



## FRANCHISE DISCLOSURE DOCUMENT

FASTSIGNS International, Inc.  
a Texas corporation  
2542 Highlander Way  
Carrollton, Texas 75006-2333  
(214) 346-5600  
www.fastsigns.com

The franchise offered is for a business that specializes in selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, exhibits and displays, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services.

The total investment necessary to begin operation of a full service FASTSIGNS Center franchised business is \$240,080 to \$310,569. This includes fees that range from \$154,143 to \$161,325 that must be paid to us or our affiliates. The total investment necessary to begin operation of a Conversion FASTSIGNS Center franchised business is \$102,665 to \$237,582. This includes fees that range from \$71,395 to \$154,926 that must be paid to us or our affiliates. The total investment necessary to begin operation of a Co-Brand FASTSIGNS Center is \$101,048 to \$228,998. This includes fees that range from \$71,395 to \$154,926 that must be paid to us or our affiliates. If you enter into a Development Agreement you will pay a franchise fee of \$49,750 for the first FASTSIGNS Center to be developed and \$24,875 for each additional FASTSIGNS Center developed. The development fee is \$18,500 for each FASTSIGNS Center to be developed (excluding the first FASTSIGNS Center) and that amount will be credited against the franchise fee due for each FASTSIGNS Center.

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 our affiliates in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this disclosure 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 Franchise Development Department at 2542 Highlander Way, Carrollton, Texas 75006, (214) 346-5600.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](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: May 1, 2023

## 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 Exhibit F.
<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 describe the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Exhibit E 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 FASTSIGNS 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 has been involved in material litigation or bankruptcy proceedings.
<b>What is it like to be a FASTSIGNS franchisee?</b>	Exhibit F and Exhibit G-2 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 to continue to operate your franchise business.

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

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

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

### Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Minimum Royalty and Other Payment.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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**Item 1: FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

FASTSIGNS International, Inc. (referred to in this Disclosure Document as “Franchisor,” “we,” “us” and “our”) is a Texas corporation that maintains its principal place of business at 2542 Highlander Way, Carrollton, Texas 75006-2333. We were incorporated on April 30, 1986, and have done business under the name American Fastsigns, Inc., FASTSIGNS International, Inc., and FASTSIGNS®. We changed our corporate name to FASTSIGNS International, Inc. effective January 31, 2000. We have no predecessor. “You” or “Franchisee” means the individual or entity that buys the franchise.

Since our incorporation, we have developed, operated and franchised a comprehensive system for developing and operating businesses that specialize in selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services (the “FASTSIGNS System” or “System”). For reference purposes in this Disclosure Document, we collectively refer to all businesses using the System as “FASTSIGNS Centers.” We currently do not operate any FASTSIGNS Centers.

Except as described in this Item 1, we have not engaged in any other business, or offered franchises for any other line or type of business.

We are a wholly-owned subsidiary of Propelled Brands Franchising, LLC (“Propelled Brands”). Propelled Brands’ principal place of business is 2542 Highlander Way, Carrollton, Texas 75006-2333. Propelled Brands was created on December 28, 2021, as the parent company for us and the other brands described below. Propelled Brands is a wholly-owned subsidiary of Saldon Holdings, Inc. (“Saldon”). On October 1, 2003, FASTSIGNS Holding Corporation (“FHC”), a Georgia corporation acquired all the outstanding stock of Saldon. FHC’s principal place of business is 2542 Highlander Way, Carrollton, Texas 75006-2333. As a result, Saldon is a wholly- owned subsidiary of FHC.

On March 13, 2019, under the terms of an Agreement and Plan of Merger dated February 11, 2019, Fastsigns Holdings Inc., an affiliate of LightBay Capital, a private equity firm located at 11601 Wilshire Boulevard, Suite 2150, Los Angeles, CA 90025, and Freeman Spogli & Co., a private equity firm located at 11100 Santa Monica Boulevard, Suite 1900, Los Angeles, CA 90025, merged with Display Holding Company, Inc., previously owned by a fund controlled by Levine Leichtman Capital Partners, Inc., a private equity firm located at 335 North Maple Drive,



Suite 130, Beverly Hills, California 90210 (“LLCP”). As a result of the merger, we became a wholly-owned, indirect subsidiary of Fastsigns Holdings, Inc. On December 28, 2021, Fastsigns Holdings, Inc. was renamed Propelled Brands Holdings, Inc. (“PBHI”) to reflect the multi-brand nature of the company. PBHI, a Delaware corporation with a principal place of business at 2542 Highlander Way, Carrollton, Texas 75006-2333, is our ultimate corporate parent.

We are affiliated with the franchise programs listed below through common control with LightBay Capital and Freeman Spogli & Co. None of these affiliates have offered franchises in any line of business other than as listed below and none of them have conducted a business like the FASTSIGNS Center that you will operate:

Since August 2018, LightBay Capital, through its affiliate, has owned The Boardroom Salon Company, LLC and KLPS, LLC, both of which are Texas limited-liability companies located at 2271 E. Continental Blvd., Suite 100, Southlake, Texas 76092. KLPS is the franchisor for Boardroom Salon franchises. As of December 31, 2022, 6 franchised Boardroom Salons were operating in the United States.

Since July 2016, Freeman Spogli & Co., through its affiliate, has owned a majority interest in Batteries Plus, L.L.C., the franchisor for Batteries Plus Bulbs stores. As of December 31, 2022, there were 610 franchised Batteries Plus Bulbs stores, 604 of which were in the United States and 6 in Puerto Rico. Batteries Plus Bulbs had 722 total stores as of December 31, 2022, including 112 company-owned and operated stores.

Through common control with Propelled Brands, as of September 9, 2020, we are affiliated with GTN Capital Group, LLC (“GTN”). GTN is a Connecticut limited liability company located at 2542 Highlander Way, Carrollton, Texas 75006. GTN is the franchisor for NerdsToGo franchises, a technology repair and service business. As of December 31, 2022, there were 32 franchised and 1 company-owned NerdsToGo businesses in operation in the United States.

Through common control with Propelled Brands, we are also affiliated with SMF. SMF is a Florida limited liability company located at 2542 Highlander Way, Carrollton, Texas 75006. SMF is the franchisor for MY SALON SUITE and SALON PLAZA franchises, which offer (i) turnkey salon suite studios and related services in a luxury environment under to salon professionals where such salon professionals can provide health and beauty services to their respective clients (“My Salon Suite”); and (ii) turnkey salon suite studios and related services featuring upscale modern décor to salon professionals where such professionals can provide health and beauty services to their respective clients (“Salon Plaza”). As of December 31, 2022, there were 232 franchised and 32 company-owned My Salon Suite and Salon Plaza businesses in operation in the United States.

