is included in the Center Development Package. Our parent, USBH, is not the only approved supplier of any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate. Our indirect parent, MBE Worldwide S.p.A., is currently the only approved supplier of Hub2Print and Hub4PostNet, and may become an approved or sole supplier of certain equipment or software that we require you or purchase, lease, license, or sublicense. Paolo Fiorelli owns an interest in MBE Worldwide S.p.A. Except for Mr. Fiorelli's interest in MBE Worldwide S.p.A, no franchisor officer owns an interest in any supplier. We reserve the right to change approved or required suppliers at any time, including changing to or from us or our affiliate as a supplier.

We estimate that approximately 76% of purchases required to open your PostNet Center and 70% of purchases required to operate your PostNet Center will be from us or from other approved suppliers and in accordance with our specifications.

In our 2023 fiscal year, we had total revenues of \$7,541,446, of which \$1,600,860 (approximately 21% of our total revenue) came from required purchases and leases of products and services by franchisees. In our 2023 fiscal year, no affiliate of ours derived revenue, rebates, or other material benefit from required purchases or leases of products and services by Franchisees.

We currently negotiate purchase arrangements (including price terms) with certain suppliers for the benefit of the PostNet System as a whole, including us and our franchisees. At present we have negotiated purchase arrangements with suppliers where our franchisees obtain discounts of 5% to 63% from standard prices for items such as shipping costs, inventory, equipment, and outsourced services such as websites, insurance, and credit card processing. At present we have not negotiated any agreements with suppliers that give us a better price than the price the supplier charges to franchisees. Some suppliers pay a percentage of their gross sales to franchisees directly into our brand fund. These percentages currently range from 1% to 3% of the suppliers' sales to franchisees. In addition, vendors pay us a fee to attend our Network Conference. Our current policies and supplier arrangements are subject to change, and, if changed, we may retain some or all of any material discounts, rebates, or other benefit(s) received from suppliers in the future. Except as described above, we do not currently derive revenue or other material consideration from required purchases or leases, though we reserve the right to do so in the future.

There are currently no purchasing or distribution cooperatives.

### Approval of New Suppliers

If you desire to have a non-approved supplier of a product or service designated as an approved supplier, you must submit samples of the supplier's products and services to us, along with a written statement describing why such items, services, or suppliers should be approved for use in the system. We do not charge a fee to evaluate the proposed supplier. We do not make our supplier specifications and/or standards generally available to franchisees or suppliers. While we will be required to respond to a request within sixty (60) days, we generally respond to a request for an additional approved supplier within seven (7) days. Our written approval must be received before you use products not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

We do not provide any material benefits to any franchisees (for example, additional Franchise rights or renewal rights) based on their purchases of particular products or services or their use of particular suppliers.

## ITEM 9 FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Franchise Agreement (“FA”) and Conversion/Acquire and Convert Addendum (“Addendum”)	Section in Area Development Agreement (“ADA”)	Item in Franchise Disclosure Document
a. Site selection and acquisition/ lease	FA Sections 1, 4 and <u>Attachment A</u>	ADA Section 2.2, 5 and <u>Schedule A</u>	Items 7 and 11
b. Pre-opening purchase/leases	FA Sections 3, 4, 5 and <u>Attachment B</u> Addendum Section 2	N/A	Items 5, 7 and 8
c. Site development and other pre- opening requirements	FA Sections 4, 5, 13 and <u>Attachment B</u> Addendum Section 2	ADA Section 5 and <u>Schedule A</u>	Items 6, 7 and 11
d. Initial and ongoing training	FA Sections 4 and 5 Addendum Section 3	N/A	Item 11
e. Opening	FA Sections 4 and 9	ADA Section 2 and 4	Item 11
f. Fees	FA Sections 1, 2, 3, 4, 5, 9, 11, 12 and 13 Addendum Sections 4 and 5	ADA Section 4	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	FA Sections 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13 and 14	ADA Section 2.1	Items 11 and 14
h. Trademarks and proprietary information	FA Sections 5, 7 and 8 and Owners Agreement ( <u>Attachment C</u> )	N/A	Items 13 and 14
i. Restrictions on products/services offered	FA Sections 5 and 8	N/A	Item 16
j. Warranty and customer service requirements	FA Section 5	N/A	Not Applicable
k. Territorial development and sales quotas	Not Applicable	N/A	Item 12
l. Ongoing product/services purchases	FA Section 5	N/A	Item 8



Obligation	Section in Franchise Agreement (“FA”) and Conversion/Acquire and Convert Addendum (“Addendum”)	Section in Area Development Agreement (“ADA”)	Item in Franchise Disclosure Document
m. Maintenance, appearance and remodeling requirements	FA Sections 2, 5 and 12	N/A	Item 11
n. Insurance	FA Section 10	N/A	Item 7
o. Advertising	FA Sections 3, 4, 5, 7 and 9	N/A	Items 6 and 11
p. Indemnification	FA Section 17 and Owners Agreement ( <a href="#">Attachment C</a> )	N/A	Item 6
q. Owner’s participation/ management/staffing	FA Sections 5 and 15	N/A	Item 6
r. Records and reports	FA Section 11	N/A	Item 6
s. Inspections and audits	FA Sections 4, 5 and 11	N/A	Items 6 and 11
t. Transfer	FA Section 12 and Owners Agreement ( <a href="#">Attachment C</a> )	ADA Section 9	Items 6 and 17
u. Renewal	FA Section 2	ADA Section N/A	Item 17
v. Post-termination obligations	FA Sections 14 and 15	ADA Section 7	Item 17
w. Non-competition covenants	FA Section 15 and Owners Agreement ( <a href="#">Attachment C</a> )	ADA Section 8	Item 17
x. Dispute resolution	FA Section 22	ADA Section 10	Item 17

**ITEM 10  
FINANCING**

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

**ITEM 11  
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, PIFC is not required to provide you with any assistance.**

Pre-Opening Obligations

Before you open your PostNet Center, we (or our designee(s)) will provide the following assistance and services to you:

1. Except for Conversion Franchisees and Acquire and Convert Franchisees, assist you, as we deem reasonable and necessary, in selecting a site which meets our then-current site-selection criteria (“**Approved Location**”), and in negotiating business terms for an acceptable lease agreement for the site (Franchise Agreement Section 4). For Acquire and Convert Franchisees, assist you, as we deem reasonable and necessary, in evaluating whether the location of a target business would qualify as an Approved Location. See below for more information regarding site selection (Item 11). We generally do not own

the premises for the PostNet Center and lease it back to you. You must open your PostNet Center within six (6) months after the signing of your Franchise Agreement (Franchise Agreement Section 4.1) or your Franchise Agreement may be terminated (Franchise Agreement Section 13).

2. If you enter into an Area Development Agreement, we will designate one or two Development Areas and you will develop one Franchised Business within each Development Area. You must execute our then-current form of Franchise Agreement for each Franchised Business to be developed. (Area Development Agreement – Sections 2 and 5.)
3. Give you access to the Manual for the duration of the Franchise Agreement and any other manuals that we may develop and issue. The table of contents of the Manual is attached as Exhibit E to this Franchise Disclosure Document. The majority of the Manual is currently electronic, and available exclusively on our password-protected cloud-based software platform. Our Manual contains mandatory specifications, standards, forms, material samples, guidelines, policies, and operating procedures (Franchise Agreement Section 5.3). As our Manual is electronic, we are unable to provide the exact number of pages. However, we estimate the Manual to be greater than the equivalent of 1,000 pages of a printed operations manual. This Manual is confidential and remains our property. We may modify the Manual, but the modifications will not alter your status and rights under the Franchise Agreement (Franchise Agreement Section 5.3.3).
4. Provide the Center Development Package described in Attachment B to the Franchise Agreement (See Item 5). The Center Development Package will be delivered directly to your PostNet Center and certain items included may be installed at your PostNet Center at no additional cost to you (Franchise Agreement Section 4).
5. Provide, at no charge to you, proposed plans (in the form of “blue-line drawings”) and specifications for the interior design and layout of your PostNet Center (Franchise Agreement Section 4).
6. Offer a classroom training program (online, classroom, on-site, and follow-up) to you covering basic PostNet Center operations and management (Franchise Agreement Section 4).
7. Offer an initial training program on the System to you and those individuals who will be involved in the management and operation of the PostNet Center at the Approved Location (Franchise Agreement Section 4).
8. Provide an initial set of personalized forms, stationery, marketing materials, and PostNet logo apparel (Franchise Agreement Section 4).
9. Conduct a final inspection of the PostNet Center before it opens for business (Franchise Agreement Section 4).
10. Provide initial advice and assistance to you in operating the PostNet Center, as we deem appropriate (Franchise Agreement Section 4).

### *Site Selection*

The PostNet Center must be located at the Approved Location. If we have not approved a location for the PostNet Center at the time you sign the Franchise Agreement, you must get our approval before you lease or otherwise acquire a location (Franchise Agreement Section 1).

We will assist you, as we deem reasonable and necessary, in your selection of a site for the Approved Location (Franchise Agreement Section 4). Typically, our assistance includes a demographic review and evaluation of the proposed premises for the PostNet Center, including population density, average household income, number of business establishments, and a review of the physical attributes of the proposed location, including access, visibility, parking convenience, location of competition, and other factors that may be relevant to your market. Before leasing or purchasing the site for your PostNet Center, you must submit to us, in the form we specify, a description of the site, with other information and materials that we may reasonably require. We will have 30 days after we receive the information to evaluate the proposed site. If we disapprove of the proposed site, you must select another site, subject to our consent. You must purchase or lease, at your expense, the site for your Center within 180 days after signing the Franchise Agreement. Once you have selected a site and we have approved it, we will advise you in negotiating an acceptable lease agreement for your PostNet Center premises by developing an offer to lease proposal covering all the basic business terms and conditions of the lease (Franchise Agreement Section 4). We cannot provide legal advice and recommend that you also retain your own attorney to assist in finalizing the lease agreement.

We may terminate the Franchise Agreement if the parties cannot agree on a site within six (6) months of the date of the Franchise Agreement, unless the franchisee requests and receives approval from us to extend this time frame. We will grant the approval provided that franchisee is making commercially reasonable efforts to locate a site for the Center and communicates its efforts to us.

#### *Schedule for Opening*

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of the PostNet Center can vary from five to seven months. Some factors which may affect this timing are your ability to acquire a location through lease or purchase negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, your ability to obtain any necessary permits and certifications, the timing of the delivery of equipment and inventory, and the time to acquire and/or convert, renovate, or build out your Center. If the Approved Location will be newly constructed rather than renovated, it may take more than 180 days. You must open your PostNet Center within one (1) year of the signing of the Franchise Agreement or your Franchise Agreement may be terminated (Franchise Agreement Section 13).

#### *Development Schedule*

You will have twelve (12) months from the effective date of the Area Development Agreement to develop and operate one Franchised Business within each Development Area, including signing our then-current form of Franchise Agreement.

#### *Time to Complete a Conversion*

If you are a Conversion Franchisee, you will have 60 days to complete the conversion process. If you are an Acquire and Convert Franchisee, you will have 270 days to complete the conversion process. If you fail to complete the applicable conversion, we will have the right to terminate the Franchise Agreement (Franchise Agreement Section 13) and (Exhibit H-4 Section 2.2).

#### Continuing Obligations

During the operation of your PostNet Center, we (or our designee(s)) will provide the following assistance and services to you:

1. Provide continuing advice and assistance to you, as we deem appropriate, in operating and promoting the PostNet Center (Franchise Agreement Section 4).
2. Offer additional training programs (Franchise Agreement Section 4).
3. Inform you of mandatory specifications, standards, and procedures for the operation of your Franchise.
4. Upon reasonable request, provide advice regarding your PostNet Center's operation based on reports or inspections. Advice will be given during our regular business hours and through written materials, electronic media, telephone, or other methods in our discretion.
5. Allow you to continue to use confidential materials, including the Manual and the Proprietary Marks.

#### Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new menu items, new equipment, or new techniques.
2. Make periodic visits to the Center for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.
3. Provide additional optional training. We currently offer, and may offer in the future at our sole option, additional training designed to provide supplemental sales and operational support to new and transfer franchisees during the first 90 days of operation.
4. Maintain and administer a brand fund. We may dissolve the brand fund upon written notice.
5. Hold the Network Conference to discuss business and operational issues affecting PostNet franchisees.

We may delegate the performance of any service, program, or obligation to our affiliates or to third parties, and such delegates will have the right to perform any such obligations on a combined basis, utilizing the same or shared personnel, or in conjunction with the performance of the same, similar, or different services for or on behalf of our or our affiliate's or our delegate's company-owned, company-operated, licensed, or franchised businesses, which may be in competition with your PostNet Business. We will have the right, in our sole discretion, to allocate costs, personnel, and other resources among any combined programs. If we delegate to our parent company or our affiliate any support, service, program, or obligation that we have

agreed to provide to you, we alone (and not our parent company or affiliate) will be responsible for providing any such agreed-upon support, service, program, or obligation to you. (Franchise Agreement Section 4.12; Area Development Agreement Section 12.5).

## Advertising

### *The Brand Fund*

You are required to contribute two percent (2%) of the PostNet Center's Gross Sales to the PostNet brand fund (the "**Brand Fund**") (Item 6 and Franchise Agreement Sections 3 and 9). Each PostNet Center that we own also will contribute two percent (2%) of its Gross Sales to the Brand Fund (Franchise Agreement Section 9). Franchisees have the right to periodically adjust the amount of the required contribution to the Brand Fund, subject to the following conditions: (i) any adjustment must be approved by at least a majority of all franchisees, as well as 2/3 of the franchisees who vote; (ii) each franchisee will have one (1) vote for each of its open and operating PostNet Centers; (iii) the required Fund contribution will never be less than two percent (2%) of the PostNet Center's Gross Sales; (iv) each adjustment will be for a period of not less than one (1) year; and (v) PIFC will develop the mechanisms and procedures for recommending, considering, and voting on any proposed adjustment (Franchise Agreement Section 9).

If your PostNet Center is subject to a Support Program as described in Item 5, your obligation to make Fund contributions will be waived for the first 12 months after your Franchise Agreement is signed.

The Brand Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Fund will be in a separate bank account, commercial account, or savings account. We may use the Brand Fund for local, regional, or national marketing, advertising, digital marketing, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System, and any other purpose to promote the PostNet brand. We will not use the Brand Fund to defray any of our expenses except for our reasonable costs and overhead that we incur in activities related to the administration of the Brand Fund, including costs of personnel for creating, implementing, and managing advertising and marketing programs. If we do not use all of the amounts in the Brand Fund in the year in which they accrue, they will be the first monies expended in the next year. We will not use the Brand Fund contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating "Franchises Available" or similar phrasing.

The Brand Fund is not a trust fund, and we do not have any fiduciary duty to you with respect to the Brand Fund's administration, activities, or expenditures (Franchise Agreement Section 9). We are not obligated to make expenditures from the Brand Fund that are equivalent or proportionate to your contribution, or to ensure that you or any other particular franchisee or geographic region benefits directly or pro rata from the advertising or promotion that we conduct under the Brand Fund (Franchise Agreement Section 9). We are also not required to spend any amount on advertising in the area or territory where you are located. We will provide you with an annual unaudited accounting of receipts and disbursements within 30 days of a written request.

During our last fiscal year, thirteen percent (13%) of the Brand Fund was spent on national brand campaign activities. Expenditures included agency support, strategy and creative development, photography and video production, and national digital marketing support. Additionally, forty-one percent (41%) of the Brand Fund was spent on online marketing activities, including organic and paid efforts on social media channels, email marketing, SEO/SEM, and the redesign of [www.postnet.com](http://www.postnet.com). One percent (1%) of the Brand Fund was used for various forms of technology, including management and upkeep of the Integrated

Marketing Center, a platform that provides PostNet Centers with customizable marketing materials. Three percent (3%) of the Brand Fund was spent on a 2023 ad-match program that reimbursed franchisees for approved, compliant marketing expenditures. Lastly, forty-two percent (42%) of the Brand Fund was spent to offset our direct general and administrative costs, including employee salaries and training, and miscellaneous expenses.]

### *Local Advertising*

Beginning after the first month of operation of your PostNet Center, and for the duration of the Franchise Agreement, you must spend a minimum of either two percent (2%) of your total yearly Gross Sales based on the Gross Sales you generated in the previous calendar year, or no less than \$6,000 per calendar year (“**Individual Advertising Expense**”) for local marketing purposes. We reserve the right to require you to submit monthly reports to us reflecting your advertising expenditures. We also reserve the right to change the Individual Advertising Expense’s yearly requirement to a quarterly requirement upon written notice to you. If we change the Individual Advertising Expense from the yearly requirement to the quarterly requirement, you must spend a minimum of either the greater of two percent (2%) of your total quarterly Gross Sales based on the Gross Sales you generated in each quarter of the previous calendar year, or no less than \$1,500 per calendar quarter. The Individual Advertising Expense must be used by you for local advertising. These funds are reserved only for marketing, promotions, and advertising of your PostNet Center (Franchise Agreement Section 9). If you fail to spend the entire Individual Advertising Expense in any given period, you will be required to pay the deficient amount of the Individual Advertising Expense to the Brand Fund.

You may be required to list your Center in an online directory or advertisement at your own expense in accordance with our policies and procedures.

You must actively and continuously engage in local advertising and promotional activities that are designed to increase business for the PostNet Center. We will specify in the Manual or otherwise in writing the types of activities needed, as well as the minimum monthly time commitment that must be made to local activities. These will include such activities as client development programs, community outreach, and other local initiatives that will assist you in generating goodwill for the PostNet Center. As of the Issuance Date of this Franchise Disclosure Document, the minimum time commitment is eight (8) hours per week. We reserve the right to modify these requirements from time to time (Franchise Agreement Section 5).

All local advertising and promotion by you must be conducted in a dignified manner, and conform to the standards listed in the Manual or otherwise in writing. You may not use any advertising or promotional plans or materials, including any website on the Internet which you may wish to establish, or third party discount websites until we have approved it, following the procedure described in the following paragraph, or unless it has been preapproved as stated in the Manual (Franchise Agreement Section 9).

You must order sales and marketing material from us or our designated suppliers. If you desire to use your own advertising materials, you must obtain our prior approval. We will review your request and we will respond in writing within seven (7) days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed an approval of your request. Use of logos, Proprietary Marks, and other name identification materials must follow our approved standards. If you use unauthorized advertising materials, including social media postings and Internet advertisements, you must pay a fee of \$500 per occurrence to the Brand Fund (Franchise Agreement Section 9).

### *Regional Advertising Cooperatives*

We have not yet created, and you are not currently required to participate in, any local or regional advertising cooperative for PostNet franchisees. However, we may, in our discretion, form local or regional marketing cooperatives covering your protected territory and the territory of at least one (1) other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or regional marketing cooperative (the “**Co-op**”), then you must: (i) join the Co-op; (ii) participate with other franchisees in the Co-op’s marketing programs; and (iii) pay your share of the Co-op’s marketing expense. Any payments you make for the Co-op’s marketing will be applied toward your Individual Advertising Expense. The Co-op’s marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the Franchisee Advisory Council (“**FAC**”) (if established) or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the FAC or some other committee of franchisees. The Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op’s expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge, or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes. If we establish an advertising cooperative, you will be required to contribute a maximum of three percent (3%) of Gross Sales. The amounts you pay to the cooperative will be credited toward your Individual Advertising Expense. There are no current franchisor-owned outlets and even if there were, franchisor-owned outlets would not have controlling voting power on any fees imposed by the cooperative(s).

### *Website*

We provide all franchisees with a webpage on the [www.postnet.com](http://www.postnet.com) website which lists specific information regarding your PostNet Center, including a link to an online print center. We provide a standard template that supports local content for all webpages to maintain uniformity of the PostNet brand. Additionally, to obtain this uniformity, we do not authorize PostNet franchisees to establish websites outside of the provided webpage on our main site. You may choose, however, to promote your business via alternate online strategies consistent with our policies and guidelines as contained in the Manual, which may be changed at our discretion. We have the right to review all online content on social media sites, blogs, in electronic communications, and on other online sites which are related to your PostNet Center or contain our trademarks, in order to protect the reputation and high quality associated with our Proprietary Marks and brand. We may require you to remove any questionable usage or content involving our Proprietary Marks. We may also require you to cease using our Proprietary Marks at all such sites ([Franchise Agreement Section 11](#)).

### *PostNet National Franchisees Advisory Council*

We currently have an advisory council called the PostNet National Franchisees Advisory Council (“**PNFAC**”). The PNFAC is composed of a representative group of franchise owners who meet periodically with the PostNet Headquarters Leadership Team (“**PNHQ**”) to review plans and discuss issues of mutual interest and concern.

The PNFAC is composed of six (6) to nine (9) members. In each of the four (4) regions, one (1) member is elected by franchisees. One (1) Chairperson and one (1) Vice Chairperson for the PNFAC is elected by PNFAC members. The previous year’s Chairperson serves as an At Large Member for the year following their chairpersonship. The remaining two (2) members are At Large Members appointed by us depending on the PNFAC representation needs. We have the power to form, change, or dissolve the PNFAC at any time.

The council exists to promote candid and constructive communication between PNHQ and franchisees. Specifically, the PNFAC meets with PNHQ to:

- Receive updates and provide input on the development and implementation of key initiatives
- Assist in formulating and providing updates to Network regarding strategies, initiatives, and action plans
- Provide feedback on and help prioritized strategies outlined by PNHQ
- Solicit feedback from constituents and offer recommendations for the improvement of the entire Network

The PNFAC serves in an advisory capacity and does not have the authority to establish or modify the policies of PNHQ or PostNet.

### *Franchisee Referral Program*

We currently offer a program by which, under certain circumstances, we provide a referral bonus to existing franchisees who refer to us a new prospect that signs a new franchise agreement within 24 months of the referral. The prospect must be new to the PostNet franchise system and cannot be an existing franchisee of us or any of our affiliates. The referral bonus will be (a) \$5,000 if the prospect executes a new franchise agreement for a new PostNet Center, or (b) \$2,500 if the prospect obtains a franchise through an approved transfer; provided, a transferring franchisee is not eligible to receive a referral bonus in connection with the transfer of its own franchise agreement. We may change or discontinue the program at any time. Franchisees who receive financial incentives to refer prospective franchisee leads to us may be required to register as franchise brokers or franchise sales agents under the laws of certain states. If applicable law requires an existing franchisee to register as a franchise broker or franchise sales agent under such circumstances, such existing franchisee will not be eligible to receive any referral bonus unless and until such existing franchisee is first registered as a franchise broker or franchise sales agent. The role of existing franchisees who refer prospective franchisees to us ends with the referral and such referring franchisees may not participate in the franchise sales process in any manner, including validation. Existing franchisees that make such referrals do not have the authority to bind us to any agreement, to negotiate on our behalf, to make any representations, or to solicit or accept funds on our behalf.

### Computer System

You must purchase, lease, license, or sublicense, at our sole option and direction, the computer hardware and certain software for your PostNet Center (“**Computer System**”) that we require from a supplier we designate, which may be us or our affiliate. The required hardware consists of three (3) desktop computers and three (3) monitors, and you must obtain the designated POS software we require. We estimate the initial cost of purchasing the Computer System (as listed as the “Point-of-Sale”, “Graphics Computer Station”, and “Center Network” in Attachment B to the Franchise Agreement) will range from \$7,000 to \$9,000. This cost for your initial computer hardware is included in the Center Development Fee you pay to us.

The Computer System will manage the daily workflow of the PostNet Center; coordinate the customer ordering experience, track inventory, and other information. You must record all Gross Sales on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Sales of your PostNet Franchise. You will pay any and all annual, monthly, or other software fees, or other fees, as required by our approved suppliers (which may be us or our affiliate) to obtain and maintain your Computer System. Our suppliers (which may be us or our affiliate) have the right to increase or decrease the software fees at any time, at our or their sole option, upon written notice to you. We reserve



the right to change our approved suppliers, including any software suppliers, at any time and at our sole option. At our sole option, we or our affiliates may be an approved supplier or the only approved supplier of some or all of the Computer System. We reserve the right to change approved or required suppliers at any time, including changing to or from us or our affiliate as a supplier. You may not alter your Computer System, or use alternative software or suppliers of technology, without our prior written approval. You must keep your Computer System in good maintenance and repair and, at your expense, promptly make any and all updates, additions, changes, modifications, substitutions, and/or replacements to your Computer System (including, without limitation, to required point-of-sale software) as we direct.

You must use any credit card vendors and accept all credit cards and debit cards that we determine. The term “credit card vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”). If you are in default of any obligations under the Franchise Agreement, we may, in addition to any other remedy we may have under the Franchise Agreement, temporarily inhibit your access to all or part of the Computer System, including point-of-sale software, until you have cured such default completely (Franchise Agreement Section 11).

You will be responsible for the maintenance of the Computer System. This obligation begins when the Computer System is installed in your Center. You must use proprietary technologies and other non-proprietary technologies that we designate in the operation of your PostNet Center. In lieu of requiring you to contract directly with any designated supplier, we reserve the right to purchase certain services related to upgrades, updates, enhancements, and support and assistance from the supplier on behalf of the system and charge a monthly fee to each PostNet Center. You must license or lease required point-of-sale/print/web-to-print software from a supplier we designate, which is currently us or our affiliate and which may be us, our affiliate, or a third-party vendor we designate in the future, and pay any associated fees with software updates or support. The current monthly fee is approximately \$150 per month. This fee may increase, and you will be responsible for any such increases. You must use a Google apps account we designate (3 Google email addresses with enhanced security), website-hosting, and other technologies in the operation of your PostNet Center. The current monthly technology fee for this is \$125. This fee may increase, and you will be responsible for any such increases. You may purchase additional email address with enhanced security for \$8.75 per additional email address per month. You are also currently required to purchase a QuickBooks Online Edition (“QBOE”) subscription (including Qvinci accounting and financial reporting software) from us under our umbrella QBOE account, and thereafter maintain the subscription with current financial information (See [Item 6](#) and [Franchise Agreement Section 11](#)). The current monthly fee for the QBOE subscription, which amount is subject to change, is approximately \$48. In addition to the monthly subscription fee, all franchisees are currently required to pay us a one-time QBOE initial setup fee of \$50 per PostNet Center. The initial setup fee for QBOE is not included with your Center Development Package and is charged after the opening of your PostNet Center. We reserve the right to increase the QBOE monthly subscription fee and initial setup fee in the future upon notice to you, including if QuickBooks increases the price it charges us. You must obtain from us a subscription to use Canva Design Tool software, which is a ready-to-go online design solution that will allow PostNet Centers to speed up and simplify the graphic design process. The online design solution includes an editing tool and a gallery of ready-to-use design templates. The current monthly fee for the Canva subscription is \$12. We reserve the right to increase this monthly fee in the future upon notice to you, including if our costs increase. You must obtain a license to use Adobe Creative Cloud. The current monthly fee for this license, which is payable to Adobe, is \$52.95. Adobe’s license fee may increase in the future. In addition, you have the option to subscribe to CareerPlug, an applicant tracking system software for use in your hiring, via a sublicense from us. The current fee for this sublicense is \$390 per year (which is \$32.50 per month). We reserve the right to increase the fees described above if our costs increase and/or we offer updated, additional, or different software or technology for use in the PostNet Center.

We estimate your annual cost of maintenance, updating, upgrading, and support contracts related to the Computer System will be at least \$500 to \$1,000. The precise cost of maintenance, updating, upgrading, and support contracts related to the Computer System cannot be estimated at this time because it will depend on, among other factors, your repair history, local costs of computer maintenance and service in your area, the PostNet System's future needs, as well as technological developments, none of which we can predict at this time, and are therefore subject to change. You may be required to upgrade your computer hardware approximately every two (2) to three (3) years due to improvements in the software, advances in technology, and memory requirements. There is no limitation on the frequency or cost of this obligation. Other than as specified in this paragraph, neither we nor any third-party vendor have any ongoing obligation to provide ongoing maintenance, upgrades, or updates to your Computer System.

We (or our designee) have the right to independently access the electronic information and data relating to your Franchise and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Center, or from other locations.

### Legacy Program

We currently have established a Legacy Program to help you pass your ownership interests on to your children or grandchildren. If you choose to participate, and we approve the transfer, we will reduce the Transfer Fee by 50%. In certain cases, the Transfer Fee may be waived. Your children or grandchildren may be required to attend Discovery Day or Training. We reserve the right to change the Legacy Program at any time.

### PostNet Training Program

You (or if you are an entity, your Designated Manager) must attend and successfully complete to our satisfaction, an initial training program on the operation of a PostNet Center at a place and time we designate. A total of 2 seats for attendees are included in your Initial Franchise and Transfer Fees, which covers the class attendance fee, but you are solely responsible for the compensation, travel, lodging and living expenses of your attendees while attending training. Any other management-level employees you request may attend training upon our authorization. In the case of a franchisee (or its affiliate) with multiple PostNet Centers, all PostNet Centers are required to have a Designated Manager and each must attend the training program, and the manager of each additional PostNet Center is required to complete the training program to our satisfaction to become a Designated Manager.

You or your Designated Manager are required to complete each of the steps of the training program. You or your Manager Owner must complete step 1, which is self-directed e-learning (Pre-work) as we assign to you at your PostNet Center. You or your Designated Manager must complete the additional initial steps of the training programs as follows: (i) step 2 of the training (Initial Owner Training) must be completed prior to the opening or taking possession of your Center; (ii) step 3 of the training requires you to complete additional training – Wide Format training and OpX Bootcamp training – within the first year of signing your Franchise Agreement. We also require that you participate in and complete prescribed performance programs (“Performance Groups”) over the first three (3) years of signing your Franchise Agreement. Performance Groups involve 4-10 centers (owners and center staff members) who commit to improving performance in key areas of growth and profitability over a period of time. Performance Groups are comprised of both new Franchisees, and existing Franchisees and their team members. Participants receive training on subject matter relevant to the focus of the Performance Group. They establish performance

goals, and group members work together to hold each other accountable, share successes and best practices, and support each other in meeting growth and profitability goals. New Franchisees are required to participate in and complete the two (2) Performance Groups – “Generating More Leads,” and “Improving Lead Conversion” – within the first eighteen (18) months of signing their Franchise Agreements. Thereafter, New Franchisees are required to participate in and complete an additional two (2) Performance Groups – “Growing Your Existing Accounts,” and “Improving Your Customer Retention” – within three (3) years of signing your Franchise Agreements. We reserve the right to alter the focus, subject matter, and/or sequencing of required Performance Groups.

We will also connect you with a qualified fellow owner (“**Mentor**”) in your area to offer support, assistance, and advice. While not required, we strongly recommend that you visit your Mentor’s PostNet Center 1-2 times – once prior to Initial Owner Training, and once following Initial Owner Training. Additionally, we encourage you to reach out to your Mentor for input and advise as you have questions and as the need arises. In most cases, your Mentor will be within driving distance of your Business Center, so there is no expense associated with these visits other than gasoline, vehicle mileage, and meals associated with any day-long visits, which you will be responsible for. If there is no qualified Mentor available within driving distance or we otherwise select a Mentor for you outside your immediate geographic area, your engagement with your Mentor will be virtual with no associated expense.

*Training Table*

We plan to provide the training listed in the table below. We reserve the right to vary the length and content of the initial training program based upon the experience and skill level of the individual(s) attending the initial training program. We also reserve the right to adjust the content and the order of the training programs we provide to all franchisees. We also reserve the right to provide any of the training described above remotely, such as through guided or self-study internet programs or via teleconference or webinar, or at alternate locations to the ones described below.

**INITIAL TRAINING PROGRAM  
ONLINE PRE-WORK**

Subject	Hours of Online Training	Hours of On-The-Job Training	Location
PostNet Standards, General Operations and Compliance	0-1	0	Virtual; hosted from PostNet Headquarters (currently Lakewood, Colorado)
Shipping, Packaging, Mailboxes and Additional Services	1-2	0	Virtual; hosted from PostNet Headquarters (currently Lakewood, Colorado)
In Center Print Operations and Outsource Printing	2-3	0	Virtual; hosted from PostNet Headquarters (currently Lakewood, Colorado)
Point-of-Sale and Customer Transactions	1-2	0	Virtual; hosted from PostNet Headquarters (currently Lakewood, Colorado)
Financial Management	1-2	0	Virtual; hosted from PostNet Headquarters (currently Lakewood, Colorado)

Subject	Hours of Online Training	Hours of On-The-Job Training	Location
Marketing, Advertising and Sales	1-2	0	Virtual; hosted from PostNet Headquarters (currently Lakewood, Colorado)
Business Planning and Management	3-4	0	Virtual; hosted from PostNet Headquarters (currently Lakewood, Colorado)
<b>Total Training Time</b>	<b>12</b>	<b>0</b>	<b>Virtual; hosted from PostNet Headquarters (currently Lakewood, Colorado)</b>

### IN-PERSON - INITIAL OWNER TRAINING SESSION

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
PostNet Standards, General Operations and Compliance	2-3	0	PostNet Headquarters (currently Lakewood, Colorado)
Shipping, Packaging, Mailboxes and Additional Services	6-8	0	PostNet Headquarters (currently Lakewood, Colorado)
In Center Print Operations and Outsource Printing	8-12	0	PostNet Headquarters (currently Lakewood, Colorado)
Point-of-Sale and Customer Transactions	3-6	0	PostNet Headquarters (currently Lakewood, Colorado)
Financial Management	2-4	0	PostNet Headquarters (currently Lakewood, Colorado)
Marketing, Advertising and Sales	6-8	0	PostNet Headquarters (currently Lakewood, Colorado)
Business Planning and Management	4-6	0	PostNet Headquarters (currently Lakewood, Colorado)
<b>Total Training Time</b>	<b>31-47</b>	<b>0</b>	<b>PostNet Headquarters (currently Lakewood, Colorado)</b>

### ADDITIONAL TRAINING & PERFORMANCE GROUP PARTICIPATION

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Wide Format Training	16-20	0	PostNet Headquarters (currently Lakewood, Colorado)
OpX Bootcamp	16-20	0	PostNet Headquarters (currently Lakewood, Colorado)
Generating More Leads	3-6	4-8	Your PostNet Center
Improving Lead Conversion	3-6	4-8	Your PostNet Center
Growing Your Existing Accounts	3-6	4-8	Your PostNet Center

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Improving Your Customer Retention	3-6	4-8	Your PostNet Center
<b>Total Training Time</b>	<b>44-64</b>	<b>12-32</b>	<b>Your PostNet Center</b>

Our Vice President of Learning and Development Clain Udy currently oversees our training events and programs. Mr. Udy has 29 years of experience in training, development, and building new hire/development/leadership certification programs. He has been with us since August 2020. We reserve the right to hire and retain other dedicated personnel to oversee or conduct initial and ongoing training events and programs. PostNet franchisee training courses are facilitated by members of our Learning & Development team, as well as subject matter experts at PostNet. Such trainers include: (1) Jason Tragresser, who has 31 years of experience in franchising, printing, shipping, real estate, and training (31 years with PostNet), including expertise in store operations, management, franchise development and training; (2) Ryan Scott, who is our Print Operations Trainer and has 13 years of extensive print experience (2 years with PostNet); and (3) Dale Myska, who has 20 years of experience in business development, marketing, and retail network development (5 years with PostNet).

*Additional and Ongoing Training*

We may, from time to time, require that you (including, if applicable, your Designated Manager, staff, and employees) attend additional training programs that we designate at the times and places that we designate (“**Additional Training**”). The Additional Training will be at our corporate headquarters, your PostNet Center, or at any other location that we designate. We estimate the additional training to be no more than three (3) to five (5) days per year. The Additional Training may encompass operational issues, new products or services, or compliance issues. Attendance at Additional Training will be at your sole expense, including expenses to cover travel, living expenses, and wages in connection with attending Additional Training (Franchise Agreement Section 4).

The managing owner, Designated Manager (if applicable) and other employees of Franchisee that have signed a confidentiality agreement may attend our annual Network Conference. All franchisees must send one (1) representative from their PostNet Center to the Network Conference. The location for the Network Conference is typically in a major U.S. city, and may change each year. You must attend the Network Conference and your failure to attend two (2) or more Network Conferences may result in a default of the Franchise Agreement. Portions of our Network Conference may be held jointly with other brands of our affiliates. You are responsible for all travel, living expenses, wages, and other costs in connection with attendance at the Network Conference. You must also attend, at your sole expense, such additional meetings, seminars, workshops, and regional meetings as we may reasonably require from time to time and at any time (Franchise Agreement Section 5). We do not charge a tuition fee for these additional trainings.

**ITEM 12  
TERRITORY**

Franchise Agreement

The Franchise Agreement designates the Approved Location for the PostNet Center. If no Approved Location exists at the time you sign the Franchise Agreement, as is typically the case, we will describe the Approved Location in an amendment to the Franchise Agreement after you select and we approve the Approved Location. You may not relocate the PostNet Center without our prior written approval. Our approval will, among other things, be based on where your PostNet Center will be located and whether the

proposed site satisfies our site location criteria and standards, whether or not such relocation will infringe upon the rights of other franchisees, and the time it will take to relocate your PostNet Center.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control and/or which are under common ownership with us. During the term of the Franchise Agreement, if you are in compliance with the Franchise Agreement and all other agreements you or your affiliates may have with us, we will not establish or operate, or franchise any entity to establish or operate, another PostNet Center at any location within the area described in the Franchise Agreement (“**Protected Territory**”). The size of the Protected Territory will likely differ among franchisees, and will be determined by the demographics and attributes of the area in which the PostNet Center is situated. As a general rule, the area will be approximately one-quarter (1/4) mile to one half (1/2) mile from your Approved Location for an urban area, approximately one (1) mile from your Approved Location for a suburban area, and approximately one and one half (1-1/2) miles from your Approved Location for a rural area. For purposes of determining your Protected Territory, urban area means a densely populated area, such as a major metropolitan area. Suburban area means an outlying area associated with a major metropolitan area. Rural area means an area with a low population density. Once we establish your Protected Territory, we will not change or modify it without your consent. There is no minimum area that will comprise your Protected Territory. If you renew your Franchise, your Protected Territory may be modified depending on the then-current demographics of the Protected Territory, and on our then-current standards for territories.

You do not receive the right to acquire additional PostNet Centers within the Protected Territory. You are not given a right of first refusal on the sale of existing PostNet Centers. However, you will have the opportunity to apply with us for an additional PostNet Franchise, and, if an additional franchise is awarded to you, your additional PostNet Center may be in your Protected Territory, subject to our approval. You are not prohibited from soliciting or accepting orders from consumers outside of your Protected Territory. You may not use any other channel of distribution, other than a retail storefront or those websites that have been specifically approved by us as reflected in the Manual, to make sales outside of your Protected Territory. Other than as stated above, the Franchise is nonexclusive, and we and our affiliates retain the right (without compensation to you), for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise, or operate PostNet Centers at any location outside of the Protected Territory, regardless of the proximity to your Approved Location or your Protected Territory or the impact on your existing or potential customers;
2. to use the Proprietary Marks and the System to market and sell, and grant others the right to market and sell, any products and services similar to those which you will sell, through any channels of distribution within or outside of the Protected Territory, regardless of their proximity to the Approved Location or your Protected Territory or the impact on your existing or potential customers. This includes, but is not limited to, small format centers located within other retail locations such as grocery stores, regional malls, airports, college campuses, special events, and military bases; and other channels of distribution such as television, direct mail, mail order, catalog sales, telemarketing, or over the Internet. We exclusively reserve the Internet, including computerized or remote entry ordering systems, as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce unless you have received our prior written permission or unless such activities are expressly authorized by the Manual;
3. to use and license others to use other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Proprietary Marks, whether in

alternative channels of distribution, or in the operation of a retail store at any location, including within the Protected Territory, which may be similar to or different from the PostNet Center operated by you or to sell products and services (regardless of similarity to products and services sold in the PostNet Centers);

4. to anywhere purchase, merge, acquire (or be acquired by), affiliate with, or engage in any transaction with other businesses (whether competitive or not) having one or more businesses or locations, wherever located, including, but not limited to, transactions or arrangements involving competing outlets and/or brand conversions (to or from the PostNet brand and system);
5. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs; and
6. to engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Franchise Agreement.

We are not required to pay you if we exercise any of the rights specified above within your Protected Territory. Continuation of the Protected Territory is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency. As of the Issuance Date of this Franchise Disclosure Document, we do not currently sell anything directly to customers.

Other business concepts owned now or in the future by us or our affiliates using other trademarks may be established in proximity to the PostNet Center. We or our affiliates may operate or grant franchises for businesses under a different trademark than PostNet that may sell goods or services similar to those that you will offer. These similar goods or services could be other business products and services and may be owned or operated by franchisees of our affiliates. Our affiliates currently own and operate the AlphaGraphics and World Options brands, which brands may offer similar goods and services as PostNet Centers but under different trademarks.

As noted in Item 1, our affiliate, AGI, offers franchises for AlphaGraphics centers throughout the United States, its territories, and other countries, and our affiliate, WO US, offers franchises for World Options businesses throughout the United States. AlphaGraphics business centers offer customized print and marketing solutions to businesses. World Options businesses offer domestic and international freight, shipping, and other transportation services. AGI's principal business address is 143 Union Boulevard, Suite 650, Lakewood, Colorado 80228. WO US's principal business address is 143 Union Blvd., Suite 625, Lakewood, Colorado 80228. We share some office space with AGI and WO US, and we, AGI, and WO US use some shared spaces for training and other services, but we, PIFC, and WO US currently maintain separate rooms containing equipment utilized for AlphaGraphics business centers, PostNet franchised businesses, and World Options franchised businesses. There is no assurance that we will continue to maintain physically separate equipment/demo rooms in the future.