None of these affiliated franchisors are obligated to provide products or services to you.

Except as described above, we have no other parents, predecessors of affiliates that must be included in this Item.

## **The Franchise Offered**

We offer franchises to develop and operate FASTSIGNS Centers that specialize in producing and marketing signs and graphics and other products as described above under the System. The System includes the right to use various trade names and marks as well as construction and design plans, color schemes, signs, and equipment for the FASTSIGNS Center premises. The System also includes procedures, specifications and formulas for selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services, inventory, operations, and financial control methods and concepts, initial and ongoing management training and teaching techniques, outside sales and other proactive business development techniques and advertising and promotional services and assistance.

The System is identified by means of certain principal trade names, marks, and indicia of origin described in Item 13, including the marks “FASTSIGNS,” and other names and marks we designate to identify for the public the source of services and products marketed under such marks and the System (collectively, the “Marks”).

We may offer you the opportunity to establish and operate a single FASTSIGNS Center under a “Franchise Agreement,” a form of which is attached to this Disclosure Document as Exhibit “B”.

We also offer multi-unit development rights to qualified franchisees, who are granted the right to develop more than 1 FASTSIGNS Center within a defined geographic area according to a development schedule in the Development Agreement, and separate Franchise Agreements for each FASTSIGNS Center established under the Development Agreement. The form of Development Agreement that you will sign is attached to this Disclosure Document as Exhibit “D”. For each FASTSIGNS Center, you develop under the Development Agreement you must sign the then-current form of Franchise Agreement.

In addition, we may offer existing sign businesses the opportunity to convert to the FASTSIGNS System a conversion franchise (“Conversion Franchise” or “Conversion Center”). The terms and conditions of the franchise offered to you if you are a conversion franchisee (“Conversion Franchisee”) will differ in certain respects from those described in this Disclosure Document (Exhibit “G” to the Franchise Agreement, Conversion Franchise Amendment).

We may also offer an existing operating complementary business (an “Existing Business”) the opportunity to establish and operate a FASTSIGNS Center (a “Co-Brand Center”) within the

Existing Business (the “Co-Brand Franchise”). The franchise agreement you sign for the Co-Brand Franchise will be the current form of Co-Brand Franchise Agreement attached to this Disclosure Document as Exhibit C”.

The Franchise Agreement requires certain “Managing Principals,” as that term is defined in the Franchise Agreement, to be individually bound by certain obligations contained in the Franchise Agreement, including covenants concerning confidentiality and non-competition and to personally guarantee your performance under the Franchise Agreement (see Item 15). Other interest holders are referred to in the Franchise Agreement as “Franchisee’s Principals”. In this Disclosure Document, the Franchisee’s Principals are simply referred to as “your principals.”

Each reference to a corporation or partnership in this Disclosure Document also refers to a limited-liability company and any other entity or similar organization. Each reference to the organizational documents, equity owners, directors, and officers of a corporation also refers to the functional equivalents of those organizational documents, equity owners, directors, and officers, as applicable, in the case of a limited-liability company or any other entity or similar organization.

In this Disclosure Document, we collectively refer to all FASTSIGNS Centers, Conversion Franchises, and Co-Brand Centers as “FASTSIGNS Centers” unless otherwise indicated. We also collectively refer to the Franchise Agreement, Conversion Franchise Amendment, and Co-Brand Franchise Agreement in this Disclosure Document as the “Franchise Agreement,” unless otherwise indicated. We refer to the FASTSIGNS Center that you will operate as the “Center” or “your Center.” Any references to “your principals” and “Managing Principals” include those persons as principals of a developer under a Development Agreement and as principals of a franchisee under a Franchise Agreement unless the Disclosure Document states otherwise.

The Center’s products and services are marketed primarily to businesses in the market area where the Center is located. Factors considered in determining a market area include street visibility and accessibility, density and variety of businesses, population, and growth of the area (see Item 12). You will lease the Center premises, typically located in a strip-shopping center, office/business park, or a free-standing building on a visible corridor. You will compete with other entities producing signs, graphics and other related products and services, including other sign shops and quick printers, on-line competitors, screen printers, wide format print companies, exhibit/display providers and reprographic firms. Many of these businesses will be independently owned and operated, but some may be franchised by other franchisors.

Our agents for service of process are listed in Exhibit “A”.

### **Industry Regulations**

In addition to the laws and regulations applicable to businesses, you should consider that many cities and municipalities have sign ordinances that may affect your customer’s ability to use the signs and business products that you offer from the Center. Some states also may have laws that require persons who install signs to be a licensed contractor. Those laws will vary from state to state as to the types of installation activities and monetary value of the jobs covered by the law, as well as the criteria and experience requirements that must be met to obtain a license. You should consider any impact these laws may have in your investment decision.

In a few cities or municipalities, there may be laws or regulations that discourage a printer that emits volatile organic compounds. There may be additional permits required concerning the emissions of volatile organic compounds, hazardous waste, and odor. OSHA regulations may require you and your Center personnel be trained under the Hazard Communication Standard. Each state interprets the OSHA and EPA rules and regulations, so it may vary from state to state.

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## **Item 2: BUSINESS EXPERIENCE**

### **Catherine Monson, CFE Chief Executive Officer, President and Director**

Ms. Monson has been affiliated with us since January 2009 and has served as our Chief Executive Officer and Director since that date. Since April 2009, Ms. Monson has also been our President. Since June 2021, Ms. Monson has served as the Chief Executive Officer of Suite Management Franchising, LLC, located in Carrollton, Texas. Since September 2020, Ms. Monson has served as the Chief Executive Officer of GTN Capital Group, LLC, located in Carrollton, Texas. From October 1996 to December 2008, Ms. Monson was a member of PIP Printing and Document Services, Inc.'s (PIP) Board of Directors. From April 1999 to December 2008, Ms. Monson was President and Chief Operating Officer of PIP Printing and Document Services. From September 1996 to March 1999, Ms. Monson served as Managing Director of MultiCopy Europe, BV, located in Amsterdam, the Netherlands. From August 1991 to August 1996, Ms. Monson was Group Vice President, Marketing and Communications of Sir Speedy, Inc. located in Mission Viejo, California. From December 1989 to July 1991, Ms. Monson was Vice President of Training and Communications of Sir Speedy, Inc. From November 1985 to November 1989, Ms. Monson was Vice President of Franchise Development for Sir Speedy, Inc. Since February 2008, Ms. Monson is on the Board of Directors and served as the Chair of the International Franchise Association. She is on the Board of Directors of the Big Blue Swim School, a swim school franchise, and on the Board of Directors for Brain Balance, a franchisor of a concept that has a non-drug alternative that helps children with ADHD and other behavioral disorders. Previously she was on the Board of Directors of Idealliance, The Learning Experience, the Business Marketing Association, Board of Trustees of Sales and Marketing Executives International Academy of Achievement and Board of Trustees of the National Education Foundation for Pi Sigma Epsilon.