AlphaGraphics or World Options may offer products and services that are similar to and competitive with those offered by PostNet Centers. AGI or WO US may have or franchise businesses that are physically located within your Protected Territory or that solicit or accept orders within your Protected Territory.

The designation of the Protected Territory does not grant you the exclusive right to any particular market or customers. You may solicit customers and advertise your PostNet Center anywhere you choose, except that you may not advertise on the Internet or establish or maintain any website or any presence on the Internet without our prior written consent. Likewise, we and our affiliates, and our and their franchisees,

may advertise and solicit customers for PostNet centers, AlphaGraphics businesses, or World Options businesses, as applicable, anywhere (including within your Protected Territory). No party is obligated to pay compensation to any other party for soliciting customers from the other party's market or territory.

We do not expect that there will be material conflicts between PostNet Centers and operators or franchisees of AGI or WO US regarding territory, customers, or franchisor support. Although we do not anticipate any conflicts, if any disputes arise, we plan to address them on a case-by-case basis.

Except for AGI and WO US, neither we nor our affiliates have any present plans to establish other related franchises or company-owned businesses selling the same or similar products or services under a different name or trademark in the United States, although we and our affiliates each reserve the right to do so.

We and our affiliates reserve all rights to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales within your Protected Territory of products or services under trademarks different than the ones that you will use under the Franchise Agreement. In addition, we or our affiliates may operate or grant franchises for businesses under a different trademark than PostNet that will sell goods or services similar to those that you will offer. These similar goods or services could be other business products and services and may be owned or operated by franchisees or our affiliates. As discussed above, our affiliate currently owns and operates the AlphaGraphics brand which offers similar goods and services as PostNet Centers, but under different trademarks.

#### Area Development Agreement

Under an Area Development Agreement, you are assigned one or two geographic areas (the "Development Area(s)") within which you secure the ability to sign a Franchise Agreement and develop one Franchised Business in each Development Area under a prescribed Development Schedule. For each Development Area, you must sign our then-current form of Franchise Agreement within twelve (12) months of the Effective Date of the Area Development Agreement. The size of a Development Area may range from a portion of a city or an unincorporated area to a single or multi-county or single state area and will be described in the Area Development Agreement by reference to a description, an area marked on a map, streets or highways, political jurisdiction boundaries, by an area encompassed within a radius of a specific distance (or a range of distances) or of a distance sufficient to encompass a specified population (or range of populations) or by such other method of delineation as we may prescribe.

Subject to your full compliance with the Area Development Agreement and the remaining part of this paragraph, we will not establish, or authorize any other person or entity, other than you, to establish a PostNet Center in the Development Area (subject to all of the reservations and limitation related to a Protected Territory described above, which also apply to a Development Area) until the earlier of: (i) the expiration or termination of the Area Development Agreement; (ii) the date upon which you must sign the Franchise Agreement for that Development Area; or (iii) our modification of your development rights in the Development Area (including without limitation your exclusivity in the Development Area) following your failure to satisfy the Development Schedule in your Area Development Agreement (as further described below). At that time, the Protected Territory for each Franchise Agreement in the market will remain as the only territorial protection in the market and we will have the right to franchise or open PostNet Centers outside the Protected Territory(ies) within such market.

You must develop your Franchised Business in accordance with the Development Schedule set forth in your Area Development Agreement. You will develop and operate one Franchised Business within each Development Area. You must execute our then-current form of Franchise Agreement for each Franchised Business.



The territorial rights granted to you under the Area Development Agreement are not dependent upon the achievement of a certain sales volume, market penetration or other contingency except as stated in the following paragraph. Also, except as stated in the following paragraph, there are no circumstances under which the Development Area may be altered prior to the expiration or termination of the Area Development Agreement.

As a condition to exercising your development rights under your Area Development Agreement and executing a Franchise Agreement for development of each Franchised Business, you must satisfy the following:

1. You and your affiliates and principals must be in full compliance with all provisions of your Area Development Agreement and any other agreements (including any Franchise Agreements) between you and your affiliates and us and our affiliates. You must have at all times operated, and continue to operate, each of your existing Franchised Business in accordance with our standards set forth in the Operations Manual. Additionally, you must demonstrate you are capable of operating each proposed Franchised Business required under the Development Schedule in accordance with our standards.
2. You and your principals must satisfy our then-current financial criteria for developers of PostNet Centers as set forth in the Manuals. You must not be in default, and have not been in default during the 12 months preceding your request for financial approval, of any monetary obligations owed to us or our affiliates under any Franchise Agreement or other agreement between you or any of your affiliates and us and any of our affiliates.
3. You must have prepared or obtained, and submitted to us upon our request, in a timely manner, all information and documents requested by us in connection with the Area Development Agreement or any other agreements to be executed between you and any of your affiliates and us or any of our affiliates, and you must have taken such additional actions in connection therewith as may be requested by us.
4. Neither you nor any of your principals will have made any transfer or attempted transfer of a controlling interest in the Developer entity without our prior consent.

If you fail to comply with the Development Schedule, including failing to execute a Franchise Agreement by the deadline set forth in the Development Schedule, or otherwise commit a material event of default under the Area Development Agreement as described in Item 17, we may, in addition to other remedies, terminate, modify or reduce the Development Area granted to you or modify or reduce the number of Franchised Businesses you may develop within the Development Area. If you develop a Franchised Business outside of your Development Area, then we will modify the Development Area granted to you in your Area Development Agreement by requiring you to release a portion of your Development Area identified by us.

### **ITEM 13 TRADEMARKS**

The Franchise Agreement and your payment of Royalties grants you the nonexclusive right and license to use the System, which includes the use of the Proprietary Marks. Your use of the Proprietary Marks is limited solely to the operation of the PostNet Center at the Approved Location, and only in accordance with the System.

We own and have registered the following principal trademarks on the Principal Register of the United

States Patent and Trademark Office. We have renewed or intend to renew the registrations for the Proprietary Marks listed below. All required affidavits have been filed.

Mark	Registration Number	Registration Date
POSTNET	1,801,313	October 26, 1993
CREATIVE CAFE	4,080,995	January 3, 2012
<b>POSTNET</b>	4,879,955	January 5, 2016

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; no pending infringements, oppositions, or cancellations; and no pending material litigation involving any of the Proprietary Marks. We do not know of any infringing uses that could materially affect your use of the Proprietary Marks.

No agreement significantly limits our right to use or license the Proprietary Marks in any manner material to the PostNet Business. You must follow our rules when using the Proprietary Marks. You cannot use our name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the PostNet name relating to the sale of any product or service that is not previously authorized by us in writing. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your Approved Location that you are an independently owned and operated licensed franchisee of PIFC.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Proprietary Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Proprietary Mark(s), or for your expenses of promoting a modified or substituted trademark or service mark.

You must notify us immediately when you learn about an infringing or challenging use of the Proprietary Marks. If you are in compliance with the Franchise Agreement, we will defend you against any claim brought against you by a third party alleging your use of the Proprietary Marks in accordance with the Franchise Agreement allegedly infringes upon that party's intellectual property rights. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Proprietary Marks. We have no obligation to pursue any infringing users of our Proprietary Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. We shall control all actions, but not be obligated to take any action. You must not directly or indirectly contest our right to the Proprietary Marks. We may acquire, develop, and use additional proprietary marks not listed here, and may make those proprietary marks available for your use and for use by other PostNet Centers.

#### ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise, nor do we have any pending patent applications. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manual, advertising materials, the content and format of our products, and any other writings and recordings, in print or electronic form, relating to the operation of PostNet Centers and the System (“Copyrighted Works”).

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation, and franchising of PostNet Centers, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial and customer data of PostNet Centers, and other related materials are proprietary and confidential (“**Confidential Information**”) and are our property to be used by you only as described in the Franchise Agreement, Area Development Agreement, and the Manual. Where appropriate, certain information has also been identified as trade secrets (“**Trade Secrets**”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets, including requiring your Designated Manager and employees with access to our Confidential Information and Trade Secrets to first sign our then-current form of Confidentiality Agreement, the current form of which is attached to this Franchise Disclosure Document in Exhibit H.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your PostNet Center during training and in guidance and assistance furnished to you under the Franchise Agreement and/or Area Development Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement or Area Development Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement or Area Development Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other PostNet Centers during the term of the Franchise Agreement and Area Development Agreement.

You must notify us within three (3) days after you learn about another’s use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information, or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information, or Trade Secrets, which may include payment of reasonable costs associated with the action. However, we are not required by the Franchise Agreement or Area Development Agreement to take affirmative action in response to any apparent infringement of or challenge to your use of any Copyrighted Works, Confidential Information, or Trade Secrets, or claim by any person of any rights in any Copyrighted Works, Confidential Information, or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information, or Trade Secrets. You may not communicate with anyone except us, our counsel, or our designees regarding any infringement, challenge, or claim. We will take action as we deem appropriate regarding any infringement, challenge, or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Works, Confidential Information, or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyrighted Works, Confidential Information, or Trade Secrets.

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

Each PostNet Center is required to have a “**Designated Manager**,” a position normally filled by you if you are an individual or one of your owners if you are a legal entity. The Designated Manager must: (i) work an average of at least 40 hours per week excluding holidays, sick days, and up to two (2) weeks for vacation, to supervise the day to day operations of your PostNet Center and continuously exert their best efforts to promote and enhance your PostNet Center; (ii) have the ability to operate your PostNet Center professionally and in compliance with the System; (iii) communicate with us as needed, and be available to communicate with us during normal business hours; and (iv) be authorized by you and have the ability to cure any default of the Franchise Agreement on your behalf, including the payment of overdue amounts. You will not hire or replace any Designated Manager without our prior written approval of the potential replacement’s qualifications. Each Designated Manager and successor Designated Manager must attend and complete our Initial Training Program. The Designated Manager and other employees you may designate must also attend and satisfactorily complete refresher training courses at our reasonable request. We do not require that the Designated Manager have an equity interest in your PostNet Center, but they cannot have any interest in or business relationship with any business competitor of your PostNet Center.

Your Designated Manager and all of your employees and agents or representatives who may have access to our confidential information must sign a Confidentiality Agreement, the current form of which is attached to this Franchise Disclosure Document in Exhibit H.

If you are an entity, each owner (each person holding an ownership interest in you) and their spouse, if applicable, must sign an Owner’s Agreement guarantying the obligations of the entity, the form of which is attached to the Franchise Agreement as Attachment C.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer and sell only products and services that we have expressly approved for sale in the Manual or otherwise in writing. You must offer and sell specific products and services that we expressly require, as communicated in the Manual or otherwise in writing, which may include, without limitation, shipping insurance on all packages to be shipped via overnight carrier (other than the U.S. Postal Service). You must discontinue selling and offering for sale any products or services that we disapprove in writing at any time. You must not offer any unapproved products or services. You have the ability to set your own prices for products or services sold through your PostNet Business. You may not conduct e-commerce unless you have received our prior written permission or unless such activities are expressly authorized by the Manual.

Except as described in the preceding paragraph, you are not restricted by the Franchise Agreement or any of our practices or customs regarding the products or services you offer for sale or to whom you may sell. You must comply with all reasonable requirements if we supplement, improve, or modify the System, including offering and selling new or different services and products that we specify. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

**The following tables list certain important provisions of the Franchise Agreement and Area**

**Development Agreement. You should read these provisions in the Franchise Agreement and Area Development Agreement attached to this Disclosure Document.**

Franchise Agreement

<b>Provision</b>	<b>Section in Franchise Agreement (“FA”) or Conversion / Acquire and Convert Addendum (“Addendum”)</b>	<b>Summary</b>
a. Length of the Franchise term	FA Section 2	15 years.
b. Renewal or extension of the term	FA Section 2	If you are in good standing and you meet other requirements, you may add one (1) successor renewal term of 15 years.
c. Requirements for Franchisee to renew or extend	FA Section 2	Renewal means the right to sign a successor franchise agreement. Give timely written notice; make repairs/renovations as needed; not be in default; be current in debt obligations; execute our then-current franchise agreement (the successor franchise agreement) and any ancillary documents, and this new franchise agreement may have materially different terms and conditions than your original Franchise Agreement; at our option, execute with us a mutual general release of claims; pay renewal fee of 25% of then-current Initial Franchise Fee.
d. Termination by Franchisee	Not Applicable	These provisions are subject to state law.
e. Termination by franchisor without cause	Not Applicable	We cannot terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	FA Section 13 Addendum Section 2.2	We may terminate the Franchise Agreement for cause. In certain cases, you will be given time to cure the default constituting cause; in other cases, we may terminate the Franchise Agreement immediately without giving you an opportunity to cure.
g. “Cause” defined – curable defaults	FA Section 13	All defaults not specified in Sections 13.1 and 13.2; curable within 30 days of written notice from us.
h. “Cause” defined – non curable defaults	FA Section 13	Bankruptcy; failure to open PostNet Center; abandonment of PostNet Center; certain breaches of the Franchise Agreement; failure to attend the Network Conference; material misrepresentations; repeated defaults after cure; trademark misuse; unapproved transfers; nonpayment of fees and debts; failure to execute covenants; nonrenewal of lease; commission of a crime, offense, or other morally offensive conduct; false books and records; no insurance; five percent (5%) understatement of payments or two (2) understatements in two (2) years, unless we determine otherwise; termination of an ADA; and others. Termination upon bankruptcy may not be enforceable under federal bankruptcy law 11 U.S.C. Section 101 <i>et seq.</i>
i. Franchisee’s obligations on termination/nonrenewal	FA Section 14	Cease operation of PostNet Center and use of Proprietary Marks, trade dress, and Manual; de-identification of PostNet Center; payment of amounts due; return Manual; covenant not to compete and other covenants described in Section 14; and others.

Provision	Section in Franchise Agreement (“FA”) or Conversion / Acquire and Convert Addendum (“Addendum”)	Summary
j. Assignment of contract by franchisor	FA Section 12	We may change our ownership or form and/or assign the Franchise Agreement and any other agreement without restriction.
k. “Transfer” by Franchisee – definition	FA Section 12	Includes transfer of your rights under Franchise Agreement, transfers that change your ownership, and transfers of PostNet Center assets.
l. Franchisor approval of transfer by Franchisee	FA Section 12	We have the right to approve all transfers and will not unreasonably withhold consent if you satisfy our requirements.
m. Conditions for franchisor approval of transfer	FA Section 12	You are not in default under agreements with us; all monetary obligations are satisfied; at our option, execute a release of claims; transferee signs our then-current form of franchise agreement; transferee satisfies our conditions for franchisee; transferee completes in-person evaluation, training, and upgrades PostNet Center; payment of transfer fee and any other applicable fees related to the transfer.
n. Franchisor’s right of first refusal to acquire Franchisee’s business	FA Section 12	We have the right only in the context of an assignment under the United States Bankruptcy Code.
o. Franchisor’s option to purchase Franchisee’s business	FA Section 12	We have the option upon termination of the Franchise Agreement.
p. Death or disability of Franchisee	FA Section 12	Your interest must be transferred within six (6) months to a third party approved by us. If your heir or beneficiary cannot satisfy our conditions, your executor or administrator has a reasonable time to transfer.
q. Non-competition covenants during the term of the Franchise	FA Section 15	Prohibition against owning, operating, advising, working in, being associated with, and making loans to a business that provides similar products and services. Non-competition provisions are subject to state law.
r. Non-competition covenants after the Franchise is terminated or expires	FA Section 15	Prohibition on diverting any business to a competitor or being associated with any similar business and prohibition, for one (1) year, on engaging in similar business at the Approved Location, within ten (10) miles of the Approved Location or any other location at which a PostNet Center is open or under construction at the time you sign the Franchise Agreement. Exception if you are less than a five percent (5%) owner of certain companies registered with the Securities and Exchange Commission. Certain individuals also must sign the Confidentiality Agreement ( <a href="#">Exhibit H</a> to the Franchise Disclosure Document) at the time you sign the Franchise Agreement, which contains similar restrictions. Non-competition provisions are subject to state law.

<b>Provision</b>	<b>Section in Franchise Agreement (“FA”) or Conversion / Acquire and Convert Addendum (“Addendum”)</b>	<b>Summary</b>
s. Modification of the agreement	FA Section 20	Requires writing signed by both parties (except for unilateral changes to Manual or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various states’ laws.
t. Integration/merger clause	FA Section 20	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	FA Section 22	Except as provided in Section 22.4, you must arbitrate all disputes arising out of or related to the Franchise Agreement. Except as provided in Section 22.2, before arbitration may begin, you must first mediate all disputes arising out of or related to the Franchise Agreement. These provisions are subject to state law.
v. Choice of forum	FA Section 22	Where we have our principal place of business at the time when the mediation, arbitration, or litigation commences (subject to state law). As of the date of this Franchise Disclosure Document, our principal place of business is Lakewood, Colorado.
w. Choice of law	FA Section 22	Colorado law, subject to any contrary provision contained in the State-Specific Addendum (See <a href="#">Exhibit G</a> ), subject to applicable state law.

Area Development Agreement

<b>Provision</b>	<b>Section in Area Development Agreement (“ADA”)</b>	<b>Summary</b>
a. Length of the ADA term	ADA Section 3 & Schedule A	12 Months
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for Franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by Franchisee	Not Applicable	Not Applicable. These provisions are subject to state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	ADA Section 6	We may terminate the ADA if you default. We can also terminate the ADA if you or your affiliate breach a PostNet Franchise Agreement for a franchise that you or your affiliate owns, and such breach (if curable) is not cured within the cure period provided in such Franchise Agreement, or if any Franchise Agreement between you (or any of your affiliates) and us (or any of our affiliates) is terminated.

Provision	Section in Area Development Agreement (“ADA”)	Summary
g. “Cause” defined – curable defaults	ADA Section 6	You have 30 days to cure if you violate any material provision of the ADA. You have 5 days to cure any monetary default.
h. “Cause” defined – non curable defaults	ADA Section 6	Failure on 3 or more occasions in any 12 months to comply with any provision of the ADA, any single instance of default which by its nature is not curable, file a proceeding in bankruptcy or a bankruptcy proceeding is filed against you, breach under a Franchise Agreement for a Franchised Business that you or your affiliate owns if such breach is not cured (if curable) within the cure period provided in such Franchise Agreement.
i. Franchisee’s obligations on termination/nonrenewal	ADA Section 7	Discontinue use of all PostNet materials, Marks and Confidential Information; payment of amounts due; return Manual; comply with covenants elsewhere in the ADA or any applicable Franchise Agreement.
j. Assignment of contract by franchisor	ADA Section 9.1	We may change our ownership or form and/or assign the ADA and any other agreement without restriction.
k. “Transfer” by Franchisee – definition	ADA Section 9.2	Not permitted.
l. Franchisor approval of transfer by Franchisee	Not Applicable	Not Applicable
m. Conditions for franchisor approval of transfer	Not Applicable	Not Applicable
n. Franchisor’s right of first refusal to acquire Franchisee’s business	Not Applicable	Not Applicable
o. Franchisor’s option to purchase Franchisee’s business	Not Applicable	Not Applicable
p. Death or disability of Franchisee	ADA Section 9.3	Your executor or administrator must appoint a new Development Manager within thirty (30) days to a third party approved by us.
q. Non-competition covenants during the term of the Franchise	ADA Section 8.2	Prohibition against owning, operating, advising, working in, being associated with, and making loans to a business that provides similar products and services. Non-competition provisions are subject to state law.
r. Non-competition covenants after the Franchise is terminated or expires	ADA Section 8.3	Prohibition on diverting any business to a competitor or being associated with any similar business and prohibition, for one (1) year, on engaging in similar business in the Development Area, within ten (10) miles of the Development Area or any other PostNet Center. Exception if you are less than a five percent (5%) owner of certain companies registered with the Securities and Exchange Commission. Non-competition provisions are subject to state law.
s. Modification of the agreement	ADA Section 11.6	No modifications generally, except in writing. We may modify Operations Manual, System Standards, Marks, System and Products/services to be offered to your Business.



Provision	Section in Area Development Agreement (“ADA”)	Summary
t. Integration/merger clause	ADA Section 11.11	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Franchise Disclosure Document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	ADA Section 10	Except as provided in Section 10.3, you must arbitrate all disputes arising out of or related to the Area Development Agreement. Except as provided in Section 10.3, before arbitration may begin, you must first mediate all disputes arising out of or related to the Area Development Agreement. These provisions are subject to state law.
v. Choice of forum	ADA Section 11.4	Where we have our principal place of business at the time when the mediation, arbitration, or litigation commences (subject to state law). As of the date of this Franchise Disclosure Document, our principal place of business is Lakewood, Colorado.
w. Choice of law	ADA Section 11.5	Colorado law, subject to any contrary provision contained in the State-Specific Addendum (See <a href="#">Exhibit G</a> ), subject to applicable state law.

## ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote PostNet franchised businesses.

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

### Background

This Item 19 provides certain historical data provided by our franchisees. As of December 31, 2023, there were 201 Centers in the United States (see Item 20). These Centers offer products and services to both consumers and business customers. The following table provides information about the sales performance in 2023 of those Centers that have been open for more than 12 consecutive months as of December 31, 2023. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

For purposes of this Item 19, “Gross Sales” has the same meaning as defined in the Franchise Agreement. It means revenue from the sale of all products and/or services, revenue generated by the Franchisee’s use of the Center’s products or services for businesses unrelated to the Center, and all other income or

consideration of every kind and nature, received by the Center, whether for cash, barter, or credit, and regardless of collection in the case of credit. Gross Sales also includes: (1) at least seventy percent (70%) of the full retail value of any product and/or service used by Franchisee, or its officers or owners, for personal use; (2) at least seventy percent (70%) of the full retail value of any product and/or service provided by Franchisee to another individual and/or entity, which has been discounted over thirty percent (30%) off of the full retail price; (3) at least seventy percent (70%) of the full retail value of any gift certificate or coupon sold for use at the Center discounted over thirty percent (30%) off of the retail prices (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation); and (4) at least seventy percent (70%) of the full retail value of any product and/or service provided by Franchisee to another individual and/or entity in exchange for barter services such as advertising or marketing benefits to Franchisee. Gross Sales does not include any sales taxes or other taxes collected by the Franchisee from Center customers and thereafter paid directly to the appropriate taxing authority.

The term “Average,” also known as the “Mean,” refers to the sum of all data points in a set, divided by the number of data points in that set.

The term “Median” refers to the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event that the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

**Table 19-1: Centers Open and Operating in 2023 for 12 Months or More**

The table below lists the annual Gross Sales information reported by Centers that have been in operation in the United States for 12 months or more as of December 31, 2023, excluding data from Centers that (i) first opened after January 1, 2023, or permanently closed on or before December 31, 2023; or (ii) were a PostNet Express; or (iii) were legacy Centers allowed to operate under PostNet branding other than the marks which are the subject of this offering; or (iv) did not provide sales reporting data for all months in the calendar year 2023 (the “Reporting Criteria”). As of December 31, 2023, we had 201 franchised Centers open and operating in the United States. Of this total, 187 Centers (93%) met the Reporting Criteria, and 14 Centers (7 %) did not meet the Reporting Criteria. These 201 Centers reflect substantially the same U.S. geographic distribution as disclosed in Item 20, and the characteristics of the included Centers do not differ materially from those of a franchised Center offered under this Franchise Disclosure Document. Eight franchised Centers, all of which had been open for more than 12 months, closed during 2023 (0 Centers closed during 2023 after being open less than 12 months).

<b>GROSS SALES OF POSTNET CENTERS IN OPERATION            AT LEAST 12 CONSECUTIVE MONTHS            AS OF CALENDAR YEAR END DECEMBER 31, 2023</b>	
CENTERS IN SAMPLE	187
RANGE OF SALES	\$46,677 to \$2,183,557

ANNUAL SALES BANDS	# OF CENTERS	AVERAGE SALES	MEDIAN SALES
ANNUAL SALES: UPPER 10%	18	\$955,252	\$826,493
ANNUAL SALES: UPPER 25%	46	\$710,792	\$596,308
ANNUAL SALES: UPPER 50%	93	\$545,317	\$459,161
ANNUAL SALES: LOWER 50%	94	\$202,814	\$207,385
ANNUAL SALES: LOWER 25%	47	\$135,552	\$130,962
ANNUAL SALES: LOWER 10%	19	\$86,066	\$86,488
ANNUAL SALES	187	\$373,150	\$322,401

Table 19-1: Notes to Centers Annual Gross Sales Table for Calendar Year 2023:

1. A “Center” is a single U.S. Center owned by a franchisee.
2. Of the 187 Centers included in Table 19-1, 74 Centers (40%) met or exceeded the average annual Gross Sales of the Centers for calendar year 2023.
3. “Median” is the numerical value separating the higher half of the sample from the lower half of the sample. Approximately 50% of the Centers in Table 19-1 met or exceeded the stated medians.
4. Of the 18 Centers in Table 19-1 that are included in the Upper 10 percent, 3 Centers (17%) met or exceeded the average annual Gross Sales of the Top 10 percent Centers for calendar year 2023.
5. Of the 46 Centers in Table 19-1 that are included in the Upper 25 percent, 15 Centers (33%) met or exceeded the average annual Gross Sales of the Top 25 percent Centers for calendar year 2023.
6. Of the 93 Centers in Table 19-1 that are included in the Upper 50 percent, 34 Centers (37%) met or exceeded the average annual Gross Sales of the Top 50 percent Centers for calendar year 2023.
7. Of the 94 Centers in Table 19-1 that are included in the Lower 50 percent, 49 Centers (52%) met or exceeded the average annual Gross Sales of the Lowest 50 percent Centers for calendar year 2023.

8. Of the 47 Centers in Table 19-1 that are included in the Lower 25 percent, 23 Centers (49%) met or exceeded the average annual Gross Sales of the Lowest 25 percent Centers for calendar year 2023.
9. Of the 19 Centers in Table 19-1 that are included in the Lower 10 percent, 10 Centers (53%) met or exceeded the average annual Gross Sales of the Lowest 10 percent Centers for calendar year 2023.

The annual Gross Sales information for Table 19-1 does not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from Gross Sales to obtain net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees, or former franchisees, listed in this Disclosure Document may be sources for this information.

Therefore, we recommend that you make your own independent investigation to determine whether the franchise may be profitable to you. We strongly suggest that you consult your financial advisor or personal accountant concerning financial projections and federal, state, and local income taxes and any other applicable taxes that you may incur in operating a Center.

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

Other than the preceding financial performance representation, PIFC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. However, if you are purchasing an existing outlet, 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 promptly to the franchisor's management by contacting Alexandra Williams, General Counsel of PIFC, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228, (800) 955-6246, the FTC, and the appropriate state regulatory agencies.

## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1  
System-wide Outlet Summary  
For Years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	185	193	+8
	2022	193	200	+7
	2023	200	201	+1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
<b>Total Outlets*</b>	<b>2021</b>	185	193	+8
	<b>2022</b>	193	200	+7
	<b>2023</b>	200	201	+1

\*Totals include 1 franchised outlet located in Guam.

**Table No. 2**  
**Transfers of Franchised Outlets from Franchisees to New Owners**  
**(other than the Franchisor)**  
**For Years 2021 to 2023**

State	Year	Number of Transfers
Alabama	2021	0
	2022	1
	2023	0
Arkansas	2021	0
	2022	1
	2023	0
Arizona	2021	2
	2022	0
	2023	4
California	2021	0
	2022	2
	2023	1
Florida	2021	1
	2022	1
	2023	2
Georgia	2021	0
	2022	0
	2023	1
Illinois	2021	0
	2022	0
	2023	1
Indiana	2021	2
	2022	1
	2023	1
Michigan	2021	0
	2022	0
	2023	1
Nevada	2021	2
	2022	1
	2023	3
New Jersey	2021	1
	2022	0
	2023	0
New York	2021	0

State	Year	Number of Transfers
	2022	0
	2023	1
North Carolina	2021	3
	2022	0
	2023	2
Ohio	2021	1
	2022	0
	2023	0
South Carolina	2021	0
	2022	1
	2023	0
Texas	2021	0
	2022	4
	2023	3
Utah	2021	1
	2022	0
	2023	1
<b>TOTALS</b>	<b>2021</b>	<b>13</b>
	<b>2022</b>	<b>12</b>
	<b>2023</b>	<b>21</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2021 to 2023**

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Arizona	2021	13	0	0	0	0	0	13
	2022	13	2	0	0	0	0	15
	2023	15	1	1	0	0	0	15
Arkansas	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
California	2021	17	1	0	0	0	0	18
	2022	18	0	2	0	0	2	14

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2023	14	2	0	0	0	1	15
Colorado	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	1	7
	2023	7	1	0	0	0	1	7
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Delaware	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	11	1	0	0	0	0	12
	2022	12	1	0	0	0	0	13
	2023	13	1	0	0	0	0	14
Georgia	2021	6	1	0	0	0	0	7
	2022	7	2	0	0	0	0	9
	2023	9	1	0	0	0	0	10
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Indiana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Iowa	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Kansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Louisiana	2021	1	1	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Minnesota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Mississippi	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Missouri	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Montana	2021	1	0	0	0	0	0	1
	2022	1	0	0	1	0	0	0
	2023	0	0	0	0	0	0	0
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Nevada	2021	13	0	0	0	0	0	13
	2022	13	0	1	0	0	0	12
	2023	12	0	0	0	0	1	11
New Jersey	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	1	7
New Mexico	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2021	7	0	0	0	0	0	7
	2022	7	4	0	0	0	0	11
	2023	11	0	0	0	0	0	11
North Carolina	2021	7	0	0	0	0	0	7
	2022	7	1	0	0	0	0	8
	2023	8	0	1	0	0	0	7



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Ohio	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Oregon	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Pennsylvania	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
South Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Tennessee	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Texas	2021	33	6	1	0	0	0	38
	2022	38	2	1	0	0	0	39
	2023	39	0	1	0	0	0	38
Utah	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Virginia	2021	5	0	0	1	0	0	4
	2022	5	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Washington	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	1	0	0	0	0	9
West Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wisconsin	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<b>Domestic Totals</b>	<b>2021</b>	<b>184</b>	<b>11</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>192</b>
	<b>2022</b>	<b>192</b>	<b>15</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>199</b>

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2023	199	9	4	0	0	4	200
Guam	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	185	11	1	1	0	0	193
	2022	193	15	4	1	0	3	200
	2023	200	9	4	0	0	4	201

**Table No. 4**

**Status of Company-Owned Outlets  
For Years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total Outlets	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

**Table No. 5**

**Projected Openings as of  
December 31, 2023**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	1	0
Arizona	0	2	0
California	1	1	0
Colorado	0	1	0
Florida	0	2	0
Georgia	0	2	0
Idaho	1	0	0
Illinois	0	1	0
Maryland	1	0	0
Minnesota	0	1	0
Montana	1	0	0
New York	0	1	0
North Carolina	2	1	0
Oklahoma	0	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
Tennessee	1	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Texas	6	2	0
Utah	1	0	0
Virginia	1	1	0
<b>Total</b>	<b>15</b>	<b>19</b>	<b>0</b>

The names, addresses, and telephone numbers of our current Franchisees and Area Franchisees, including those that have signed agreements with us but have not opened their center as of December 31, 2023, are attached to this Franchise Disclosure Document as Exhibit C.

The name and last known address and telephone number of every Franchisee and Area Franchisee who had a Center terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement or Area Franchise Agreement during the one (1)-year period ending December 31, 2023, or who has not communicated with us within ten (10) weeks of the date of this Franchise Disclosure Document is listed in Exhibit C.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences with the PostNet Franchise System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. Within the last three (3) fiscal years, current and former franchisees have signed confidentiality clauses restricting their ability to speak openly about their experiences with the PostNet Franchise System. If you buy a PostNet Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

In July 1994, we formed the PostNet National Franchisees' Advisory Council. The contact information for the PNFAC is [pnfac@postnet.com](mailto:pnfac@postnet.com).

## ITEM 21 FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements for the years ending on December 31, 2023, December 31, 2022, and December 31, 2021. In addition, we have included unaudited financial statements for the period beginning January 1, 2024 through March 31, 2024. Our fiscal year end is December 31<sup>st</sup>.

## ITEM 22 CONTRACTS

The following exhibits contain proposed agreements regarding the Franchise:

- Exhibit A Franchise Agreement (which includes an Owner's Agreement)
- Exhibit B Area Development Agreement
- Exhibit G State Specific Addenda and Agreement Riders
- Exhibit H Contracts for use with the PostNet Franchise
  - H-1: Confidentiality Agreement
  - H-2: Automated Clearing House Payment Authorization Form
  - H-3: Sample Termination and Release Agreement
  - H-4: Addendum for Conversion/Acquire and Converts
  - H-5: Sample Renewal Addendum
  - H-6: Sample Transfer Addendum
  - H-7: Assignment of Franchise Agreement and Approval

**ITEM 23  
RECEIPTS**

The last two pages of this Franchise Disclosure Document are a detachable document, in duplicate. Make sure that you indicate the franchise seller(s) with whom you had substantive discussions about this Franchise. Please detach, sign, date, and return one (1) copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

***EXHIBIT A  
TO FRANCHISE  
DISCLOSURE DOCUMENT***

**FRANCHISE AGREEMENT**

EXHIBIT A



POSTNET INTERNATIONAL FRANCHISE CORPORATION

FRANCHISE AGREEMENT

\_\_\_\_\_  
FRANCHISEE

\_\_\_\_\_  
DATE OF AGREEMENT

\_\_\_\_\_  
ADDRESS OF FRANCHISED  
BUSINESS CENTER



POSTNET INTERNATIONAL FRANCHISE CORPORATION  
FRANCHISE AGREEMENT

**SUMMARY PAGE**

This Franchise Agreement (this “Agreement”) is made and entered into by and between PostNet International Franchise Corporation (“Company,” “we,” or “us”) and Franchisee (“Franchisee” or “you”) identified below. This Summary Page summarizes certain provisions of this Agreement to which it is attached. In the event of any conflict between the Summary Page and this Agreement, the provisions of this Agreement will control.

Type of PostNet Center Program:

- New Business Center. You will develop and operate a new PostNet Center (“New”).
- Transfer. You will purchase an existing PostNet Center (“Transfer Business Center”) from a franchisee or from us or our Affiliate (“Transfer Purchase”). You will sign a rider to this Agreement with amendments applicable to the Transfer Purchase.
- Acquire and Convert. You will acquire a printing/business services company and convert it to a PostNet Center (“Acquire and Convert”). You will sign a rider to this Agreement with amendments applicable to the Acquire and Convert.
- Conversion. You will convert your printing/business services company to a PostNet Center (“Conversion”). You will sign a rider to this Agreement with amendments applicable to the Conversion.

Effective Date: \_\_\_\_\_

Protected Area: \_\_\_\_\_, as geographically constituted as of the Effective Date.

Initial Franchise Fee: \$37,900

Brand Fund: 2% of Gross Sales

Late Fee: \$25

Opening Deadline: \_\_\_\_\_

Franchisee: [\_\_\_\_\_] , a [\_\_\_\_\_]

Address for Notices: [\_\_\_\_\_]

[\_\_\_\_\_]

Phone: [\_\_\_\_\_]

Fax: [\_\_\_\_\_]

Attention: [\_\_\_\_\_]

Email: [\_\_\_\_\_]

Franchisor: PostNet International Franchise Corporation

Address for Notices: 143 Union Boulevard, Suite 600

Lakewood, Colorado 80228

Phone: 303-771-7100

Fax: 303-771-7133

Email: info@postnet.com



POSTNET INTERNATIONAL FRANCHISE CORPORATION

FRANCHISE AGREEMENT

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## POSTNET INTERNATIONAL FRANCHISE CORPORATION FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “**Franchise Agreement**”) is made and entered into by and between PostNet International Franchise Corporation (“**we**”, “**us**”, “**our**” or “**Franchisor**”), and the “**Franchise Owner**” identified in the signature block of this Franchise Agreement (“**you**”, “**your**” or “**Franchisee**”) effective as of the “Effective Date” identified in Attachment A of this Franchise Agreement.

### RECITALS

A. We, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique and distinctive business model relating to the establishment and operation of centers that provide a broad array of printing and document services, graphic design, shipping, packaging and mailing services, and other related business services (“**Franchised Business**”).

B. We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols for the operation of the Franchised Business, and we may create, use, and license other trademarks, service marks, and commercial symbols for the same use (collectively, the “**Proprietary Marks**”).

C. The Franchised Business operates using the business formats, methods, procedures, fixtures, assets, signs, equipment designs, standards, specifications, business tools, and Proprietary Marks we designate (the “**System**”).

D. We permit certain individuals and/or entities to establish business centers for the purpose of implementing the Franchised Business under the System (“**PostNet Center(s)**” or “**Center(s)**”).

E. As a franchise owner of a PostNet Center, you must comply with this Franchise Agreement in order to maintain the high and consistent quality that is critical to attracting and keeping clients of a PostNet Center and preserving the goodwill of the Proprietary Marks.

NOW, THEREFORE, the parties agree as follows:

### 1. GRANT

1.1 We grant you the right, and you accept the obligation, to own and operate a PostNet Center in accordance with this Franchise Agreement and the System.

1.2 Your Center will be located at the approved location (“**Approved Location**”) in Attachment A. If a particular site has not been selected and approved at the time this Franchise Agreement is signed, Attachment A will describe the Approved Location in general terms. In that case, after you have an Approved Location, we will unilaterally modify Attachment A and the Approved Location will replace the general description as if originally set forth in Attachment A. The Approved Location does not extend beyond your Center’s tenant space/suite number and does

not encompass any neighboring buildings, common areas, public spaces or parking lots. You must not relocate your Center without our prior written approval.

1.3 During the term of this Franchise Agreement, except as permitted by Section 1.4, we (including our affiliates) will not establish, or franchise any entity to establish, a PostNet Center within the geographic area described in Attachment A (“**Protected Territory**”). If the Protected Territory is not set forth in Attachment A at the time this Franchise Agreement is entered we will designate your Protected Territory when we approve your lease for the Center in which case you agree to the Protected Territory designated by us by entering into the lease for the Center.

1.4 You expressly acknowledge and agree that, except as provided in Section 1.3, the franchise is non-exclusive. We retain the right, for ourselves, and/or through any affiliate, in any manner and on any terms and conditions we deem advisable, and without granting you any rights therein:

- (a) to own, acquire, establish, and/or operate, and license others to establish and operate, PostNet Centers outside the Protected Territory regardless of their proximity to the Approved Location or your Protected Territory or the impact on your existing or potential customers;
- (b) to use the Proprietary Marks and the System to market and sell, and grant others the right to market and sell, any products and services, similar to those which you will sell, through any channels of distribution within or outside of the Protected Territory, regardless of their proximity to the Approved Location or your Protected Territory or the impact on your existing or potential customers. This includes, but is not limited to, retail locations such as grocery stores, regional malls, airports, college campuses, special events, and military bases; and other channels of distribution such as television, direct mail, mail order, catalog sales, telemarketing, or over the Internet. We exclusively reserve the Internet, including computerized or remote entry ordering systems, as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce unless you have received our prior written permission or unless such activities are expressly authorized by the Manual (as the term “**Manual**” is defined in Section 4.2);
- (c) to use and license others to use other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Proprietary Marks, whether in alternative channels of distribution or in the operation of a retail store, at any location, including within the Protected Territory, related to the operation of a business which may be the same as, similar to, or different from the business operated at your Center or to sell products and services (regardless of similarity to products and services sold in your Center);
- (d) to anywhere purchase, merge, acquire (or be acquired by), affiliate with, or engage in any transaction with other businesses (whether competitive or not) having one or more businesses or locations, wherever located, including, but

not limited to, transactions or arrangements involving competing outlets and/or brand conversions (to or from the PostNet brand and system);

- (e) to implement multi-area marketing programs that allow us, or others, to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs; and
- (f) to engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Franchise Agreement.

## 2. TERM AND RENEWAL

2.1 The term of this Franchise Agreement begins on the Effective Date and expires fifteen (15) years after the Effective Date, unless sooner terminated as provided in this Franchise Agreement.

2.2 Upon the expiration of this Franchise Agreement, unless you are signing this Franchise Agreement under a successor franchise agreement for an existing Center, (in which case your renewal term will be governed by the term of your original franchise agreement), you will have the option to acquire one (1) additional fifteen (15) year term (“**Successor Term**”) subject to the following terms and conditions:

2.2.1 You must give us written notice of your election to operate your Center for a Successor Term no fewer than six (6) months, and not more than twelve (12) months, prior to the end of the then current term;

2.2.2 You must make such reasonable repairs or renovations to your Center, including remodeling your Center, if we deem necessary, to reflect our then current standards and image of the System;

2.2.3 You must not be in default of any provision of this Franchise Agreement, or any other agreement between you and us (including any agreement between you and our affiliates), or of any standards set forth in the Manual and you must have complied with all such agreements and the Manual since the Effective Date;

2.2.4 You must be current with respect to your obligations to your lessor, suppliers, and any others with whom you do business;

2.2.5 You must execute the then-current form of franchise agreement (“**Successor Franchise Agreement**”) and all other agreements, legal instruments and documents then customarily used by us in the execution of Successor Franchise Agreements. The Successor Franchise Agreement and these other agreements, legal instruments and documents may vary materially from those agreements, legal instruments and documents currently in use by us, including the payment of higher fees, except you are not obligated to pay our then-current initial franchise fee;

2.2.6 Subject to state law, you and us will execute a general release, in a form prescribed by us, of any and all claims which each may have against the other and their affiliates

(except as to amounts then due to us for royalties, advertising contributions, materials, and the like), and their respective shareholders, directors, employees, and agents in their corporate and individual capacities. Unless otherwise prevented by state law, we will consider your failure to sign the release and to deliver it to us for acceptance and execution within thirty (30) days after it is delivered to you to be an election not to acquire a successor franchise; and

2.2.7 You will pay us a successor franchise fee of twenty-five percent (25%) of the then current initial franchise fee.

2.3 In the event the parties continue to perform under this Agreement after expiration of the initial term of the Successor Term without executing a new agreement, this Agreement will be deemed to extend on a month-to-month basis and both parties will have the right to terminate (and prevent further extensions of) this Agreement upon at least thirty (30) days' written notice.

### 3. FEES

3.1 You will pay us an initial franchise fee of Thirty-Seven Thousand, Nine Hundred Dollars (\$37,900), payable upon execution of this Franchise Agreement. This payment is fully earned and non-refundable when paid to us, in consideration of all of our pre-opening assistance that we provide to allow you to open your Center and our lost or deferred opportunity to enter into this Franchise Agreement with others, as it also offsets some of our expenses for franchisee recruitment. If you are an existing PostNet franchisee purchasing an additional PostNet franchise, the amount of your initial franchise fee will be reduced by fifty percent (50%) from the amount set forth above. If you are (a) an honorably discharged United States veteran or the spouse of an honorably discharged United States veteran, and (b) you are a new, single-unit franchisee (that is, this Franchise Agreement is your first franchise agreement with us and neither you nor any affiliate is an existing or multi-unit franchisee of ours as of the Effective Date), the amount of your initial franchise fee will be reduced by thirty-five percent (35%) from the amount set forth above. If you (or each and every one of your owners if you are a legal entity) are (a) a United States citizen and a member of an ethnic minority group, and (b) you are a new, single-unit franchisee (that is, this Franchise Agreement is your first franchise agreement with us and neither you nor any affiliate is an existing or multi-unit franchisee of ours as of the Effective Date), the amount of your initial franchise fee will be reduced by ten percent (10%) from the amount set forth above. If you (or each and every one of your owners if you are a legal entity) are (a) a United States citizen and a woman, and (b) you are a new, single-unit franchisee (that is, this Franchise Agreement is your first franchise agreement with us and neither you nor any affiliate is an existing or multi-unit franchisee of ours as of the Effective Date), the amount of your initial franchise fee will be reduced by ten percent (10%) from the amount set forth above.

3.2 During the term of this Franchise Agreement, you will pay us a continuing monthly royalty fee in an amount equal to five percent (5%) of the Gross Sales for your Center; this monthly royalty fee is an ongoing payment that allows you to use the Proprietary Marks and the other intellectual property of the System and that pays for our ongoing support and assistance. We reserve the right to require these payments on a weekly, instead of monthly, basis as specified in the Manual. “**Gross Sales**” means revenue from the sale of all products and/or services, revenue generated by your use of your Center’s products or services for businesses unrelated to your Center, and all other income or consideration of every kind and nature, received by your Center, whether

for cash, barter, or credit, and regardless of collection in the case of credit. Gross Sales also includes: (1) at least seventy percent (70%) of the full retail value of any product and/or service used by Franchisee, or its officers or owners, for personal use; (2) at least seventy percent (70%) of the full retail value of any product and/or service provided by Franchisee to another individual and/or entity, which has been discounted over thirty percent (30%) off of the full retail price; (3) at least seventy percent (70%) of the full retail value of any gift certificate or coupon sold for use at your Center discounted over thirty percent (30%) off of the retail prices (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation); and (4) at least seventy percent (70%) of the full retail value of any product and/or service provided by Franchisee to another individual and/or entity in exchange for barter services such as advertising or marketing benefits to Franchisee. Gross Sales does not include any sales taxes or other taxes collected by you from your customers and thereafter paid directly to the appropriate taxing authority.

3.3 You will make monthly contributions to advertising and promotion as specified in Section 9.1 of this Franchise Agreement. We reserve the right to require this contribution on a weekly, instead of monthly, basis as specified in the Manual.

3.4 You will pay us a development fee of One Hundred Eleven Thousand, Nine Hundred Forty-Seven Dollars (\$111,947) (“**Center Development Fee**”), plus, if applicable, an amount determined by us, in our sole discretion, required to cover all sales and/or use taxes imposed by state and local taxing authorities on the equipment and other items we supply to you as part of your Center Development Package (as defined in Section 4.3). You may be responsible for any additional development expenses related to the size of your Center premises or sign. You will pay us the Center Development Fee at the later of (i) the day you sign a lease for your Center premises; or (ii) ninety (90) days before our projected opening date of your Center.

3.5 Unless we specify otherwise, you must make all payments to us under Sections 3.2, 3.3, 3.8, and 3.9 on the fifth day of the month on Gross Sales for the preceding month unless the fifth day of the month is Saturday or Sunday, in which case payment will be made on the following Monday. Any payment under Sections 3.2, 3.3, 3.8, and 3.9 not made by the due date will be deemed overdue. In the event of any overdue amounts, you will pay us, besides the overdue amounts, interest on such amounts from the date such amounts were due until paid, at eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, calculated daily. Such interest will be in addition to any other remedies we may have under law or equity. Unless we permit otherwise in writing, all payments required or amounts owed under this Franchise Agreement will be made by electronic fund transfer to an account specified by us. You will furnish us, and/or our payee, with such information and authorizations as may be necessary to permit such persons to make withdrawals by electronic fund transfer (See Exhibit H of the Franchise Disclosure Document). You agree to bear all expenses associated with such authorizations and payments. We have the right to periodically specify (in the Manuals or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly payment, payment by auto-draft, credit card and payment by check. If you make any payment to us by credit card for any fee required, we may charge a service charge of up to four percent (4%) of the total charge.

3.6 Despite any designation you make, we may apply your payments to your past due indebtedness to us. We may set off any amounts you and/or your guarantors, if applicable, owe us against any amounts we owe you and, at our option, we may pay your trade creditors out of any sum otherwise due to you. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any obligations under this Franchise Agreement. No endorsement or statement on any check or payment of any sum less than the full sum due to us will be construed as acknowledging payment in full or an accord and satisfaction, and we may accept and cash such check or payment without prejudice to our right to recover the balance due or pursue any other remedy provided to us by this Franchise Agreement or by law or in equity.

3.7 You agree to pay us, within fifteen (15) days of any written request we make to you that is accompanied by reasonable substantiating material, any monies which we have paid, or have paid on your behalf, for goods, services, fees, permits, taxes as provided in Section 6.1, or any other monies you owe to us for the development or operation of your Center and as required under this Franchise Agreement.

3.8 If applicable, you will pay us a Default Fee (as described in Section 13.6) and pay to the Brand Fund (as defined in Section 9.1) any fee for unauthorized local advertising (as described in Section 9.4).

3.9 You must utilize our proprietary technologies and other non-proprietary technologies that we designate in the operation of your PostNet Center. You will be required to pay a monthly point-of-sale/print/web-to-print software fee, which is currently One Hundred Fifty Dollars (\$150) per month. This fee covers your license to use certain proprietary and non-proprietary point-of-sale, print, and web-to-print software. You also will be required to pay a monthly technology fee, which is currently One Hundred Twenty-Five Dollars (\$125) per month. This fee covers the use of other proprietary and non-proprietary technologies, website, and email hosting. These fees are in addition to any fees regarding the Computer System that you are required to pay under Section 11.1 and/or any fees regarding the Accounting System that you are required to pay under Section 11.5. We reserve the right to increase these fees upon notice to you (which may be through updates to the Manual) in the event our costs increase and/or we offer updated, additional, or different software or technology for use in connection with the PostNet Center.

3.10 If any payment from you to us does not successfully convey funds due to insufficient funds, stop payment instructions, or any similar event, you shall pay, upon demand, an insufficient funds fee of One Hundred Dollars (\$100) per incidence.

3.11 You will pay Ten Thousand Dollars (\$10,000) to us for an Initial Marketing Fee, payable at the same time you pay the Center Development Fee under Section 3.4 above. We will use this money to conduct marketing efforts on your behalf during the initial onset of your operations, and general and administrative expenses in administering such efforts as we deem appropriate. We also agree to furnish you with local marketing advice and guidance regarding your Center marketing and promotional efforts, as we deem appropriate.

3.12 All payments and fees are owed by you to us or our affiliates in the manner and within the time periods as provided for in this Agreement or in the Manual.

#### 4. CENTER DEVELOPMENT AND ONGOING SUPPORT

4.1 We will offer assistance to you, as we deem reasonable and necessary, in helping you select a site for the Approved Location and in advising you in negotiating an acceptable lease agreement for your Center premises. Our advice will be regarding the business terms of your lease only and not to any legal terms. You acknowledge and agree that our approval of a site for your Center is not, and must not be construed as, a guarantee or assurance that your Center will be profitable or successful. You must open your Center for business within six (6) months after the Effective Date.

4.2 Subject to Section 11.9 below, we will loan you, or otherwise make available to you, one (1) copy of our confidential brand standards manual (the “**Manual**”), which may exist in various parts, locations, and formats and may, in our sole discretion, include a combination of audio, video, written material, electronic media, website content, and/or software components.

4.3 We will provide a center development package (“**Center Development Package**”) for your Center as described in Attachment B following your payment of the Center Development Fee.

4.4 We will provide, at no charge to you, proposed plans (in the form of “blue-line drawings”) and specifications for the interior design and layout of your Center.

4.5 You (or if you are an entity, your Designated Manager) must attend and successfully complete to our satisfaction, an initial training program on the operation of a PostNet Center at a place and time we designate. A total of two (2) seats for attendees are included in your Initial Franchise and Transfer Fees, which covers the class attendance fee, but you are solely responsible for the compensation, travel, lodging and living expenses of your attendees while attending training. Any other management-level employees you request may attend training upon our authorization. In the case you or your affiliates operate multiple PostNet Centers, all PostNet Centers are required to have a Designated Manager and each must attend the training program, and the manager of each additional PostNet Center is required to complete the training program to our satisfaction to become a Designated Manager.

4.6 You or your Designated Manager are required to complete each of the steps of the training program. You or your Designated Manager must complete step 1, which is self-directed e-learning (“**Pre-work**”) as we assign to you at your PostNet Center. You or your Designated Manager must complete the additional initial steps of the training programs as follows: (i) step 2 of the training (“**Initial Owner Training**”) must be completed at least six (6) weeks prior to the opening of your Center (“**Initial Owner Training Deadline**”); (ii) step 3 of the training requires you to complete additional wide format training and OpX Bootcamp training within one (1) year of the Effective Date. In addition, you must participate in and complete prescribed performance groups (“Performance Groups”) we assign to you, including, at a minimum, as follows: within eighteen (18) months of the Effective Date, you must participate in and complete the “Generating More Leads” Performance Group and “Improving Lead Conversion” Performance Group; and, within three (3) years of the Effective Date, you must participate in and complete the “Growing Your Existing Accounts” Performance Group and “Improving Your Customer Retention”



Performance Group. We reserve the right to alter the focus, subject matter, and/or sequencing of the Performance Groups that you must participate in and complete.

4.7 We will connect you with a fellow franchisee (“Mentor”) that we assign to you in our sole determination to offer support, assistance, and advice.

4.8 We will furnish to you, prior to the opening of your Center, an initial set of personalized forms, stationery, marketing materials and PostNet logo apparel.

4.9 Prior to the opening of your Center, we will inspect your Center’s premises. You will not open your Center for business without our written authorization, which may be conditioned upon your strict compliance with the specifications of the approved final plans, completing your pre-opening responsibilities, using only approved equipment, the System, and any pre-opening training we require.

4.10 We will provide such initial and continuing advice and assistance to you in the operation of your Center as we deem appropriate.

4.11 We may periodically require that you (including, if applicable, your Designated Manager, staff, and employees) attend additional training programs we offer and designate in the Manual, or otherwise in writing, and at the times and places we designate (“**Additional Training**”). Attendance at Additional Training will be at your sole expense, which is currently Five Hundred Dollars (\$500) per day. In addition, you are solely responsible for all expenses to cover travel, living expenses, and wages with attending Additional Training.

4.12 You acknowledge and agree that we have the right to delegate to third-party designees (“Delegates”), whether these Delegates are our agents, our affiliates, or independent contractors with whom we have contracted: (1) the performance of any portion or all of our obligations under this Franchise Agreement (including, without limitation, the provision of any service or the operation of any program), and (2) any right that we have under this Franchise Agreement. You further acknowledge and agree that we may, or our Delegates may, simultaneously perform the same, similar, or different services for or on behalf of our, our affiliate’s, or such Delegate’s company-owned, company-operated, licensed, or franchised businesses, or for or on behalf of businesses owned or operated by third parties, which businesses may be competitive with your Franchised Business and the System and which may be located in the Protected Territory. We and our Delegates will have the right to perform any such obligations on a combined basis (including, without limitation, using the same or shared facilities, equipment, software, or personnel) or in conjunction with the performance of the same, similar, or different services for or on behalf of our, our affiliate’s, or such Delegate’s company-owned, company-operated, licensed, or franchised businesses, or for or on behalf of businesses owned or operated by third parties, which businesses may be competitive with your Franchised Business and the System and which may be located in the Protected Territory. We reserve the right, at our sole option, to allocate costs, personnel, and other resources among any combined programs.

## 5. YOUR RESPONSIBILITIES

5.1 You understand and acknowledge that every detail of the System and the operation of your Center are essential to you, us, and other PostNet franchisees in order to: (i) develop and

maintain quality operating standards; (ii) increase the demand for the products and services sold by all franchisees operating under the System; and (iii) protect our reputation and goodwill. You will maintain our high standards with respect to facilities, services, products, and operations.

5.2 You will use and occupy your Center premises solely for the operation of the Franchised Business and, unless we otherwise approve in writing, you will refrain from using or permitting the use of the premises for any other purpose or activity. You will keep your Center open and in normal operation for at least such minimum hours and days as we specify in the Manual or otherwise in writing, and as may be required by the lease for your Center premises.

5.3 To ensure the highest degree of quality and service is maintained, you will operate your Center in strict conformity with such methods, standards, and specifications as we may from time to time prescribe in the Manual or otherwise in writing. You will refrain from: (a) deviating from such standards, specifications, and procedures without our prior written consent; and (b) otherwise operating in any manner which adversely reflects on the Proprietary Marks and/or the System.

5.3.1 You will purchase and install, at your expense, (except for those items described in this paragraph which are presently installed or in use at the premises of you who convert an existing business to a PostNet Center) and will maintain in sufficient supply and use at all times, only such fixtures, furnishings, equipment, signs, and supplies which conform to our standards and specifications as set forth in the Manual or otherwise by us in writing; and will refrain from using non-conforming items.

5.3.2 You must offer and sell those products and services we expressly require as set forth in the Manual or otherwise in writing. You may sell or offer for sale those products and services we have expressly approved for sale in the Manual or otherwise in writing. You must refrain from offering any unapproved products or services. You must discontinue selling any products or services that we, in our sole discretion, determine may adversely affect the System or are no longer appropriately part of the System.

5.3.3 You acknowledge and agree that we may periodically in our sole discretion, revise the Manual to incorporate System changes. You will implement any System changes upon receiving notice from us of such changes and will complete their implementation within such time as we may reasonably specify.

5.4 You will purchase all products, equipment, supplies, and materials used or sold by your Center solely from suppliers (including manufacturers, wholesalers and distributors) who demonstrate, to our continuing reasonable satisfaction, the ability to meet our reasonable standards and specifications for such items; who possess adequate quality controls and capacity to supply your needs promptly and reliably; whose approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies; and who have been approved by us in the Manual or otherwise in writing and not thereafter disapproved. If you want to make purchases from a supplier who has not been approved, you will submit a written request to us to approve the proposed supplier with evidence of conformity to our specifications as we may reasonably require. We may revoke approval of any supplier at any time if we determine, in our sole discretion, that the supplier no longer meets our standards. Upon receipt of written notice of such revocation, you

will cease purchasing from any disapproved supplier and cease selling such supplier's disapproved products and/or services.

5.5 You will maintain your Center (including adjacent public areas) in a clean, wholesome, orderly condition and in excellent repair; and, at your expense and in a timely manner, perform any required maintenance or repairs, as we may reasonably direct by written notice to you. No alcohol, drugs, or pets (other than animals required for the health of your customers or employees or as otherwise required by law, i.e. Seeing Eye dogs) are permitted at your Center, and the Approved Location will not be used for child care, babysitting, or similar activities.

5.6 We will conduct, when and as frequently as we deem advisable, inspections of your business premises and evaluations of your Center's management and operations, to assist you and to maintain the System's standards of quality, appearance, and service. We are not required to provide you any notice prior to conducting such inspections or evaluations. You will cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon written notice from us and/or our agents and without limiting our other rights under this Franchise Agreement, will promptly correct any deficiencies discovered during any such inspection.

5.7 You and if applicable, the Designated Manager, and other owners or management-level employees of you we designate, must attend our annual network conference of franchisees ("**Network Conference**"). You will pay a Network Conference fee for each individual required to attend the Network Conference, regardless of whether the individual attends or not. The Network Conference fee is subject to change at any time in our sole discretion. For each individual required to attend the Network Conference who does not attend without our prior written approval, you will pay either: (i) the maximum Network Conference fee if you provide us with prior written notice of the individual's inability to attend (for purposes of this [Section 5.7](#), failure to register constitutes prior written notice); or (ii) the maximum Network Conference fee plus an absentee fee if you do not provide us with prior written notice of the individual's inability to attend. You are responsible for all travel, living expenses, and other costs in connection with attendance at the Network Conference. You must also attend, at your sole expense, such additional meetings, seminars, workshops and regional conventions as we may reasonably periodically require at any time.

5.8 You will maintain a competent, conscientious, and trained staff and will take such steps as are necessary to ensure your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as we may periodically establish in the Manual or otherwise in writing. We will not have the power to hire or fire your employees and/or independent contractors. You expressly agree, and will never contend otherwise, that our authority under this Franchise Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions or operations under the PostNet standards for the PostNet Center does not directly or indirectly vest in us the power to hire, fire, or control any such employee or independent contractor. You alone are responsible for all employment decisions and functions of your PostNet Center, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects

or not. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any such liabilities we incur. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law.

5.9 You must require all your employees to work in clean professional attire approved by us, but furnished at your cost or the employees' cost as you may determine. You understand and acknowledge that it is your responsibility to hire and supervise a satisfactory number of employees in order to efficiently operate the PostNet Center and meet your obligations under this Franchise Agreement. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever.

5.10 You will execute a lease or sublease for your Center premises and, at all times during the term of this Franchise Agreement, remain in a lease or sublease for your Center premises. We have the right to approve the terms of any lease for your Center premises before you sign it. You will comply with all terms of any lease for your Center premises and will refrain from any activity which may jeopardize your right to remain in possession of the premises and/or your Center. Our approval of any lease for your Center premises may be conditioned upon the inclusion of any one or more of the following terms and conditions:

5.10.1 That the initial term of the lease, or the initial term together with renewal terms, will be for at least ten (10) years;

5.10.2 That the lessor consents to your use of such Proprietary Marks and signage as we may now or hereinafter prescribe for the Center;

5.10.3 That the use of the leased premises be restricted solely to the operation of the Center;

5.10.4 Except as otherwise approved by us in writing, that you be prohibited from subleasing or assigning all or any part of your occupancy rights or extending the term of or renewing the lease without our prior written consent;

5.10.5 That the lessor provide to us copies of any and all letters or notices of default given to you under the lease concurrently with providing them to you, and with at least thirty (30) days within which to cure such default;

5.10.6 That we have the right to enter the Center premises to make reasonable modifications necessary to protect the Proprietary Marks and/or the System or to cure any default under this Franchise Agreement and/or under the lease;

5.10.7 That, if a default occurs, expiration, or termination of this Franchise Agreement or the lease, we (or our designee) will have the option, upon notice to the lessor, to assume all of your rights under the lease terms, including the right to assign or sublease;

5.10.8 That any proprietary information, PostNet trade dress, and proprietary fixtures inside or outside the location (e.g., PostNet sign on building façade, interior signage, and information on Point-of-Sale computer) shall remain, notwithstanding anything to the contrary, subject to removal or destruction by us, and under no circumstance will lessor sell such items to a competing or similar business; and

5.10.9 That no amendment will be made to the lease without our prior written consent, which consent will not be unreasonably withheld.

5.11 You will furnish us with a copy of any executed lease within ten (10) days after execution.

5.12 You will furnish to us, within three (3) days after receipt thereof, a copy of any notice alleging your default or failure to pay, on any loan, note, lease, or other instrument related to the operation of your Center or a copy of any notice alleging your failure to comply with any law, ordinance, or regulation. You also will notify us 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 your Center.

5.13 You will, throughout the term of this Franchise Agreement, actively and regularly engage in local promotional activities designed to enhance your Center's reputation and goodwill, and to increase Gross Sales. You will collect, store, share with us, and use customer data in the form and manner we prescribe. We have the right to specify, in the Manual or otherwise in writing, the types and amounts of required promotional activities. We retain ownership of all customer data related to your Center.

5.14 You have the right to offer your goods and services at any prices. Any list or schedule of prices we may furnish to you will be deemed a suggestion only, and you will have the right, in your sole discretion, to accept or reject any such suggestion.

5.15 You will obtain all zoning classifications and clearances, permits, licenses, and certifications required for the lawful construction, occupancy, and operation of your Center, and will certify in writing to us that all such items have been obtained.

5.16 You will comply with all federal, state, and local laws, rules, and regulations, and will timely obtain any and all permits, certificates, or licenses necessary for the full and proper operation of your Center, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances, and privacy and data protection. You must comply with all laws, rules, and regulations relating to privacy and data protection. You must secure from your vendors, customers, prospective customers, and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit customer data to us and our affiliates and for us and our affiliates to use that customer data in the manner that this Agreement contemplates. You also must comply with any privacy policies, data protection policies, and breach

response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with your Center.

5.17 For purposes of this Section 5.17, “**Personal Information**” means information that identifies, relates to, describes, is capable of being associated with, or is linked or could reasonably be linked, directly or indirectly, to individuals, including but not limited to, Franchisee’s customers, employees, independent contractors, and business contacts, and/or otherwise including particular elements of “personal information” as defined under Cal. Civ. Code § 1798.140.

5.17.1 Franchisee acknowledges and agrees that it will collect, process, and otherwise use Personal Information, and transfer Personal Information to Franchisor, in compliance with all applicable laws, rules, and regulations applicable to privacy and security of Personal Information, including, but not limited to, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act (“**Applicable Data Protection Laws**”). Franchisee agrees to hold Franchisor and its affiliates harmless of any liability and losses and expenses incurred, suffered or sustained by Franchisor and its affiliates, shareholders, officers, directors, employees and agents, as a result of Franchisee’s non-compliance with Applicable Data Protection Laws.

5.17.2 With regard to Personal Information that Franchisee may collect, receive, or otherwise process as a result of any agreements between Franchisee and Franchisor (or its subsidiaries or affiliates), including this Franchise Agreement, Franchisee agrees and certifies that it will:

5.17.2.1 Process Personal Information only for the limited and specified purposes of providing services requested by Franchisor.

5.17.2.2 Assist Franchisor with the resolution of any request or inquiries that Franchisor receives from individuals and/or data protection regulators relating to Franchisee’s processing of Personal Information and, if and to the extent requested by Franchisor, cooperate with any regulators’ requests.

5.17.2.3 Implement and maintain reasonable and appropriate physical, technical, and administrative safeguards, procedures, and practices to protect and maintain the confidentiality, security, accuracy, integrity, availability, and authenticity of Personal Information.

5.17.2.4 Notify Franchisor, and provide Franchisor with the ability to object, before transmitting Personal Information to a service provider, sub-processor, subcontractor, or other vendor.

5.17.2.5 Require any service provider, sub-processor, subcontractor, or other vendor that receives Personal Information to agree to provisions materially similar to those found within this Section 5.17.

5.17.2.6 Notify Franchisor if it believes that it can no longer meet the obligations of this Section 5.17.

5.17.2.7 Allow and contribute to reasonable audits by Franchisor, including inspections by the Franchisor or its auditor, to verify Franchisee's compliance with data processing and security obligations and Applicable Data Protection Laws.

5.17.3 For purposes of this Section 5.17, "**Security Incident**" means any actual or reasonably suspected unauthorized disclosure, release, access, or acquisition of Personal Information. In the event of any Security Incident, Franchisee shall notify Franchisor immediately but no later than forty-eight (48) hours after Franchisee or any of its vendors become aware of a Security Incident. Such notifications shall include, at a minimum, the following information to the extent known by Franchisee and as it becomes available: (i) detailed description of the Security Incident, (ii) the date or estimated date of the Security Incident, (iii) the date range of the Security Incident within which the Security Incident occurred, (iv) the type of Personal Information that was the subject of the Security Incident, whether the notification was delayed as a result of a law enforcement investigation, and (v) the identity of each impacted individual. Franchisee shall take immediate action to investigate the Security Incident and shall use industry standard, reasonable efforts to mitigate the effects of any such Security Incident. Franchisee shall also provide Franchisor with reasonable assistance to satisfy any legal obligations (including obligations to notify impacted individuals and any data protection regulator) of Franchisor in relation to such Security Incident.

5.17.4 To the extent Franchisee's activities require a restricted transfer (as such term is defined under Applicable Data Protection Laws) of Personal Information to Franchisor, such restricted transfer shall be undertaken pursuant to a legal mechanism for transfer as approved under Applicable Data Protection Laws (which legal mechanism may include, without limitation, the entry into standard contract clauses for restricted transfers).

5.17.5 Franchisee further agrees and certifies that it will not:

5.17.5.1 Sell, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information to another business or a third party for monetary or other valuable consideration.

5.17.5.2 Retain, use, disclose, collect, sell, or otherwise process Personal Information for any purpose other than for the specific purpose of, and as necessary for, performing services for Franchisor pursuant to a written agreement(s). For clarity, Franchisee may not retain, use, or disclose the Personal Information for any other commercial purposes or outside of the direct business relationship between Franchisee and Franchisor.

5.17.5.3 Combine the Personal Information that it receives from Franchisor with the Personal Information that it receives from another company or business (or that it collects from its own interaction with individuals), except if expressly permitted to do so by Franchisor or required to do so by law.

5.17.5.4 Share, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information for the purpose of cross-context behavioral advertising.

5.17.6 This Section 5.17 will survive expiration or termination of this Franchise Agreement and any other agreement(s) that may exist between Franchisee and Franchisor (or its subsidiaries or affiliates). Existing terms in such agreement(s) remain in effect except that this Section 5.17 controls in the event of a conflict with such terms. In the event of a breach of this Section 5.17, Franchisor may take reasonable and appropriate steps to stop and remediate the unauthorized use by Franchisee of Personal Information. Franchisee will make available to Franchisor all information requested by Franchisor to demonstrate Franchisee's compliance with the obligations set out in this Section 5.17.

5.18 You will, at our request, accept credit and debit cards and use credit card vendors, other payment systems, and check verification services and compliance programs and systems relating to the same, and maintain compliance with then-current Payment Card Industry Data Security Standards or other standards we may reasonably specify. The term "credit card vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). You will bear all expenses associated with such programs and any liabilities that result from your failure to implement any such security standards or requirements, and you will acquire, at your expense, all necessary hardware and/or software used with these systems.

5.19 Either you (if you are an individual), one of your principal owners, officers, or directors (if you are a legal entity), or an employee that meets our approval, will manage your Center on a full-time basis and will be responsible for its efficient operation ("**Designated Manager**"). The Designated Manager must: (i) work an average of at least forty hours per week excluding holidays, sick days and up to two (2) weeks for vacation, to supervise the day to day operations of your Center and continuously exert their best efforts to promote and enhance your Center; (ii) possess the ability to operate your Center professionally and in compliance with the System; (iii) interface as needed and be available to communicate during normal business hours; and (iv) be authorized by you and possess the ability to cure any default of this Franchise Agreement on your behalf, including the payment of overdue amounts. The Designated Manager, if not you or an owner of the Franchisee, must sign a written agreement, in the form prescribed in the Manual (the current form of which is attached to the Franchise Disclosure Document in Exhibit H), to agree to maintain confidential our confidential information, proprietary information, and trade secrets. You will not hire or replace any Designated Manager without our prior written approval of the potential replacement's qualifications.

5.20 You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and affiliates to you and any and all of your owners, officers, directors and employees. You (or, if you are a legal entity, any and all of your officers, directors, and owners) will contact us by telephone or e-mail as soon as possible following any request by us for such communication. You will make reasonable efforts to be available by phone, email or otherwise as communication with us is requested or required.

5.21 Because complete and detailed uniformity under many varying conditions may not be possible or practical, you acknowledge we specifically reserve the right and privilege, as we consider best, in our sole discretion, to modify the System for any particular franchise owner based



upon circumstances we consider important to promote that franchise owner's successful operation. We may choose not to authorize similar variations or accommodations to you or other franchisees.

5.22 You acknowledge and authorize us to use your likeness in a photograph in any and all of our publications, including printed and digital publications and on websites. You agree and understand that any photograph using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish or distribute any photograph of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph of you. You agree to hold harmless and forever discharge us from all claims, demands, and causes of action which you may have in connection with this authorization.

5.23 Retaining customers for your Center will require you to have a high level of customer service and adhere strictly to and maintain the System. We may contact any customer of a PostNet Center at any time, for any purpose. Also, if we are contacted by a client or other patron of a PostNet Center who wishes to lodge a complaint, we reserve the right to address the complaint in order to preserve goodwill and prevent damage to the brand. Our right to address complaints may include refunding money to the complaining person, in which case you agree to reimburse us for these amounts.

5.24 You agree that we may contact your vendors or suppliers at any time, and hereby agree that those vendors or suppliers may provide whatever information we request from them regarding your relationship, goods or services obtained from them, or any other matter as we deem appropriate.

## 6. TAXES

6.1 We will not be liable for, and you will promptly pay to us an amount equal to, any and all taxes levied or assessed, including, but not limited to, unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on royalties paid out of state, or any similar taxes or levies, imposed upon or required to be collected or paid by us by reason of:

6.1.1 us furnishing products, services, (including your Center Development Package) and/or intangible property (including trademarks and trade names) to you;

6.1.2 us purchasing, licensing, or leasing property or property rights provided by this Franchise Agreement for you; or

6.1.3 the operation of your Center.

6.2 You and we will file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to our respective employees and operations, and we will save and indemnify one another from any and all liability of any nature whatsoever by virtue thereof. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness under the procedures of the taxing authority or applicable law. However, you will

not permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against your Approved Location, or any improvements thereon.

## **7. PROPRIETARY MARKS**

7.1 We represent with respect to the Proprietary Marks that:

7.1.1 We own the Proprietary Marks;

7.1.2 We will take action reasonably necessary to preserve and protect the validity of the Proprietary Marks; and

7.1.3 We will permit you to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

7.2 With respect to your use of the Proprietary Marks, You agree that:

7.2.1 You will use only the Proprietary Marks we designate, and will use them only in the manner we authorize and permit;

7.2.2 You will use the Proprietary Marks only for the operation of your Center, and only at the Approved Location or in advertising for your Center we approve;

7.2.3 Unless otherwise authorized or required by us, you will operate and advertise your Center only under the name "PostNet," without prefix or suffix;

7.2.4 You will identify yourself as an independent franchisee owner of your Center in conjunction with any use of the Proprietary Marks or the operation of your Center, and will place a written notice to such effect in a form we approve and in a conspicuous location on your Center premises;

7.2.5 Your right to use the Proprietary Marks is limited to such uses as authorized under this Franchise Agreement, and any unauthorized use will constitute an infringement;

7.2.6 You will not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us;

7.2.7 You will execute any documents deemed necessary by us or our affiliates to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability;

7.2.8 You will promptly notify us of any suspected unauthorized use of, or any challenge to the validity or use of, the Proprietary Marks. You acknowledge we (or the owner of the Proprietary Marks) will have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We will have the right, but not the obligation, to take action against uses by others that may constitute infringement

of the Proprietary Marks. We (or the owner of the Proprietary Marks) will defend you against any third party claim, suit, or demand arising out of your use of the Proprietary Marks under this Franchise Agreement. If we, in our sole discretion, determine you have used the Proprietary Marks under this Franchise Agreement, we will pay for such defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine you have not used the Proprietary Marks under this Franchise Agreement, you will pay for such defense, including the cost of any judgment or settlement. If any litigation occurs relating to your use of the Proprietary Marks, you will execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution including, but not limited to, becoming a nominal party to any legal action. Except if such litigation results from your use of the Proprietary Marks in a manner inconsistent with this Franchise Agreement, we agree to reimburse you for your out of pocket litigation costs in cooperating with us with respect to the litigation; and

7.2.9 You will not use the Proprietary Marks as part of your corporate or other legal name or as part of any Uniform Resource Locator (URL) or website

7.2.10 You will not use the Proprietary Marks in any employment-related documents, such as applications, employment agreements, evaluations, paycheck stubs, etc.

7.3 You expressly understand and acknowledge that:

7.3.1 The Proprietary Marks are valid and identify the System and those who operate under the System;

7.3.2 During the term of this Franchise Agreement and after its expiration or termination, you will not directly or indirectly contest the validity or ownership of the Proprietary Marks, nor take any other action which may jeopardize our interest therein, or our right to use and to license others to use, the Proprietary Marks;

7.3.3 Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, other than the license granted by this Franchise Agreement;

7.3.4 Any and all goodwill arising from your use of the Proprietary Marks will inure solely and exclusively to the benefit of us and our affiliates and, upon expiration or termination of this Franchise Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks;

7.3.5 We and our affiliates will have and retain the rights, among others: (a) to use the Proprietary Marks for selling products and services; (b) to grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to you; and

7.3.6 We reserve the right to substitute different proprietary marks for identifying the System and the Franchised Business if the Proprietary Marks no longer can be used or if we, in our sole discretion, determine that substitution of different proprietary marks will be

beneficial to the System. In such circumstances, the use of the substituted proprietary marks will be governed by this Franchise Agreement, and we will not compensate you for such substitution, except that if we must discontinue use of a Proprietary Mark based upon a court ruling the Proprietary Mark infringes on another trademark then we will bear only the costs of modifying your signs and advertising materials to conform to our new proprietary marks. You will implement any such substitution promptly.

## **8. CONFIDENTIAL MANUALS AND INFORMATION**

8.1 In order to protect PostNet’s reputation and goodwill and to maintain high standards of operation under the Proprietary Marks and the System, you will operate the Franchised Business under the Manual and the System. You will treat the System, any information, written or verbal relating to the System, the Manual, Improvements (defined in Section 8.6), any communications between you and us or you and other PostNet franchisees, and customer information including details and lists of customers and their contact details (collectively, the “**Confidential Information**”) as confidential, and will use all reasonable efforts to maintain such information as secret and confidential. You will not copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The Manual will, at all times, remain our sole property.

8.2 You will regularly and continuously review the Manual for updates to the System, standards, policy, and procedure. In the event of any dispute as to the contents of the Manual, the content of Manual maintained by us will be controlling.

8.3 You will not, during or after the term hereof, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, or business entity, any Confidential Information, knowledge, or know how concerning the methods of operation of your Center or the System which may be communicated to you or of which you may be apprised by your operation of the Franchised Business. You will divulge such confidential information only to those employees who must have access to it to perform their employment responsibilities. Any and all information, knowledge, know how, and techniques which we designate as confidential will be deemed confidential for purposes hereof unless and until you demonstrate that the information has become public knowledge.

8.4 You acknowledge that any failure to comply with the requirements of this Section 8 will cause us irreparable injury for which no adequate remedy at law may be available, and you agree we may seek, and you agree to pay, all court costs and reasonable attorney fees incurred by us in obtaining, without posting a bond, an ex parte order for injunctive or other legal or equitable relief with respect to the requirements of this Section 8.

8.5 You will require your Designated Manager and anyone else who has access to or to whom you have divulged Confidential Information to execute our then-current form of Confidentiality Agreement (the current form of which is attached to the Franchise Disclosure Document in Exhibit H) agreeing to maintain the confidentiality of Confidential Information they receive in connection with their association with you. You will be liable for any unauthorized use or disclosure of our Confidential Information by your owners, Designated Manager, employees, agents, representatives, and suppliers.

8.6 If you, during the term of this Franchise Agreement, or any Successor Term, conceive or develop any improvements or additions to the System, a website or any other documents or information pertaining to or relating to the System or your Center, or any new trade names, trade and service marks, logos, or commercial symbols related to your Center or any advertising and promotional ideas or inventions related to your Center (collectively, the “**Improvements**”) you will fully disclose the Improvements to us, without disclosure of the Improvements to others, and will obtain our written approval prior to using such Improvements. Any such Improvement may be used by us and all other PostNet franchisees without any obligation to you for royalties or other fees. You will assign, and do hereby assign to us, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement, regardless of whether you notify us of such Improvements. We, at our discretion, may apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and you will cooperate with us in securing such rights. We may also consider such Improvements as our property and trade secrets. In return, we will authorize you to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by you or any other person or entity retained or employed by you are our property, and we shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the copyrighted materials are not works made for hire or rights in the copyrighted materials do not automatically accrue to us, you irrevocably assign and agree to assign to us, our successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such copyrighted materials, which you and the author of such copyrighted materials warrant and represent as being created by and wholly original with the author. Where applicable, you agree to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure our right in the Improvements as required in this Section.

## 9. ADVERTISING

Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotional programs to the furtherance of the goodwill and public image of the System, you and we agree that:

9.1 You will contribute, each month, unless otherwise specified by us, two percent (2%) of your Gross Sales to the system wide fund described in Section 9.3 of this Franchise Agreement (the “**Fund**”), subject to any adjustment made under Section 9.6 of this Franchise Agreement.

9.2 Each PostNet Center owned by us or an affiliate of us will contribute, each month, unless otherwise specified by us, two percent (2%) of its Gross Sales to the Brand Fund, subject to any adjustment made under Section 9.6 of this Franchise Agreement.

9.3 We have the right to maintain and administer the Brand Fund, in our sole discretion. The following provisions apply to the Brand Fund:

9.3.1 The Brand Fund, all contributions thereto, and any earnings thereon, will be used exclusively to meet any and all costs of maintaining, administering, directing, conducting,

and developing the preparation of advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will benefit the System, including, among other things, the costs of preparing and conducting advertising campaigns in various media; salaries and benefits for those persons in charge of administering and overseeing the Brand Fund; preparation of direct mail advertising; market research; employing advertising and/or public relations agencies to assist therein; purchasing promotional items; conducting and administering in store promotions; providing promotional and other marketing materials and services to the businesses operating under the System; various technologies related to customer retention and acquisition; web based local and national search and mapping; websites and social networking or media; point of purchase materials; research and development of new products and services; development and implementation of quality control programs; supporting authorized marketing cooperatives formed by franchisees in the same market area. The Brand Fund is not a trust fund, and we owe no fiduciary duty to you with regard to the Brand Fund's administration, activities, or expenditures;

9.3.2 We will direct all advertising and promotional programs, with sole discretion over the creative concepts, materials, and media used in such programs, and the placement and allocation thereof. You agree and acknowledge that among the Brand Fund's objectives is to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System; and that we are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee or geographic region benefits directly or pro rata from the advertising or promotion conducted under the Brand Fund;

9.3.3 All sums paid to the Brand Fund will be maintained in an account separate from the other monies of ours and will not be used to defray our expenses, except for such reasonable costs and overhead, if any, as may be incurred in activities reasonably related to the administration or direction of the advertising programs and Fund, including, among other things, costs of personnel for planning and managing Fund activities, creating and implementing local, regional and national advertising, promotional, and marketing programs. The Brand Fund and any earnings thereon will not otherwise inure to the benefit of us. We will maintain separate bookkeeping accounts for the Brand Fund; and

9.3.4 A statement of the Brand Fund as shown on the books of the Brand Fund will be prepared annually by us and furnished to each franchisee upon written request.

9.4 In addition to required contributions to the Brand Fund, you must spend no less than the greater of either two percent (2%) of your total yearly Gross Sales based on the Gross Sales you generated in the previous calendar year or Six Thousand Dollars (\$6,000) per calendar year ("**Individual Advertising Expense**") on local advertising and marketing, beginning during the first month of operation of your PostNet Center. You will use the Individual Advertising Expense to advertise and promote your Center. If you fail to spend your required Individual Advertising Expense on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Brand Fund. The Individual Advertising Expense will be prorated accordingly for your first year of operation. We reserve the right to change the Individual Advertising Expenses' yearly requirement to a quarterly requirement upon written notice to you. We may require that, instead of per calendar year, you

spend a minimum of the greater of two percent (2%) of your total quarterly Gross Sales based on the Gross Sales you generated in each quarter of the previous calendar year or no less than One Thousand Five Hundred Dollars (\$1,500) per calendar quarter by the last day in March, June, September, and December. Any quarterly expenditure that exceeds one-fourth (1/4) of your Individual Advertising Expense will carry over to meet the requirement for the remaining quarters within that calendar year. You will not be refunded any amount if you fail to spend the required one-fourth (1/4) amount during a quarter, and we collect that amount and contribute it to the Brand Fund. Any advertising and promotion by you, including any Website (defined in Section 11.2) you may wish to establish, must be conducted in a dignified manner, conform to the System as specified in the Manual or otherwise in writing, and may not be used without our prior written approval. You will submit to us samples of all advertising and promotional plans and materials prior to their use, and you may commence use of such plans or materials seven (7) days after our receipt unless prior to that time we furnish written notice to you prohibiting such use. This includes any advertisements on the Internet or social media websites. We also have the right, at any time after you commence use of such material, to prohibit further use, effective immediately upon receipt of our written notice by you. If you violate any provision of this Section, in addition to all other remedies available to us, you will pay an unauthorized advertising fee of Five Hundred Dollars (\$500) per occurrence to the Brand Fund to offset the damage caused by your breach.