### **Mark Jameson, CFE Chief Development Officer**

Mr. Jameson has been affiliated with us since November 2009, and has served as our Chief Development Officer since October 2022. Mr. Jameson is also the Chief Development Officer of our affiliates Suite Management Franchising, LLC and GTN Capital Group, LLC, each located in Carrollton Texas, and has served in those roles since October 2022. From September 2020 to October 2022, Mr. Jameson was our Chief Support and Development Officer. He was our Executive Vice President of Franchise Support and Development from September 2013 to August 2020. From October 2011 to August 2013, Mr. Jameson was our Senior Vice President of Franchise Support and Development. From November 2009 to October 2011, Mr. Jameson was our Senior Vice President of Franchise Development. From August 2003 to October 2009, Mr. Jameson was Vice President of Franchise Development with CCA Global Partners located in Earth City, Missouri. From July 2001 to July 2003, Mr. Jameson was Executive Vice President of Bucks County Coffee located in Philadelphia, Pennsylvania. From January 1999 to June 2001, Mr. Jameson was Executive Vice President of Wicks-N-Sticks located in Houston, Texas. From December of 1997 to December 1998, Mr. Jameson was Vice President of Operations with Wicks-N-Sticks located in Houston, Texas.

**Shayne Mehringer, CFE**  
**Chief Information Officer**

Mr. Mehringer has been affiliated with us since August 2019 and has served as our Chief Information Officer since that date. Since June 2021, Mr. Mehringer has also served as the Chief Information Officer of our affiliate, Suite Management Franchising, LLC, located in Carrollton, Texas. Since September 2020, Mr. Mehringer has also served as the Chief Information Officer of our affiliate, GTN Capital Group, LLC, located in Carrollton, Texas. From November 2013 to July 2019, Mr. Mehringer was Chief Information Officer for Neighborly (formerly the Dwyer Group) located in Waco, Texas. From October 2012 to October 2013, Mr. Mehringer was Vice President and Chief Technology Officer for Veridikal Healthcare Solutions, LLC located in Dallas, Texas. From September 2011 to September 2012, Mr. Mehringer was Senior Vice President, Technology and Marketing for COHOST – A Mark Cuban Company located in Dallas, Texas. From November 2002 to August 2011, Mr. Mehringer was Founder and President of Ecorp Industries, Inc. located in Fort Smith, Arkansas.

**Jennifer Herskind**  
**Chief Marketing Officer**

Ms. Herskind has been affiliated with us since September 2019, and has served as our Chief Marketing Officer since that time. Since September 2020, Ms. Herskind has also served as the Chief Marketing Officer of our affiliate, GTN Capital Group, LLC, located in Carrollton, Texas. From March 2019 to August 2019, Ms. Herskind was a consulting Chief Marketing Officer. From July 2017 to February 2019, Ms. Herskind was Chief Marketing Officer for Smoothie King located in Dallas, Texas. From September 2011 to June 2017, Ms. Herskind was Vice President Marketing, Acquisition, and Engagement for Gold's Gym located in Dallas, Texas. From January 2005 to August 2011, Ms. Herskind was Assistant Vice President and Director of Marketing for Dave & Buster's located in Dallas, Texas.

**Andrea Hohermuth**  
**Brand President**

Ms. Hohermuth has served as our Brand President since October 2022. From August 2020 to October 2022, she served as Chief Operating Officer of Threshold Brands (formerly MaidPro), a multi-brand franchisor in the home services industry, based in Boston, Massachusetts. She also served as Senior Vice President of Technology and Franchise Operations from December 2018 to January 2020 and Chief Operating Officer from January 2020 to August 2020 for MaidPro based in Boston, Massachusetts.

**Russell Kruse**  
**General Counsel**

Mr. Kruse has been affiliated with us since April 2023, and has served as our General Counsel since that time. Mr. Kruse has also served as the General Counsel for our affiliates, GTN Capital Group, LLC and Suite Management Franchising, LLC, each located in Carrollton, Texas, since April 2023. Prior to that, Mr. Kruse was the Chief Legal Officer of Premium Service Brands, LLC from February 2021 to April 2023, located in Charlottesville, Virginia. From January 2019

to February 2021, Mr. Kruse was a Partner at Royer Caramanis PLC in Charlottesville, Virginia. From August 2018 to December 2018, Mr. Kruse was an Associate Attorney at Tucker Griffin Barnes PC in Charlottesville, Virginia.

**David Leeney**  
**Director**

Mr. Leeney has been affiliated with us since May 2019, and has served as one of our Directors since that date. He is currently a Partner of LightBay Capital located in Los Angeles, California, which he has been associated with since August 2017. Mr. Leeney was a Principal at the Gores Group, located in Beverly Hills, California, which he was associated with from January 2008 to July 2017.

**Adam Stein**  
**Director**

Mr. Stein has been affiliated with us since March 2019, and has served as one of our Directors since that date. He has been a Founding Partner of LightBay Capital located in Los Angeles, California, since 2016. Mr. Stein was a Partner and the Head of Consumer & Retail for Ares Management's Private Equity Group located in Los Angeles, California, which he was associated with from August 2000 to September 2016.

**David Burcham**  
**Director**

Mr. Burcham has been affiliated with us since March 2019, and has served as one of our Directors since that date. He is currently a Partner of LightBay Capital located in Los Angeles, California, which he has been associated with since September 2017. Mr. Burcham was a Managing Director at Levine Leichtman Capital Partners, located in Beverly Hills, California, which he was associated with from June 2009 to August 2017.

**Brad Brutocao**  
**Director**

Mr. Brutocao has been affiliated with us since March 2019, and has served as one of our Directors since that date. He is currently a Partner of Freeman Spogli & Co. located in Los Angeles, California, which he has been associated with since August 1997.

**Jordan Hathaway**  
**Director**

Mr. Hathaway has been affiliated with us since March 2019, and has served as one of our Directors since that date. He is currently a Partner of Freeman Spogli & Co. located in Los Angeles, California, which he has been associated with since June 2008.