9.5 You will, at your expense and in accordance with any standards established in the Manual, in addition to the requirement of Sections 9.1 and 9.4 of this Franchise Agreement, obtain any advertisements and listings, whether online or in print, serving the market in which your Center is located, that we may periodically require.

9.6 You agree that PostNet franchisees have the right to periodically adjust the required contribution to the Brand Fund, subject to the following conditions: (i) any adjustment must be approved by at least (a) a majority of the franchisees in the System; and (b) two-thirds (2/3) of the franchisees who vote on the adjustment; (ii) each franchisee will have one (1) vote for each of its open and operating Centers; (iii) the required Fund contribution will never be less than two percent (2%); (iv) each adjustment will be for a period of not less than one (1) year; and (v) the mechanisms and procedures for recommending, considering, and voting on any adjustment will be developed and implemented by us. If the Brand Fund contribution is increased under this Section you agree to contribute the increased amount.

9.7 We may, in our discretion, form local or regional marketing cooperatives covering your Protected Territory and the territory of at least one (1) other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or regional marketing cooperative (the “**Co-op**”), then you must: join the Co-op; participate with other franchisees in the Co-op’s marketing programs; and pay your share of the Co-op’s marketing expense. Any payments you make for the Co-op’s marketing will be applied toward your Individual Advertising Expense, but will not affect your obligation to make contributions to the Brand Fund under this Franchise Agreement. If the amount you contribute to a Co-op is less than the amount you are required to expend for your Individual Advertising Expense, you shall nevertheless spend the difference locally. The Co-op’s marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the Franchisee Advisory Council (“**FAC**”) (if established) or us.

We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the FAC or some other committee of franchisees. The Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op's expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge, or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes.

## **10. INSURANCE**

10.1 You will procure, prior to constructing any leasehold improvements to, or the opening of your Center, and will maintain in full force and effect at all times during the term of this Franchise Agreement, at your expense, an insurance policy or policies protecting you, us and our affiliates, and our respective shareholders, directors, employees, and agents against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense arising or occurring at or in connection with the construction and/or operation of your Center. Such policy or policies will: (i) be written by insurer(s) acceptable to us; (ii) name us and our shareholders, directors, employees, and agents, as additional insureds (except for any employment liability insurance policies) with primary non-contributory coverage; (iii) comply with the requirements prescribed by us when such policies are obtained; (iv) provide at least the types and minimum amounts of coverage specified in the Manual; and (v) contain a waiver by you and your insurers of their subrogation rights against us and our affiliates, and our respective shareholders, directors, employees and agents.

10.2 All public liability and property damage policies will contain a provision that we, although named as an additional insured, will nevertheless be entitled to recover under such policies on any loss occasioned to us or our shareholders, directors, employees, and agents by your negligence.

10.3 At least ten (10) days before any insurance is first required to be carried by you, and thereafter at least thirty (30) days prior to the expiration of any policy, you will deliver to us Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates will expressly provide that no less than thirty (30) days' prior written notice will be given to us in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such Certificates. Certificates evidencing the insurance required by this Section will name us and our affiliates, and our respective shareholders, directors, employees, and agents, as additional insureds, and will expressly provide that any interest of each will not be affected by any breach by you of any policy provisions for which such Certificates evidence coverage. We have the right to increase or otherwise modify the minimum insurance requirements upon thirty (30) days' prior written notice to you, or sooner if required by law, and you shall comply with any such modification within the time specified in said notice.

## **11. TECHNOLOGY, RECORDS, AND REPORTING**

11.1 You are required, at your sole expense, to purchase, lease, license, or sublicense, at our sole option, from one or more suppliers we approve, which may be us or our affiliate, and



thereafter maintain and use, only such computer(s), hardware (including, without limitation, laptops), software (including, without limitation, point-of-sale software, design, printing, or web-to-print software), firmware, web technologies or applications, required dedicated internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as we specify in the Manual or otherwise in writing (collectively, the “**Computer System**”). The Computer System will have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the Internet), and using such protocols as we may reasonably prescribe in the Manual or otherwise in writing. You will keep your Computer System in good maintenance and, at your expense, promptly repair and make any and all updates, additions, changes, modifications, substitutions, and/or replacements to your Computer System as we direct. You will pay any and all annual, monthly, or other software fees, or other fees, as required by us, our affiliates, or our approved suppliers in order to obtain, maintain, and update your Computer System. The Computer System may involve, at our option and as we direct, subscription fees or other fees payable to us, our affiliate, or a third-party supplier we approve, and the purchase of software, updates, or support. You will be solely responsible for such fees and costs. You acknowledge and agree that approved suppliers (which may be us, our affiliates, or third-party suppliers we approve) have the right to increase or decrease the software, support, and related fees at any time, at our or their sole option, upon written notice to you. You further acknowledge and agree that we reserve the right to change our approved suppliers, including any software suppliers, at any time and at our sole option, and that we or our affiliates may be an approved supplier or the only approved supplier of some or all of the Computer System. You may not alter your Computer System, or use alternative software or suppliers of technology, without our prior written approval. If you are in default of any obligations under this Franchise Agreement, we may, in addition to any other remedy we may have under this Franchise Agreement, temporarily inhibit your access to all or part of the Computer System, including point-of-sale software, until you have cured such default completely. Computer Systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date related problems and attacks by hackers and other unauthorized intruders (“**E-Problems**”). We have taken reasonable steps so E-Problems will not materially affect our business. We do not guarantee that information or communication systems we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-problems. This may include trying to secure your Computer Systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

11.2 You will not establish or use any electronic document, design, page, webpage, post, blog, or other communication on the Internet, the World Wide Web, or on social media platforms such as, but not limited to, Instagram, Facebook, X (formerly known as Twitter), LinkedIn, Yelp, and YouTube, which relates in any manner to your Center, (a “**Website**”; collectively, “**Websites**”), without our prior written approval. Any Website must comply with standards specified in our Manual or otherwise by us in writing. You agree and acknowledge that we may review and monitor all content on any Website to ensure that you are complying with the System and this Franchise Agreement. You agree to abandon, remove, delete, or modify a Website immediately upon our written notice to you. You further agree and acknowledge that we may prohibit use of the Proprietary Marks on any Website and may prohibit you from engaging in social media related to

your Center. We reserve the right to require you to use only a Website owned and controlled by us and we reserve the right to require that you use only a Website that is part of the “postnet.com” Internet domain name or any other domain name we specify.

11.3 Unless otherwise authorized by us, you will only use an e-mail address, related to or associated with the operation of your Center, which is a part of the “postnet.com” Internet domain name or other domain as authorized by the Manual. All email communication must comply with standards specified in the Manual or otherwise by us in writing.

11.4 You will prepare, during the term of this Franchise Agreement, and will keep and preserve for at least five (5) years following the expiration or termination of this Franchise Agreement, complete and accurate books, records, and accounts related to your Center that are: (i) in accordance with generally accepted accounting principles; and (ii) in the form and manner prescribed by us in the Manual or otherwise in writing, which form and manner may be electronic or online. You will also, at your expense and upon our request, provide us with a copy of your financial statements showing the results of operations of your Center for each fiscal year during the term of this Franchise Agreement. Your financial statements will include a statement of income, balance sheet, and a statement of cash flows, accompanied by a review report, prepared by an independent accountant using generally accepted accounting principles. Your financial statements shall, if requested by us, be certified by a certified public accountant. You shall, at your expense, cause your public accountant and certified public accountant, if any, to consult with us concerning such financial statements. If you fail to maintain accurate and up-to-date books and records under this Section 11.4, we have the right to require you to, at your expense, hire a certified public accountant to generate the books and records in the manner we, in our sole discretion, prescribe.

11.5 You will, at your sole expense, purchase, lease, license, or sublicense from a supplier we approve, which may be us or our affiliate, at our sole option and as we direct, and thereafter use and maintain a specific system and/or process of accounting (“**Accounting System**”). The Accounting System may involve, at our option and as we direct, subscription fees or other fees payable to us, our affiliate, or a third-party supplier we approve, the purchase of software and updates, storing and/or transferring information electronically, and your active and continual participation in entering data and information needed to ensure the accuracy of the Accounting System. You will be solely responsible for such fees and costs. We, at all times, have the right to access the information and data related to the Accounting System. We will also, at all times, have the right to modify, change, or replace the Accounting System, at which time you will be required to, at your expense, comply with such modification, change, or replacement. The Accounting System is part of the Computer System.

11.6 You will, at all times, provide us with electronic access to all information stored in the Computer System. We have the right to retrieve and store any and all data, including the financial information of your Center, and information from the Computer System and use it for any purpose both during and after the term of this Franchise Agreement. We also have the right, at all reasonable times, to access the Computer System by way of virtual network computing, or any similar method, to obtain data and make any necessary modifications to the Computer System including, without limitation, installing new or updated software. You also will, at your expense and upon written request from us, provide us, in the manner prescribed by us, any other information

regarding the operation of your Center as we may reasonably request, including information concerning local promotional activities required by Section 5.13.

11.7 You will provide to us, for review or auditing, such other information as we may reasonably request, on the forms and in the manner we designate, including but not limited to any financial information, customer information, or information required by our accountants for the preparation of our financial statements.

11.8 We and/or our designated agents have the right at all reasonable times to examine and copy, at our expense, the books, records, accounts, and business tax returns related to the operation of your Center. We also have the right, at any time, to have an audit made of the books and records of your Center and/or to require you to participate in a mail-in audit or any other form of audit in accordance with the Manual. If an inspection or audit reveals that any payments due to us has been understated in any report to us, then you will immediately pay us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum calculated monthly, or the maximum rate permitted by law, whichever is less. If an inspection or audit discloses an understatement in any report of two percent (2%) or more, you will, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wage expenses, and reasonable accounting and legal costs). The foregoing remedies will be in addition to any other remedies we may have because of such underreporting.

11.9 We have established a website to advertise, market, and promote PostNet Centers and the services and products that PostNet Centers offer and sell (the “**System Website**”). We have also established a store management portal that provides you and other PostNet franchisees with electronic access to certain amenities including, without limitation, the Manual, marketing materials, financial dashboards, forums, and System data (“**iPostNet**”). We have the right, but not the obligation, to reference your Center on the System Website and to provide you with access to iPostNet. If you are in default of any obligations under this Franchise Agreement, we may, in addition to our other remedies, temporarily remove reference to your Center from the System Website, and/or discontinue your access to iPostNet, until such defaults are cured to our satisfaction. We may, at our option, discontinue, replace, and/or modify the System Website and/or iPostNet at any time and in our sole discretion. Nothing in this Section shall limit our right to maintain websites other than the System Website or to maintain other store management portals other than iPostNet.

## **12. TRANSFER OF INTEREST**

12.1 We have the right to transfer or assign all or any part of our rights or obligations under this Franchise Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of our obligations under this Franchise Agreement, the assignee will expressly assume and agree to perform such obligations, and will become solely responsible for all of our obligations under this Franchise Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that we may sell our assets, the Proprietary Marks, or the System; may sell our securities in a public offering or in a private placement; may permit and participate in any transfer or

distribution of our securities in connection with a spin-off; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a financing, recapitalization, leveraged buy-out, or other economic or financial reorganization or restructuring.

12.2 You understand and acknowledge your rights and duties are personal and that we have granted this franchise in reliance on your or your owner(s)' business skills, financial capacity, and personal character. Accordingly, you, any immediate or remote successor to any part of your interest in this Franchise Agreement, or any individual or legal entity, which directly or indirectly owns any interest in you, will not, without our prior written consent, sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber: (i) any direct or indirect interest in the rights granted in this Franchise Agreement; (ii) any direct or indirect interest which would effect a change of control now or in the future, if you are a legal entity; or (iii) all or substantially all of the assets of your Center. Any assignment or transfer, whether purported or actual, by operation of law or otherwise, not having our written consent, as required by this Section 12.2, will be null and void and will constitute a material breach of this Franchise Agreement, for which we may then terminate without an opportunity to cure pursuant to Section 13.2.3.

12.2.1 We will not unreasonably withhold our consent to a transfer when required under Section 12.2 provided, however, that we will have the right to require any or all of the following as conditions of our consent:

12.2.1.1 All of your accrued monetary obligations and all other outstanding obligations to us and our affiliates, and to all of your suppliers and vendors, must be satisfied;

12.2.1.2 You and we execute a release, in a form prescribed by us, of any and all claims which you may have against us and our affiliates, and any respective shareholders, directors, employees, and agents in their corporate and individual capacities;

12.2.1.3 The transferee will attend an in-person evaluation at our corporate headquarters or another location we designate;

12.2.1.4 The transferee will execute our then-current standard form franchise agreement and related documents, including but not limited to our then-current form of any owners agreement or other guaranty, then being offered to new franchisees, which agreement will supersede this Franchise Agreement in all respects and the terms of which agreement may differ materially from this Franchise Agreement and may be less favorable to the transferee, provided, however, that the transferee will not be required to pay an initial franchise fee;

12.2.1.5 The transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as we may request) will demonstrate to our satisfaction that the transferee meets our educational, managerial, and business standards; possesses (or, if applicable, its principals possess) a good moral character, business reputation, and credit rating; has the aptitude and ability to operate the Center, as may be evidenced by prior related business experience or otherwise; and has adequate financial resources and capital to operate the Center;

12.2.1.6 You or the transferee, at your or its expense, will, within the time we specify, upgrade, modify, renovate, and/or remodel the Center premises to conform to the then current standards and specifications of the System;

12.2.1.7 The transferee and its Designated Manager will attend Initial Owner Franchisee Training;

12.2.1.8 You or, at our sole option, the proposed transferee will pay us a non-refundable transfer fee equal to the greater of fifty percent (50%) of the then-current initial franchise fee or Ten Thousand Dollars (\$10,000) (“**Transfer Fee**”). Any deposits, if any, paid by transferee to us prior to the Effective Date pursuant to a Conditional Consent to Transfer and Release Agreement will be credited in full to the Transfer Fee. Payment of the Transfer Fee will relieve the transferee of the obligation to pay the initial franchise fee. In addition to the Transfer Fee, you will pay us either (i) Ten Thousand Dollars (\$10,000) if, prior to serious negotiations with you or one of your owners, the transferee had contact with us or a PostNet area franchisee, or (ii) Fifteen Thousand Dollars (\$15,000) if, prior to serious negotiations with you or one of your owners, the transferee had contact with a third-party broker with whom we have a referral agreement. You will not be required to pay us a Transfer Fee for transfers to a legal entity formed for the convenience of ownership, where the ownership of such legal entity includes only those same individuals who signed the franchise agreement as individuals; and

12.2.1.9 You will not be in default of any provision of this Franchise Agreement or any other agreement between you and us or our affiliates.

12.2.2 You will, at our request, prepare and furnish to the transferee and/or us such financial reports and other data relating to your Center and its operations as we deem reasonably necessary or appropriate for the transferee and/or us to evaluate your Center and the proposed transfer. You authorize us to confer with a proposed transferee and furnish the proposed transferee with information concerning your Center and the terms and conditions of the proposed transfer, and we may do so without any liability, except for intentional misstatements made to a transferee.

12.2.3 You will not grant a security interest in the assets of your Center unless the secured party agrees that if any default occurs by you under any documents related to the security interest, we will have the right and option to be substituted as obligor to the secured party and to cure any default of you, except any acceleration of indebtedness due to your default will be void.

12.3 Except as otherwise required by Section 12.2, you will have the right to effect transfers without our consent; provided, however, that you furnish written notice of such transfer to us at least seven (7) days prior to the date of the transfer. Transfers made absent such notice will be null and void, and will constitute a material breach of this Franchise Agreement, for which we may then terminate this Franchise Agreement without affording you an opportunity to cure under Section 13.2.3.

12.4 Upon your death or mental incapacity (or, if you are an entity, upon the death or mental incapacity of one of your owners with a controlling interest in you and this Franchise

Agreement), the executor or administrator of the estate of such person, or the personal representative of such person, will transfer, within six (6) months after such death or mental incapacity, such interest to a third party approved by us. Such transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same conditions for transfer as provided in Sections 12.2 or 12.3, as the case may be, including the payment of the transfer fee. However, with a transfer by devise or inheritance governed by Section 12.2, if the heirs or beneficiaries cannot meet the conditions in Section 12.2, the executor or administrator of the deceased will have a reasonable time to dispose of the deceased's interest in the Center, which disposition will be subject to all the terms and conditions for transfers contained in this Franchise Agreement. If the interest is not disposed of within a reasonable time, we may terminate this Franchise Agreement under Section 13.2.6.

12.5 Our consent to a transfer which is the subject of this Section 12 will not constitute a waiver of any claims we may have against you, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms hereof by the transferee.

12.6 If, for any reason, this Franchise Agreement is not terminated under Section 13.1 and this Franchise Agreement is assumed or assignment of the same to any person or entity who has made a bona fide offer to accept an assignment of this Franchise Agreement is contemplated, under the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (a) the name and address of the proposed assignee; and (b) all of the terms and conditions of the proposed assignment and assumption; will be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Franchise Agreement, and, in any event, within ten (10) days prior to the date the application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption. We will have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Franchise Agreement to us, upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by you out of the consideration to be paid by such assignee for the assignment of this Franchise Agreement.

### **13. DEFAULT AND TERMINATION**

13.1 You will be deemed in default of this Franchise Agreement, and all rights granted herein will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or, if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; or, if you are adjudicated as bankrupt or insolvent; or, if a bill in equity or other proceeding to appoint a receiver of you or other custodian for your business or assets is filed and consented to by you; or, if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or, if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or, if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or, if you are dissolved; or, if execution is levied against your business or property; or, if the real or personal property of your Center will be sold after levy thereupon by any sheriff, marshal, or constable.

13.2 Upon the occurrence of any of the following events, you will be deemed in default of this Franchise Agreement and we may, at our option, terminate this Franchise Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the provision of notice to you (in the manner set forth under Section 19 hereof):

13.2.1 If you at any time cease to operate, or abandon, your Center for a period of seven (7) consecutive days without receiving our prior express written consent, or otherwise forfeit the right to do or transact business in the jurisdiction where your Center is located; provided, however, that if through no fault of your own, the premises are damaged or destroyed, then you will have thirty (30) days to request our approval to relocate or reconstruct the premises, which approval will not be unreasonably withheld;

13.2.2 If you, or any officer, director, or partner of you, is convicted of a felony, a crime or offense involving moral turpitude, or engage in conduct that, in our reasonable judgment, is morally offensive to community standards and is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein;

13.2.3 If you or any partner or shareholder in you purports to transfer any rights or obligations under this Franchise Agreement, or any interest in you or the assets of your Center to any third party without our prior written consent or notice, contrary to the terms of Section 12;

13.2.4 If you fail to comply with the covenants in Section 15.2 or fail to deliver to us executed covenants required under Section 15.9;

13.2.5 If, contrary to the terms of Section 8, you or any principal of you discloses or divulges any contents of the Manual or any Confidential Information;

13.2.6 If an approved transfer is not effected following death or mental incapacity as described in Section 12.4;

13.2.7 If you knowingly maintain false books or records, or knowingly submit any false reports to us;

13.2.8 If, without our prior express written consent, you enter into a new or amended lease (see Section 5.10), the lease for your Approved Location expires without being renewed, the lease for your Approved Location is terminated for any reason, or you otherwise fail to maintain a lease or fail to remain the principal beneficiary of a lease for your Approved Location;

13.2.9 If you, within two (2) years after curing a default under Section 13.3, commit a similar or different default, whether or not cured after notice;

13.2.10 If you do not pay any monies owing to us, our affiliates, or your suppliers, when payment is required;

13.2.11 If you or any principal of you has made any material misrepresentation in connection with your application to us for the franchise granted under this Franchise Agreement;

13.2.12 If you understate any payment to us by five percent (5%) or more, or understate any payment to us in any amount twice in any two (2)-year period;

13.2.13 If you fail to obtain or maintain required insurance coverage;

13.2.14 If you permit alcohol, drugs, or pets (other than pets required for the health of your customers or employees or as otherwise required by law, i.e. seeing eye dogs) on your Center premises, or your Center premises is used for any activities prohibited by Section 5.5;

13.2.15 If you, without receiving our prior express written consent, fail to attend and successfully complete any required training as specified in Section 4 or fail to attend our annual convention for franchisees as specified in Section 5.7;

13.2.16 If you, or any affiliate, commit any act of default under any agreement with us for which such agreement is terminated, except this provision will not apply to a default by you, or any affiliate, under any development agreement;

13.2.17 If your assets, property, or interests are “blocked” under any Anti-Terrorism Law or if you are otherwise in violation of any such law;

13.2.18 If you establish, or use, a Website, as defined in Section 11.2, without our prior written approval; or

13.2.19 If you fail to open your Center within six (6) months after the Effective Date.

13.3 Except as provided in Sections 13.1 and 13.2, you will have thirty (30) days after we provide written notice of default (in the manner specified in Section 19) to remedy the default and to provide us with evidence of such remedy. If any such default is not cured within such time, or such longer period as applicable law may require, we may terminate this Franchise Agreement effective immediately upon our notice to you. You will be in default of this Franchise Agreement for any failure substantially to comply with any of the requirements imposed by this Franchise Agreement, including requirements set forth in the Manual, as they may from time to time be supplemented in writing, or to carry out the terms of this Franchise Agreement in good faith. If you are in default of any provisions of this Franchise Agreement, in addition to the rights listed in Section 13, we may, at our option, suspend any and all of our obligations under this Franchise Agreement until such defaults have been cured or until the Franchise Agreement has been terminated.

13.4 Subject to the terms of this Franchise Agreement, you will open your Center for business within six (6) months from the Effective Date unless you obtain our express written permission otherwise, which permission may be granted or denied in our sole discretion. Any failure to meet this deadline will be a default under Section 13.2.19 of this Franchise Agreement.

13.5 No endorsement or statement on any form of payment of any sum less than the full sum due to us will be construed as an acknowledgment of payment in full or an accord and satisfaction, and we may accept and cash such check or payment without prejudice to our right to recover the balance due or pursue any other remedy in this Franchise Agreement or by law. We



may apply any payments made by you against any past due indebtedness of you as we may see fit. We may set off any amounts owed by you to us against any payment due to you under this Franchise Agreement and may, at our option, pay your trade creditors out of any sum otherwise due to you.

13.6 Upon the occurrence of each and any of the events of default by you listed in this Section 13.6, in addition to all other rights granted to us under Section 13, we will have the right, upon written notice to you, to impose a separate default fee equal to three percent (3%) (for each occurrence), up to a cumulative twelve percent (12%), of Gross Sales of your Center (“**Default Fee**”). Each Default Fee is in addition to any other rights and/or remedies we may have including, without limitation, any termination rights. Each Default Fee will be paid in addition to, in the same manner, and at the same time as the monthly royalty fee of Section 3.2. Each Default Fee will continue until the default that triggered the particular Default Fee is cured by you or until the Franchise Agreement is terminated. We and you agree and acknowledge that such the Default Fee shall not be construed as a penalty, as such fee is a reasonable, good faith representation of the actual damages sustained by us upon the occurrence of any of the defaults listed in this Section:

13.6.1 You fail to submit all materials and/or information required by us, or our designated agents, to complete any audit pursuant to Section 11.8 within thirty (30) calendar days after receiving notice of the audit;

13.6.2 You fail to follow or comply with the Accounting System pursuant to Section 11.5;

13.6.3 You establish or use a Website, as defined in Section 11.2, without our prior written approval;

13.6.4 You fail to complete Initial Owner Training by the Initial Owner Training Deadline; or

13.6.5 You fail to remodel your Center within sixty (60) days of any such requirement to do so.

13.7 In the event of any default of this Franchise Agreement by you other than those set forth in Section 13.6, all of our costs and expenses arising from such default, including reasonable legal fees and reasonable hourly charges of our administrative employees shall be paid to us by you within five (5) days after cure or upon demand by us if such default is not cured.

## **14. OBLIGATIONS UPON TERMINATION OR EXPIRATION**

You must follow any procedures established by us to ensure the expiration of this Franchise Agreement or any Successor Term creates the least disruption possible to the System, including those procedures set forth in the Manual.

Upon termination or expiration of this Franchise Agreement, all rights granted to you under this Franchise Agreement will immediately terminate and:

14.1 You will immediately cease to operate your Center, and will not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former PostNet franchisee.

14.2 You will immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System; the Proprietary Marks; and all other proprietary marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. You also will, at your expense, immediately remove all signs, slogans, symbols, distinctive forms, devices, and trade dress associated with the System, which are located at your Center. If you fail to remove all signs, slogans, symbols, distinctive forms, devices, and trade dress associated with the System within a reasonable amount of time following termination, and we are forced to remove these items, you will reimburse us for the cost of removal. You agree not to sell, assign, transfer, convey, or give away any signs, slogans, symbols, distinctive forms, devices, trade dress, or other fixtures associated with the System without our prior written consent.

14.3 You will take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Proprietary Marks and you will furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Franchise Agreement.

14.4 You will, at our option, immediately assign to us any interest which you have in the then-current lease for your Center premises, in which case we shall have an immediate right to enter and take possession of the Center premises in order to maintain continuous operation of the Center, to provide for orderly change of management and to otherwise protect our investment. If we do not elect to exercise our option to acquire the lease for your Center premises, then, to the extent, if any, that you are permitted to conduct any business at the Approved Location under Section 15.3, and acknowledging the distinctiveness of our interior design and décor, you will make such modifications or alterations to the premises (including, at our option, the assignment of any of your Center's telephone numbers, facsimile numbers, social media websites and Internet addresses to us in accordance with Section 14.5) immediately upon termination or expiration of this Franchise Agreement to distinguish the appearance of such premises from that of other PostNet Centers operating under the System and Proprietary Marks, and will make such specific additional changes thereto as we may reasonably request for that purpose. If you fail or refuse to comply with the requirements of this Section 14.4, we will have the right to enter the Center premises without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you agree to pay us upon demand.

14.5 You acknowledge that all telephone numbers, facsimile numbers, social media websites, Internet addresses and e-mail addresses (collectively "**Identifiers**") used in the operation of your Center constitute our assets, and upon termination or expiration of this Franchise Agreement, you will take such action within five (5) days to cancel or assign to us or our designee as determined by us, all of your right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of your right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at our direction. You agree to take all action required cancel all assumed name or equivalent registrations related to your use of the Proprietary Marks. You acknowledge that, we have the sole rights to, and interest in, all Identifiers

used by you to promote your Center and/or associated with the Proprietary Marks. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Franchise Agreement as conclusive evidence of Franchisor's rights to the Identifiers and our authority to direct their transfer.

14.6 You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit copy, or colorable imitation of the Proprietary Marks or our trade dress, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Proprietary Marks, and further agree not to use any designation of origin, description, representation, trademark, or trade name which suggests or represents a past or present association or connection with us, the System, or the Proprietary Marks.

14.7 You will promptly pay all sums owed to us and our affiliates. In the event of termination for any default by you, such sums will include all damages, costs, and expenses, including reasonable attorney fees, incurred by us as a result of your default, which obligation will give rise to and remain, until paid in full, a lien in favor of us against any and all of your personal property, furnishings, equipment, signs, and fixtures at your Approved Location at the time of default.

14.8 You will pay us any and all damages, costs, and expenses, including reasonable attorney fees, incurred by us subsequent to the termination or expiration of this Franchise Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 14.

14.9 You will immediately return to us or, if in electronic format, permanently delete and/or destroy, all Confidential Information and proprietary information you have in your possession, including the Manual and any copies that may have been made by you, within five (5) business days of the termination or expiration of this Franchise Agreement. You will provide us proof of such deletion upon written request.

14.10 We will have the option, to be exercised within thirty (30) days after termination or expiration of this Franchise Agreement, to purchase from you any or all of the furnishings, equipment, signs, fixtures, assets, and supplies related to the operation of your Center, at their book value as represented by your last tax return and as adjusted for the depreciation up until the time of the exercise of our option. If we elect to exercise any option to purchase herein provided, the closing will take place within fifteen (15) days after the purchase price will have been established. We will have the right to set off all amounts due from you, if any, against the payment price of such items. We have the right to set off any payments you owe us against the purchase price.

14.11 All of your covenants, obligations, and agreements, which by their terms or by reasonable implication are to be performed, in whole or in part, after the termination or expiration of this Franchise Agreement, will survive such termination or expiration.

14.12 You will comply with the covenants contained in Section 15.3.

## 15. COVENANTS

15.1 You covenant that during the term of this Franchise Agreement, except as otherwise approved in writing by us, you (or if you are a legal entity, a principal of you) or your Designated Manager will devote full time and best efforts to the management and operation of your Center.

15.2 You acknowledge the covenants set forth in this Section 15 are given for the purchase and sale of a business or the assets of a business. You further acknowledge you will receive valuable specialized training, confidential information, and our trade secrets, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques from us. You covenant that during the term of this Franchise Agreement you will not, either directly or indirectly, within the United States and its territories, except as otherwise approved in writing by us, for yourself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity:

15.2.1 Directly or indirectly (including through an act of omission), divert or attempt to divert any business or customer of your Center to any competitor by inducement or otherwise, or do or perform any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System; and

15.2.2 Own, maintain, advise, operate, engage in, be employed by, make loans to, have any interest in or relationship or association with, a business which offers the same or similar products or services as those offered by your Center or the System.

15.3 You covenant that you will not, without our prior written consent, for a continuous, uninterrupted one (1)-year period commencing upon the date of: (a) a transfer permitted under Section 12 of this Franchise Agreement; (b) expiration of this Franchise Agreement; (c) termination of this Franchise Agreement (regardless of the cause for termination); or (d) a final decision of an arbitrator or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 15.3; either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, or legal entity (including legal entities which own, are owned by, or are under common ownership with you), own, maintain, advise, operate, engage in, lease to, be employed by, make loans to, or have any interest in or relationship or association with a business which offers the same or similar products or services as those offered by your Center or the System, and which is located: (i) at the Approved Location; (ii) within ten (10) miles of the Approved Location; or (iii) within ten (10) miles of any PostNet Center open or under construction on the Effective Date of this Franchise Agreement.

15.4 Sections 15.2 and 15.3 will not apply to the ownership of other PostNet Centers or the beneficial ownership by you of less than five percent (5%) of the outstanding equity securities

of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

15.5 The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Franchise Agreement. If all or any portion of a covenant in this Section 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 15.

15.6 You agree and acknowledge that we have the right, in our sole discretion, to reduce the scope of any covenant or any portion thereof set forth in Sections 15.2 and 15.3, without your consent, effective immediately upon receipt by you of written notice of such reduction; and you agree that you will comply immediately with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of Section 21.

15.7 You expressly agree that the existence of any claims you may have against us, whether or not arising under this Franchise Agreement, will not constitute a defense to the enforcement by us of the covenants in this Section 15.

15.8 You acknowledge that your violation of the terms of this Section 15 would result in irreparable injury to us for which no adequate remedy at law may be available, and agree to pay all court costs and reasonable attorney fees incurred by us in obtaining any injunctive or other equitable or legal relief with respect to such conduct or action.

## **16. YOU AS A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY**

16.1 Except as otherwise approved in writing by us, if you are a corporation, you will: (i) confine your activities, and your governing documents will at all times provide your activities are confined, exclusively to operating your Center; (ii) maintain stop transfer instructions on your records (unless you are publicly held) against the transfer of any equity securities and will only issue securities upon the face of which a legend, in a form satisfactory to us, appears which references the transfer restrictions imposed by this Franchise Agreement; and (iii) maintain a current list of all owners of record, all beneficial owners of any class of voting stock of you, and all officers and directors, and furnish the list, and current contact information of each individual on the list, to us upon request.

16.2 If you are a partnership you will (i) furnish us with your partnership agreement as well as such other documents as we may reasonably request, and any amendments thereto; and (ii) prepare and furnish to us, upon request, a current list of all general and limited partners in you and each partner's personal contact information.

16.3 If you are a limited liability company or corporation, you will: (i) confine your activities exclusively to operating your Center; (ii) furnish us with your articles of organization/articles of incorporation and operating agreement/bylaws/members agreement, and such other documents as we may reasonably request and any amendments thereto; (iii) prepare

and furnish to us, upon request, a current list of all members and managers in you, along with each member's and manager's personal contact information or list of shareholders, officers and board of directors; (iv) maintain stop transfer instructions on your records against the transfer of any equity securities and will only issue securities which bear a legend, in a form satisfactory to us, referencing the transfer restrictions imposed by this Franchise Agreement; and (v) maintain in your articles of organization, articles of incorporation, operating agreement, or bylaws, whichever creates legal enforceability, instructions preventing the addition of any new member, without our express written consent.

16.4 Each present and future shareholder or member, and each present and future general and limited partner, of you with a direct or indirect interest, and their respective spouses, will jointly and severally guarantee your performance of each and every provision of this Franchise Agreement, by executing the Owner's Agreement in the form attached hereto as Attachment C.

16.5 Attachment D to this Franchise Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date. You and your owners agree to sign and deliver to us, periodically or upon our request, revised versions of Attachment D to reflect any permitted changes to the information previously in Attachment D.

## 17. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

17.1 It is understood and agreed by the parties that this Franchise Agreement does not create a fiduciary relationship between them; that you will be an independent contractor; and, that nothing in this Franchise Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, employer, joint employer, enterprise, or servant of the other for any purpose whatsoever.

17.2 You agree to inform each of your employees and contractors that you alone are their employer, and that we are not. You agree to explain to your employees and contractors the respective roles of a franchisor and franchisee and our relationship with you. You will use your legal name on all documents for use with employees and contractors, including but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements and will not use the Marks on these documents.

17.3 During the term of this Franchise Agreement, you will hold yourself out to the public as an independent contractor operating the business pursuant to a franchise from us. You agree to take such action as may be necessary to do so, including, as set forth in Section 7.2.4, exhibiting a notice of that fact in a conspicuous place at your Approved Location. You further agree to state in all your advertisements and promotional materials (including business cards, order forms, and letterhead) that your PostNet Center is independently owned and operated, using language that we may specify from time to time. You will not hold yourself out as our agent, employee, or co-venturer.

17.4 You acknowledge and agree that you are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and that we will in no event assume liability for, or be deemed liable hereunder as a

result of, any such action; nor will we be liable by reason of any act or omission of you in your conduct of your Center or for any claim or judgment arising therefrom against you or us.

17.5 You and each of your owners listed on Attachment D agree that you will, at all times during the Term and any Successor Terms and after the termination or expiration of this Franchise Agreement, indemnify, defend, and hold harmless, to the fullest extent permitted by law, Franchisor, its affiliates, and their respective shareholders, directors, officers, employees, agents, representatives, independent contractors, servants, successors, and assignees (the “**Indemnified Parties**”) against, and to reimburse any one or more Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the Franchised Business operation, the business you conduct under this Franchise Agreement, or your breach of this Franchise Agreement, including, without limitation: (i) those alleged to be found or to have been caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, un-appealable ruling issued by a court or arbitrator with competent jurisdiction; (ii) the infringement, alleged infringement or any other violation by you, your owners or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Proprietary Marks and/or System; (iii) your, or your owners’, violation, breach, or asserted violation of any federal, state, or local law, regulation, ruling or industry standard; (iv) your or your owners’ libel, slander, or any other form of defamation; and (v) your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees.

For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants’, arbitrators’, attorney, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it and agree to settlements or take any other remedial, corrective, or other actions and such actions will affect your obligation to indemnify pursuant to this Section.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Franchise Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

17.6 Franchisee shall also pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by Franchisor in successfully enforcing, issuing notices of default, or obtaining any remedy arising from the breach of this Franchise Agreement. The existence of any claims, demands or actions which Franchisee may have against Franchisor, whether arising from this Franchise Agreement or otherwise, shall not constitute a

defense to Franchisor's enforcement of Franchisee's or any its owners representations, warranties, covenants, agreements or obligations herein.

## **18. APPROVALS AND WAIVERS**

18.1 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Franchise Agreement, or by reason of any neglect, delay, or denial of any request related to this Franchise Agreement. No delay, waiver, omission, or forbearance on the part of us to exercise any right, option, duty, or power arising out of this Franchise Agreement against you, or any other franchisee, or any breach or default by you, or by any other franchisee, of any of the terms, provisions, or covenants of this Franchise Agreement, and no custom or practice by the parties at variance with the terms hereof, will constitute a waiver by us to enforce any such right, option, or power as against you, or as to a subsequent breach or default by you. Subsequent acceptance by us of any payments due to us under this Franchise Agreement will not be deemed to be a waiver by us of any preceding or succeeding breach by, or obligations of, you of any terms, covenants, or conditions of this Franchise Agreement.

## **19. NOTICES AND PAYMENTS**

All written notices, reports, and payments permitted or required to be delivered by this Franchise Agreement or the Manual will be deemed delivered:

- (1) at the time delivered by hand;
- (2) at the time delivered via computer transmission provided that the recipient acknowledges receipt of such computer transmission, and, in the case of your royalty payments and contributions of the Brand Fund, at the time we actually receive payment;
- (3) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;
- (4) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or
- (5) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Notwithstanding the forgoing, any notice to you or us must be sent to the address specified on the signature page of this Franchise Agreement, although notice to you may also be sent to your Approved Location. We may change our address for notice by giving you notice of our new address. Any written notice we send to you may be sent only to you or the Designated Manager for your Center. You may change the person designated to receive notice or your address for notice only by giving us thirty (30) days' prior written notice by any of the means specified in subparagraphs (1) through (5) of this Section 19.



Any required payment or report which Franchisor does not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before the date due) will be deemed delinquent.

## **20. ENTIRE AGREEMENT**

This Franchise Agreement, together with the Manual, any written related agreements, any State Addenda attached to the Franchise Disclosure Document, and any attachments hereto, constitute the entire and complete agreement between you and us concerning the subject matter hereof, and supersede any and all prior agreements. However, nothing in this Franchise Agreement or any related agreement is intended to disclaim our representations made in the Franchise Disclosure Document. Except for those permitted by this Franchise Agreement to be made unilaterally by us, including our right to modify the Manual and System, no amendment, change, or variance from this Franchise Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

## **21. SEVERABILITY AND CONSTRUCTION; FORCE MAJEURE**

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

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

21.3 Any provision or covenant of this Franchise Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Franchise Agreement will survive such expiration or termination.

21.4 You acknowledge and agree that we have the right to enter into agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Franchise Agreement. The existence of different forms of agreements and the fact that existing or future franchisees may have different rights and obligations will not in any manner eliminate, modify, or affect the duties of the parties to this Franchise Agreement to comply with the terms of this Franchise Agreement.

21.5 If we or you fail to perform any obligation under this Franchise Agreement due to a Force Majeure Event, such failure will not be deemed a breach of this Franchise Agreement, provided such party uses reasonable efforts to perform such obligations as soon as possible under

the circumstances. We or you will, within five days of the occurrence of the Force Majeure Event, give a written notice to the other stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required; provided, however, if the suspension of performance continues for 90 days from the date of the occurrence and such failure to perform would constitute an event of default of this Franchise Agreement in the absence of such Force Majeure Event, we and you will meet and discuss in good faith any amendments to this Franchise Agreement to permit us to exercise our rights under this Franchise Agreement. If we and you are not able to agree on such amendments within 30 days and if suspension of performance continues, we may terminate this Franchise Agreement immediately by giving written notice to you and/or we may exercise any of the remedies described in Section 22 or otherwise available at law or in equity. “Force Majeure Event” means Acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war (declared or undeclared), riot, terrorist acts, cybersecurity incident, or other civil disturbances; epidemics; pandemics; or any other cause that is beyond the reasonable control of the party affected thereby and that materially and adversely affects the ability of us or you hereto to perform. In no event will your inability to pay amounts due under this Franchise Agreement constitute a Force Majeure Event and no Force Majeure Event will operate to excuse you from the prompt payment of any fee or other payment due to us pursuant to this Franchise Agreement.

21.6 This Franchise Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Additionally, this Franchise Agreement may be executed and transmitted by electronic means, all of which will be considered an original for all purposes.

## **22. DISPUTE RESOLUTION**

22.1 Any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, will be interpreted and construed exclusively under the laws of the State of Colorado. In the event of any conflict of law, the laws of Colorado will prevail, without regard to the application of Colorado conflict of law rules. If, however, any provision of this Franchise Agreement would not be enforceable under the laws of Colorado, and if your Center is located outside of Colorado and such provision would be enforceable under the laws of the state in which your Center is located, then such provision will be interpreted and construed under the laws of that state. Nothing in this Section 22.1 is intended by the parties to subject this Franchise Agreement to any franchise or similar law, rule, or regulation of the State of Colorado to which it would not otherwise be subject.