**Frank Belatti**  
**Director**

Mr. Belatti has been affiliated with us since March 2019, and has served as one of our Directors since that date. He currently is a Managing Partner of Equicorp Partners LLC located in Atlanta, Georgia, which he has been associated with since June 2005.

**John Roth**  
**Director**

Mr. Roth has been affiliated with us since May 2020, and has served as one of our Directors since that date. He currently is the Chief Executive Officer for Freeman Spogli located in Los Angeles, California, which he has been associated with since 1988.

**Aaron Shockey**  
**Director**

Mr. Shockey has been affiliated with us since May 2020, and has served as one of our Directors since that date. He currently is the President of Lane Boots located in Arlington, Texas, which he has been associated with since November 2019. Mr. Shockey was an independent consultant from August 2018 to November 2019 located in Dallas, Texas. From August 2016 to July 2018, Mr. Shockey was CMO for Academic Partnerships located in Dallas, Texas. From May 2014 to August 2016, Mr. Shockey was SVP, Marketing for Hudson's Bay Comp located in New York City, New York.

**William C. Brooks**  
**Vice President of Creative Services**

Mr. Brooks has been affiliated with us since May 1995, and has served as our Vice President of Creative Services since December 2007. Since September 2020, Mr. Brooks has also been the Vice President of Creative Services of our affiliate, GTN Capital Group, LLC, located in Carrollton, Texas. From May 1997 to November 2007, Mr. Brooks was our Director of Advertising and Creative Services.

**Chris Becraft**  
**Vice President of National Accounts**

Mr. Becraft has been affiliated with us since October 2017, and has served as our Vice President of FASTSIGNS National Accounts since that date. From April 2013 to September 2017, Mr. Becraft was President of ProSource Wholesale for My Flooring Texas located in Webster, Texas. From July 2000 to March 2013, Mr. Becraft was Director of Sales for CCA Global Partners located in St. Louis, Missouri.



**Scott Krupa, CFE**  
**Vice President of Franchise Development**

Mr. Krupa has been affiliated with us since March 2015, and has served as our Vice President of Franchise Development since January 2022. From February 2021 to December 2021, Mr. Krupa was our Assistant Vice President of Franchise Development. From January 2018 to January 2021, Mr. Krupa was our Senior Franchise Development Director. From March 2015 to December 2017, Mr. Krupa was our Franchise Development Director. Since April 2022, Mr. Krupa has also served as Vice President of Franchise Development for our affiliate, Suite Management Franchising, LLC. Since January 2022, Mr. Krupa has also served the Vice President of Franchise Development of our affiliate, GTN Capital Group, LLC, located in Carrollton, Texas. From February 2021 to December 2021, Mr. Krupa was the Assistant Vice President of Franchise Development of GTN Capital Group, LLC located in Carrollton, Texas.

**Jeff Lewis, CFE**  
**Assistant Vice President of Operations**

Mr. Lewis has been affiliated with us since October 2013, and has served as Assistant Vice President of Operations since September 2021. From April 2021 to August 2021, Mr. Lewis served as our Senior Director of Operations. From June 2017 to March 2021, Mr. Lewis was our Director of Operations. From October 2013 until May 2017, Mr. Lewis was one of our Business Consultants. From September 2009 until September 2013, Mr. Lewis was a Business Consultant for Alphagraphics, Inc. located in Salt Lake City, Utah.

**Stephanie Brooks**  
**Senior Director of Legal**

Ms. Brooks has been affiliated with us since August 1991, and has served as our Senior Director of Legal since April 2014. Since June 2021, Ms. Brooks has served as the Senior Director of Legal for our affiliate, Suite Management Franchising, LLC, located in Carrollton, Texas. Since September 2020, Ms. Brooks has also served as the Senior Director of Legal of our affiliate, GTN Capital Group, LLC, located in Carrollton, TX. From September 1999 to March 2014, Ms. Brooks was our Director of Legal and Franchise Administration. From August 1991 to August 1999, Ms. Brooks was our Paralegal. From June 1981 to July 1991, Ms. Brooks was Sr. Paralegal for the Legal and Franchise Department of Pearle Vision, Inc. located in Dallas, Texas.

**Brian Boehm**  
**Senior Director of Technical Support and Supply Chain**

Mr. Boehm has been affiliated with us since April 2005, and has served as our Senior Director of Technical Support and Supply Chain since April 2018. Mr. Boehm was our Director of Technical Support and Supply Chain from February 2015 to March 2018. From September 2013 to January 2015, Mr. Boehm was our Director of Technical Services. From July 2006 to August 2013, Mr. Boehm was our Manager of Technical Services. From April 2005 to June 2006, Mr. Boehm was one of our Technical Service Consultants.

**Holland B. Burton**  
**Senior Director of Development Services**

Ms. Burton has been affiliated with us since February 2021, and has served as our Senior Director of Development Services since that date. Since April 2022, Ms. Burton has also served as the Senior Director of Development Services for our affiliate, Suite Management Franchising, LLC, located in Carrollton, Texas. Since February 2021, Ms. Burton has also served as the Senior Director of Development Services of GTN Capital Group, LLC, located in Carrollton, Texas. From March 2015 to January 2021, Ms. Burton was the Vice President of Real Estate of Corner Bakery Café located in Dallas, Texas. From September 2008 to March 2015, Ms. Burton was the Sr. Director of Real Estate of LeDuff America located in Dallas, Texas.

**Barbara Engle, CFE**  
**Senior Director of Education and New Centers**

Ms. Engle has been affiliated with us since December 2017, and has served as our Senior Director of Education and New Centers since September 2021. From September 2019 to August 2021, Ms. Engle was our Assistant Director of Operations. From January 2019 to September 2019, Ms. Engle was one of our Field Business Consultants. From December 2017 to December 2018, Ms. Engle was one of our New Center Business Consultants. From August 2011 to March 2017 Ms. Engle was a FASTSIGNS Franchisee.

**Joshua Wisman**  
**Senior Director of Information Technology**

Mr. Wisman has been affiliated with us since May 2017, and has served as our Vice President of Information Technology since March 2023. From May 2017 to March 2023, Mr. Wisman was our Senior Director of Information Technology. From April 2013 to April 2017, Mr. Wisman was Senior Director of Infrastructure, Security and Support for CBC Restaurant Corp., located in Dallas Texas. From October 2008 to March 2013, Mr. Wisman was a Network Manager for Taco Bell Corporation located in Irvine, California.