22.2 Except as otherwise provided in this Franchise Agreement, any claim or controversy arising out of, or related to, this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, except for any actions brought with respect to: (i) the Proprietary Marks or (ii) securing injunctive relief or specific performance under this Franchise Agreement will first be subject to non-binding mediation in Lakewood, Colorado, or, if our principal place of business has changed when mediation is sought, in the city of our then principal place of business. Mediation will not defer or suspend our right to exercise any of our termination rights under Section 13.

22.3 No arbitration or litigation may be commenced on any claim which is subject to mediation under Section 22.2 prior to the Mediation Termination Date (as defined in Section 22.3.3), whether or not the mediation has commenced. Mediation under this Section 22 is not intended to alter or suspend the rights or obligations of the parties under this Franchise Agreement or to determine the validity or effect of any provision of this Franchise Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously and in a cost-effective manner on mutually acceptable terms.

22.3.1 The non-binding mediation provided for under this Franchise Agreement will be commenced by the party requesting mediation giving written notice of the request for mediation to the party with whom mediation is sought. The request will specify with reasonable particularity the matters for which non-binding mediation is sought.

22.3.2 Non-binding mediation hereunder will be conducted by a mediator or mediation program located in the Greater Denver, Colorado area designated by us in writing. We will make the designation within a reasonable time after issuance of the request for mediation.

22.3.3 Non-binding mediation hereunder will be concluded within sixty (60) days of the issuance of the request for mediation, or such longer period as may be agreed upon by the parties in writing (“**Mediation Termination Date**”). All aspects of the mediation process will be treated as confidential, will not be disclosed to others, and will not be offered or admissible in any other proceeding or legal action whatsoever. The parties will each bear their own costs of mediation, and will share equally in the cost of the mediator or mediation service.

22.4 Except for any actions brought with respect to: (i) the Proprietary Marks, or (ii) securing injunctive relief or specific performance under this Franchise Agreement; any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, including any claim or controversy involving any and all of our shareholders, officers, and directors in their individual capacity, will be finally settled by arbitration to be conducted in accordance with this Franchise Agreement. We and you waive, to the fullest extent permitted by law, any right or claim to any punitive or exemplary damages against the other, and agree that any award will be limited to the recovery of any actual damages sustained by them. Each party will bear one-half (1/2) of the arbitrator’s and administration expenses incurred during the arbitration process; provided, however, that the prevailing party will be entitled to recover its expenses, including reasonable attorney fees, accounting fees and arbitrator and administrative expenses, in addition to any other relief to which it is found entitled. All arbitration proceedings will take place in the Greater Denver, Colorado area, or, if our principal place of business has changed at the time that arbitration is sought, in the city of our then principal place of business. The arbitration award will be binding upon the parties and may be entered and enforced in any court of competent jurisdiction. Any arbitration proceeding will be limited to controversies between we and you and will not be expanded to include any other franchisee as a party, or include the adjudication of class action claims.

22.5 If a judicial action is expressly permitted by Sections 22.2 and 22.4 of this Franchise Agreement, any such action brought by you against us will be brought exclusively, and any such action brought by us against you may be brought, in the federal district court covering the location of our principal place of business when the action is commenced; provided, however, that if the

federal court would not have subject matter jurisdiction had the action been commenced in such court, then, in such event, the action will (with respect to actions commenced by you), and may (with respect to actions commenced by us), be brought in the state court within the judicial district covering the location of our principal place of business at the time the action is commenced. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

22.6 No right or remedy conferred upon or reserved to us or you hereby is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

22.7 Nothing in this Franchise Agreement will bar either party's right to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement. Either party also will be able to seek injunctive relief to prohibit any act or omission by the other party or its employees that constitutes a violation of any applicable law, is dishonest or misleading to your customers or to the public, or which may impair the goodwill associated with the Proprietary Marks. The prevailing party will be entitled to recover its costs and reasonable attorney fees incurred by it in obtaining such relief.

22.8 Any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, brought by any party hereto against the other, will be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action will be barred. THE PARTIES TO THIS FRANCHISE AGREEMENT HEREBY WAIVE IN ANY ARBITRATION OR JUDICIAL ACTION, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

22.9 WE AND YOU IRREVOCABLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, IN CONNECTION WITH ANY MATTER OR DISPUTE OF ANY KIND ARISING UNDER, RELATING TO, OR IN ANY WAY CONNECTED WITH THIS FRANCHISE AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER, WHETHER AT LAW OR IN EQUITY, BROUGHT BY YOU OR WE AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

22.10 We and you (and your owners) agree that the provisions of this Section 22 shall apply during the term of this Franchise Agreement and following the termination, expiration, or non-renewal of this Franchise Agreement.

## 23. ACKNOWLEDGMENTS

23.1 You acknowledge you have conducted an independent investigation of the rights granted by this Franchise Agreement, you recognize that the business venture contemplated herein involves business risks, and your success will be largely dependent upon your ability as an independent businessperson.

23.2 You acknowledge you received a copy of the complete PostNet International Franchise Corporation Franchise Agreement, and the attachments relating thereto, if any, at least 14 calendar days prior to the Effective Date. You further acknowledge you received our uniform franchise disclosure document at least 14 calendar days prior to the Effective Date.

*(Signatures on following page)*

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Franchise Agreement on the day and year written below.

Address For Notices Pursuant to  
Section 19 of this Franchise Agreement

Our Address

143 Union Boulevard, Suite 600  
Lakewood, Colorado 80228  
Attn: President

Your Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signatures

**POSTNET INTERNATIONAL  
FRANCHISE CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**“FRANCHISE OWNER:”**

\_\_\_\_\_  
[*Print Your Name*]

\_\_\_\_\_  
Individually

\_\_\_\_\_  
[*Print Your Name*]

\_\_\_\_\_  
Individually

OR:  
(if a corporation, partnership or limited liability company)

[Company Name]

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT A  
TO THE FRANCHISE AGREEMENT**

**EFFECTIVE DATE, PROTECTED TERRITORY AND APPROVED LOCATION**

The “**Effective Date**” of this Franchise Agreement is: \_\_\_\_\_

Protected Territory:

The Protected Territory set forth in Section 1.3 of the Franchise Agreement will be the area as shown on the map or described below:

---

---

Approved Location:

The address of the Approved Location set forth in Section 1.2 of the Franchise Agreement will be:

---

*(Signatures on following page)*

The parties hereby agree that the information contained in Attachment A to the Franchise Agreement is accurate and complete.

Signatures

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISE OWNER:**

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

OR:  
(if a corporation, partnership or limited liability company)

[Company Name]  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



**ATTACHMENT B**  
**TO THE FRANCHISE AGREEMENT**  
**CENTER DEVELOPMENT PACKAGE**

Note: Materials, equipment, and/or performance identified in this Attachment B may be substituted with materials, equipment, or performance of equal or greater value at our sole and absolute discretion.

**ITEMS WE WILL PROVIDE:**

**Customer Service Counter and Rear Counter**

Customer service counter and workspace will include built in storage spaces and a compartment for the POS CPU. All main service counter modules are finished to match interior décor.

**Modular Work Station**

Modular work station on wheels designed to provide flexible worktop space and storage.

**Computer Desk**

Fixture that accommodates design computer, flat screen monitor and keyboard and is finished to match interior décor.

**Creative Café Fixture**

Fixture that provides a consultative sales area and is finished to match interior décor.

**Mailbox Fixture**

Two gangs of mailboxes for a total of 86 rentable units housed inside a fixture finished to match interior decor.

**Interior Signs and Branding (Trade Dress)**

Proprietary informational signs and graphics to promote the PostNet brand and services.

**Flooring (Trade Dress)**

Commercial grade designer carpet is delivered to center for the main retail area. PostNet at its discretion may use an industrial grade laminate, vinyl, or equivalent surface in the mailbox area. All flooring varies per plan. Franchisee is responsible for installation of product per floorplan.

**Track Lighting**

Lighting system to highlight the interior signs and/or graphics of the store.

**Exterior Sign (Trade Dress)**

One PostNet proprietary trademark exterior illuminated sign (if permitted), manufactured and installed to specifications of client's selected location, up to 24 inches in height.

**Window Graphics (Trade Dress)**

The PostNet proprietary trademark and store hours on a self-adhesive decal for the front door and related interior ID signage.

**Slatwall Display**

Slat wall display boards to hold signs and merchandise.

**Slatwall Hardware**

Sufficient hardware to accommodate the retail plan-o-grams, including peg hooks and acrylic paper display shelves.

**Office Chair**

Rolling office chair to accompany the design desk.

**Mural**

Custom graphic mural wall placed on tall cabinets dividing customer facing area from storage area.

**Packing Materials, Packing Material Dispenser**

Packing system along with initial packing inventory.

**Center Management Software**

- **Point-of-Sale**  
This module allows full control for customer transactions with full integration with other areas of the management system including the database, accounts receivable, and inventory. Reports include sales summary, cash reports, sales by clerk, sales by item, sales by category, sales by hour, sales by payment type, and full archive reporting
- **Shipping Management**  
This full feature module fully supports UPS, DHL, U.S. Postal, and FedEx rates. Features include shopping screens, dim weight calculation, special service rating, and complete reporting capabilities.
- **Customer Database Management**  
The database includes a comprehensive section on customers and the customer's consignees. Complete sorting capabilities are also included as well as list printing and customer label printing.

- **Inventory/Bar Coding**  
Full inventory control and sales/profitability tracking is achieved easily with use of the inventory section. Integration allows for deletion of inventory items as they are sold at the point of sale. Reports include information on pricing, availability, physical inventory, and activity.
- **Accounts Receivable**  
Track commercial accounts and customer purchases with ease. Features include monthly statements, payment processing, and automatic aging.

### **Center Management Computer Hardware and Other Software**

- **Hardware**
  - CPU – Computer with minimum 8GB RAM
  - Integrated Touch screen Monitor
  - Thermal Receipt Printer
  - Postage Label Printer
  - Electronic Steel Cash Drawer
  - 150# Electronic Scale w/ Postal Upgrade
  - Barcode Scanner
  - All necessary cables
  - Thermal Receipt Paper
- **Software for Point of Sale**
  - Anti-virus Protection (including 1 year of updates)
  - POS Based postage printing

### **Graphics Computer Station Hardware and Software**

- **Hardware**
  - CPU – computer with minimum 16 GB RAM
  - 20” LCD DELL Flat Panel Monitor
  - 104 Key Enhanced Keyboard
  - Power Strip
- **Software for Graphics Computer**
  - Windows 10 Professional
  - Microsoft Office Professional
  - Anti-virus Protection (including 1 year of updates)
- **Center Network**
  - Network Security Firewall Router
  - 4-port Expansion Switch
  - Two (2) 15 ft. network patch cables to go from each computer to wall jack.
  - Two (2) 25 ft. network patch cables to go from each copier

### **Creative Cafe Hardware and Software**

- **Hardware**
  - CPU – computer with minimum 8 GB RAM
  - 32” LCD TV or minimum 20” monitor
  - Keyboard

- o Power strip
- o HDMI cable
- **Software**
  - o Anti-virus protection (including 1 year of updates)

### **Handheld Touch Screen Tablet**

To be used for virtual mail.

### **Plain Paper Fax Machine**

33.6 Kbps Super G3 Modem; 16MB/400 page memory; 20 page document feeder; 250 sheet paper tray; USB interfaces; print resolution up to 300 x 600 dpi.

### **Laminator & Starter Package**

A desktop pouch laminator, to include an assortment of laminating pouches.

### **Coil Binding System & Starter Package**

Desktop coil binder with capacity to bind documents up to 1 1/16" thick. Coil binder comes with an assortment of coils & coil crimper.

### **Folding Machine**

This high-speed machine automatically feeds and folds a stack of documents at a variable speed up to 140 sheets per minute. There is a precision skew adjustment. This folder creates six (6) different folds: Single, Double, Half Accordion, Letter, Accordion, Brochure, and Special Right-Angle. Handles sheet sizes from 5" x 7" to 11" x 17," 13 to 80 lb. bond. Stack capacity is 500 sheets.

### **Padding Press**

Sturdy metal construction with wing screws tightens by hand – no tools necessary. Padding capacity is 5.75" high and 17.75" wide. Tip-back design ensures that stock is always square.

### **Semi-Automatic Cutter w/ Digital Display**

Cuts a stack of paper up to 18 1/8" wide & 3" thick. Bright, LED optical cutting line to indicate where cut will be made, electric blade drive, manual spindle clamp is guided on both sides to apply even pressure along the entire cutting width, dual side guides on front and rear tables, spindle-guided back gauge with calibrated crank, narrow separations and plastic guiders. Soligen steel bade with solid steel blade carrier and adjustable blade guides. All-metal construction. Stand with storage shelf is also included.

### **Retail Merchandising Program**

This fully integrated program includes the most popular SKUs in the office product and packaging product lines. It has been engineered to maximize retail sales in these categories.

### **Packaging and Shipping Supplies**

Assorted shipping boxes, tape, cushion mailers, bubble wrap for packaging services and retail sales.

### **Start-up Paper Inventory**

Initial inventory of production copy paper, flyer paper, and premium paper.

### **Store Opening Supplies & Start Up Kit**

An initial inventory of business cards, stationery, envelopes, brochures, inserts, and retail bags.

### **Graphic Design**

25 hours of graphic design services to be used within the first 180 days of the Center's Opening Date. Each additional hour of service after the initial 25 hours will be billed to you at Forty Dollars (\$40) per hour, with a Twenty Dollar (\$20) minimum.

## **YOUR DELIVERY OF THE PREMISES:**

Your unit is to be delivered by you to us in "vanilla shell" condition. For the purpose of this Attachment B, "vanilla shell" is defined as follows:

- **Finished interior walls painted to our brand specifications. Details provided on your center layout.**
- **Finished ceiling**
- **Finished floor using the flooring provided by headquarters. All carpeted areas should be finished with vinyl base molding.**

Paint, flooring installation, restroom facilities, renovation in the storage or receiving area, electrical outlets, telephone or computer wiring, HVAC, lighting and/or sprinkler systems are not within the scope of our responsibilities.

## **OUR RESPONSIBILITIES IN BUILDING OUT THE CENTER:**

### **Carpeting and Base Molding**

We will provide flooring for the retail area of the space as described above. We do not install flooring. We recommend you work with your General Contractor on installation of flooring.

### **Fixture Installation**

Services include the installation of slatwall, customer service counter, modular work stations, computer desk, window signage, customer interior signs and branding, and hanging the peanut dispenser as called for in the plan.

### **Assignment of Warranties**

We will assign to you any warranties on equipment included as part of the leasehold improvements provided by us that may be provided by the equipment manufacturer or vendor.

## **YOUR RESPONSIBILITIES IN BUILDING OUT THE CENTER:**

### **Your obligations:**

- Compliance with all State, County, and Municipal business licenses and applicable taxes and/or fees.
- Compliance with all State, County, and Municipal sales and/or use tax licenses and payments. In cases where we pay these fees on your behalf you will be required to reimburse us.
- Purchase of business liability and premises insurance.
- Obtaining all building inspections and approvals, occupancy and/or construction permits, and architectural drawings, if required in Franchisee's locale.
- Applicable sign permit costs and final electrical connection of exterior sign. If we or a sign vendor we select obtains the sign permit on your behalf you will be required to reimburse us all cost associated with permitting.
- Installation and wiring/connection of all interior lighting in compliance with local codes.
- Any electrical work per the plans including low voltage such as CAT5 and telephone. This includes trenching the floor and running electrical / data for the main service counter per the plan.

### **Large Center Expenses**

A build out is customarily performed in a space no larger than 1,200 square feet. If the space you have selected is larger than 1,200 square feet, you may incur additional expenses associated with the build out of the Center.

Our Initials: \_\_\_\_\_

Your Initials: \_\_\_\_\_

**ATTACHMENT C  
TO THE FRANCHISE AGREEMENT**

**OWNERS AGREEMENT**

As a condition to the execution by PostNet International Franchise Corporation (“we” or “us”) of a Franchise Agreement with \_\_\_\_\_ (“Franchisee”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owner’s Agreement (“Owner’s Agreement”).

**1. Acknowledgments.**

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of \_\_\_\_\_ (“Franchise Agreement”). Capitalized words not defined in this Owner’s Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Owners’ Role. Owners are the beneficial owners or spouses of the beneficial owners of all of the equity interest, membership interest, or other entity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owner’s Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owner’s Agreement.

**2. Non-Disclosure and Protection of Confidential Information.** Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owner’s Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owner’s Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owner’s Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owner’s Agreement.

**3. Covenant Not To Compete.**

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that the covenants set forth in the Franchise Agreement and this Owner’s Agreement are given for the purchase and sale of a business or the assets of a business. Owners further acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee’s

restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owner's Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owner's Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owner's Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owner's Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners 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 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owner's Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

#### 4. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owner's Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or



compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

**5. Transfers**. Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Owner's Agreement and the Franchise Agreement.

**6. Notices**.

6.1 Method of Notice. Any notices given under this Owner's Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owner's Agreement is:

PostNet International Franchise Corporation  
Attn: President  
143 Union Boulevard, Suite 600  
Lakewood, Colorado 80228

The current address of each Owner for all communications under this Owner's Agreement is designated on the signature page of this Owner's Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

**7. Enforcement of This Owner's Agreement**.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owner's Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owner's Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owner's Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owner's Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owner's Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owner's Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

## 8. Miscellaneous.

8.1 No Other Agreements. This Owner's Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owner's Agreement, other than those in this Owner's Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owner's Agreement may be implied into this Owner's Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owner's Agreement), no amendment, change, or variance from this Owner's Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owner's Agreement, and any portions thereof, will be considered severable. If any provision of this Owner's Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owner's Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owner's Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owner's Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owner's Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owner's Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owner's Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Owner's Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owner's Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.7 Non-waiver. Our failure to insist upon strict compliance with any provision of this Owner's Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owner's Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owner's Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owner's Agreement Controls. In the event of any discrepancy between this Owner's Agreement and the Franchise Agreement, this Owner's Agreement shall control.

*(Signatures on following page)*

IN WITNESS WHEREOF, the parties have entered into this Owner's Agreement as of the effective date of the Franchise Agreement.

**OWNER / SPOUSE:**

Address:

\_\_\_\_\_  
[Signature of Owner]

\_\_\_\_\_  
[Print Name of Owner]

\_\_\_\_\_  
[Signature of Spouse]

\_\_\_\_\_  
[Print Name of Spouse]

\_\_\_\_\_  
[Signature of Owner]

\_\_\_\_\_  
[Print Name of Owner]

\_\_\_\_\_  
[Signature of Spouse]

\_\_\_\_\_  
[Print Name of Spouse]

PIFC hereby accepts the Owner(s)' agreements hereunder.

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

By: \_\_\_\_\_

Title \_\_\_\_\_

**ATTACHMENT D  
TO THE FRANCHISE AGREEMENT**

**STATEMENT OF OWNERSHIP**

Franchisee: \_\_\_\_\_

Trade Name (if different from above): \_\_\_\_\_

Designated Manager: \_\_\_\_\_

Form of Ownership  
(Check One)

Individual     Partnership     Corporation     Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a Limited Liability Company, give the state and date of formation, the name of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and Date of Formation: \_\_\_\_\_

**Management (managers, officers, board of directors, etc.):**

Name	Title

**Ownership (Members, Stockholders, Partners):**

Name	Address	Percentage of Stock/Interest

Franchise Owner acknowledges that this Statement of Ownership applies to your Center authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to us in writing.

Signatures

**FRANCHISE OWNER:**

\_\_\_\_\_  
[Print Your Name]

\_\_\_\_\_  
Individually

\_\_\_\_\_  
[Print Your Name]

\_\_\_\_\_  
Individually

OR:  
(if a corporation, partnership or limited liability  
company)

[Company Name]

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTACHMENT E**  
**INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT**

THIS INCENTIVE ADDENDUM (“Addendum”) is made and entered into this \_\_\_\_\_ (the “Effective Date”), between PostNet International Franchise Corporation (“we,” “us,” “our,” or “Franchisor”) and \_\_\_\_\_ (“you,” “your,” or “Franchisee”).

**RECITALS**

A. As of the Effective Date, you are signing (i) a Franchise Agreement (“Franchise Agreement”) with us for a New, Acquire and Convert, or Conversion PostNet Center, or (ii) a Franchise Agreement relating to your purchase of a Transfer PostNet Center following your prior execution of a Conditional Consent to Transfer and Release Agreement (“CCTA”) in connection with a proposed transfer.

B. Prior to the Effective Date, you received your post-discovery day notice of approval from us on \_\_\_\_\_, or you are a multi-unit Franchisee opening a new PostNet Center.

C. We wish to offer you, and you wish to accept, certain incentives described below. To that end, we and you wish to amend certain provisions of the Franchise Agreement and mutually agree as follows:

**AGREEMENT**

1. Addendum Governs; Capitalized Terms. Except as expressly provided herein, the terms and conditions of the Franchise Agreement and the schedules, exhibits, and attachments, and riders that are being executed by the parties in conjunction with the execution of the Franchise Agreement and this Addendum will govern the relationship of the parties to the Franchise Agreement. To the extent that this Addendum is inconsistent with any of the terms or conditions of the Franchise Agreement or such schedules, exhibits, attachments, or riders, the terms of this Addendum will govern. Except as expressly amended by this Addendum, all of the terms and conditions of the Franchise Agreement and all agreements related thereto will remain in full force and effect. Capitalized terms used, but not defined herein, have the meanings given to such terms in the Franchise Agreement.

2. Incentive Eligibility. In order to be eligible for the incentives set forth in this Addendum, you must meet the following conditions: (i) you are executing a Franchise Agreement as of the Effective Date, and (ii) the Effective Date of the Franchise Agreement, or the CCTA in the case of a Transfer, is within thirty (30) days of the date you received your post-discovery day notice of approval from us as set forth in Recital B above, or you are a multi-unit Franchisee opening a new PostNet Center. You understand and agree that all payments hereunder are fully earned and non-refundable when paid, in consideration of the administrative and other expenses incurred by us in entering into the Franchise Agreement, and for our lost or deferred opportunity to enter into a franchise agreement with others, as it also offsets some of our expenses for franchisee recruitment.

3. New PostNet Centers. If you are opening a new PostNet Center, the Franchise Agreement will be amended as follows:

a. Initial Franchise Fee Installment Payments. Notwithstanding anything to the contrary in Section 3.1 of the Franchise Agreement, the initial franchise fee will be payable as follows: (1) half is due and payable when you sign the Franchise Agreement, and (2) the remaining balance of the initial franchise fee will be due and payable in nine (9) equal installments beginning on the first day of the calendar month following the Effective Date of the Franchise Agreement.

b. Initial Marketing Program Installment Payments. Notwithstanding anything to the contrary in Section 3.11 of the Franchise Agreement, the Initial Marketing Fee will be due and payable in twelve (12) equal installments beginning on the first day of the calendar month following the Effective Date of the Franchise Agreement. If you are a multi-unit Franchisee opening a new PostNet Center, however, you may elect to forego the Initial Marketing Fee, subject to all other conditions in this Addendum.

4. Acquire and Convert Franchisee. If the Franchise Agreement is for an Acquire and Convert business, notwithstanding anything to the contrary in Section 5.1 of the Addendum to Franchise Agreement for Conversion and Acquire and Convert Franchisees, the initial franchise fee will be payable as follows: (1) half is due and payable when you sign the Franchise Agreement, and (2) the remaining balance of the initial franchise fee will be due and payable prior to attending Initial Owner Training.

5. Conversion Franchisee. If the Franchise Agreement is for a Conversion business, notwithstanding anything to the contrary in Section 5.1 of the Addendum to Franchise Agreement for Conversion and Acquire and Convert Franchisees, the initial franchise fee will be payable as follows: (1) half is due and payable when you sign the Franchise Agreement, and (2) the remaining balance of the initial franchise fee will be due and payable in six (6) equal installments beginning on the first day of the calendar month following the Effective Date of the Franchise Agreement.

6. Transfer Franchisee. If the Franchise Agreement is for a Transfer PostNet Center, the access fee paid upon execution of the CCTA will be credited in full against the transfer fee and the remaining balance of the transfer fee will be due and payable upon execution of the Franchise Agreement; provided, however, that the incentive in this section shall not apply to existing PostNet franchisees.

*[Signature Page Follows]*



The parties hereto have executed and delivered this Addendum effective as of the day and year first above written.

**FRANCHISOR:**  
**POSTNET INTERNATIONAL**  
**FRANCHISE CORPORATION**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE/YOU:**  
**If an Entity:**

\_\_\_\_\_

By: \_\_\_\_\_

Title: [President] [Managing Member]  
[General Partner]

**If an individual:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Print Name]

\_\_\_\_\_

\_\_\_\_\_

[Print Name]

**ATTACHMENT F**  
**SUPPORT PROGRAM ADDENDUM TO FRANCHISE AGREEMENT**

THIS SUPPORT PROGRAM ADDENDUM (“Addendum”) is made and entered into this \_\_\_\_\_ (the “Effective Date”), between PostNet International Franchise Corporation (“we,” “us,” “our,” or “Franchisor”) and \_\_\_\_\_ (“you,” “your,” or “Franchisee”).

**RECITALS**

A. As of the Effective Date, you are signing a Franchise Agreement (“Franchise Agreement”) with us for a PostNet Center.

B. Within the twenty-four (24) months preceding the Effective Date, some or all of the Protected Territory under your Franchise Agreement was subject to a franchise agreement with another PostNet franchisee.

C. Franchisor, in its sole determination, has determined that your Protected Territory qualifies for additional financial and operational support as set forth in this Addendum.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing, the mutual promises set forth below, and other good and valuable consideration, the Parties agree as follows:

1. The Recitals set forth above are incorporated into and made part of this Amendment.

2. If you are executing the Franchise Agreement in connection with a new PostNet franchise, then, notwithstanding anything to the contrary in Section 3.1 of the Franchise Agreement, the initial franchise fee will be due and payable by you in twelve (12) equal monthly installments, with the first installment due and payable upon the Effective Date and all subsequent installments due and payable beginning on the first day of the calendar month following the Effective Date of the Franchise Agreement.

3. If you are executing the Franchise Agreement in connection with an approved transfer and you have agreed with the seller (or are required by the seller’s franchise agreement) to pay the transfer fee described in the seller’s franchise agreement, notwithstanding anything to the contrary in the Franchise Agreement, the Transfer Fee (which is payable in lieu of an initial franchise fee) will be due and payable by you in twelve (12) equal monthly installments, with the first installment due and payable upon the Effective Date and all subsequent installments due and payable beginning on the first day of the calendar month following the Effective Date of the Franchise Agreement.

4. Notwithstanding anything to the contrary in Section 3.9 of the Franchise Agreement, you will have no obligation to pay monthly point-of-sale/print/web-to-print software fees for the for the first twelve (12) months after the Effective Date.

5. Notwithstanding anything to the contrary in Section 9.1 of the Franchise Agreement, you will have no obligation to contribute to the Brand Fund for the first twelve (12) months after the Effective Date.

6. This Addendum modifies the Franchise Agreement. Except as expressly provided herein, the terms and conditions of the Franchise Agreement and the schedules, exhibits, and attachments, and riders that are being executed by the parties in conjunction with the execution of the Franchise Agreement and this Addendum will govern the relationship of the parties to the Franchise Agreement. To the extent that this Addendum is inconsistent with any of the terms or conditions of the Franchise Agreement or such schedules, exhibits, attachments, or riders, the terms of this Addendum will govern. Except as expressly amended by this Addendum, all of the terms and conditions of the Franchise Agreement and all agreements related thereto will remain in full force and effect. Capitalized terms used, but not defined herein, have the meanings given to such terms in the Franchise Agreement.

*[Signature Page Follows]*

The parties hereto have executed and delivered this Addendum effective as of the day and year first above written.

**FRANCHISOR:**  
**POSTNET INTERNATIONAL**  
**FRANCHISE CORPORATION**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE/YOU:**  
**If an Entity:**

\_\_\_\_\_

By: \_\_\_\_\_

Title: [President] [Managing Member]  
[General Partner]

**If an individual:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Print Name]

\_\_\_\_\_

\_\_\_\_\_

[Print Name]

## ATTACHMENT G

### POSTNET FRANCHISE

#### HUB4POSTNET LICENSE AND SUPPORT AGREEMENT

This License and Support Agreement (this “Agreement”) made and entered into by and between PostNet International Franchise Corporation (hereinafter “PNI”) of 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228 and \_\_\_\_\_ of \_\_\_\_\_ (hereinafter “Franchisee”).

#### RECITALS:

- A. PNI is licensed by MBE Worldwide S.p.A. (“MBE”) to license the MBE Hub4PostNet and Hub2Print software programs (“Program”) to PNI franchisees.
- B. PNI further licenses with MBE to provide support services to its franchisees for the maintenance and operation of the Program.
- C. Franchisee desires to license the Program from PNI and receive support services, as described in this Agreement.

**NOW THEREFORE**, PNI agrees to license the Program to Franchisee pursuant to the following terms and conditions:

1. **Grant of License.** PNI hereby grants to Franchisee a non-exclusive, non-transferable license to use the Program. The term, “the Program”, as used herein, shall mean and include the Hub4PostNet platform, and the Hub2Print platform (once available and selected by the Franchisee) and all modifications, upgrades or enhancements thereto, certain related documentation and written materials, all tangible components of the Program including, but not limited to, the tangible media upon which such Program is recorded, the database file structure of such Program and the hardware key, if applicable.

2. **Support to be Provided to Franchisee.** In consideration of the payment of the monthly support fees set forth in Paragraph 3 of this Agreement, PNI will contract with MBE to provide to Franchisee Support for the Program, if and to the extent PNI deems appropriate in its discretion. The term, “Support” shall be defined to include (i) the response to telephone calls and electronic mail messages via any means deemed reasonable in the sole discretion of PNI to questions regarding the Program, and (ii) the provision to Franchisee of one copy of any customized training materials and/or manuals for the Program prepared and designated by PNI and MBE for distribution to PNI franchisees under this Agreement, and any upgrades to the Program, to the extent any such upgrades are available and approved by PNI.

3. **License and Support Fee.** Franchisee shall pay to PNI a non-refundable monthly license and support Fee (“Support Fee”) in the amount of One Hundred Twenty-Five Dollars (\$125) for Hub4PostNet, plus an additional monthly support fee for Hub2Print as determined by PNI (once available and selected by the Franchisee), each month in advance during the term of this Agreement, starting thirty (30) days after the applicable equipment is installed or upon a later date as determined by PNI. The parties agree that PNI may, at its sole option, increase or otherwise modify the amount of the Support Fee upon thirty (30) days’ prior written notice to Franchisee.

4. **Use of Program.** Franchisee shall not and shall not allow its employees or agents to:
- (a) sell, assign, lease, sublicense, market or commercially exploit in any way, the Program, the Customer Data (as defined below), or any other data generated by the use of the Program or any component thereof;
  - (b) disclose or grant access to the Program, the Customer Data, or any other data generated by use of the Program or any component thereof to any third party;
  - (c) modify the Program in any way; or
  - (d) copy or reproduce the Program, the Customer Data, or any other data generated by the use of the Program or any component thereof, in any manner, except as provided by this Section of the Agreement. Nothing herein shall prohibit Franchisee from maintaining a back-up copy of such data, or the Program to the extent reasonably necessary to comply with local, state and federal laws and for usual and customary business purposes.

5. **Program is Owned by MBE.** The Program and accompanying written materials are the property of MBE. Other than PNI's federally registered trademarks which are or may be displayed in the Program, all copyright, patent, trade secret, trademark and other intellectual and proprietary rights in the Program are and shall remain the valuable property of MBE. All of PNI's federally registered trademarks appearing in the Program are and shall remain the property of PNI. Franchisee agrees not to remove or omit any copyright or other proprietary notices from the Program. All upgrades to the Program shall be the property of MBE or PNI. Ownership of all copies of the Program is retained by PNI or MBE.

6. **Training Materials.** Customized training materials and/or manuals for the Program prepared by PNI and/or MBE for distribution to Franchisee may be distributed to Franchisee in hard copy form or in digital form via any medium selected by PNI. PNI grants Franchisee a limited, non-transferrable license to use the training materials during the term of this Agreement.

7. **Ownership of Customer Data.** PNI shall own all right, title and interest in and to all records and data processed by (or retained in the databases of) the Program including, without limitation, all client and customer lists, customer histories and all other customer-related data and information (the "Customer Data"). To the extent that the Customer Data is not deemed to be solely owned by PNI, Franchisee shall assign, and hereby does assign, its entire right, title and interest in and to the Customer Data to PNI.

8. **PNI's Access to the Program.** PNI will have the right at all times during the term of this Agreement to access the Program and to retrieve, analyze and use all Customer Data. PNI shall also have the right to periodically download the Program and retrieve all Customer Data. In addition, PNI shall have the right to use or disclose the Customer Data at any time and for any purpose without restriction. Upon any termination of this Agreement or termination or expiration of the Franchisee's Franchise Agreement, Franchisee shall have no further right to access or use the Program or the Customer Data.

9. **Confidentiality.** The Parties hereto agree that all training materials and/or manuals provided to Franchisee in accordance with the terms of this Agreement shall be "Confidential Information" subject to the terms of the Confidential Information provision of the Franchisee's Franchise Agreement, which are hereby incorporated into this Agreement by reference as if fully set forth herein.

10. **Limitation of Liability.** PNI does not represent or warrant to Franchisee, and hereby expressly disclaims any warranty, that the Program is error-free or that the operation and use of the Program by Franchisee will be uninterrupted or error-free. PNI does not warrant that the Program is compatible with any equipment or software installation. PNI will have no obligation or liability for any expense or loss incurred by Franchisee arising from the use of the Program. PNI SHALL HAVE NO LIABILITY WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT FOR ANY CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, PUNITIVE OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF INCOME, USE OR INFORMATION, NOR SHALL THE LIABILITY OF PNI EXCEED THE LICENSE FEES PAID UNDER THIS AGREEMENT. PNI MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

11. **Indemnification.** Franchisee agrees to defend, indemnify and hold harmless PNI and its employees, managers, directors, officers, principals, owners and agents from and against any losses arising out of or in connection with (A) Franchisee's misuse of the Program in violation of this Agreement; and (b) Franchisee's improper disclosure of Customer Data or any confidential or proprietary information owned by PNI or MBE.

12. **Term.** This Agreement shall remain in effect until terminated under sections 13 and/or 14 of this Agreement. PNI and Franchisee shall each have the right, at its or their sole discretion, to terminate this Agreement upon thirty (30) days prior written notice to the other. In addition to the foregoing, PNI shall have the right to terminate this Agreement in accordance with the terms of Section 14 of this Agreement.

13. **Termination.** In addition to its rights as set forth elsewhere in this Agreement, PNI shall have the right to terminate this Agreement upon ten (10) days written notice to Franchisee upon:

- (a) any violation or breach by Franchisee, its officers or employees of any provision of this Agreement or the Franchise Agreement, including, but not limited to, payment;
- (b) the voluntary or involuntary filing of a bankruptcy petition or similar proceeding under State law with respect to Franchisee; or
- (c) Franchisee's becoming insolvent or making any assignment for the benefit of creditors.

In addition, this Agreement shall automatically terminate upon (i) the termination or expiration of PNI's license to the Program, or (ii) the termination or expiration of Franchisee's Franchise Agreement.

14. **Termination of this Agreement.** The termination of this Agreement shall automatically and without any further action by PNI terminate and extinguish this license. Upon termination of this Agreement for any reason, Franchisee shall immediately return to PNI, at Franchisee's expense, the Program and all back-up copies of the Program, the Customer Data and all back-up copies thereof, and all other materials or information which relate to the Program and its operation which have been provided to Franchisee by PNI. In the event Franchisee fails to immediately comply with the foregoing, PNI may enter Franchisee's premises without liability and remove the Program and all backup copies of the Program, the Customer Data and all backup copies thereof, and all other materials or information which relates to the Program and its operation which have been provided to Franchisee by PNI. Sections 5 through 27 shall survive any termination or expiration of this Agreement.

15. **Taxes.** Franchisee shall, in addition to the payment required hereunder, pay all sales, use, transfer or other taxes whether national, state, or local, however designated, which are levied or imposed by reason of the transaction contemplated hereby; excluding, however, income taxes on profits which may be levied against PNI. Franchisee shall reimburse PNI for any amount of any such taxes or duties paid or accrued by PNI as a result of this transaction.

16. **Arbitration.** All controversies, disputes or claims between the parties hereto related to this Agreement shall be arbitrated in accordance with the arbitration provisions of the Franchise Agreement between PNI and Franchisee.

17. **Successor Program.** Upon the termination of this Agreement, and provided that Franchisee's Franchise Agreement has not been terminated, Franchisee shall be required to license, use and pay for any successor program designated by PNI in writing.

18. **Entire Agreement.** Each party acknowledges that this Agreement constitutes the complete and exclusive statement of the terms and conditions between the parties with respect to the license of the Program to Franchisee and that this Agreement supersedes and merges all prior oral or written proposals, understandings and Agreements, between the parties relating to this Agreement. This Agreement may not be modified or altered except by written instrument duly executed by both parties hereto.

19. **Force Majeure.** Neither party shall be liable to the other for any delay or failure to perform due to causes beyond its reasonable control. Performance times shall be considered extended for a period of time equivalent to the time lost because of any such delay.

20. **Governing Law.** This Agreement shall be interpreted and construed in accordance with the laws of the State of Colorado.

21. **Enforceability.** If any provision of this Agreement is invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted.

22. **Assignment.** Franchisee may not assign or sub-license, without prior written consent of PNI, its rights, duties or obligations under this Agreement, in whole or in part, to any person or entity, which consent shall not be unreasonably withheld. Any such attempted assignment or sublicense shall be void and shall constitute a material breach of this Agreement.

23. **Notice.** Any notice provided pursuant to this Agreement shall be in writing and shall be deemed given (i) if by hand delivery, upon receipt thereof; (ii) if mailed, three (3) business days after deposit in the U.S. mail, postage paid, certified mail return receipt requested; or (iii) if sent by next business day delivery, one (1) day after being placed in the hands of a commercial courier service for next business day delivery. All notices shall be addressed to the parties at the respective addresses indicated herein.

24. **No Waiver.** The waiver or failure of either party to exercise any right in any respect provided for herein shall not be deemed a waiver of any further right hereunder.

25. **Remedies.** The rights and remedies of PNI set forth in this Agreement are not exclusive and are in addition to any other rights and remedies available to it in law or in equity.

26. **Headings.** The Heading used in this Agreement are for reference only, do not form a part of this Agreement and shall not affect the meaning or interpretation of this Agreement.



27. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Additionally, this Agreement may be executed and transmitted by electronic means, all of which will be considered an original for all purposes.

*[Remainder of page intentionally left blank – signature page follows]*

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the dates set forth below, with the Effective Date as the date signed by PNI.

**POSTNET INTERNATIONAL  
FRANCHISE CORPORATION**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

***EXHIBIT B  
TO FRANCHISE  
DISCLOSURE DOCUMENT***

***POSTNET***  
**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

**Area Development Agreement**

POSTNET INTERNATIONAL FRANCHISE CORPORATION  
AREA DEVELOPMENT AGREEMENT

**SUMMARY PAGE**

This Area Development Agreement (this "Agreement") is made and entered into by and between PostNet International Franchise Corporation ("Company," "we," or "us") and Developer ("Developer" or "you") identified below. This Summary Page summarizes certain provisions of this Agreement to which it is attached. In the event of any conflict between the Summary Page and this Agreement, the provisions of this Agreement will control.

Effective Date: \_\_\_\_\_

Expiration Date: No later than the date for execution of the Franchise Agreement as described in Schedule A, provided that, if two Franchise Agreements are contemplated, then no later than the date for execution of the second Franchise Agreement as described in Schedule A.

Developer: \_\_\_\_\_

Business Entity: \_\_\_ corporation \_\_\_ partnership \_\_\_ limited liability company, formed under the laws of \_\_\_\_\_.

Development Fee: \$9,500 per Development Area listed below

Initial Franchise Fee: Per our current form of Franchise Agreement at the time of signing

Development Area: Development Area I: \_\_\_\_\_, as geographically constituted as of the Effective Date; and  
Development Area II: \_\_\_\_\_, as geographically constituted as of the Effective Date

Developer: \_\_\_\_\_  
Address for Notices: \_\_\_\_\_  
phone: \_\_\_\_\_  
fax: \_\_\_\_\_  
email: \_\_\_\_\_

Company: PostNet International Franchise Corporation  
Address for Notices: 143 Union Boulevard, Suite 600  
Lakewood, Colorado 80228  
Phone: 303-771-7100  
Fax: 303-771-7133  
Email: info@postnet.com

POSTNET INTERNATIONAL FRANCHISE CORPORATION  
AREA DEVELOPMENT AGREEMENT

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- D – FORM OF FRANCHISE AGREEMENT

**POSTNET INTERNATIONAL FRANCHISE CORPORATION  
AREA DEVELOPMENT AGREEMENT**

**INTRODUCTION**

A. We have developed a unique System for establishing and operating PostNet Centers specializing in customized print products and shipping services to businesses utilizing the System and Marks.

B. The System and Franchised Businesses are identified by the Mark PostNet, as well as certain other trade names, trademarks, service marks, domain names, logos, and commercial symbols, all of which may be periodically changed or modified at our sole option. We have developed and will continue to develop valuable goodwill in our Marks and may periodically develop or acquire other trademarks and service marks for use under the System, all of which may be changed or modified at our sole option.