**Lisa Becraft, CFE**  
**Director of Franchise Development and Sales Administration**

Ms. Becraft has been affiliated with us since July 2014, and she has served as our Director of Franchise Development and Sales Administration since that date. Since April 2022, Ms. Becraft has also served as the Director of Franchise Development and Sales Administration for our affiliate, Suite Management Franchising LLC, located in Carrollton, Texas. Since September 2020, Ms. Becraft has also served as the Director of Franchise Development and Sales Administration for our affiliate, GTN Capital Group, LLC, located in Carrollton, Texas. From July 2012 to July 2014, Ms. Becraft was Director of Business Development for Insight Merchandising, Inc., located in Grapevine, Texas.

**John Butler**  
**Director of Information Technology Operations**

Mr. Butler has been affiliated with us since December 2017, and has served as our Director of Information Technology Operations since June 2020. From December 2017 to May 2020, Mr. Butler was our Director of Information Technology Support and Governance. From January 2016 to November 2017, Mr. Butler was Director of Information Technology Services for Corner Bakery Café Restaurant Corporation located in Dallas, Texas. From June 2011 to December 2015, Mr. Butler was Manager of Information Technology Support for TGI Fridays located in Carrollton, Texas.

**Nataly Chigireva**  
**Director of Digital Marketing**

Ms. Chigireva has been affiliated with us since December 2021, and has served as our Director of Digital Marketing. From December 2017 to September 2020, Ms. Chigireva was Director of Marketing, Communications and Technology for GRF, Real Estate & Property Management corporation located in Seal Beach, California. From January 2015 to November 2017, Ms. Chigireva was Director of Digital Marketing and Branding for Dastmalchi (Vanity Planet.com, Taoclean.com) located in Irvine, California. From November 2010 to December 2015, Ms. Chigireva was Director of Marketing at Pramira Inc., located in Tustin, California.

**Doug Hall**  
**Vice President, Marketing Services**

Mr. Hall has been affiliated with us since January 2020, and has served as our Vice President of Marketing Services since March 2023. From January 2020 to March 2023, Mr. Hall was our Director of Marketing Services. From November 2016 to December 2019, Mr. Hall was Head of Channel Marketing for Interstate Batteries located in Dallas Texas. From August 2015 to October 2016, Mr. Hall was Global Director, Marketing U.S. and the United Kingdom for MarvelPress located in Dallas, Texas. From April 2015 to July 2015, Mr. Hall did contract marketing consulting for Slingshot and Pizza Inn located in Dallas, Texas. From October 2011 to March 2015, Mr. Hall was Director of Marketing and New Business Development for Varidoc U.S. located in Dallas, Texas.

**Carol Dunne**  
**Director of Marketing Strategy**

Ms. Dunne has been affiliated with us since February 2021, and has served as our Director of Marketing Strategy since that date. Since February 2021, Ms. Dunne has also served as the Director of Marketing Strategy of our affiliate, GTN Capital Group, LLC, located in Carrollton, Texas. From June 2020 to January 2021, Ms. Dunne was a Marketing Strategy Consultant located in Irving, Texas. From July 2018 to May 2020, Ms. Dunne was Senior Director of Marketing for CEC Entertainment (Chuck E. Cheese) located in Irving, Texas. From December 2009 to June 2018, Ms. Dunne was Vice President of Brand Marketing for La Quinta Hotels located in Irving,

Texas, while also leading field marketing support for 900 franchised and corporate-owned locations.

**Tracy Lake**  
**Director of Events**

Ms. Lake has been affiliated with us since September 2014, and she has served as our Director of Events since February 2017. From September 2014 to January 2017, Ms. Lake was our Franchise Services Manager. From April 2011 to August 2014, Ms. Lake was Guest Relations and Volunteer Coordinator for The Heart Hospital Baylor Plano located in Plano, Texas.

**Wayne Rasor**  
**Director of Digital and Exterior Technology**

Mr. Rasor has been affiliated with us since May 2013, and has served as our Director of Digital and Exterior Technology since August 2016. From May 2013 to July 2016, Mr. Rasor was our Manager of Digital Signage. From March 2000 to April 2013, Mr. Rasor was Senior Project Manager for Federal Heath Signs located in Euless, Texas.

**Grant Walker**  
**Director Operations**

Mr. Walker has been affiliated with us since April 2013, and has served as our Director of Operations since September 2021. From February 2020 to August 2021, Mr. Walker was our Director of New Centers. From March 2019 to January 2020, Mr. Walker was our Director of Business Intelligence. From April 2018 to February 2019, Mr. Walker was our Manager of Business Intelligence. From September 2016 to January 2018, Mr. Walker was one of our Operations Support Specialists. From April 2013 to August 2016, Mr. Walker was one of our New Center Business Consultants.

**Adis Kovacevic**  
**Director of Enterprise Application Development**

Mr. Kovacevic has been affiliated with us since July 2018, and has served as our Director of Enterprise Application Development since October 2019. From July 2018 to September 2019, Mr. Kovacevic was our Senior Software Engineer II. From June 2016 to July 2018, Mr. Kovacevic was a Senior Software Engineer for Stream Energy located in Addison, Texas. From June 2013 to June 2016, Mr. Kovacevic was a Senior Consultant for Sogeti located in Irving, Texas.

**Lana Daley**  
**Director of Resales and Transfers**

Ms. Daley has been most recently affiliated with us since March 2020, and has served as our Director of Resales and Transfers since September 2021. From March 2020 to August 2021, Ms. Daley served as our Resales and Transfers Manager. Since September 2021, Ms. Daley has also served as the Director of Resales and Transfers of our affiliate, GTN Capital Group, LLC, located in Carrollton, Texas. Since April 2022, Ms. Daley has also served as the Director of

Resales and Transfer for our affiliate, Suite Management Franchising, located in Carrollton, Texas. Ms. Daley previously worked with us from 2002 to 2013, in various roles on the Operations and Sales Development teams.

**Item 3: LITIGATION**

There is no litigation required to be disclosed in this Item.

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**Item 4:           BANKRUPTCY**

Doug Hall, our Vice President of Marketing Services, filed a bankruptcy petition under the liquidation provisions of Chapter 7 of the U.S. Bankruptcy Code on January 22, 2016, in the Northern District of Texas, Case No. 16-30296-bhj7, which was discharged on September 8, 2016.