C. We grant qualified third parties the right to develop a Franchised Business within one or more Development Areas in accordance with the terms of this Agreement. Each Franchised Business within its respective Development Area and related franchise rights are granted only pursuant to one Franchise Agreement.

D. You desire the right to identify and propose locations for the Franchised Business within the Development Areas and to open and operate one Franchised Business within each Development Area as set forth in this Agreement.

In consideration of the mutual covenants and agreements stated below, the Parties agree as follows:

1. **DEFINITIONS**

1.1. “**Affiliate**” means with respect to a named Person, any Person that is controlled by, controlling or under common control with the named Person.

1.2. “**Applicable Law**” means any law, statute, ordinance, rule, permit, license, certification, regulation, code, treaty, ruling, directive, decree, order, or other requirement or rule of law of any Government Authority pertaining or applicable to, arising under or in connection with the development, construction, and/or operation of a Franchised Business, including without limitation, all laws and regulations related to health, sanitation, and food safety, consumer privacy and data security and those governing public accommodations for persons with disabilities, or the execution, delivery and performance by either Party of this Agreement or any agreement between the Parties related hereto.

1.3. “**Competitive Business**” means any business operating, or granting franchises or licenses to others to operate, a Printing and Shipping Services Business, or otherwise offering products or services similar to those offered by PostNet Centers or that otherwise competes with PostNet Centers.

1.4. “**Consequential Damages**” means damages and injury that result from a Party’s negligent performance of or other breach of this Agreement for: (a) lost profits; or (b) compensation for damages to reputation and goodwill including costs of or resulting from delays, financing, marketing materials and media time and space, and costs of changing, substituting or replacing the same.

1.5. “**Control**” or “**Controlling Interest**” means the power, directly or indirectly, to direct or cause the direction of the management and policies of an Entity, whether by contract or otherwise.

1.6. “**Customer Data**” means all client and customer lists, customer histories and all other customer-related data and information located on or retained in the databases of our System.

1.7. “**Development Area**” means the geographic area(s) described in the Summary Page.

1.8. “**Development Fee**” means an initial fee in the amount set forth in the Summary Page owed to us upon Developer’s execution of this Agreement.

1.9. “**Development Manager**” means the individual, approved by us in writing, who will oversee the development of your Franchised Business. The Development Manager must be an Owner with a Controlling Interest unless approved by us in writing.

1.10. “**Development Schedule**” means the schedule set forth in Schedule A.

1.11. “**Entity**” means a business entity, including a corporation, limited liability company, general or limited partnership, limited liability partnership or any other type of legal entity.

1.12. “**Event of Default**” means any breach by Developer of, or any failure by Developer to comply with, any condition or obligation of this Agreement as described in Section 6.1.

1.13. “**Execution Conditions**” means the following conditions:

Operational Conditions: Full compliance with all provisions of this Agreement and any other agreements (including any Franchise Agreements) between Developer and its Affiliates. Developer must have opened each Franchised Business in a timely manner as required under the Development Schedule. Developer must have at all times operated, and continue to operate, each of Developer’s existing PostNet Centers in accordance with the Standards and any metric targets set forth in the Manual. Developer further must demonstrate it is capable of operating each proposed PostNet Center required under the Development Schedule in accordance with the Standards and a multi-unit business plan prepared by Developer and approved by Company.

Financial Conditions: Full compliance with Company’s then-current financial criteria for developers of PostNet Centers as set forth in the Manual, including but not limited to net worth and liquidity requirements. Developer must not be in default, and have not been in default during the 12 months preceding Developer’s request for financial approval, of any monetary obligations owed to Company or Company’s Affiliates under any Franchise Agreement or other agreement between Developer or any of its Affiliates. Developer acknowledges and agrees that it is vital to Company’s interest that each of Company’s developers is financially sound to avoid failure of one or more PostNet Centers and that such failure would adversely affect Company’s reputation, the goodwill associated with the Marks and the System.

Legal Conditions: Preparation, maintenance and submission to Company upon Company’s request, in a timely manner, of all information and documents requested by Company in connection with this Agreement or any other agreements to be executed between Developer or any of its Affiliates and



Company or any of its Affiliates, and Developer has taken such additional actions in connection therewith as may be requested by Company from time to time.

Ownership Conditions: Neither Developer nor any of its Owners will have transferred or attempted to transfer a Controlling Interest in Developer without Company's prior written consent.

1.14. **"Force Majeure Event"** means Acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war (declared or undeclared), riot, terrorist acts, cybersecurity incident, or other civil disturbances; epidemics; pandemics; or any other cause that is beyond the reasonable control of the Party affected thereby and that materially and adversely affects the ability of a Party hereto to perform. Financial inability of a Party hereto will not constitute a Force Majeure Event.

1.15. **"Franchise Agreement"** means our then-current form of franchise agreement that governs the operation of a Franchised Business. Our current form of Franchise Agreement is attached to this Agreement as Schedule D.

1.16. **"Franchised Business"** means the PostNet Center for which you are granted a Franchise to operate pursuant to a Franchise Agreement.

1.17. **"Initial Franchise Fee"** means an initial fee in the amount set forth in the Summary Page owed to us upon Developer's execution of a PostNet Franchise Agreement in connection with each Franchised Business developed hereunder, subject to application of any portion of the Development Fee pursuant to Section 4.

1.18. **"Losses and Expenses"** means without limitation, all losses, compensatory, exemplary or punitive damages, arbitration costs, mediation costs, settlement amounts, judgments, court costs, fines, charges, costs, and expenses, including without limitation reasonable legal fees and Consequential Damages.

1.19. **"Marks"** means the PostNet trademark, and the other trademarks, service marks, domain names, logos and commercial symbols that we have designated, or may in the future designate, for use in the System.

1.20. **"Notice"** means any notice, demand, request, consent, approval, and other communication in writing required or permitted to be given or which are to be given with respect to the Agreement.

1.21. **"Operations Manual"** means the manual identified by us as our operations manual and other handbooks, manuals and written materials for PostNet Centers.

1.22. **"Owner"** means any Person who directly or indirectly owns an interest in you. If any corporation or other Entity (other than a partnership) is an Owner, an "Owner" also will mean a shareholder or owner of an interest in such corporation or other Entity. If a partnership is an Owner, "Owner" means your partners (including limited partners) and also means each general partner of such partnership and, if such general partner is an Entity, each owner of an interest in such general partner. If there are one or more individuals signing this Agreement as the Developer, each individual will be deemed an Owner.

1.23. **“Party”** or **“Parties”** means either PostNet International Franchise Corporation or Developer individually or collectively.

1.24. **“Permanently Disabled”** means being subject to any physical, emotional or mental injury, illness or incapacity that prevents Developer or any Owner holding a Controlling Interest in Developer from performing their obligations under this Agreement or any other agreement related hereto for at least 90 consecutive days, and from which recovery is unlikely within 90 days from the date such individual is determined to be Permanently Disabled. If the Parties hereto disagree as to whether a Person is “Permanently Disabled” the determination will be made by a licensed practicing physician, selected by us, upon examination of the Person, or, if the Person refuses to submit to an examination, then for purposes of Section 9.3, the Person will automatically be considered Permanently Disabled as of the date of refusal.

1.25. **“Person”** means any natural person or Entity.

1.26. **“PostNet Center”** means any Printing and Shipping Business operating under the System as a PostNet Center.

1.27. **“Printing and Shipping Business”** means a business engaged primarily in providing Printing and Shipping Services.

1.28. **“Printing and Shipping Services”** means the offer or sale of products or services related to a broad array of printing and document services, graphic design, shipping, packaging and mailing services, and other related business services.

1.29. **“Purchased Assets”** means all of the tangible and intangible assets relating to the Franchised Businesses that are open and operating pursuant to this Agreement (excluding at our option any unsalable inventory, cash, short-term investments, accounts receivable and assets that are not part of the standard PostNet Center).

1.30. **“System”** means the PostNet system which includes operating PostNet Centers specialized in providing customized print products and shipping services to businesses, including Printing and Shipping Services, under the Marks, using certain distinctive types of equipment, information software, supplies, Confidential Information, business techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve.

1.31. **“System Standards”** means the specifications, standards, operating procedures and rules we prescribe from time to time for the development and operation of PostNet Centers.

1.32. **“Term”** means the term of this Agreement pursuant to Section 3 hereof.

## 2. GRANT OF DEVELOPMENT RIGHTS

2.1. Development Rights. Subject to the terms and conditions set forth herein, we grant you the right, and you undertake the obligation, to develop and operate one Franchised Business within each Development Area described in the Summary Page (the “Development Rights”); provided, however, that you sign our then-current form of Franchise Agreement, open and commence operations of each such Franchised Business in strict accordance with the mandatory Development Schedule attached hereto as

Schedule A, and the terms and conditions set forth herein. For the avoidance of doubt, this Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System, which rights are only granted under an executed Franchise Agreement. You will not use the Marks in any way not expressly authorized by Company. During the Term, except as provided below and in any Franchise Agreement executed pursuant hereto permitting the Company and other third parties to conduct businesses and other activities in any territory designated thereunder, which such business and other activities Developer agrees and acknowledges that Company and any third party may also, at their sole option, conduct in the Development Area(s), we will not operate, or license any third party the right to open or operate, any PostNet Center utilizing the Marks and System within the Development Area(s).

2.2. Development Schedule. You will exert your best efforts and take all steps necessary and consistent with this Agreement to fully develop one Franchised Business in each Development Area listed in this Agreement. You must execute our then-current form of Franchise Agreement for the Franchised Business in each of the Development Area(s) on or before the applicable date set forth in the Development Schedule and open each such Franchised Business by the timeframe included in that Franchise Agreement.

2.3. Reserved Rights. Except as provided in Section 2.1 of this Agreement, the Parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that we and our Affiliates reserve all other rights not expressly granted to you herein.

### 3. TERM

Term. This Agreement commences on the Effective Date described on the Summary Page and, unless earlier terminated by us, will expire on the Expiration Date.

### 4. DEVELOPMENT FEE

4.1. Development Fee. You will pay us the Development Fee described in the Summary Page for the right to develop the foregoing Franchised Business within each Development Area under this Agreement, with the Parties agreeing and acknowledging that this Development Fee is: (i) not refundable under any circumstances; and (ii) payable in accordance with the schedule set forth in Section 4.2 below.

4.2. Application of Development Fee. The Development Fee will be credited to the Initial Franchise Fee for each Franchised Business that you are granted the right to open under this Agreement, upon signing the applicable Franchise Agreement.

### 5. FRANCHISE AGREEMENTS

5.1. Initial Franchise Agreement. Subject to fully satisfying the Execution Conditions, within twelve (12) months of the Effective Date of this Agreement, you must enter into our then-current form of Franchise Agreement for the initial Franchised Business that you are required to open within Development Area I and if applicable, within the time period described on Schedule A for the second Franchise Business. In the event you are an Entity, then your Owners must each execute the form of personal guaranty attached to this Agreement as Schedule C.

### 6. TERMINATION

6.1. Company's Termination of Development Agreement – Grounds. Developer will be in material default, and we may, at our option, terminate this Agreement, as provided herein, if:

i. Developer fails to comply with the Development Schedule pursuant to Section 2 and Schedule A of this Agreement and fails to cure such Event of Default within 30 days after Notice of such default is delivered to Developer;

ii. Developer fails to pay any fees or other amounts due hereunder to us within five (5) days after Notice of nonpayment is delivered to Developer;

iii. Developer or any of its Owners has made any material misrepresentation or omission in connection with this Agreement that negatively impacts the Company or the System;

iv. Developer or any of its Owners is or has been held liable or convicted by a court of law or other tribunal, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any act or conduct which may materially and adversely affect the reputation of the Company, the Franchised Business, any other PostNet Center, or the goodwill associated with the Marks;

v. Developer or any of its Owners makes or attempts to make an unauthorized transfer pursuant to Section 9;

vi. Developer or any of its Owners makes any unauthorized use or disclosure of any Confidential Information or uses, duplicates or discloses any portion of the Operations Manuals in violation of this Agreement, Developer or any of its Owners makes any unauthorized use of the Marks or any unauthorized use or disclosure of Confidential Information or otherwise engages in conduct that materially and adversely affects the reputation of the Company or the goodwill associated with the Marks;

vii. Developer or any of its Owners fails to comply with or perform in accordance with its covenants in this Agreement, including without limitation the covenants against competition set forth in Section 8;

viii. Developer or any Affiliate defaults under a Franchise Agreement entered into by Developer or its Affiliate, and such default (if curable) is not cured within the time specified in such Franchise Agreement; or

ix. Developer violates any federal, state or local health, safety or sanitation law, ordinance, code or regulation;

6.2. Procedure Upon Developer's Default. Except as described below, you will have thirty (30) days, or such longer period as applicable law may require, after you receive from us a written Notice of Event of Default within which to remedy any default hereunder, and to provide satisfactory evidence thereof to us. If you fail to correct the Event of Default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further Notice to you effective immediately when the thirty (30) day period (or such longer period as applicable law may require) expires.

A. You will have five (5) days, or such longer period as applicable law may require, after you receive from us a written Notice of Event of Default within which to remedy any monetary default under Section 6.1.ii. If you fail to correct such Event of Default and provide satisfactory evidence thereof to us within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further Notice to you effective immediately when the five (5) day period (or such longer period as applicable law may require) expires.

B. We may terminate this Agreement immediately upon delivery of written Notice to you, with no opportunity to cure, if the termination results from any of the following:

i. If you fail to comply with one or more material requirements of this Agreement on at least three (3) separate occasions during any twelve (12) month period, whether or not similar or dissimilar, whether or not cured after Notice, and whether or not Notice of each such Event of Default was given within such time period;

ii. The nature of your breach makes it not curable;

iii. If you or your Affiliate breaches a Franchise Agreement and fails to cure such breach (if curable) within the time period provided in such Franchise Agreement, or if any Franchise Agreement between you or any of your Affiliates, on the one hand, and Franchisor or any of our Affiliates, on the other hand, is terminated.

C. This Agreement and all of your rights will automatically terminate without Notice if you file a proceeding in bankruptcy or a bankruptcy proceeding is filed against you (and not dismissed within 60 days of filing) under Applicable Law, you are insolvent within the meaning of Applicable Law or make an assignment for the benefit of creditors or enter into any other similar arrangement.

6.3. Applicable Law. If the provisions of this Section 6 are inconsistent with Applicable Law, the Applicable Law will apply.

## 7. EFFECT OF EXPIRATION, OR TERMINATION

7.1. Post-Term Duties. If this Agreement is terminated for any reason or expires you will:

i. within ten (10) days after termination, pay to us or our Affiliates all amounts due and owing under this Agreement (including the Development Schedule) or any applicable Franchise Agreement, or any other agreement between you and us or our Affiliate.

ii. discontinue using, and return to us by first class prepaid United States mail any hard copies of, the Operations Manuals, and any other manuals, advertising materials, and all other printed materials relating to the operation of the Franchise or otherwise comprising the System Standards;

iii. take all necessary action to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;

iv. immediately cease using Confidential Information in any format it may appear and return to us (or, at our option, destroy or electronically delete) all electronic or hard copy documents in your possession that contain Confidential Information;

v. comply with all other applicable provisions of this Agreement and any applicable Franchise Agreement, including but not limited to the non-compete provisions.

Upon expiration or termination of this Development Agreement for any reason, your right to use the name “PostNet” and the other Marks and the System will immediately terminate and you, the Development Manager and all other Owners will not in any way identify yourself/themselves as being associated with us.

7.2. Continuing Obligations. All obligations of us and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

## 8. COVENANTS

8.1. Non-Solicitation of Customers. Neither you nor any of your Owners will, during the Term, and for a period of two (2) years thereafter, directly or indirectly divert or attempt to divert any business, account, or customer of the Franchised Business(es) or of any other PostNet Centers or the System to any Competitive Business.

8.2. Covenant Not To Compete During Term. You and your Owners acknowledge the covenants set forth in this Section 8 are given for the purchase and sale of a business or the assets of a business. You further acknowledge you will receive valuable specialized training, confidential information, and our trade secrets, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques from us. You and each of your Owners will not, during the Term, directly or as an employee, agent, consultant, partner, officer, director, manager, member, or shareholder of any other Person, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any Person engaged in any Competitive Business in the United States, except: (i) with our prior written consent; (ii) other PostNet Centers that you operate under and in compliance with the Franchise Agreements; or (iii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

8.3. Post-Term Covenant Not To Compete. You and each of your Owners will not, for a period of one (1) year after this Agreement expires or is terminated, (or with respect to an Owner, from the date such Owner ceases to be an Owner as defined under this Agreement) directly or as an employee, agent, consultant, partner, officer, director, manager, member, or shareholder of any other Person, engage in, be connected with, have any interest in, or assist any Person engaged in any Competitive Business within a ten (10) mile radius of any PostNet Center, or within the Development Area; provided, however, that this Section 8.3 will not apply to: (1) other PostNet Centers that you operate under and in compliance with the Franchise Agreements; or (2) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

The one-year time period described in this Section 8.3 will be tolled for any period during which you are in breach of the covenants or any other time period during which we seek enforcement of this Agreement. Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

8.4. Compliance with Applicable Law. You will be solely responsible for complying with all Applicable Laws in connection with the development and operation of the Franchised Business in the

Development Area, and will timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of its business, including, without limitation, licenses to do business, sales tax permits, importation of materials, transmission of royalties and all other payments relevant to your performance under this Agreement, environmental and safety and fire clearances. You will notify us in writing immediately upon the commencement of any legal action, suit, or proceeding, any administrative action or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental authority, which may adversely affect your operational or financial condition or which may have any materially adverse effect on us or our Affiliates, the goodwill associated with the Marks and the System or on PostNet Centers generally.

## 9. TRANSFER

9.1. By Us. This Agreement is fully assignable by us without your consent and benefits our successors and assigns. Any such assignment will require the assignee to fulfill our obligations under this Agreement.

9.2. Transfer of Control, Assignment or Sale of Substantially All of Your Assets. You understand that we have granted the Development Rights under this Agreement in reliance upon your individual or collective character, aptitude, attitude, business ability and financial capacity. You (and your Owners) will not transfer (whether voluntarily or involuntarily), assign or otherwise dispose of, in one or more transactions, Control or substantially all or all of the assets of this Agreement.

9.3. Your Death or Disability. If your Development Manager or an Owner with a Controlling Interest dies or becomes Permanently Disabled, the executor, administrator or other personal representative, or the remaining Owners, must appoint a competent Development Manager acceptable to us within a reasonable time, not to exceed thirty (30) days, from the date of death or permanent disability. The appointed Development Manager must satisfactorily complete our designated training program.

If your Development Manager or any Owner with a Controlling Interest dies or becomes Permanently Disabled, the executor, administrator or other personal representative must transfer his/her interest within a reasonable time not to exceed twelve (12) months from the date of death or Permanent Disability to a Person we approve. Such transfers, including transfers by devise or inheritance, will be subject to the conditions contained in Section 9.2. above.

## 10. DISPUTE RESOLUTION

10.1. Mediation. Before any Party may bring an action in court or against the other, or commence an arbitration proceeding (except as noted in Section 10.2 below), the Parties must first meet to mediate the dispute. The mediation will be held the city in which our headquarters are located at the time of the mediation. Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. The mediator will be appointed in accordance with the Rules and Regulations of the American Arbitration Association unless the Parties agree on a mediator in writing within thirty (30) days after either Party gives written Notice of mediation. The mediation hearing will be held within twenty (20) days after the mediator has been appointed.

10.2. Arbitration. Except as qualified below, any dispute between you (including your Owners) and us or any of our or your Affiliates arising under, out of, in connection with or in relation to this Agreement or any of its related agreements, the Parties' relationship, your Franchised Business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures. Any arbitration must be on an individual basis and the Parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the Parties will submit all claims to the jurisdiction of the courts. The arbitration must take place in the city in which our headquarters are located at the time of the dispute. The arbitrator must follow the law and not disregard the terms of this Agreement or its related agreements. A judgment may be entered upon the arbitration award by any state or federal court. The decision of the arbitrator will be binding and final on all Parties to the dispute; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement, (ii) assess punitive damages; or (iii) make an award which extends, modifies or suspends any lawful term of this Agreement or its related agreements or any reasonable standard of business performance that we set.

10.3. Injunctive Relief. Notwithstanding Sections 10.1 and 10.2 above, you recognize that a developer's failure to comply with the terms of this Agreement or its related agreements could cause irreparable damage to us and/or to some or all other PostNet developers and/or franchisees. Therefore, if you breach or threaten to breach any of the terms of this Agreement, we will be entitled to apply to an appropriate court for an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrators.

10.4. Cost and Attorneys' Fees. In the event of any legal proceeding regarding a breach or default under this Agreement, the prevailing Party in that proceeding (as determined by the trier-of-fact) is entitled to receive from the other Party all Losses and Expenses, including reasonable legal fees incurred by the prevailing Party in connection with obtaining any remedy available to the prevailing Party for any violation of this Agreement and in obtaining injunctive or other relief to enforce any provisions of this Agreement.

10.5. Claims. You and your Owners and guarantors may not assert any claim or cause of action against us or our Affiliates relating to this Agreement or its related agreements or the Parties relationship after the shorter period of the applicable statute of limitations or one (1) year following the effective date of termination of this Agreement.

## 11. ENFORCEMENT

11.1. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior Notice of the termination of



this Agreement than is required, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure we prescribe is invalid or unenforceable, the prior Notice and/or other action required by law or rule will be substituted for the comparable provisions.

11.2. Waiver of Obligations. Our waiver of any breach by you, or our delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights respecting that or any other breach.

11.3. Rights of Parties are Cumulative. The rights that we and you have are cumulative and no exercise or enforcement by either Party of any right or remedy precludes such Party from exercising or enforcing any other right or remedy to which such Party is entitled by law or equity to enforce.

11.4. Venue. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above will be brought in the federal or state district court encompassing the city in which our headquarters are located at the time of the lawsuit. Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action, and you and your Owners waive any and all rights to proceed on a consolidated, common, or class basis. We and you irrevocably consent to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue. We may bring an action under this Section 11.4 without first submitting an action to mediation or arbitration under Sections 10.1 or 10.2: (1) for injunctive relief; or (2) for specific performance.

11.5. Governing Law. Subject to our rights under Federal trademark laws and the Parties' rights under the Federal Arbitration Act respecting Section 10 above, this Agreement will be governed by and construed under the laws of the State of Colorado, except for its conflicts of laws rules.

11.6. Binding Effect. This Agreement is binding upon the Parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both you and us. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any Person or legal Entity not a Party to this Agreement.

11.7. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the Parties' rights under this Agreement and the relationship between the Parties:

i. Our Rights. Whenever this Agreement provides that we have a certain right or a decision is in our discretion or at our option, that right or discretion is absolute and the Parties intend that our exercise of that right or discretion will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

ii. Our Reasonable Business Judgment. Except as noted in Section 11.7.i, whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise "reasonable business judgment" in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of

“reasonable business judgment,” even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other of our individual interests. Neither you nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

**11.8. DAMAGE WAIVER. YOU AND WE AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER; PROVIDED HOWEVER, WE MAY RECOVER LOST PROFITS OR OTHER CONSEQUENTIAL DAMAGES IF YOU FAIL TO DEVELOP THE FRANCHISE BUSINESSES REQUIRED HEREUNDER.**

**11.9. JURY WAIVER. YOU AND WE IRREVOCABLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION BY JUDICIAL PROCESS OF ANY PROVISION OF THIS AGREEMENT, AND IN CONNECTION WITH ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION OR SIMILAR CAUSES OF ACTION OR ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF LOSSES AND EXPENSES FOR BREACH OF THIS AGREEMENT. THIS WAIVER APPLIES IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER IN LAW OR IN EQUITY, BROUGHT BY YOU OR WE AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

11.10. Force Majeure. If any Party fails to perform any obligation under this Agreement due to a Force Majeure Event, such failure will not be deemed a breach of this Agreement, provided such Party uses reasonable efforts to perform such obligations as soon as possible under the circumstances. Either Party will, within five days of the occurrence of the Force Majeure Event, give a written Notice to the other Party stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required; provided, however, if the suspension of performance continues for 90 days from the date of the occurrence and such failure to perform would constitute an Event of Default of this Agreement in the absence of such Force Majeure Event, the Parties will meet and discuss in good faith any amendments to this Agreement to permit us to exercise our rights under this Agreement. If the Parties are not able to agree on such amendments within 30 days and if suspension of performance continues, we may terminate this Agreement immediately by giving written Notice to you and/or we may exercise any of the remedies described in Section 10 or otherwise available at law or in equity. In no event will your inability to pay amounts due under this Agreement constitute a Force Majeure Event and no Force Majeure Event will operate to excuse you from the prompt payment of any fee or other payment due to us pursuant to this Agreement.

11.11. Entire Agreement. This Agreement, including the “Introduction” section, the Schedule(s) to this Agreement, and that certain Disclosure Acknowledgment Agreement signed contemporaneously by you represents the entire agreement of the Parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document we provided to you.

11.12. Consumer Price Index. Notwithstanding anything to the contrary contained in this Agreement, all specified fees, contributions and dollar amounts referred to in this Agreement may be increased periodically by us, but in no event more than once during each of our fiscal years, to reflect increases in the Metropolitan Area Consumer Price Index for Urban Consumers - All Items (“CPI”), as published by the U.S. Department of Labor, or in a successor index. For the avoidance of doubt, if you sign this Agreement in 2023, no initial increase will occur earlier than January 1, 2024 based on the increase in CPI for 2023. If you sign this Agreement on or after January 1, 2024, then, notwithstanding anything in this Agreement to the contrary, all specified fees, contributions and dollar amounts referred to in this Agreement may be adjusted to reflect the increase in CPI for 2023.

11.13. Accounting and Legal Fees. If we are required to engage legal counsel in connection with your failure to pay when due amounts owing to us or our Affiliates, to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, you will reimburse us for any and all accounting and legal fees and expenses, whether incurred prior to, in preparation for, or in contemplation of, the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement.

## 12. MISCELLANEOUS

12.1. Construction of Language. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either Party. All words in this Agreement refer to whatever number or gender the context requires. If more than one Party or Person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

12.2. Successors. References to “Company” or “Developer” include the respective Parties’ successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

12.3. Additional Documentation. You must, from time to time, subsequent to the date first set forth in the Summary Page, execute and deliver such other documentation or agreements and take such other action as we may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that you fail to comply with the provisions of this Section, you hereby appoint us as your attorney-in-fact to execute any and all documents on your behalf, as reasonably necessary to effectuate the transactions contemplated herein.

12.4. No Right to Offset. Developer may not withhold all or any part of any payment to the Company or any of its Affiliates on the grounds of the alleged nonperformance of the Company or any of its Affiliates or as an offset against any amount the Company or any of its Affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

12.5. Our Right to Delegate. You acknowledge and agree that we have the right to delegate to third-party designees (“Delegates”), which Delegates may be our agents, our Affiliates, or independent contractors with whom we have contracted: (1) the performance of any portion or all of our obligations under this Agreement (including, without limitation, the provision of any service or the operation of any program), and (2) any right that we have under this Agreement. You further acknowledge and agree that we may, or our Delegates may, simultaneously perform the same, similar, or different services for or on behalf of our, our Affiliate’s, or such Delegate’s company-owned, company-operated, licensed, or

franchised businesses, or for or on behalf of businesses owned or operated by third parties, which businesses may be competitive with your Franchised Business and the System and which may be located in the Development Area. We and our Delegates will have the right to perform any such obligations on a combined basis (including, without limitation, using the same or shared facilities, equipment, software, or personnel) or in conjunction with the performance of the same, similar, or different services for or on behalf of our, our Affiliate's, or such Delegate's company-owned, company-operated, licensed, or franchised businesses, or for or on behalf of businesses owned or operated by third parties, which businesses may be competitive with your Franchised Business and the System and which may be located in the Development Area. We reserve the right, at our sole option, to allocate costs, personnel, and other resources among any combined programs.

12.6. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Additionally, this Agreement may be executed and transmitted by electronic means, all of which will be considered an original for all purposes.

### 13. ACKNOWLEDGMENTS

13.1. Success of Franchised Business. The success of the business venture you intend to undertake under this Agreement is speculative and depends, to a large extent, upon you (and your Development Manager's) ability as an independent businessperson, and your active participation in the daily affairs of each Franchised Business as well as other factors. We do not make any warranty, express or implied, as to the potential success of the business venture.

13.2. Independent Investigation. You acknowledge that you have entered into this Agreement after making an independent investigation of our operations.

13.3. You acknowledge that this Agreement is not a Franchise Agreement and does not confer upon you any rights to operate a Franchised Business or use our Marks in any manner. Such rights are solely granted under a Franchise Agreement.

### 14. NOTICES

Except as otherwise provided in this Agreement, any Notice, demand or communication provided for herein must be in writing and signed by the Party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such Notice is a notice of default, by registered or certified mail or overnight delivery. The notice address for each Party is set forth in the Summary Page. Either Party may specify a different address by notifying the other Party of the different address.

*[SIGNATURES APPEAR ON THE FOLLOWING PAGE]*

The Parties have signed this Agreement on the date stated in the first paragraph and this Agreement is effective on the Effective Date.

**COMPANY/US:**

**POSTNETINTERNATIONAL FRANCHISE CORPORATION**

**DEVELOPER/YOU:**

[ \_\_\_\_\_ ]

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE A**  
**TO POSTNET AREA DEVELOPMENT AGREEMENT**

**DEVELOPMENT SCHEDULE**

1. **Development Area.** The Development Area(s), as referred to in Section 1 of the Area Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

[I, II ] \_\_\_\_\_  
 \_\_\_\_\_

2. **Development Schedule.** The Development Schedule referred to in Section 2 of the Area Development Agreement is as follows:

Development Area	Deadline to Sign Franchise Agreement	Balance of Initial Fee Due in Connection with Franchised Business
I	12 Months from Effective Date	Greater of \$ _____, or then-current Initial Fee minus \$ _____
II	12 Months from Effective Date	Greater of \$ _____, or then-current Initial Fee minus \$ _____

3. **Development Fee.** The Development Fee that is due and payable to the Company per Development Area, immediately upon execution of this Agreement, will be \$9,500.00.

**APPROVED AND ACCEPTED BY:**

**COMPANY/US:**

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

**DEVELOPER/YOU:**

[ \_\_\_\_\_ ]

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE B**  
**TO POSTNET AREA DEVELOPMENT AGREEMENT**

**ORGANIZATIONAL AND OWNERSHIP INFORMATION FOR ENTITY DEVELOPERS**

Developer is a \_\_\_\_\_, organized on \_\_\_\_\_, \_\_\_\_\_ under the laws of the State of \_\_\_\_\_ . It has not conducted business under another name. The following is a list of Developer directors and officers as of the Effective Date. Capitalized terms not defined in this Schedule B have the meanings given in the Area Development Agreement dated \_\_\_\_\_ between Developer and PostNet.

Name	Position(s) Held

Developer represents and warrants to PostNet International Franchise Corporation (“PostNet”) that all ownership interests (direct or indirect) in Developer are disclosed below. Developer will disclose to PostNet such additional information as PostNet may periodically request concerning all Persons having an Equity Interest in Developer. As of the Effective Date:

Name	Mailing Address	% of Ownership Interest

**COMPANY/US:**

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**DEVELOPER/YOU:**

[\_\_\_\_\_]

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE C**  
**TO POSTNET AREA DEVELOPMENT AGREEMENT**  
**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

In consideration of the execution of that certain Area Development Agreement of even date (the “Area Development Agreement”) by PostNet International Franchise Corporation (the “Company,” “we” or “us”), each of the undersigned (a “Guarantor”) personally and unconditionally guarantees to us, and our successors and assigns, for the Term of the Area Development Agreement and thereafter as provided in the Area Development Agreement that \_\_\_\_\_ (the “Developer” or “you”) will timely pay and perform each and every undertaking, agreement and covenant stated in the Area Development Agreement and its related agreements; and agrees to be personally obligated by, and personally liable for the breach of, each and every provision in the Area Development Agreement and its related agreements.

Further, the undersigned, individually and jointly, hereby agree to be personally obligated to perform each and every condition and term contained in the Area Development Agreement and its related agreements, including but not limited to the Area Development Agreement non-compete provisions in Section 8 and the dispute resolution provisions contained in Section 10 and agree that this Guaranty and Assumption of Obligations (the “Guaranty”) will be construed as though the undersigned and each of them executed an Area Development Agreement containing the identical terms and conditions of the Area Development Agreement.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any Party respecting the indebtedness; (4) any right they may have to require that an action be brought against Developer or any other Person as a condition of liability.

Each Guarantor consents and agrees that:

(1) Guarantor’s liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, you and your other Guarantors;

(2) Guarantor will make any payment or perform any obligation required under the Area Development Agreement upon demand if Developer fails to do so;

(3) Guarantor’s liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of Developer or any assignee or successor;

(4) Guarantor’s liability will not be diminished, relieved or otherwise affected by any extension of time or credit which we may grant to you, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) We may proceed against Guarantor and you jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against you or any other Guarantor; and

(6) Guarantor will pay all reasonable attorneys’ fees and all costs and other expenses we incur in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

*[SIGNATURES APPEAR ON FOLLOWING PAGE]*



Each of the undersigned has signed this Guaranty as of the same day and year as the Area Development Agreement was executed.

**GUARANTOR(S)**

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**SCHEDULE D**  
**TO POSTNET AREA DEVELOPMENT AGREEMENT**  
**FORM OF FRANCHISE AGREEMENT**

***EXHIBIT C  
TO FRANCHISE  
DISCLOSURE DOCUMENT***

**LISTS OF CURRENT AND FORMER FRANCHISEES AND AREA FRANCHISEES**

1. List of Franchisees
2. List of Franchisees with franchise agreements signed but outlet not opened as of December 31, 2023
3. List of Transfers
4. List of Area Franchisees
5. List of Franchisees who left the System during 2023

Note: If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

**POSTNET FRANCHISEES**

<b>OWNER(S)</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>	<b>PHONE</b>
LAB-TOT LLC	60 Chelsea Corners	Chelsea	Alabama	35043	(205) 678-0123
Shamsun Nehar, Mahmud Hasan	7806 Vaughn Rd	Montgomery	Alabama	36116	(334) 593-0433
DSH Holdings LLC	3331 Rainbow Dr, Ste E	Rainbow City	Alabama	35906	(256) 442-0333
Lanny Nelson, Linda Nelson	3655 W Anthem Way, Ste A-109	Anthem	Arizona	85086	(623) 551-1305
McKinley Family Enterprises	1300 S Watson Rd, A-114	Buckeye	Arizona	85326	(623) 691-6544
MCKINLEY & ASSOCIATES, LLC	19580 West Indian School Road, Ste 105	Buckeye	Arizona	85396	(623) 691-6544
Efrain Huereque	29834 N. Cave Creek Rd, #118	Cave Creek	Arizona	85331	(480) 419-6999
Wright Capital LLC	2820 S Alma School Rd, Ste 18	Chandler	Arizona	85286	(480) 917-2468
BEST BUSINESS PARTNERS CORP	2925 E Riggs Rd, Ste 8	Chandler	Arizona	85249	(480) 895-7611
TC & MN Family, LLC	1909 E Ray Rd, #9	Chandler	Arizona	85225	(480) 855-0280
Mike Conklin	1000 N Beeline Hwy	Payson	Arizona	85541	(928) 472-4355
Boilermaker Industries LLC	4611 E Chandler Blvd, #112	Phoenix	Arizona	85048	(480) 753-4160
Melissa's Mail and More LLC	3298 N Glassford Hill Rd, Ste 104	Prescott Valley	Arizona	86314	(928) 759-3700
Karen Riddle	10869 N Scottsdale Rd, #103	Scottsdale	Arizona	85254	(480) 348-1015
R&D Wistrom LLC	32531 N Scottsdale, Ste 105	Scottsdale	Arizona	85266	(480) 488-9972
Karen Riddle	10659 W Grand Ave, Ste 9	Sun City	Arizona	85351	(623) 900-7011
Allison Boyd, David Lute	8110 S Houghton Rd, Ste 158	Tucson	Arizona	85747	(520) 574-7875
BCI 158, LLC	3800 W. Starr Pass Blvd	Tucson	Arizona	85745	(520) 791-6200
Michael Fisher	40 Plaza Way #8	Mountain Home	Arkansas	72653	(870) 492-7876
Knotheads, LLC	1711 Paragould Plaza	Paragould	Arkansas	72450	(870) 240-0569

OWNER(S)	ADDRESS	CITY	STATE	ZIP	PHONE
RTTF ENTERPRISES LLC	5204 Village Parkway, Ste 11	Rogers	Arkansas	72758	(479) 271-2494
AC Investment Partners LLC	13061 Rosedale Hwy, Ste G	Bakersfield	California	93314	(661) 587-7678
AC Investment Partners LLC	6077 Coffee Rd, #4	Bakersfield	California	93308	(661) 588-7770
PNCA266 LLC	330 N Lantana St Suite 28	Camarillo	California	93010	(805) 388-1351
Alan Kaminsky	9909 Topanga Canyon Blvd	Chatsworth	California	91311	(818) 349-1099
Zaldy Obar	1710 High St	Delano	California	93215	(661) 725-4908
Victor Jodjana	324 S Diamond Bar Blvd	Diamond Bar	California	91765	(909) 860-1490
Nader Afram	17328 Ventura Blvd.	Encino	California	91316	18187896500
Mark Venegas	10400 Twin Cities Rd, Ste 20	Galt	California	95632	(209) 744-9003
Darshani Panchal	8833 Monterey St, Unit J	Gilroy	California	95020	(408) 767-2200
Jeff Kallmann	72877 Dinah Shore Dr, #103	Rancho Mirage	California	92270	(760) 202-4777
Foda International Co., LLC	6977 Navajo Rd	San Diego	California	92119	(619) 461-3887
Amha Habteyes	6469 Almaden Expy, #80	San Jose	California	95120	(408) 997-0944
Mahalakshmi Nitchanamelta	2066 N. Capitol Ave	San Jose	California	95132	(669) 284-2183
Wisdom Reigns Business Group	773 E El Camino Real	Sunnyvale	California	94087	(408) 736-5838
RK Ventures, Inc.	20058 Ventura Blvd	Woodland Hills	California	91364	(818) 703-9844
K Wachter Inc.	18121 E. Hampden Ave. Unit C	Aurora	Colorado	80013	(303) 699-9600
Aspirent Corp	9615-B E County Line Rd	Centennial	Colorado	80112	(720) 722-0525
Larry Cox	1829 N. Circle	Colorado Springs	Colorado	80909	(844) 474-2773
AKI Marketing Inc	Larimer Corporate Plaza 1312 17th Street	Denver	Colorado	80202	(303) 595-0500
Greg Howard	2770 Arapahoe Rd, Ste 132	Lafayette	Colorado	80026	(303) 665-8068
Doors Open	1067 S Hover St, Unit E	Longmont	Colorado	80501	(303) 651-9893

OWNER(S)	ADDRESS	CITY	STATE	ZIP	PHONE
TRT Enterprises, Inc.	1021 N Market Plz #107	Pueblo West	Colorado	81007	(719) 547-3493
SCATGROUP LLC DBA PostNet	680 Main Street	Stamford	Connecticut	06901	(203) 658-8855
RFB Corp	406 Suburban Drive	Newark	Delaware	19711	(302) 224-5670
Altamonte Ink LLC	1070 Montgomery Rd	Altamonte Springs	Florida	32714	(407) 636-3172
Karen Gallo, Josh Gallo	88005 Overseas Hwy, #10	Islamorada	Florida	33036	(305) 853-1101
Jared Almand	7364 Kathleen Rd	Lakeland	Florida	33810	(863) 816-4277
BayStar Service Group, Inc	11161 E State Rd 70, #110	Lakewood Ranch	Florida	34202	(941) 755-7447
Catalina Cedeno	7860 W Commercial Blvd.	Lauderhill	Florida	33351	(954) 982-2903
Magdas Investment, LLC	14261 SW 120th St, #108	Miami	Florida	33186	(786) 409-2912
Andrew Rowberry	1121 W Price Blvd	North Port	Florida	34288	(941) 423-6644
Tracy Houser	15985 Preserve Marketplace Blvd	Odessa	Florida	33556	(813) 920-0005
ClifClem Holdings, LLC	7557 W Sand Lake Rd	Orlando	Florida	32819	(407) 363-1488
NIKCO, LLC	7940 Front Beach Rd	Panama City Beach	Florida	32407	(850) 235-3777
RBZ Services, LLC dba PostNet FL135	5342 Clark Rd	Sarasota	Florida	34233	(941) 924-2215
PAW PRINTS, LLC	6421 N. Florida Ave, Ste D	Tampa	Florida	33604	(813) 565-0010
Ellandaven Corp	1541 US Highway 1	Vero Beach	Florida	32960	(772) 258-4442
AM WIN, LLC	27251 Wesley Chapel Blvd, Ste B14	Wesley Chapel	Florida	33544	(813) 994-1171
CenterPrint, LLC	1700 Northside Drive, Ste A7	Atlanta	Georgia	30318	(678) 612-9709
K.L. Centerprises II, LLC	285 West Wieuca Road NE	Atlanta	Georgia	30342	(404) 748-9065
Melissa Center	2090 Dunwoody Club Dr Ste 106	Atlanta	Georgia	30350	(770) 352-3434
June Mayhue	2274 Salem Rd SE, #106	Conyers	Georgia	30013	(770) 761-8499
Digital PrintNShip LLC	415 Peachtree Parkway, Ste 250	Cumming	Georgia	30041	(678) 771-5771