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## Item 5: INITIAL FEES

**Initial Franchise Fee:** You will pay us an initial franchise fee of \$49,750 for the right to establish a single FASTSIGNS Center under a Franchise Agreement. You will also pay us or our affiliates an equipment cost of \$73,237 to \$75,434, a center management system cost of \$3,500 and furniture and fixture costs that range from \$10,781 to \$12,834 (as described in Item 7). If you enter into a Development Agreement for the right to develop more than 1 FASTSIGNS Center, you will pay a development fee of \$18,500 per FASTSIGNS Center to be developed under the Development Agreement (excluding the first FASTSIGNS Center, for which the standard initial franchise fee must be paid) when you sign the Development Agreement. The development fee is credited against the initial franchise fee due for each additional FASTSIGNS Center. You must pay an initial franchise fee of \$24,875 (less the credit of \$18,500) for each additional FASTSIGNS Center to be developed under the Development Agreement. The initial franchise fee, if you establish an additional FASTSIGNS Center, is \$24,875.

The initial franchise fee, if you are a Conversion Franchise or Co-Brand Center (each as described in Item 1), is \$49,750. You will also pay us or our affiliates equipment costs that range from \$0 to \$75,434, a center management system cost of \$3,500 and furniture and fixture costs that range \$7,395 to \$12,834 (as described in Item 7).

The initial franchise fee is the same for all franchisees under this offering, except as described below. Neither the development fee nor the initial franchise fee is refundable.

Before you open your FASTSIGNS Center, we may request that you pay a deposit to us toward supplies and miscellaneous items estimated to be up to \$22,500 (as described in Item 7).

In the event you are using funds from your 401(k), IRA or other qualified retirement accounts to purchase your Center, we may allow you to pay a deposit of \$20,000 toward your franchise fee when you sign the Franchise Agreement and pay the balance when you receive your rollover money, which payment will be due no later than 30 days from the effective date of the Franchise Agreement. This does not apply if you are establishing an additional FASTSIGNS Center, Conversion Franchise or a Co-Brand Center.

We are a member of the International Franchise Association (“IFA”) and participate in the IFA’s VetFran Program. We offer a reduced initial franchise fee of \$24,875 to veterans of the U.S. Armed Forces who meet the requirements of the VetFran Program, a 50% discount.

We offer a reduced initial franchise fee of \$24,875 to first responders, a 50% discount. A first responder is a person with specialized training who is among the first to arrive and provide assistance at the scene of an emergency, such as an accident, natural disaster, or other catastrophic events. First responders include paramedics, emergency medical technicians, police officers, sheriffs, and firefighters (“First Responder”).

We also may reduce the initial franchise fee to \$24,875 for our officers, directors, and key management employees.



During our last fiscal year, we collected initial franchise fees ranging from \$2,500 to \$49,750.

**Marketing Introduction Plan.** You must pay us a marketing introduction plan fee of \$14,500 if your Center is a new Center or \$10,500 if your Center is a Conversion Franchise or Co-Brand Center, prior to registering for the initial training program, which we will use to conduct local marketing before you open and over the course of the first 4 to 6 months of operation.

**Signage.** You will purchase signage for the exterior of the Center meeting our specifications. You may purchase this signage from our preferred vendor or from us or our affiliate. The cost for signage ranges from \$2,375 to \$5,307 for a new Center or \$250 to \$2,908 for a Conversion Franchise or Co-Brand Center.

**Initial Training Fee:** We do not charge a training fee to provide initial training prior to opening your Center (for up to 3 persons) for your graphic designer, visual communications specialist (as defined in Item 15) (or other designated personnel) or the Managing Principal that holds or may control not less than a 25% interest in the Franchisee. At your request, we will provide initial training to your additional personnel.

**Site Evaluation Fee:** At our discretion, we will select a local broker to assist you in locating a suitable site for your Center. The support we provide includes identifying local real estate brokers, conducting a market-wide survey, and providing guidance in negotiating the terms for your lease. We recommend that you consult with an attorney for advice regarding your lease. We will review proposed sites with you to ensure they meet our criteria for visibility, accessibility, and suitability of the premises and other relevant factors. If a representative makes a trip to the proposed site, we will pay all costs our representative incurs for one on-site evaluation; you may pay all costs (including costs of travel, lodging, meals, and wages) incurred for any additional on-site evaluations we determine necessary, or you request. Site visits will be as needed and determined by us. If a site visit is determined as necessary by us, we will notify you. If you relocate the Center for any reason, you may pay all costs we incur in site selection activities because of the relocation. Site selection costs are non-refundable, uniformly imposed on all franchisees requiring such assistance (however, the costs may vary from franchisee to franchisee based on the travel involved).

**Referral Fee:** We will pay you a referral fee for prospective Propelled Brands franchisees that you refer to us that purchase a Propelled Brands franchise, so long as the prospective franchisee is not already an active candidate or existing franchisee of a Propelled Brands franchisor. You will provide us with the name, address, and phone number of the prospective franchisee and, if the prospective franchisee purchases a Propelled Brands franchise, you will receive a referral fee of \$5,000.

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**Item 6: OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Service Fee <sup>(2)</sup>	<p>3% of Gross Sales for the first year. 6% of Gross Sales beginning the second year through the end of the term of the Franchise Agreement.</p> <p>If you are a new Center, Conversion Center, or Co-Brand Center you will pay the greater of \$1,250 or 6% of Gross Sales beginning the 13th month through the end of the term of the Franchise Agreement or the Co-Brand Franchise Agreement.</p>	Monthly on the 15th.	<p>You may receive an annual rebate on the Service Fee dependent upon achieving certain sales levels.</p> <p>The reduction in the Service Fee for the first year is not applicable for the resale of an existing FASTSIGNS Center.</p>
Ad Fee <sup>(2)</sup>	<p>1% of Gross Sales for the first year. 2% of Gross Sales beginning the second year through the end of the term of the Franchise Agreement.</p>	Monthly on the 15th.	<p>All franchisees are members of the Fastsigns National Advertising Council, Inc. which administers the Ad Fund.</p> <p>You may receive an annual rebate on the Ad Fee dependent upon achieving certain sales levels.</p> <p>The reduction in the Ad Fee for the first year is not applicable for the resale of an existing FASTSIGNS Center.</p>

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Initial Advertising and Promotional Materials for a sale of an existing FASTSIGNS Center to a third-party buyer	\$10,500	Upon signing of the Franchise Agreement.	These monies fund initial marketing and advertising including web marketing, local digital marketing, direct marketing (mailings to your area and materials to use and mail locally), telemarketing campaigns, virtual sales assistant customer prospecting email campaigns, social media campaigns, and other programs during the first several months upon taking possession of the Center.
Interest	Lesser of 18% per annum or the highest rate allowed by applicable law.	On-demand.	Interest may be charged on all overdue amounts.
Non-Compliance Fee	2.5% of Gross Sales	On-demand, following your failure to cure a default.	If you are in default of your Franchise Agreement and you fail to timely cure the default, we may, at our option, charge a non-compliance fee in the amount of 2% of Gross Sales payable to us in the same manner as the Service Fee and a non-compliance fee in the amount of .5% of Gross Sales payable to the Fastsigns National

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
			Advertising Council, Inc. payable in the same manner as the Ad Fund contribution. The Non-Compliance Fee will continue until the default is cured.
Transfer Fee <sup>(3)</sup>	\$17,500 plus any broker fees and other out-of-pocket costs incurred by us.	Submitted with transfer agreement.	You may transfer your interest in the Franchise Agreement for a fee.
Resale Consulting Fee <sup>(3)</sup>	\$5,000	50% on signing Resale Services Consulting Agreement and 50% paid at closing.	You may request that we assist you in selling your Center.
Renewal Fee	15% of the then-current initial franchise fee.	On signing the renewal franchise agreement.	You must give us at least 8 months' notice; remodel décor as appropriate and upgrade equipment to current standards; sign then-current Franchise Agreement (see Item 17).
Indemnification	Varies according to loss.	On-demand.	You must indemnify us when certain of your actions result in a loss to us under the Agreements (see Item 9).
Attorneys' Fees and Costs and Collection Agency Costs	Amount varies.	When billed.	If we incur legal expenses or collection agency fees because of your breach of the

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
			Agreement, you must pay those expenses.
Post-Termination and Expiration Expenses	Amount varies.	When billed.	If you fail to make the necessary changes to distinguish the appearance of your Center premises from that of other FASTSIGNS Centers after the Franchise Agreement terminates or expires, we may cause those changes to be made and charge you those expenses.
Audit Fee	Cost of the audit.	When billed.	If you have understated any amount you owe to us by more than 2%, you must pay the cost of the audit.
Technology Fee <sup>(4)</sup>	You will pay a Technology Fee (“Tech Fee”) of \$50 per month through the end of your first year of operation. Beginning your second year of operation, you will pay a Tech Fee of \$100 per month.	Monthly on the 15th of the month.	We reserve the right to increase the Tech Fee. Any increase will not exceed \$200 per month. We will provide you with 180 days’ prior notice before increasing the Tech Fee.
Google Workspace Accounts <sup>(5)</sup>	\$11.50 per month for each additional account	As invoiced.	We provide you with 2 Google Workspace accounts at no charge: one principal Google Workspace account and one for your FASTSIGNS

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
			center. You will pay a charge of \$11.50 per month for each Google Workspace account after the 2 free Google Workspace accounts.
Franchise Convention	Amount varies.	As incurred.	You, your Managing Principal, or your Key Management Employee (defined in Item 15) must attend the franchise convention for all FASTSIGNS franchisees a minimum of once every 3 years. You are responsible for the registration fee and any, expenses for you, your Managing Principal, or your Key Management Employee.
Optional eCommerce Catalog Participation Fee	\$499 set up fee, plus \$199 per month for up to 5 catalogs, plus \$29 per month for each additional catalog.	As incurred	You may, at your option, participate in our eCommerce catalog platform. If you elect to participate, you must sign our eCommerce Catalog agreement and we will create a Center- specific page where you may offer and sell signs, graphics and other products via catalogs created by you on the eCommerce website.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
			You also must pay our third- party suppliers for services they provide in connection with the eCommerce platform.
Early Termination Damages <sup>(6)</sup>	Amount varies.	30 Days after Early Termination of Franchise Agreement.	(See Note 6)

**Notes:**

(1) All fees and expenses described in this Item 6 are non-refundable. Except as indicated in the chart above, all fees and expenses are imposed by, and are payable to, us. Except as specifically stated above, the amounts given may increase based on changes in market conditions, our cost of providing services and future policy changes. Currently, we have no plans to increase payments over which we have control.

(2) Gross Sales includes all revenues from your sale of any services and products at or from the Center and all other revenues of every kind and nature related to operating the Center. If you sign a Co-Brand Franchise Agreement and have an Existing Business, Gross Sales excludes the core business from your Existing Business. Gross Sales does not include any sales tax or other taxes you collect from your customers and transmit to the appropriate taxing authority.

Under the Franchise Agreement and the Co-Brand Franchise Agreement, you will pay us a reduced Service Fee of 3% of Gross Sales for the first 12 months your new Center, Conversion Center or Co-Brand Center is open for business. This reduction of the Service Fee is in place so you can invest additional money in the initial marketing plan during the first 12 months your Center, Conversion Center or Co-Brand Center is open.

The reduced Service Fee described in the preceding paragraph only applies to new Centers, Conversion Centers, and Co-Brand Centers and it is not available to a franchisee that purchases a resale FASTSIGNS Center.

Under the Franchise Agreement and the Co-Brand Franchise Agreement, you will pay us the greater of \$1,250 or 6% of the new Center’s, Conversion Center’s or Co-Brand Center’s Gross Sales beginning the 13<sup>th</sup> month through the expiration date of the Franchise Agreement and the Co-Brand Franchise Agreement.

The Service Fee is due and payable through electronic transfer on the 15<sup>th</sup> day of the month following the month to which the service fee applies (unless the day is a holiday, in which case payment (electronic transfer) will be done the next succeeding business day). You must provide us with the authorization for electronic transfer of the Service Fee. We may change the method of

payment of the Service Fee from electronic transfer to any other manner of payment as we deem appropriate at any time. A business day means any day other than Saturday, Sunday, or the following national holidays: New Year’s Day, Martin Luther King Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans’ Day, Thanksgiving Day and Christmas Day.

You can earn a rebate on the standard Service Fee and Ad Fund contributions at the conclusion of each calendar year for the preceding calendar year based on each increment of Gross Sales falling within each of the sales bands described below (“Royalty Rebate”):

Franchise Agreement and Co-Brand Franchise Agreement:

<u>On your sales between:</u>		<u>Your Service Fee will be:</u>	<u>Your Ad Fee will be:</u>	
\$ 0	to	\$1,215,703	6%	2%
\$ 1,215,704	to	\$1,823,555	5.75%	1.75%
\$ 1,823,556	to	\$3,343,186	5.50%	1.65%
\$ 3,343,187	to	\$4,862,815	5.25%	1.50%
\$ 4,862,816	to	\$6,382,444	4.75%	1.25%
\$ 6,382,445	to	\$7,902,073	4.25%	1.10%
\$ 7,902,074		and above	3.75%	1.00%

You must be following all your obligations under your Franchise Agreement or Co-Brand Franchise Agreement to be eligible to receive the Royalty Rebate. The “Royalty Rebate” described above is not applicable until the first full calendar year you are required to pay the Service Fee of 6% of Gross Sales.