OWNER(S)	ADDRESS	CITY	STATE	ZIP	PHONE
Bulldog Business Centers LLC	512 S Peterson Ave	Douglas	Georgia	31533	(912) 384-9567
Charulata Deshetty	2615 Peachtree Industrial Blvd, Ste J	Duluth	Georgia	30097	(678) 242-8518
Jimmy Wallace, Debora Wallace	5900 Spout Springs Road, Unit 3C	Flowery Branch	Georgia	30542	(678) 828-9902
Oconee Business Solutions	6350 Lake Oconee Pkwy, #110	Greensboro	Georgia	30642	(706) 453-4901
POSTPRINT GA, LLC	11585 Jones Bridge Road, Ste 420	Johns Creek	Georgia	30022	(678) 580-5019
Postal Express, INC	1270 N Marine Corps Dr, Ste 101	Tamuning	Guam	96913	(671) 649-2917
ERRO, Inc.	3327 N Eagle Rd, #110	Meridian	Idaho	83646	(208) 888-9738
Postal Express Center, Inc	825 S Waukegan Rd, A8	Lake Forest	Illinois	60045	(847) 234-9422
Tiffany and June Allen-Smith	1147 Brook Forest Ave	Shorewood	Illinois	60404	(815) 230-2222
Blue Zoom Digital Inc.	346 N Grandstaff Dr	Auburn	Indiana	46706	(260) 925-6511
Lisa Morgan	10220 Old Leo Rd.	Fort Wayne	Indiana	46825	(260) 470-5750
Alexys Rastetter	1547 N State St	Greenfield	Indiana	46140	(317) 462-7118
Laurie Rosenbaum	8437 Bell Oaks Dr	Newburgh	Indiana	47630	(812) 853-6462
Sujatha Rao, Sujatha Rao, Sathiyarajan Sundaranathan	11310 E 21st St N	Wichita	Kansas	67206	(316) 636-9300
BR Enterprises Inc	13303 W Maple St, Ste 139	Wichita	Kansas	67235	(316) 440-4212
A5 Ventures Incorporated	5520 Johnston St, Ste K	Lafayette	Louisiana	70503	(337) 451-3700
Femi Ijiti	5557 Baltimore Ave, Ste 500	Hyattsville	Maryland	20781	(301) 779-0501
MDK Enterprises	6 Liberty Sq	Boston	Massachusetts	02109	(857) 350-3064
Suzanne Garrett, Ted Garrett	8225 Allen Rd	Allen Park	Michigan	48101	(313) 441-6600
Jeff Case	156 W. Michigan Ave	Jackson	Michigan	49201	(517) 544-0404
Erika Rose	971 S Centerville Rd	Sturgis	Michigan	49091	(269) 651-2670

OWNER(S)	ADDRESS	CITY	STATE	ZIP	PHONE
Americus Partners, LLC	2136 Ford Pkwy	Saint Paul	Minnesota	55116	(651) 698-0878
A. Vaynberg LLC	1250 Wayzata Blvd E #1	Wayzata	Minnesota	55391	(952) 476-7088
Doug and Megan Klinger	215 Gage Dr, Ste J	Hollister	Missouri	65672	(417) 239-1624
Flemings Enterprises, Inc.	312 SW Greenwich Dr	Lee's Summit	Missouri	64082	(816) 537-5559
PN STL, Inc.	7253 Watson Rd	St. Louis	Missouri	63119	(314) 395-8422
Emanuel Industries, Inc.	2654 W Horizon Ridge Pkwy, Ste B5	Henderson	Nevada	89052	(702) 614-5166
Emanuel industries INC	209 S Stephanie St, Ste B	Henderson	Nevada	89012	(702) 269-4800
Emanuel Industries, Inc.	2880 Bicentennial Pkwy, Ste 100	Henderson	Nevada	89044	(702) 558-7678
DCR Enterprises LLC	35 E Horizon Ridge Pkwy, #110	Henderson	Nevada	89002	(702) 369-5596
ARUMUGAM ENT.	1421 N Jones Blvd	Las Vegas	Nevada	89108	(702) 259-7678
Stacy Clark	9101 W. Sahara Ave. Suite #105	Las Vegas	Nevada	89117	(702) 869-8869
Josh Waitzman	4012 S Rainbow, Ste K	Las Vegas	Nevada	89103	(702) 876-8858
Doing for Self, INC	6895 E Lake Mead Blvd #6 Sunrise Plaza	Las Vegas	Nevada	89156	(702) 453-6924
Marco Vargas	7345 S Durango Dr, Bldg B, Ste 107	Las Vegas	Nevada	89113	(702) 736-3332
Jim Liaos, Tina Liaos	7320 S Rainbow, #102	Las Vegas	Nevada	89139	(702) 262-9338
Aspire Enterprise LLC	10120 W Flamingo Rd, Ste 4,	Las Vegas	Nevada	89147	(702) 304-2670
Ambik Net LLC	377 Valley Rd	Clifton	New Jersey	07013	(973) 542-8071
Rich Mendez	344 Grove St	Jersey City	New Jersey	07302	(201) 332-8828
Lakeside Business Solutions, LLC	5 Bowling Green Pkwy, Ste 13	Lake Hopatcong	New Jersey	07849	(973) 810-2536
Hexidime Solutions, LLC	2360 Route 33, Ste 112	Robbinsville	New Jersey	08691	(609) 223-0966
Hardik Patel	12 Route 50	Seaville	New Jersey	08230	(609) 624-8750



OWNER(S)	ADDRESS	CITY	STATE	ZIP	PHONE
Tom Fletcher	288 Egg Harbor Rd, Ste 9	Sewell	New Jersey	08080	(856) 582-0018
Chintan Patel	900 Easton Ave #26	Somerset	New Jersey	08873	(732) 301-7271
Acoma PN, LLC	2105 Vista Oeste St NW, Ste E	Albuquerque	New Mexico	87120	(505) 926-4545
Robert Vigil, Lisa Vigil	1704 Llano St, Ste B	Santa Fe	New Mexico	87505	(505) 474-4477
Calvin Thomas	557 Grand Concourse, Ste 3	Bronx	New York	10451	(718) 292-4077
Sector Link, Inc	1451 West Avenue	Bronx	New York	10462	(718) 292-4077
Sector Fordham, Inc.	460 East Fordham	Bronx	New York	10458	(718) 292-4077
Calvin Thomas	1450 Allerton Ave	Bronx	New York	10469	(718) 292-4077
Sector Tremont, Inc.	1490 Crotona Park East	Bronx	New York	10460	(718) 292-4077
Sector White Plains, Inc.	2096 White Plains Road	Bronx	New York	10462	(718) 292-4077
A.B.P.R. Logistics LLC	238 Wilson Ave, Ste A	Brooklyn	New York	11237	(347) 295-1833
JJLAN Corp.	7 Rye Ridge Plaza	Rye Brook	New York	10573	(914) 935-9200
Calvin Thomas	74 Lafayette Ave Ste 202	Suffern	New York	10901	(845) 547-2519
Melody Creek Ventures, LLC	2363 James St	Syracuse	New York	13206	(315) 218-6223
Fuccipacknship Inc.	624 Columbus Ave	Thornwood	New York	10594	(914) 449-6962
Arpit Patel	3434 Kildaire Farm Rd	Cary	North Carolina	27518	(919) 362-5678
Mike Tourtelot	19825 N Cove Rd	Cornelius	North Carolina	28031	(704) 895-4300
Mike Tourtelot	428-B South Main St.	Davidson	North Carolina	28036	(704) 892-5656
CPN LELAND, LLC.	1108 New Pointe Blvd, Unit 130	Leland	North Carolina	28451	(910) 408-1555
Elks Enterprises of Lumberton, Inc.	2914 N Elm St	Lumberton	North Carolina	28358	(910) 618-1224
PostNet LKN Mooresville	125 Trade Ct, Ste F	Mooresville	North Carolina	28117	(704) 660-1511
Hess Business Products and Services, LLC	5922 Weddington Monroe Rd, Ste A5	Wesley Chapel	North Carolina	28104	(704) 776-4874

OWNER(S)	ADDRESS	CITY	STATE	ZIP	PHONE
Designrite, Inc.	8210 Macedonia Commons Blvd, Suite 3b	Macedonia	Ohio	44056	(330) 468-0029
Tanish and Ved	7385 State Rt 3	Westerville	Ohio	43082	(614) 794-1500
Asia Sun USA Inc.	4736 Royal Ave	Eugene	Oregon	97402	(541) 461-9500
Indra Awasthi	2000 NE 42nd Ave	Portland	Oregon	97213	(503) 477-5450
2SINJ, LLC	11575 SW Pacific Hwy	Tigard	Oregon	97223	(503) 684-3209
Marisa Lenci	1 E Broad St, Ste 130	Bethlehem	Pennsylvania	18018	(610) 419-6389
PARKER INTERPRIZE II, INC	1650 Limekiln Pike, Ste B19	Dresher	Pennsylvania	19025	(267) 468-7097
Dolan Investments LLC	3330 W 26th St, Ste 4	Erie	Pennsylvania	16506	(814) 838-3165
Red Gravel Partners, LLC	219 N. Main Avenue	Scranton	Pennsylvania	18504	(570) 445-3553
Melmir, Inc.	2245 Ashley Crossing Dr, Ste C	Charleston	South Carolina	29414	(843) 769-5121
Arjung, Inc.	1646 W Hwy 160	Fort Mill	South Carolina	29708	(803) 548-2831
D'Nyala LLC	1985 Riviera Dr, Ste 103	Mount Pleasant	South Carolina	29464	(843) 849-0515
West Village Shipping LLC	808 Chestnut St	Chattanooga	Tennessee	37402	(423) 541-8616
Bobalik Inc	3101 W Market St, Ste 109	Johnson City	Tennessee	37604	(423) 926-9995
Shiv Shakti Krupa, LLC	1658 Lee Victory Pkwy	Smyrna	Tennessee	37167	(615) 984-7449
Caccamisi Family Business Services LLC	12400 State Hwy 71 W, Ste 350	Austin	Texas	78738	(512) 263-8688
JDP Business Services	3571 Far West Blvd	Austin	Texas	78731	(512) 231-1321
JTJ ATX Enterprises, LLC	1401 Lavaca St	Austin	Texas	78701	(512) 599-5966
AMandD Enterprises LLC	3827 Phelan Blvd	Beaumont	Texas	77707	(409) 838-5100
RNP Enterprises LLC	2800 E Whitestone Blvd, Ste 120	Cedar Park	Texas	78613	(512) 260-5757
Croomes Management	12320 Barker Cypress Rd, Ste 600	Cypress	Texas	77429	(281) 225-3555

OWNER(S)	ADDRESS	CITY	STATE	ZIP	PHONE
Group (CMG) LLC					
Drew Kalik	11816 Inwood Rd	Dallas	Texas	75244	(972) 239-2112
SEAN Shipping Solution, Inc.	163 Parkhouse Street	Dallas	Texas	75207	(817) 300-5067
The Four Aces El Paso LLC	1505 George Dieter Drive Suite 109	El Paso	Texas	79936	(915) 303-7500
BCI 171, LLC dba PostNet TX171	6101 Long Prairie Rd, Ste 744	Flower Mound	Texas	75028	(972) 544-1230
ABC Printing LLC	7548 Preston Rd, Ste 141	Frisco	Texas	75034	(214) 436-4922
PostNet Postal Business Service	5773 Woodway Dr	Houston	Texas	77057	(713) 780-9188
Kopanidis LLC	2726 Bissonnet St, #240	Houston	Texas	77005	(713) 526-8890
Robcurtay Inc	134 Vintage Park Blvd, Ste A	Houston	Texas	77070	(832) 717-5655
Taycurrob, INC	12712 W Lake Houston Pkwy, Suite B	Houston	Texas	77044	(281) 454-7455
POSTNET TX229 IN HOUSTON	1337 W 43rd St	Houston	Texas	77018	(832) 667-8001
Robcurtay Inc	4830 Wilson Rd, Ste 300	Humble	Texas	77396	(281) 441-7638
Robcurtay Inc	13531 Will Clayton Pkwy ste 300	Humble	Texas	77346	(281) 913-5826
AB Print Lab LLC	1303 W Pipeline Rd	Hurst	Texas	76053	(817) 616-5222
Lucan Inc.	19214 Clay Rd, Suite R	Katy	Texas	77449	(281) 972-3300
PostNet Cinco Ranch	23144 Cinco Ranch Blvd, Ste B	Katy	Texas	77494	(281) 396-4773
Abicel Holdings Corp.	24600 Katy Fwy, Suite 834	Katy	Texas	77494	(713) 900-9100
Jalashray Business Solutions LLC	634 King Ave	Kingsville	Texas	78363	(361) 221-2530
Dua Hussain, Muhammad Siddique	4321 Kingwood Dr	Kingwood	Texas	77339	(713) 589-2151
Stevina Enterprises LLC	651 N. Highway 183	Leander	Texas	78641	(512) 259-6919

OWNER(S)	ADDRESS	CITY	STATE	ZIP	PHONE
	#335				
CandC Hightower Enterprises LLC	2810 US Hwy 190 W Suite 100	Livingston	Texas	77351	(936) 967-8720
Annette Chavez-Alvarado	1616 E Griffin Pkwy	Mission	Texas	78572	(956) 583-6440
TAASIA, LLC	6140 Texas 6	Missouri City	Texas	77459	(281) 261-9566
BCI 243, LLC	100 Plaza Place, Ste 300	Northlake	Texas	76226	(972) 544-1230
Reliant Storage Solutions, ltd	1605 US Hwy 181	Portland	Texas	78374	(361) 777-0437
For Reel Printing, Inc	1224 US-377, Ste 303	Roanoke	Texas	76262	(817) 567-8023
Dustin Bishop	2931 Ridge Rd, Ste 101	Rockwall	Texas	75032	(972) 772-5444

Claiborne Enterprises Inc	1801 Red Bud Lane, Ste B	Round Rock	Texas	78664	(512) 248-1161
Alicia Pallanez	15814 Champion Forest Dr	Spring	Texas	77379	(281) 379-4080
Croomes Management Group (CMG), Inc	6710 Spring Stuebner Rd #709	Spring	Texas	77389	(281) 301-8343
MM and JD, Inc.	4771 Sweetwater Blvd	Sugar Land	Texas	77479	(281) 265-2224
Global Coast Services Inc.	7901 Research Forest Drive, Ste 400	The Woodlands	Texas	77382	(713) 389-5290
E and N Services LLC	27708 Tomball Pkwy	Tomball	Texas	77375	(832) 698-2425
SSG Business Group, LLC	138 E 12300 S, Ste C	Draper	Utah	84020	(801) 495-9270
Zac Smith	189 Hwy 89, Ste C	North Salt Lake	Utah	84054	(801) 951-0333
Finmanco LLC	826 Expressway Lane	Spanish Fork	Utah	84660	(801) 798-5486
Zac Smith, Katie Smith	3556 S 5600 W, #1	West Valley City	Utah	84120	(801) 965-9814
DNF Business Services LLC	4491 Cheshire Station Plaza	Dale City	Virginia	22193	(703) 730-4831
Cardinal Beeze, LLC	11357 Nuckols Rd	Glen Allen	Virginia	23059	(804) 762-7300
WINGED WARRIOR LLC	13926 Hull Street Rd	Midlothian	Virginia	23112	(804) 739-8828

JWON, Inc	42020 Village Center Plaza, Ste 120	Stone Ridge	Virginia	20105	(703) 327-5570
Sector Fordam, Inc.	5300 Kempsriver Drive	Virginia Beach	Virginia	23464	(757) 317-1400
Tim A. Browning	1121 Harrison Ave	Centralia	Washington	98531	(360) 807-8941
Diane Wisley	127 Mashell Ave N	Eatonville	Washington	98328	(360) 832-1140
Browning Fulfillment, Inc	4570 Avery Ln SE, Ste C	Lacey	Washington	98503	(360) 459-8981
Brian and Kim LLC	13300 Bothell Everett Hwy, #303	Mill Creek	Washington	98012	(425) 357-6245
Chris Sohn	11700 Mukilteo Speedway, Ste 201	Mukilteo	Washington	98275	(425) 315-9444
Griffin Services Inc.	17404 Meridian E, Ste F	Puyallup	Washington	98375	(253) 841-8848
Maben, Inc	2801 Bickford Ave, #103	Snohomish	Washington	98290	(360) 862-9050
Mandy Johal	22219 Mountain Hwy. E. Suite C	Spanaway	Washington	98387	(253) 271-7230
J.L. Gallagher Enterprises, Inc.	12128 N Division St	Spokane	Washington	99218	(509) 465-0166
Carson & Criddle	3558 N Jefferson St, Ste 5	Lewisburg	West Virginia	24901-9504	(304) 793-6300



**FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED AS OF  
DECEMBER 31, 2023**

OWNER(S)	CITY	STATE	PHONE
Tim West	Rancho Mirage	California	(760) 459-4156
Lisa Bishop	Star	Idaho	(619) 866-5548
Owodunni Bada	Fort Washington	Maryland	(443) 564-7191
Christina Julian	Bozeman	Montana	(406) 624-7489
Andrew Gerould	Belmont	North Carolina	(919) 696-7517
Mayur S. Patel	Concord	North Carolina	(704) 293-1460
Ronald J. Williams	Knoxville	Tennessee	(865) 207-1618
Luis Gomez Cervantes	Austin	Texas	(281) 684-9332
David Antoniono	Conroe	Texas	(936) 697-6945
Mr. Ikenna Umechuruba	Houston	Texas	(281) 435-6225
Tori Cole	Houston	Texas	(713) 560-6542
Akhuini Ihionkhan	Longview	Texas	(903) 746-5134
Heath Hall	Midlothian	Texas	(214) 906-0539

Ben McGarry, Zac Smith	St George	Utah	(435) 429-4188
Calvin Thomas	Virginia Beach	Virginia	(917) 577-3617

### TRANSFERS

OWNER(S)	CITY	STATE	PHONE
Ron Reeder, Michelle Brisby	Cave Creek	Arizona	(480) 419-6999
Barry Tetelbaum	Prescott Valley	Arizona	(928) 759-3700
Catherine Houglum, Andrew Houglum	Scottsdale	Arizona	(480) 348-1015
Gourab Janapareddy	Tucson	Arizona	(520) 574-7875
Frank Lew	Diamond Bar	California	(909) 860-1490
Steve Eisenberg, Katie Eisenberg	Altamonte Springs	Florida	(407) 636-3172
Apolonio Cedeno, Ramon Heredia	Lauderhill	Florida	(954) 982-2903
Jennifer Morrell	Douglas	Georgia	(912) 383-6675
Andrea DiVecchio	Shorewood	Illinois	(815) 230-2222
Tial Tin Rem, Bawi Tha Peng	Greenfield	Indiana	(317) 462-7118
William Martindale	Sturgis	Michigan	(269) 651-2670
Bong "Ryan" Castro	Las Vegas	Nevada	(702) 869-8869
Jeffrey Rapanot	Las Vegas	Nevada	(702) 876-8858
Aram Ovakimian	Las Vegas	Nevada	(702) 736-3332
Ariel Aufgang	Suffern	New York	(845) 547-2519
Udian Patel	Cary	North Carolina	(919) 362-5678
Ron Titus	Cornelius	North Carolina	(704) 895-4300
Martha Taylor, Tammy Salter	Hurst	Texas	(817) 897-3232
Priyesh (Pete) Patel	Katy	Texas	(281) 972-3300
John Fain, Mildred Fain	Spring	Texas	(281) 379-4080
Ralph Pond	North Salt Lake	Utah	(801) 951-0333

### POSTNET AREA FRANCHISEES

FRANCHISEE	ADDRESS	STATE	CITY	ZIP	PHONE/EMAIL
Kevin Center PostNet GA131	3620 Piedmont Road, Suite B	Atlanta	Georgia	30305	P) 404-748-9065 F) 404-748-9718 kevin.center@postnet.com

#### Area Franchisee – Northern Georgia: Kevin Center, EpiCenter Business Services, LLC

Mr. Center has served as a member of EpiCenter Business Services, LLC and has been our Northern Georgia Area Franchisee since October 2014.

## FORMER POSTNET FRANCHISEES

The name and last known address and phone number of every franchisee who had a center terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2023 to December 31, 2023, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

OWNER(s)	CITY	STATE	PHONE
Steve Nelson	Scottsdale	Arizona	(480) 419-2599
Greg Shepard, Ryan McColloch	Grass Valley	California	(530) 274-7678
Melodie Bushman, Jason Bushman	Lafayette	Colorado	(720) 231-9593
Sean Gotts	Charlotte	North Carolina	(704) 542-7722
Jennifer Wilson, Pete Wilson	Papillion	Nebraska	(402) 671-8897
Scott Yellin	Ewing	New Jersey	(609) 876-2000
Daniel Scully	Las Vegas	Nevada	(702) 791-2333
Dorothy Wood, David Wood	Victoria	Texas	(830) 299-2096

***EXHIBIT D  
TO FRANCHISE  
DISCLOSURE DOCUMENT***

**AUDITED FINANCIAL STATEMENTS OF  
POSTNET INTERNATIONAL FRANCHISE CORPORATION**



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# PostNet International Franchise Corporation

(a wholly owned subsidiary of U.S. Business Holdings, Inc.)

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**Financial Report**  
**December 31, 2023**

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## Independent Auditor's Report

To the Board of Directors  
PostNet International Franchise Corporation

### **Opinion**

We have audited the financial statements of PostNet International Franchise Corporation (the "Company"), a wholly owned subsidiary of U.S. Business Holdings, Inc., which comprise the balance sheet as of December 31, 2023 and 2022 and the related statements of operations, stockholder's equity (deficit), and cash flows for the years ended December 31, 2023, 2022, and 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022 and the results of its operations and its cash flows for the years ended December 31, 2023, 2022, and 2021 in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### **Auditor's Responsibilities for the Audits of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
PostNet International Franchise Corporation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Plante & Moran, PLLC*

April 22, 2024

# PostNet International Franchise Corporation

## Balance Sheet

December 31, 2023 and 2022

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 345,883	\$ 356,884
Restricted cash	85,174	569,810
Accounts receivable - Net of allowance for credit losses	3,665,099	2,104,379
Deferred franchise costs - Current portion	51,980	72,574
Prepaid expenses and other current assets:		
Prepaid expenses	293,648	173,208
Inventory - Center development equipment held for sale to franchisees	1,440	250,293
Other current assets	-	40,280
Total current assets	4,443,224	3,567,428
<b>Property and Equipment - Net</b>	10,971	11,523
<b>Deferred Tax Asset</b>	589,569	376,822
<b>Deferred Franchise Costs - Long-term portion</b>	476,899	523,320
Total assets	<b>\$ 5,520,663</b>	<b>\$ 4,479,093</b>
<b>Liabilities and Stockholder's Equity (Deficit)</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses:		
Trade accounts payable	\$ 67,462	\$ 240,731
Due to affiliates	1,521,313	1,133,968
Accrued liabilities	437,232	669,836
Advertising fund payable	565,017	565,490
Deferred revenue - Current portion	1,614,711	1,602,556
Total current liabilities	4,205,735	4,212,581
<b>Deferred Revenue - Long-term portion</b>	1,280,114	303,051
Total liabilities	5,485,849	4,515,632
<b>Stockholder's Equity (Deficit)</b>		
Common stock - No par value, 2,500 shares authorized and 1,857 issued and outstanding	160,000	160,000
Accumulated deficit	(125,186)	(196,539)
Total stockholder's equity (deficit)	34,814	(36,539)
Total liabilities and stockholder's equity (deficit)	<b>\$ 5,520,663</b>	<b>\$ 4,479,093</b>

## PostNet International Franchise Corporation

### Statement of Operations

Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
<b>Net Sales</b>			
Franchise fee revenue	\$ 559,428	\$ 539,223	\$ 490,368
Royalty revenue	4,010,758	3,806,798	3,651,186
Center development and other fee revenue	1,600,860	1,604,586	1,313,109
Marketing fund revenue	1,370,400	1,351,993	1,302,868
Total net sales	7,541,446	7,302,600	6,757,531
<b>Operating Expenses</b>			
Personnel costs	2,277,930	2,300,217	2,009,747
Costs of center development and other fees	1,532,909	1,343,727	1,245,120
General and administrative expenses	1,152,898	1,144,211	543,914
Management fees	125,413	123,058	117,602
Marketing fund expense	1,370,400	1,351,993	1,302,868
Advertising and marketing	249,156	203,497	148,573
Depreciation and amortization	2,990	3,425	2,290
Total operating expenses	6,711,696	6,470,128	5,370,114
<b>Operating Income</b>	829,750	832,472	1,387,417
<b>Nonoperating Expense - Other expense</b>	(39,448)	(5,094)	(7,827)
<b>Income - Before income taxes</b>	790,302	827,378	1,379,590
<b>Income Tax Expense</b>	318,949	212,307	312,520
<b>Net Income</b>	<u>\$ 471,353</u>	<u>\$ 615,071</u>	<u>\$ 1,067,070</u>

## PostNet International Franchise Corporation

### Statement of Stockholder's Equity (Deficit)

Years Ended December 31, 2023, 2022, and 2021

	Common Stock	Retained Earnings (Accumulated Deficit)	Total
<b>Balance</b> - January 1, 2021	\$ 160,000	\$ 646,320	\$ 806,320
Net income	-	1,067,070	1,067,070
Dividends	-	(1,200,000)	(1,200,000)
<b>Balance</b> - December 31, 2021	160,000	513,390	673,390
Net income	-	615,071	615,071
Dividends	-	(1,325,000)	(1,325,000)
<b>Balance</b> - December 31, 2022	160,000	(196,539)	(36,539)
Net income	-	471,353	471,353
Dividends	-	(400,000)	(400,000)
<b>Balance</b> - December 31, 2023	<u>\$ 160,000</u>	<u>\$ (125,186)</u>	<u>\$ 34,814</u>

## PostNet International Franchise Corporation

### Statement of Cash Flows

Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 471,353	\$ 615,071	\$ 1,067,070
Adjustments to reconcile net income to net cash and restricted cash from operating activities:			
Depreciation and amortization	2,990	3,425	2,290
Bad debt expense	174,992	25,000	42,906
Deferred income taxes	(212,747)	(222,516)	(107,446)
Changes in operating assets and liabilities that (used) provided cash and restricted cash:			
Accounts receivable	(1,735,712)	(891,423)	(514,486)
Prepaid expenses and other current assets	168,693	(376,741)	107,617
Deferred franchise costs	67,015	(90,955)	(138,850)
Accounts payable and accrued expenses	(408,311)	304,554	303,092
Advertising fund payable	(473)	141,715	112,757
Deferred revenue	989,218	938,636	417,745
Net cash and restricted cash (used in) provided by operating activities	(482,982)	446,766	1,292,695
<b>Cash Flows from Investing Activities</b>			
Purchase of property and equipment	-	(10,673)	-
Net advances from affiliates	387,345	556,870	530,648
Net cash and restricted cash provided by investing activities	387,345	546,197	530,648
<b>Cash Flows Used in Financing Activities - Dividends</b>	(400,000)	(1,325,000)	(1,200,000)
<b>Net (Decrease) Increase in Cash and Restricted Cash</b>	(495,637)	(332,037)	623,343
<b>Cash and Restricted Cash - Beginning of year</b>	926,694	1,258,731	635,388
<b>Cash and Restricted Cash - End of year</b>	<b>\$ 431,057</b>	<b>\$ 926,694</b>	<b>\$ 1,258,731</b>
<b>Classification of Cash and Restricted Cash</b>			
Cash	\$ 345,883	\$ 356,884	\$ 641,228
Restricted cash	85,174	569,810	617,503
Total cash and restricted cash	<b>\$ 431,057</b>	<b>\$ 926,694</b>	<b>\$ 1,258,731</b>
<b>Supplemental Cash Flow Information - Cash paid for income taxes</b>	\$ 26,679	\$ 37,508	\$ -



**December 31, 2023, 2022, and 2021**

**Note 1 - Nature of Business**

PostNet International Franchise Corporation (the "Company") was incorporated in Nevada on October 27, 1992. The Company was formed for the purpose of granting PostNet franchises. PostNet businesses provide printing and document services; scanning; graphic design, web, and marketing services; shipping, packaging, and mailing services; domestic and international shipping and related services; and products such as fax and notary services to the general public.

The Company was a wholly owned subsidiary of Global Franchise Ventures, Inc. (GFV). On April 25, 2017, U.S. Business Holdings, Inc. (USBH) acquired all of the outstanding stock of the Company. USBH is a wholly owned subsidiary of the Company's ultimate parent, MBE Worldwide S.P.A. (MBE), an Italian limited liability company.

As of December 31, 2023, 2022, and 2021, there were 201, 200, and 193 domestic centers and 553, 525, and 502 international centers, respectively, in operation. As of December 31, 2023, 2022, and 2021, the Company had 19, 16, and 6 franchises, respectively, sold but not opened.

**Note 2 - Significant Accounting Policies**

***Basis of Presentation***

The financial statements of the Company have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

***Use of Estimates***

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

***Restricted Cash - Advertising Fund***

Restricted cash consists of contributions to the national advertising fund by the Company's franchisees and advances from the Company's general operating account. These funds are to be used for local, regional, or national marketing; advertising; sales promotion and promotional materials; public and consumer relations; website development and search engine optimization; the development of technology for the system; and any other purpose to promote the PostNet brand and repayment of advances from the Company's general operating account.

***Trade Accounts Receivable***

The Company's trade accounts receivable balance consists primarily of royalties, national advertising fund contributions, and franchise fees. Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The Company collectively evaluates trade receivables to determine the allowance for credit losses based on the aging of accounts receivable. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Company considers whether the center has opened when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

**December 31, 2023, 2022, and 2021**

**Note 2 - Significant Accounting Policies (Continued)**

***Inventory - Center Development Equipment Held for Sale to Franchisees***

Inventory consists of center development equipment held for sale at December 31, 2023 and is valued at the lower of cost or net realizable value, with cost determined on the first-in, first-out (FIFO) method. All vehicle equipment is expected to be sold to franchisees during 2024.

***Property and Equipment***

Property and equipment are recorded at cost. Depreciation and amortization are provided utilizing the straight-line method over their estimated useful lives of three to five years. Costs of maintenance and repairs are charged to expense when incurred.

***Revenue Recognition***

The Company recognizes revenue in accordance with Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Company enters into franchise agreements with individual franchisees. The Company also sells area agreements that grant the licensee the sole rights to develop neighborhood business centers and grant individual franchises within a specific geographical area. The Company sold master franchise rights for the territories of Australia, Brazil, Colombia, Costa Rica, Dominican Republic, Panama, South Africa, and Venezuela. These agreements transfer franchise rights within a geographical area permitting the opening of a number of franchised outlets. Decisions regarding the number of outlets and their location are primarily made by the master franchisee with approval of the Company. The franchise agreements provide for the Company to receive an initial franchise fee, a center development fee, royalties, national advertising fees, and other fees. The typical term of the agreements is 15 years.

The Company has obligations to provide franchisees with the franchise rights to operate a PostNet business, preopening services (site selection, lease negotiation, local marketing, construction, and opening event management), and training. The Company also provides a center development package, managed services, and advertising, for which fees are charged. The Company concluded that some preopening services and training are distinct performance obligations, as they are not brand specific. Therefore, the initial franchise fee is allocated to the distinct obligations and the franchise right for each individual franchise. The distinct obligations are recognized over the period of services measured on the output method of time incurred as the obligation is satisfied. The franchise right is recognized over the term of the respective franchise agreement beginning on the date executed. Center development fees, which include graphic design services; interior painting; carpet and base molding; and purchase and installation of furniture, equipment, and supplies, are recognized at a point in time when the products are delivered. Managed services are recognized monthly, as earned. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized over the remaining term of the franchise agreement beginning at the time of transfer. Income for royalties and advertising fees is recognized over the term of the respective franchise agreement as the underlying sales occur.

When a franchise agreement is terminated voluntarily by the franchisee or due to the default of the franchisee, the Company recognizes the remaining initial franchise fee as revenue earned, as no further performance obligations need to be satisfied, and the initial franchise fee is not refundable per the franchise agreement.

During 2023, 2022, and 2021, revenue of \$1,600,860, \$1,604,586, and \$1,313,109, respectively, was recognized at a point in time, while the remaining revenue was recognized over time.

**December 31, 2023, 2022, and 2021**

**Note 2 - Significant Accounting Policies (Continued)**

**Payment Terms**

The Company's franchise agreements require the payment of various fixed and variable fees. Initial franchise, renewal, and transfer fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. Royalties and advertising fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the accompanying balance sheet. Total deferred revenue at January 1, 2022 was \$966,971, and accounts receivable at January 1, 2022 were \$1,237,956.

**Allocating the Transaction Price**

The transaction price is the amount of consideration to which the Company expects be entitled to in exchange for providing franchisees with the franchise rights to operate a store. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that agreements will not be canceled, renewed, or modified.

Franchise agreements have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and advertising fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts earned each month.

The Company allocates consideration to the various distinct obligations based on the observable stand-alone selling price of the services or goods provided based upon either fees charged by the Company for the stand-alone service or based on the observable stand-alone selling price of third-party service providers for similar services or on a cost-plus-margin basis. The remaining consideration is allocated to the franchise right.

**Cost of Obtaining a Franchise Agreement**

The Company frequently incurs broker commission expenses paid to third parties to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue, which is recognized over time. As a result, the commissions are capitalized as deferred franchise costs and are expensed over the term of the respective franchise agreement.

**National Advertising Fund**

Franchisees pay a percentage of monthly sales to a national fund to be used for advertising, marketing, and other promotional purposes. These marketing services are a component of the franchise right for which the Company acts as the principal; thus, marketing revenue is presented gross of the related costs. In addition, the marketing fees collected from franchisees are recognized as revenue as earned based upon the underlying sales, and the marketing fund costs are recognized as incurred in the statement of operations. When revenue of the marketing fund exceeds the related expenses, marketing expenses are accrued up to the amount of revenue.

**Income Taxes**

The Company recognizes deferred tax liabilities and assets based on the difference between the tax basis of assets and liabilities that will result in taxable or deductible amounts in future periods. The significant components that result in deferred taxes are accrued and prepaid expenses, allowance for doubtful accounts, and the recognition of revenue and franchise costs.

**December 31, 2023, 2022, and 2021**

**Note 2 - Significant Accounting Policies (Continued)**

In connection with the acquisition of the Company's stock by USBH, effective April 26, 2017, the Company elected to join in filing a consolidated federal income tax return with its parent. The Company's parent is taxed as a C corporation. Taxes currently due are included in due to/from affiliates on the accompanying balance sheet. Current and deferred tax obligations or benefits are allocated to members of the consolidated group as if each were a separate taxpayer.

The Company classifies interest and penalties associated with tax liabilities as interest expense and operating expenses, respectively, in the accompanying financial statements. The Company is considered a nonresident in the foreign jurisdictions in which it operates and is subject to corporate withholding taxes for payments of royalties and similar payments made by its foreign franchisees. The Company recognizes these withholding taxes in the provision for income taxes in the statement of operations.

**Subsequent Events**

The financial statements and related disclosures include evaluation of events up through and including April 22, 2024, which is the date the financial statements were available to be issued.

**Note 3 - Allowance for Credit Losses**

The activity in the allowance for credit losses is as follows:

	2023	2022
Balance at beginning of period	\$ 125,668	\$ 78,182
Provision within operating expense	174,992	25,000
Recoveries of amounts previously written off	23,088	22,486
	\$ 323,748	\$ 125,668

**Note 4 - Property and Equipment**

Property and equipment are summarized as follows:

	2023	2022
Software and development	\$ -	\$ 24,126
Office and computer equipment	16,777	22,256
Total cost	16,777	46,382
Accumulated depreciation	5,806	34,859
Net property and equipment	\$ 10,971	\$ 11,523

**Note 5 - Related Party Transactions**

The following is a description of transactions between the Company and related parties:

**Due to Affiliates**

As of December 31, 2023 and 2022, the Company had net amounts due to its affiliates totaling \$1,521,313 and \$1,133,968, respectively, which included income taxes payable totaling \$1,541,878 and \$1,036,861, respectively. In the normal course of business, the Company and its affiliates share resources to fund payments of general and administrative costs, which can result in a due from or due to affiliate balance on the balance sheet.

**December 31, 2023, 2022, and 2021**

**Note 5 - Related Party Transactions (Continued)**

***Services Agreement***

In October 2017, the Company entered into a services agreement (the “Services Agreement”) with USBH where USBH would provide the Company with certain financial, managerial, and operational services and allocate certain costs to the Company. The Services Agreement was amended in June 2018 to provide for allocating shared facility costs. Total facility fees incurred by the Company for the years ended December 31, 2023, 2022, and 2021 were \$125,413, \$123,058, and \$117,602, respectively.

**Note 6 - Income Taxes**

The components of the income tax provision included in the statement of operations are all attributable to continuing operations and are detailed as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current income tax expense	\$ 531,696	\$ 434,823	\$ 419,966
Deferred income tax recovery	<u>(212,747)</u>	<u>(222,516)</u>	<u>(107,446)</u>
Total income tax expense	<u>\$ 318,949</u>	<u>\$ 212,307</u>	<u>\$ 312,520</u>

The income tax provision mostly differs from the expense that would result from applying statutory rates to income before income taxes as a result of state taxes and permanent differences related to revenue recognition.

The details of the net deferred tax asset are as follows:

	<u>2023</u>	<u>2022</u>
Total deferred tax assets	\$ 656,912	\$ 545,469
Total deferred tax liabilities	<u>(67,343)</u>	<u>(168,647)</u>
Total	<u>\$ 589,569</u>	<u>\$ 376,822</u>

**Note 7 - Retirement Plans**

The Company sponsors a 401(k) plan for substantially all employees. The plan provides for the Company to make a required matching contribution. Contributions to the plan totaled \$68,362, \$63,263, and \$46,893 for the years ended December 31, 2023, 2022, and 2021, respectively.

## **UNAUDITED FINANCIAL STATEMENTS**

**THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.**

**PostNet Inc.**  
**Balance Sheet**  
**As of March 31,2024**

**ASSETS**

**Current Assets**

Cash	447,797
Restricted cash	320,000
Accounts Receivable - Net:	-
Trade	3,397,435
Due from affiliates	-
Deferred francise costs - Current portion	84,555
Prepaid expenses	42,859

Total current assets 4,292,647

**Property and Equipment** 10,694

**Deferred Tax Asset** 587,230

**Deferred francise costs - Long-term portion** 490,654

Total Assetts \$ 5,381,225

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**Current Liabilities**

Accounts payable and accrued expenses:	177,524
Trade accounts payable	-
Due to affiliates	1,317,173
Accrued liabilities	122,370
Advertising fund payable	320,000
Deferred revenue - Current portion	1,424,155
Total current liabilities	<u>3,361,223</u>

**Deferred Revenue - Long-term portion** 1,945,130

Total liabilities 5,306,352

**Stockholder's Equity**

Common stock	160,000
Retained earnings	(85,127)
Total stockholder's equity	74,873

Total liabilities and stockholder's equity \$ 5,381,225

**PostNet Inc.**

**Income Statement**  
**YTD as of March 31, 2024**

**Net Sales**

Franchise fee revenue	52,181
Royalty revenue	996,334
Center development and other fee revenue	152,196
Marketing fund revenue	320,180
Total net sales	<u>1,520,891</u>

**Operating Expenses**

Personnel costs	616,492
Costs of center development and other fees	152,298
General and administrative expenses	292,778
Management fees	-
Marketing fund expense	320,180
Advertising and marketing	35,411
Depreciation and amortization	
Total operating expenses	<u>1,417,159</u>

**Operating Income** 103,732

**Nonoperating (Expense) Income**

Loss on disposal of nonoperating asset	
Depreciation and amortization	(830)
Other (expense) income	-
Total nonoperating (expense) income	<u>(830)</u>

**Income - Before income taxes** 102,902

**Income Tax Expense** -

**Net Income** 102,902

**Other Comprehensive (Loss) Income - Net of tax -** -

**Comprehensive Income** \$ 102,902



***EXHIBIT E  
TO FRANCHISE  
DISCLOSURE DOCUMENT***

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***EXHIBIT F  
TO FRANCHISE  
DISCLOSURE DOCUMENT***

**LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**



## LIST OF STATE AGENCIES

### California

Department of Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7505  
(866) 275-2677

2101 Arena Boulevard  
Sacramento, CA 95834  
(916) 445-7205  
(866) 275-2677

1350 Front Street  
San Diego, CA 92101  
(619) 525-4044  
(866) 275-2677

One Sansome Street, Suite 600  
San Francisco, CA 94104  
(415) 972-8559  
(866) 275-2677

### Florida

Department of Agriculture and Consumer Services  
Division of Consumer Services  
Terry Lee Rhodes Building  
2005 Apalachee Parkway  
Tallahassee, FL 32399-6500  
(850) 488-2221

### Hawaii

Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

### Illinois

Office of Attorney General  
Franchise Division  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

### Indiana

Indiana Secretary of State  
Securities Division  
302 West Washington Street  
Room E-111  
Indianapolis, IN 46204  
(317) 232-6681

### Maryland

Office of Attorney General  
Maryland Division of Securities  
200 St. Paul Place  
Baltimore, MD 21202-2020  
(410) 576-6360

### Michigan

State of Michigan  
Consumer Protection Division  
Attention: Franchise  
P.O. Box 30213  
Lansing, MI 48909  
(517) 373-7117

### Minnesota

Minnesota Department of Commerce  
Securities Unit  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1600

### Nebraska

Department of Banking and Finance  
1200 N Street, Suite 311  
P.O. Box 95006  
Lincoln, NE 68509  
(402) 471-3445

### New York

New York State Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21st Floor  
New York, NY 10005  
(212) 416-8222

### North Dakota

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol, 14<sup>th</sup> Floor, Dept. 414  
Bismarck, ND 58505-0510  
(701) 328-4712

### Oregon

Department of Insurance and Finance  
Corporate Securities Section  
Labor and Industries Building  
Salem, OR 97310  
(503) 378-4387

### Rhode Island

Department of Business Regulation  
Division of Securities  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-1  
Cranston, RI 02920  
(401) 462-9527

### South Dakota

South Dakota Department of  
Labor and Regulations  
Division of Insurance, Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

### Texas

Secretary of State  
Statutory Document Section  
P.O. Box 13563  
Austin, TX 78711  
(512) 475-1769

### Virginia

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 E. Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219  
(804) 371-9051

### Washington

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

### Wisconsin

Department of Financial Institutions  
Division of Securities  
345 W. Washington Avenue, 4<sup>th</sup> Floor  
Madison, WI 53703  
(608) 261-9555

## LIST OF AGENTS FOR SERVICE OF PROCESS

### California

Commissioner of Financial Protection and Innovation  
California Department of Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7505  
(866) 275-2677

### Michigan

Michigan Department of Commerce  
Corporations and Securities Bureau  
6546 Mercantile Way  
Lansing, MI 48910  
(517) 334-6212

### Rhode Island

Director of Rhode Island  
Department of Business Regulation  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-1  
Cranston, RI 02920  
(401) 462-9527

### Hawaii

Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

### Minnesota

Minnesota Commissioner of Commerce  
Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1600

### South Dakota

Director of South Dakota Division of  
Insurance, Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

### Illinois

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706  
(217) 782-1090

### New York

New York Department of State  
One Commerce Plaza  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, NY 12231-0001  
(518) 473-2492

### Virginia

Clerk of the State Corporation  
Commission  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219  
(804) 371-9733

### Indiana

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, IN 46204  
(317) 232-6531

### North Dakota

North Dakota Securities Commissioner  
600 E. Boulevard Avenue  
State Capitol, 14<sup>th</sup> Floor, Dept. 414  
Bismarck, ND 58505-0510  
(701) 328-2910

### Washington

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

### Maryland

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202-2020  
(410) 576-6360

### Oregon

Director of Oregon Department of  
Insurance and Finance  
700 Summer Street, N.E.  
Suite 120  
Salem, OR 97310  
(503) 378-4387

### Wisconsin

Wisconsin Commissioner of Securities  
345 W. Washington Ave., 4<sup>th</sup> Floor  
Box 1768  
Madison, WI 53703  
(608) 261-9555

***EXHIBIT G  
TO FRANCHISE  
DISCLOSURE DOCUMENT***

**STATE SPECIFIC ADDENDA AND AGREEMENT RIDERS**

## **CALIFORNIA**

California Corporations Code Section 31125 requires us to give to you a Franchise Disclosure Document approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement and/or Area Development Agreement.

The Franchise Agreement and Area Development Agreement contain, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in the Greater Denver, Colorado area (or the city of Franchisor's then-current principal place of business if Franchisor relocates). Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement, Area Development Agreement, or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement and Area Development Agreement contain a mediation provision. The parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement, Area Development Agreement, and Supplemental Agreements require the application of the laws of Colorado. These provisions may not be enforceable under California law.

Neither Franchisor nor any other person listed 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.

The Franchise Agreement, Area Development Agreement, and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement and Area Development Agreement contain, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement, Area Development Agreement, or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise Agreement or if you transfer your Area Development Agreement. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

Item 6 of the Franchise Disclosure Document is amended to state the highest interest rate allowed by law in California is 10% annually.

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS

CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

California Business and Professions Code sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise.

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

### **Addendum to the Franchise Agreement**

The following is hereby added to the Franchise Agreement:

Franchisee shall, upon a transfer of interest according to Section 12.2, contract with the buyer to refrain from carrying on a similar business within a ten (10) mile radius of the PostNet Center for so long as the buyer, or any person deriving title to the goodwill or ownership interest from the buyer, carries on a like business therein.

**{See the last page of this Exhibit G for your Signature.}**

## HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

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

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed on the third to last page of the Franchise Disclosure Document on the page entitled, "State Effective Dates".
2. States which have refused, by order or otherwise, to register these Franchises are:  
None
3. States which have revoked or suspended the right to offer the Franchises are:  
None
4. States in which the proposed registration of these Franchises has been withdrawn are:  
None

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

### **Franchise Agreement**

Section 2.2.6 of the Franchise Agreement under the heading “Term and Renewal,” shall be deleted in its entirety, and shall have no force or effect, and the following Section 2.2.6 shall be substituted in lieu thereof:

2.2.6 Franchisee and PostNet shall execute a mutual general release, in a form prescribed by PostNet, of any and all claims which each may have against the other and their affiliates (except as to amounts then due to PostNet for royalties, advertising contributions, materials, and the like), and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, excluding only such claims as each may have that arise under the Hawaii Franchise Investment Law, and;

Section 12.2.1.2 of the Franchise Agreement, under the heading “Transfer of Interest,” shall be deleted in its entirety, and shall have no force or effect, and the following Section 12.2.1.2 shall be substituted in lieu thereof:

12.2.1.2 PostNet and the transferor shall have executed a mutual general release, in a form prescribed by PostNet, of any and all claims which each may have against the other and their affiliates, and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, excluding only such claims as each may have that arise under the Hawaii Franchise Investment Law;

Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law (Hawaii Rev. Stat. §§ 482E-, et seq.) are met independently without reference to this Amendment.

## **ILLINOIS**

### **Addendum to the Franchise Disclosure Document**

The following language is added to Item 5:

The initial franchise fee and all other initial payments owed by franchisee to the Franchisor under the Franchise Agreement will be deferred until the Franchisor has satisfied its pre-opening obligations to the franchisee and the franchisee has commenced business operations of the outlet. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

The following information is added to Item 17 of this Disclosure Document:

Illinois law shall apply to and govern the Franchise Agreement and Area Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement or development agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement or development agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

### **Addendum to the Franchise Agreement and Area Development Agreement**

In recognition of the Illinois Franchise Disclosure Act and the Rules and Regulations promulgated thereunder, the Franchise Agreement and Area Development Agreement shall be modified as follows:

Illinois law shall apply to and govern the Franchise Agreement and Area Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement or development agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement or development agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Section 3 of the Franchise Agreement is amended to provide that all fees shall be deferred until the Franchisor has satisfied its pre-opening obligations to the franchisee and the franchisee has commenced business operations of the outlet.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any



statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**{See the last page of this Exhibit G for your Signature.}**

## INDIANA

Item 13 of the Franchise Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the Franchise Disclosure Document is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

No competing business for two (2) years within the Protected Territory.

The “Summary” column in Item 17.t. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement or Area Development Agreement in Indiana; other litigation in Colorado. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and Area Development Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, Area Development Agreement, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Colorado law applies.

Despite anything to the contrary in the Franchise Agreement and Area Development Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, or Colorado law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the agreement, will supersede the provisions of the Franchise Agreement or Area Development Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement or Area Development Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement and Area Development Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1(9).
5. The following provision will be added to the Franchise Agreement and Area Development Agreement:  
  
No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **MARYLAND**

The Franchise Disclosure Document, Franchise Agreement, and Area Development Agreement are amended as follows:

### **Franchise Disclosure Document**

The following language is added to Item 5:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17 of the Franchise Disclosure Document provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

Item 17 of the Franchise Disclosure Document is amended to state "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."

Item 17 of the Franchise Disclosure Document is amended to state "Any claim arising under the Maryland Franchise and Disclosure Law must be brought within 3 years after the grant of the franchise."

Item 17v of the Franchise Disclosure Document is amended to state "A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

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

### **Franchise Agreement**

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, Section 3 of the Franchise Agreement is amended to provide that all initial fees and payments owed by franchisee shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement.

Section 23 (Acknowledgments) of the Franchise Agreement is deleted.

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

Any claim arising under the Maryland Franchise and Disclosure Law must be brought within three (3) years after the grant of the franchise.

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.

Any provision contained in the Franchise Agreement that requires the Franchisee to assent to a release, estoppel or waiver of liability is not intended to nor shall it act as a release estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

### **Area Development Agreement**

Section 13 (Acknowledgments) of the Area Development Agreement is deleted.

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

Any claim arising under the Maryland Franchise and Disclosure Law must be brought within three (3) years after the grant of the franchise.

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.

Any provision contained in the Area Development Agreement that requires the Franchisee to assent to a release, estoppel or waiver of liability is not intended to nor shall it act as a release estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

**{See the last page of this Exhibit G for your Signature.}**

## MINNESOTA

Despite anything to the contrary in the Franchise Agreement and Area Development Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement or Area Development Agreement that would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement or Area Development Agreement that would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement or Area Development Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. The State of Minnesota considers it unfair to not protect the franchisee's right to use the trademark. Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, Item 13 of the Franchise Disclosure Document is amended to state that the Franchisor will protect the franchisee's right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify franchisees from any loss, costs, or expenses arising out of any claim, suit or demand regarding the use of the franchisor's primary trade name.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release of liability imposed by Minn. Stat. Chapter 80C; provided, this shall not bar the voluntary settlement of disputes. The Disclosure Document, Franchise Agreement, and Area Development Agreement are modified accordingly to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement and Area Development Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement or Area Development Agreement conflicts with Minnesota law, Minnesota law will prevail.

### **Franchise Disclosure Document**

Item 5 and Item 7 of the Disclosure Document and Section 3 of the Franchise Agreement are amended to state that the initial franchise fee and all other initial payments owed by franchisee to the Franchisor under the Franchise Agreement will be deferred until the Franchisor has completed its pre-opening obligations and franchisee has commenced business operations.

Item 6 of the Franchise Disclosure Document and Section 3.10 of the Franchise Agreement are hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.

Item 17, “Renewal, Termination, Transfer, and Dispute Resolution,” shall be amended by the addition of the following language:

Minnesota law provides franchisees with certain termination, non-renewal, and transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 3, 4, and 5) currently require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

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

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

### **Franchise Agreement**

Section 2.2.6. of the Agreement, under the heading “Term and Renewal,” shall be deleted in its entirety and shall have no force or effect, and the following shall be inserted in lieu thereof:

2.2.6. At PostNet’s option, Franchisee and PostNet shall execute a mutual general release, in a form prescribed by PostNet, of any and all claims which each may have against the other and their affiliates (except as to amounts then due to PostNet for royalties, advertising contributions, materials, and the like), and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, excluding only such claims as each may have that have arisen under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

Section 8.4. of the Agreement, under the heading “Confidential Manuals and Information,” shall be deleted in its entirety and shall have no force or effect, and the following shall be inserted in lieu thereof:

8.4. Franchisee acknowledges that any failure to comply with the requirements of this Section 8 will cause PostNet irreparable injury for which no adequate remedy at law may be available, and Franchisee agrees that PostNet may seek, and Franchisee agrees to pay, all court costs and reasonable attorney fees incurred by PostNet in obtaining an ex parte order for injunctive or other legal or equitable relief with respect to the requirements of this Section 8.

Section 12.2.1.2. of the Agreement, under the heading “Transfer of Interest,” shall be deleted in its entirety and shall have no force or effect, and the following shall be inserted in lieu thereof:

12.2.1.2. PostNet and the transferor shall have executed a mutual general release, in a form prescribed by PostNet, of any and all claims which each may have against the other and their affiliates, and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, excluding only such claims as each may have under the Minnesota Franchise Act and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

Section 22.8 of the Agreement, under the heading, “Dispute Resolution,” shall be deleted in its entirety, and shall have no force or effect, and the following shall be inserted in lieu thereof:

22.8 Any claim or controversy arising out of or related to this Agreement, or the making, performance, breach, interpretation, or termination thereof, brought by any party hereto against the other, shall be commenced within one year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred. PostNet and Franchisee hereby waive to the fullest extent permitted by law any right or claim of any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

Section 22 of the Agreement, under the heading “Dispute Resolution,” shall be supplemented by the following subsections 22.11 and 22.12:

22.11 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, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

22.12 Minnesota law provides franchisees with certain termination, non-renewal, and transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 3, 4, and 5) currently require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

Section 3 of the Franchise Agreement is amended to state that the initial franchise fee and all other initial payments owed by franchisee to the Franchisor under the Franchise Agreement will be deferred until the Franchisor has completed its pre-opening obligations and franchisee has commenced business operations.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any



applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rule §§ 2860.0100 through 2860.9930, are met independently without reference to this Amendment.

## NEW YORK

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

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

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

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

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.
5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

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

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## **NORTH DAKOTA**

Item 5 of the Disclosure Document and Section 3 of the Franchise Agreement are amended to state that the initial franchise fee and all other initial payments owed by franchisee to the Franchisor under the Franchise Agreement will be deferred until the Franchisor has completed its pre-opening obligations and franchisee has commenced business operations.

Sections of the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and Supplemental Agreements requiring that you sign a general release, estoppel, or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Items 17(q) and 17(r) of the Franchise Disclosure Document, Section 15 of the Franchise Agreement, and Section 8 of the Area Development Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The Franchise Disclosure Document, Franchise Agreement, and Area Development Agreement are amended accordingly to the extent required by law.

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

## **RHODE ISLAND**

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.” The Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and Supplemental Agreements are amended accordingly and to the extent required by law.

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

**{See the last page of this Exhibit G for your Signature.}**

## VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for PostNet International Franchise Corporation for use in the Commonwealth of Virginia is amended as follows:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement, Area Development Agreement, or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the franchise, that provision may not be enforceable.

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

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,  
FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT, AND RELATED  
AGREEMENTS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement and Area Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and Area Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

Item 5 and Item 7 of the Disclosure Document and Section 3 of the Franchise Agreement are amended to state that Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement, and (b) is open for business.

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

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any

applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**Use of Franchise Brokers.** The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

**{See the last page of this Exhibit G for your Signature.}**



## WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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

**{Signatures on following page}**

**APPLICABLE ADDENDA**

If any one of the preceding State Specific Addenda (“Addenda”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Area Development Agreement, and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Disclosure Document or, as applicable, Franchise Agreement, Area Development Agreement, or other specified agreement(s).

- |                                     |                                       |                                     |
|-------------------------------------|---------------------------------------|-------------------------------------|
| <input type="checkbox"/> California | <input type="checkbox"/> Minnesota    | <input type="checkbox"/> Virginia   |
| <input type="checkbox"/> Hawaii     | <input type="checkbox"/> New York     | <input type="checkbox"/> Washington |
| <input type="checkbox"/> Illinois   | <input type="checkbox"/> North Dakota | <input type="checkbox"/> Wisconsin  |
| <input type="checkbox"/> Indiana    | <input type="checkbox"/> Rhode Island |                                     |
| <input type="checkbox"/> Maryland   | <input type="checkbox"/> South Dakota |                                     |

**FRANCHISOR:**

POSTNET INTERNATIONAL FRANCHISE CORPORATION

Dated: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

***EXHIBIT H  
TO FRANCHISE  
DISCLOSURE DOCUMENT***

**CONTRACTS FOR USE WITH THE POSTNET FRANCHISE**

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the PostNet Business. The following are the forms of contracts that PostNet International Franchise Corporation uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.

## EXHIBIT H-1

### POSTNET FRANCHISE

#### CONFIDENTIALITY AGREEMENT

[\_\_\_\_\_] (“Franchisee”), on behalf of itself and PostNet International Franchise Corporation (“Franchisor”), and [\_\_\_\_\_] (“you”), hereby enter into this Confidentiality Agreement (“Agreement”), effective as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (“Effective Date”). Franchisee and you are sometimes referred to individually as a “Party” and collectively as the “Parties.”

**FOR AND IN CONSIDERATION** of the promises set forth in this Agreement, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“**Copyrights**” means all works and materials for which Franchisor or its affiliate(s) have secured common law or registered copyright protection and that Franchisor allows PostNet franchisees to use, sell, or display in connection with the marketing and/or operation of a PostNet Business, whether now in existence or created in the future.

“**Intellectual Property**” means, collectively or individually, Franchisor’s Marks, Copyrights, Know-how, Manual, and System.

“**Know-how**” means all of Franchisor’s trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a PostNet Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“**Manual**” means Franchisor’s confidential operations manual for the operation of a PostNet Business.

“**Marks**” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a PostNet Business, including “POSTNET” and any other trademarks, service marks, or trade names that Franchisor designates for use by a PostNet Business. The term “Marks” also includes any distinctive trade dress used to identify a PostNet Business, whether now in existence or hereafter created.

“**PostNet Business**” means a business that provides a broad array of printing and document services, graphic design, shipping, packaging and mailing services, and other related products and services using Franchisor’s Intellectual Property.

“**System**” means Franchisor’s system for the establishment, development, operation, and management of a PostNet Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

**2. Background.** You are an employee, manager, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of Franchisor’s Intellectual Property. You understand that protecting the Intellectual Property is vital to

Franchisor's success and that of the PostNet System and PostNet franchisees, and that you could seriously jeopardize the entire PostNet Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

**3. Know-How and Intellectual Property: Nondisclosure and Ownership.** You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the PostNet Business operated by Franchisee or in any way detrimental to Franchisor or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as Franchisor may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, manager, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Franchisor. You hereby assign and agree to assign to Franchisor any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon Franchisor's or Franchisee's request, you will deliver to Franchisor or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

You will notify Franchisee and Franchisor immediately upon discovery of any unauthorized use or disclosure of the Intellectual Property, or any other breach of this Agreement, and will cooperate with Franchisee and/or Franchisor in every reasonable way to help Franchisee and/or Franchisor regain possession of the Intellectual Property and prevent its further unauthorized use or disclosure. The covenants of confidentiality set forth in this Agreement will apply after the Effective Date to all Intellectual Property disclosed to you before and after the Effective Date.

**4. Immediate Family Members.** You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for Franchisor or Franchisee to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

**5. Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**6. Breach.** You agree that failure to comply with this Agreement will cause substantial and irreparable damage to Franchisor, Franchisee, Franchisor's affiliates, and/or other PostNet franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle Franchisor and/or Franchisee to injunctive relief. You agree that Franchisee and/or Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such

injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to Franchisor or Franchisee under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against Franchisor or against Franchisee, regardless of cause or origin, cannot be used as a defense against enforcement of this Agreement by Franchisor or Franchisee.

## **7. Miscellaneous.**

7.1 Franchisee and you each acknowledge and agree that neither Franchisee nor you are an employee or joint employee of Franchisor.

7.2 If Franchisee or Franchisor pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay the reasonable attorney fees and costs that Franchisee or Franchisor incurred in doing so.

7.3 This Agreement and performance hereunder will be governed, construed, and enforced under Colorado law, without giving effect to any conflicts of law. The Parties agree that any action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief will be filed exclusively in the United States District Court for the District of Colorado or the District Court for Jefferson County, Colorado; provided, at its sole option, Franchisee or Franchisor may bring an action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief in the state or federal court encompassing your residence. The Parties agree that personal jurisdiction and venue will be proper in such court(s). If any Party initiates an action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief, the prevailing party in such action will be entitled to recover, in addition to any relief to which it is deemed entitled, its costs and expenses, including reasonable attorneys' fees, incurred in connection with such action. The Parties hereby knowingly and voluntarily waive any and all rights to trial by jury.

7.4 This Agreement is and will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, representatives, successors, and assigns.

7.5 The Parties intend for the provisions of this Agreement to be enforced to the fullest extent permitted by applicable law. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

7.6 Franchisee's failure to enforce any provision, right, or remedy under this Agreement will not constitute a waiver of such provision, right, or remedy.

7.7 Franchisor is an intended third-party beneficiary of this Agreement, entitled to all rights of Franchisee, with the full and independent right to enforce all terms of this Agreement.

**IN WITNESS WHEREOF**, Franchisee and you have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

**FRANCHISEE:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YOU:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

**EXHIBIT H-2**

**AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM**

**Franchisee Information:**

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee E-mail Address

**Bank Account Information:**

Bank Name	
Bank Mailing Address (street, city, state, zip)	
_____ <input type="checkbox"/> Checking	Savings
Bank Account No. (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)	Bank Phone No.

**Authorization:**

Franchisee hereby authorizes PostNet International Franchise Corporation (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Federal Tax ID Number: \_\_\_\_\_

**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT**



## EXHIBIT H-3

### POSTNET FRANCHISE

#### SAMPLE TERMINATION AND RELEASE AGREEMENT

This Acknowledgment of Termination and Release Agreement (“**Agreement**”) is entered into on \_\_\_\_\_ by and between PostNet International Franchise Corporation (“**Franchisor**”) and \_\_\_\_\_ (“**Franchisee**”). The Franchisee and the Franchisor will be referred to herein as the “**Parties**.”

#### RECITALS

**WHEREAS**, Franchisor and Franchisee entered into that certain franchise agreement (“**Franchise Agreement**”) dated \_\_\_\_\_, in which Franchisor granted Franchisee the right to operate a PostNet Franchise in the territory (“**Territory**”) described in Attachment A to the Franchise Agreement; and

**WHEREAS**, on \_\_\_\_\_ (“**Termination Date**”) Franchisee’s rights under the terms of the Franchise Agreement were terminated (“**Termination**”) as a result of \_\_\_\_\_ an approved transfer [or other reason, as applicable]; and

**WHEREAS**, the Parties desire to enter into this Agreement for the purpose of acknowledging the Termination; acknowledging Franchisor’s retention of all rights and remedies under the Franchise Agreement including, but not limited to, Franchisor’s right to retain all franchise fees and any other sums paid to Franchisor or its affiliates by Franchisee or its affiliates, and any audit rights; and fully and finally resolving all legal and equitable claims, known or unknown, of Franchisee existing against Franchisor that were or could have been asserted by Franchisee in any action.

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto hereby covenant, promise and agree as follows:

#### AGREEMENT

**1. Acknowledgment of Termination.** Franchisee acknowledges and agrees that all of its rights under the Franchise Agreement and any and all attachments (the “**Franchise Documents**”) were fully and finally terminated on the Termination Date. Franchisee agrees to abide by all provisions which expressly survive the Termination of the Franchise Documents, as more fully set forth in the Franchise Documents.

**2. Release by Franchisee.** As of the date of this Agreement, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and Affiliates (as hereinafter defined) (collectively, the “**Franchisee Releasing Parties**”), the Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the “**Franchisor Released Parties**”), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with the PostNet Franchise or the Franchise Documents or any other contractual relation between Franchisee and

Franchisor and/or any Affiliate of the Franchisor, which the Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of the Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. The Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of the Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. The Franchisor Released Parties are not releasing any claim which they may have against the Franchisee Releasing Parties or any rights or remedies the Franchisor Released Parties may have under the Franchise Documents (including but not limited to the right to retain all franchise fees and any other sums paid to the Franchisor or its Affiliates by the Franchisee or its Affiliates and any audit rights), under law or equity, or under any other contractual relationship between the Franchisee and the Franchisor and/or any Affiliate of the Franchisor.

**3. Affiliates.** When used in this Agreement, the term “**Affiliates**” has the meaning as given in Rule 144 under the Securities Act of 1933.

**4. Full Release.** Except as is set forth in this Agreement, the Parties intend that this Agreement shall be effective as a full and final accord and satisfaction and release as to the Franchisor Released Parties and shall extend to all matters, claims, demands, actions or causes of action of any kind or nature whatsoever which the Franchisee Releasing Parties may have against the Franchisor Released Parties. The Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of this Agreement but that, notwithstanding the foregoing, it is their intention hereby to fully, finally, completely and forever settle and release the Franchisor Released Parties and that the release given herein shall be and remain irrevocably in effect as a full and complete general release notwithstanding the existence of any such additional or different facts.

**5. No Coercion.** The Parties acknowledge that they are freely and voluntarily entering into this Agreement, un-coerced by any person, and that they have been advised and afforded the opportunity to seek the advice of legal counsel of their choice with regard to this Agreement.

**6. Non-disparagement.** Franchisee expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Franchisor Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor Released Parties, their business or their reputation.

**7. Notices.** Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

**8. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

**9. Amendments.** This Agreement may not be changed or modified except in a writing signed by all of the Parties hereto.

**10. Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado.

**11. Jurisdiction.** The Parties agree that any disputes relating to the enforcement of this Agreement will be governed by the dispute resolution provisions set out in the Franchise Agreement.

**12. Fees and Costs.** In any action to enforce, interpret or seek damages for violation of this Agreement, Franchisor shall recover all attorney's fees and litigation expenses.

**13. Severability.** If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

**14. Authorization.** Each Party warrants that each individual executing this Agreement on behalf of their respective Parties is fully authorized to do so by each of the respective Parties and each individual executing this Agreement warrants that they are acting within the scope of their employment and authority in executing this Agreement.

**15. Counterparts and Telecopies.** This Agreement may be executed in counterparts or by copies transmitted by telecopier or email, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

**16. Entirety.** This Agreement contains the entire agreement between the Parties related to the subject matter hereof, and in entering into this Agreement, each Party represents that he, she, or it is doing so voluntarily and of his, her or its own free will, and have executed this Agreement below acknowledging that each Party has completely read and fully understands the terms of this Agreement.

*(Signatures on following page)*

**IN WITNESS WHEREOF**, Franchisor and Franchisee have executed this Agreement as of the day and year first above written.

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISE OWNER:**

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

OR:  
(if a corporation, partnership or limited liability company)

[Company Name]  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT H-4

### POSTNET FRANCHISE

#### ADDENDUM TO FRANCHISE AGREEMENT FOR CONVERSION AND ACQUIRE AND CONVERT FRANCHISEES

THIS ADDENDUM (“Addendum”) is entered into on \_\_\_\_\_ by and between PostNet International Franchise Corporation (“we,” “us,” “our,” or “Franchisor”), and \_\_\_\_\_ (“you,” “your,” or “Franchisee”).

#### RECITALS:

Franchisor and you are simultaneously entering into a PostNet Franchise Agreement (“Franchise Agreement”) dated \_\_\_\_\_ (“Effective Date”) to develop and operate a PostNet Center using one of the following conversion programs: (CHECK ONE)

- Conversion. You currently operate a business at the Approved Location. That business has been operating for at least six months, and provides the same or similar products and services as PostNet Centers (“Current Business”). You will convert the Current Business to a PostNet Center, subject to the terms of terms of the Franchise Agreement and this Addendum (“Conversion Franchise”).
  
- Acquire and Convert. You wish to acquire an existing business and convert it to a PostNet Center. That business has been operating for at least six months, and provides the same or similar products and services as PostNet Centers (“Current Business”). You will acquire and convert the Current Business to a PostNet Center, subject to the terms of the Franchise Agreement and this Addendum (“Acquire and Convert Franchise”).

Franchisor and you wish to amend certain provisions of the Franchise Agreement related to the Conversion or Acquire and Convert opportunity (as applicable) and mutually agree as follows:

#### AGREEMENT:

1. All capitalized terms not otherwise defined in this Addendum will have the same meaning as in the Franchise Agreement.
2. For Acquire and Convert Franchises, You must locate and close on the purchase of a Current Business no later than 6 months following the Effective Date (the “Closing Date.”)
3. Construction of Leasehold Improvements
  - 3.1 You will modify your Current Business in the manner set forth in Attachment A, to conform to our prototype plans and specifications. For Acquire and Convert Franchises, if a particular site has not been selected and approved at the time this Franchise Agreement is signed, Attachment A will be left blank. In that case, within a commercially reasonable time following the Closing Date, we will unilaterally modify Attachment A and the required modifications to leasehold premises listed on the revised Attachment A will replace the blank Attachment A as if originally set forth therein.

3.2 Franchisor and Franchisee agree that time is of the essence in connection with the construction of leasehold modifications. You will complete such modifications no later than 60 days from the Effective Date, in the case of a Conversion Franchise, and no later than 60 days from the Closing Date in the case of an Acquire and Convert Franchise. In the event that you fail to complete modifications by such date, we will have the right to terminate the Franchise Agreement in accordance with Section 13.3 of the Franchise Agreement.

3.3 Upon completion of the modifications set forth in Attachment A, you will submit a written request to us to conduct a final inspection of your Current Center and, upon our receipt of such request, we will promptly conduct a final inspection. You will not open your PostNet Center for business without our written authorization.

3.4 You may, at your discretion, operate the Current Business during construction of leasehold modifications. However, you will not identify yourself as a PostNet Center until receipt of our written authorization to conduct business, as set forth in Section 3.3 of this Addendum.

3.5 You will provide us with a copy of your existing lease for your Current Business within 10 days of the Effective Date (in the case of a Conversion Franchise) and within 10 days of the Closing Date (In the case of an Acquire and Convert Franchise). You will make commercially reasonable efforts to amend your lease to include the provisions of Section 5.9 of the Franchise Agreement. You will provide the amendment to us within 30 days following the Effective Date (in the case of a Conversion Franchise) or within 30 days following the Closing Date (in the case of an Acquire and Convert Franchise).

#### 4. Modification of Royalty

4.1 You will pay royalties, as set forth in Section 3.2 of the Franchise Agreement, at a reduced rate for the initial two (2) years of the Franchise Agreement at the following rates: three percent (3%) of Gross Sales during the first year of the Franchise Agreement; four percent (4%) of Gross Sales during the second year of the Franchise Agreement; and five percent (5%) of Gross Sales during the remainder of the term of the Franchise Agreement.

Your obligation to pay royalties and make expenditures and contributions for advertising and promotion, as set forth in Sections 3.2, 3.3, 3.11, and 9.4 of the Franchise Agreement, will commence upon the Effective Date in the case of a Conversion Franchise, and the Closing Date in the case of an Acquire and Convert Franchise.

#### 5. Additions or Amendments to the Agreement

5.1 The following additions to or replacements of Sections 3.1, 3.4, 3.11, or 4.11 are inserted into the Franchise Agreement and made a part thereof as follows:

3.1 Section 3.1 of the Franchise Agreement is deleted in full and replaced with the following: “You will pay us an initial franchise fee of \_\_\_\_\_, upon signing of this Agreement (or, if an Incentive Addendum has been executed pursuant to the payment schedule set forth in Section 2.a therein). This payment is fully earned and non-refundable when paid, in consideration of the administrative and other expenses incurred by us in entering into this Agreement, and for our lost or deferred opportunity to enter into this Agreement with others.”

3.4 The following is added to the end of Section 3.4: “We credit your Center Development Fee in the amount of \$ \_\_\_\_\_.”

3.11 Section 3.11 of the Franchise Agreement is deleted in full and replaced with the following: “You will pay Seven Thousand Five Hundred Dollars (\$7,500) to us for an Initial Marketing Fee. In the case of a Conversion Franchise, the Initial Marketing Fee is payable upon the Effective Date. In the case of an Acquire and Convert Franchise, the Initial Marketing Fee is payable upon the Closing Date. We will use this money to conduct marketing efforts on your behalf during the initial onset of your operations, and general and administrative expenses in administering such efforts as we deem appropriate. We also agree to furnish you with local marketing advice and guidance regarding your Center marketing and promotional efforts, as we deem appropriate.”

4.6. Section 4.6(i) of the Franchise Agreement is deleted in full and replaced with the following: “(i) step 2 of the training (**‘Initial Owner Training’**) must be completed prior to taking possession of the Center (**‘Initial Owner Training Deadline’**);”. The remainder of Section 4.6 is unmodified.

6. Integration

6.1 This Addendum will be considered an integral part of the Franchise Agreement, and the terms of this Addendum will be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

*(Signatures on following page)*

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Addendum for on the day and year first above written.

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**CONVERSION OWNER:**

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

OR:

(if a corporation, partnership or limited liability company)

[Company Name]

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT H-4 – EXHIBIT 1**  
**REQUIRED MODIFICATIONS TO**  
**LEASEHOLD PREMISES**

Our Initials: \_\_\_\_\_

Your Initials: \_\_\_\_\_

## EXHIBIT H-5

### POSTNET FRANCHISE

#### SAMPLE RENEWAL ADDENDUM

#### RECITALS

A. PostNet and Franchisee were parties to a franchise agreement dated \_\_\_\_\_, (“Old Agreement”) in which Franchisee operated a PostNet center (“Center”).

B. Franchisee wishes to renew its franchise relationship with PostNet, and has executed a franchise agreement (“Franchise Agreement”), to which this Renewal Addendum is attached, for that purpose.

C. Franchisee and PostNet wish to amend the Franchise Agreement to reflect Franchisee’s status as an existing Franchisee renewing an ongoing relationship.

D. Franchisee’s right to renew the franchise for the Center is subject to several conditions (“Conditions”), including, but not limited to: (i) your execution of our current standard form of franchise agreement; (ii) you performing any required remodel of the Center; and (iii) your execution of a general release, in a form prescribed by us, of any claims against us, and our affiliates, and our respective officers, directors, agents, employees and shareholders.

E. All capitalized terms not otherwise defined in this Renewal Addendum shall have the same meaning as in the Franchise Agreement.

#### **The parties agree as follows:**

1. This Renewal Addendum is effective as of the date of the Franchise Agreement and will terminate upon the termination of the Franchise Agreement.

2. By executing the Franchise Agreement and this Renewal Addendum, the parties are renewing the franchise for the Center for a \_\_\_\_\_ year renewal term and replacing the Old Agreement. Except as expressly provided in the Agreement and this Addendum, the provisions under the Old Agreement, and any rights and obligations thereunder, shall terminate as of the Effective Date, and the relationship between you and us related to the operation of the Center will be governed solely by the Franchise Agreement, this Addendum, and other documents executed in connection with the Franchise Agreement and this Addendum. Notwithstanding the foregoing, we, you and the guarantors must fully comply with any and all obligations that arose out of the Old Agreement prior to the Effective Date and which are not released pursuant to the terms of the Old Agreement.

3. You represent to us that you will complete any necessary remodel or upgrade to bring the Center up to now-current standards by \_\_\_\_\_. The remodel or upgrade listed in this paragraph constitutes a requirement to remodel your center as described at section 13.6.5 of the Agreement, and consists of the following items: \_\_\_\_\_.

4. The following Sections of the Franchise Agreement are null and void only to the extent that they contemplate the purchase of a new, nonoperational Center and not a renewal of an existing Center: 3.1; 3.4; 3.11; 4.1; 4.3; 4.4; 4.5, 4.6, 4.7, 4.8; 4.9; 13.4 and Attachment B.

5. The term of this Agreement will be \_\_\_ years, commencing on the date of the Franchise Agreement. The Franchise Agreement is granted in connection with the renewal of a predecessor franchise agreement entered into between PostNet and Franchisee. References to the term of this Agreement mean the \_\_\_ year renewal term granted hereunder, and notwithstanding anything to the contrary contained in the Franchise Agreement or any related exhibit or addenda, no additional right to renew is granted by virtue of the Franchise Agreement.

6. This Renewal Addendum constitutes the entire and complete agreement between PostNet and Franchisee concerning the subject matter hereof, and supersedes any and all prior agreements. No amendment, change, or variance from this Renewal Addendum shall be binding on either party unless mutually agreed to in a writing signed by both parties.

7. This Renewal Addendum forms an integral part of the Franchise Agreement. Except as modified or supplemented by this Renewal Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed and delivered this Renewal Addendum on the day and year first above written.

*(Signatures on following page)*

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

OR:  
(if a corporation, partnership or limited liability company)

[Company Name]

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT H-6

### POSTNET FRANCHISE

#### SAMPLE TRANSFER ADDENDUM

This Transfer Addendum made and entered into on \_\_\_\_\_ by and between PostNet International Franchise Corporation (“**Franchisor**”) and \_\_\_\_\_ (“**Franchisee**”).

#### RECITALS

- A. Franchisor and Franchisee are parties to a Franchise Agreement (the “Agreement”) dated \_\_\_\_\_ (“Effective Date”) as a result of an approved store transfer.
- B. Franchisor and Franchisee wish to amend the Agreement to reflect Franchisee’s status as a transferee franchisee for the Center located at \_\_\_\_\_.
- C. All capitalized terms not otherwise defined in this Transfer Addendum shall have the same meaning as in the Agreement.

#### The parties agree as follows:

1. The following Sections of the Agreement are null and void only to the extent that they deal with the purchase of a new, nonoperational PostNet Franchise and not a transfer, and shall have no force or effect: 3.1; 3.4; 4.1; 4.3; 4.4; 4.8; 4.9; 13.2.19, 13.4 and Attachment B.
2. Section 3.11 of the Franchise Agreement is deleted in full and replaced with the following: “You will pay Five Thousand Dollars (\$5,000) to us for an Initial Marketing Fee, payable upon the Effective Date. We will use this money to conduct marketing efforts on your behalf during the initial onset of your operations, and general and administrative expenses in administering such efforts as we deem appropriate. We also agree to furnish you with local marketing advice and guidance regarding your Center marketing and promotional efforts, as we deem appropriate.”
3. The Franchisee must complete the following Center upgrades no later than \_\_\_\_\_, which upgrades constitute a requirement to remodel your center as described at section 13.6.5 of the Agreement: \_\_\_\_\_.
4. Section 4.6(i) of the Franchise Agreement is deleted in full and replaced with the following: “(i) step 2 of the training (**‘Initial Owner Training’**) must be completed prior to taking possession of the Center (**‘Initial Owner Training Deadline’**);”. The remainder of Section 4.6 is unmodified.
5. This Transfer Addendum constitutes the entire and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersedes any and all prior agreements. No amendment, change, or variance from this Transfer Addendum shall be binding on either party unless mutually agreed to in a writing signed by both parties.
6. This Transfer Addendum forms an integral part of the Agreement. Except as modified or supplemented by this Transfer Addendum, the terms of the Agreement are hereby ratified and confirmed.

*(Signatures on following page)*

IN WITNESS WHEREOF, the parties have executed and delivered this Transfer Addendum on the day and year first above written.

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

\_\_\_\_\_  
*[Print Your Name]*

\_\_\_\_\_  
Individually

OR:

(if a corporation, partnership or limited liability company)

\_\_\_\_\_  
*[Company Name]*

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT H-7**

**POSTNET FRANCHISE**

**ASSIGNMENT OF FRANCHISE AGREEMENT AND APPROVAL**

\_\_\_\_\_ (each and collectively, "Assignor") hereby assign and transfer to \_\_\_\_\_ a \_\_\_\_\_, ("Assignee") as of \_\_\_\_\_ ("Assignment Date") all of Assignor's rights and obligations as franchisees under the PostNet International Franchise Corporation Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") by and between PostNet International Franchise Corporation and Assignor. This Assignment is effective upon full execution of this Assignment of Franchise Agreement between Assignor, Assignee, and as approved by PostNet International Franchise Corporation.

Assignee hereby assumes and agrees to comply with all the terms, covenants, and conditions in the Franchise Agreement and perform all obligations of Assignor thereunder as of the Assignment Date. The beneficial owners of the Assignee and their spouses also provide the Owner's Agreement and Ownership Statement attached hereto as Exhibit 1 and Exhibit 2, respectively.

**ASSIGNOR(S)**

\_\_\_\_\_  
\_\_\_\_\_, Individually

\_\_\_\_\_  
\_\_\_\_\_, Individually

**ASSIGNEE:**

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_, its \_\_\_\_\_

**APPROVAL OF ASSIGNMENT**

The assignment described in the above Assignment Agreement is hereby approved.

**POSTNET INTERNATIONAL FRANCHISE CORPORATION**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## State Effective Dates

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

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

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.



**RECEIPT**  
**(Retain This Copy)**

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

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

Under Iowa law, if applicable, PostNet International Franchise Corporation must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires PostNet International Franchise Corporation to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If PostNet International Franchise Corporation does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit F.

The franchisor is PostNet International Franchise Corporation, located at 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228. Its telephone number is (303) 771-7100.

<b>The name, principal business address, and telephone number of each franchise seller offering the franchise is:</b>	
Ryan Farris, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228, Phone: (303)771-7100	
Dale Myska, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228, Phone: (303)771-7100	
William "Bill" McPherson, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228, Phone: (303) 771-7100	
Annie Pomponio, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228, Phone: (303) 771-7100	
Matthew Isom, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228, Phone: (303) 771-7100	
Lony Thomas, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228, Phone: (303) 771-7100	

PostNet authorizes the respective state agencies identified on Exhibit F to receive service of process for it in the particular state.

Issuance Date: April 25, 2024

I received a disclosure document issued April 25, 2024, which included the following exhibits:

Exhibit A	Franchise Agreement and Attachments
Exhibit B	Area Development Agreement and Attachments
Exhibit C	Lists of Current and Former Franchisees and Area Franchisees
Exhibit D	Financial Statements
Exhibit E	Table of Contents to Manual
Exhibit F	List of State Administrators and Agents for Service of Process
Exhibit G	State Specific Addenda
Exhibit H	Contracts for use with the PostNet Franchise

\_\_\_\_\_  
Date    Signature    Printed Name

\_\_\_\_\_  
Date    Signature    Printed Name

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS**



**RECEIPT  
(Our Copy)**

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

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

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_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

**Please sign this copy of the receipt, date your signature, and return it to PostNet International Franchise Corporation, 143 Union Boulevard, Suite 600, Lakewood, Colorado 80228.**