At our election, the sales bands described in the Chart above may be adjusted effective the first day of each calendar year based on the most recent Consumer Price Index published by the Bureau of Labor Statistics or the FASTSIGNS same center sales growth percentage (“Same Center Sales Growth”) for the prior calendar year, whichever is higher. Same Center Sales Growth is calculated by averaging the sales growth for all FASTSIGNS centers in the United States open for the full 12 months for the 2 prior years and the full 12 months for the prior year.

If you have signed a Co-Brand Franchise Agreement or are a Conversion Franchise and you have not commenced operation of your Co-Brand Center or Conversion Center within 90 days of the Effective Date, beginning on the first of the month following the 90 days, you will pay a monthly minimum Service Fee of \$2,500 (defined in Note 3 below). You will continue to pay this monthly minimum Service Fee until you commence operation of your Co-Brand Center or Conversion Center.

Under the Franchise Agreement and the Co-Brand Franchise Agreement, you will pay a lower Ad Fee percentage of 1% of Gross Sales for the first 12 months your new Center, Conversion Center or Co-Brand Center is open for business. This reduction of the Ad Fee is in place so you can invest additional money in the initial marketing plan during the first 12 months your Center, Conversion Center or Co-Brand Center is open.



The Royalty Rebate described above is not applicable until the first full calendar year you are required to pay the Ad Fee percentage of 2% of Gross Sales.

The reduced Ad Fee described above only applies to new Centers and it is not available to a franchisee that purchases a resale FASTSIGNS Center.

Under the Franchise Agreement and the Co-Brand Franchise Agreement, the Ad Fee percentage is 2% of Gross Sales beginning the 13<sup>th</sup> month through the expiration date of the Franchise Agreement.

Your obligation to pay the Ad Fee begins immediately when the Center opens for business. The Ad Fee is due and payable through electronic transfer on the 15<sup>th</sup> day of the month following the month to which the Service Fee applies (unless the day is a holiday, in which case payment (electronic transfer) will be done the next succeeding business day). You must provide us with the authorization for electronic transfer of the Ad Fee. We may change the method of payment of the Ad Fee from electronic transfer to such other manner of payment as we deem appropriate at any time by notice to you. All Ad Fees collected are deposited in a separate account (the "Ad Fund") that we and the Fastsigns National Advertising Council, Inc. administer. Monies from the Ad Fund are used to pay for marketing, advertising, and promotional programs for the System (see Item 11).

(3) We charge a transfer fee of \$17,500 plus any broker fees and other out-of-pocket costs incurred by us, for transfers, such as the transfer of the Franchise Agreement, or the transfer of a controlling ownership interest in you or one of your principals. If you request and we assist you in selling your Center, you must also pay us a Resale Consulting Fee of \$5,000.

(4) To remain competitive with the market and to remain an innovative industry leader, we charge you a Tech Fee. The Tech Fee is used to cover the increasing cost of supplying technology solutions to the network and/or to fund the continued development of new and innovative features for the FASTSIGNS System and Resource site. Under the Franchise Agreement you will pay us a reduced Tech Fee of \$50 a month for the first 12 months of operation of your new Center, Conversion Franchise or Co-Brand Center. Beginning your 13<sup>th</sup> month of operation of your Center, Conversion Franchise or Co-Brand Center, you will pay us a Tech Fee of \$100 per month. We may increase the Tech Fee. We will provide you with 180 days' prior written notice before increasing the Tech Fee. We may charge you or implement additional monthly or other fees for access to, maintenance, and support of said software or technology that we or our affiliates have licensed to you during the Franchise Agreement's term. We will provide you with 180 days' written notice of our decision to implement any new fees or increase any existing fee. The Tech Fee includes access to ProfitKeeper software, which we recommend you use to upload your monthly financial statements.

(5) We provide each FASTSIGNS Center with 2 Google Workspace accounts at no charge: (i) 1 principal Google Workspace account, and (ii) the FASTSIGNS Center Google Workspace account. You will pay a charge of \$11.50 per month for each Google Workspace account after the 2 free Google Workspace accounts.

(6) If we terminate the Franchise Agreement because of your breach, then within 30 days following such termination, you must pay us an amount equal to the greater of (i) the average monthly royalty fees and advertising contributions that you owed to us for the past 24 months multiplied by the lesser of 36 or the number of months remaining in the Term, or (ii) the average monthly royalty fees and advertising contributions paid by all franchised FASTSIGNS Centers who have operated for the past 24 months multiplied by the lesser of 36 or the months remaining in the Term (“Early Termination Damages”). If you have not operated the Center for 24 months prior to the termination of the Franchise Agreement, the Early Termination Damages will be calculated by using the average monthly royalties and advertising contributions by all FASTSIGNS Centers who have operated for the past 24 months multiplied by 36.

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**Item 7: ESTIMATED INITIAL INVESTMENT**  
**FULL SERVICE CENTER**

<b>Expenditure*</b>	<b>Estimated Low</b>	<b>Estimated High</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>Whether Refundable</b>	<b>To Whom Paid</b>
Initial franchise fee <sup>(1)</sup>	\$49,750	\$49,750	The signing of the Franchise Agreement.	Lump Sum	No	Us
Leasehold improvements <sup>(2)</sup>	\$21,000	\$37,600	As Arranged	As Invoiced	No	Landlord and/or Contractors
Furniture & Fixtures <sup>(3)</sup>	\$10,781	\$12,834	As Arranged	As Invoiced	No	Suppliers, Us
Deposits <sup>(4)</sup>	\$2,912	\$4,537	Before Opening	Per Lease or As Arranged	Depends on Lease and Company	Landlord and Utility Company
Telephone & Networking <sup>(5)</sup>	\$1,287	\$6,210	Before Opening	As Invoiced	No	Suppliers
Décor and Graphics <sup>(6)</sup>	\$1,902	\$1,956	Before Opening	As Invoiced	No	Suppliers, Us
Tools, Supplies and Substrate Cutter <sup>(7)</sup>	\$10,318	\$10,429	Before Opening	As Arranged	No	Suppliers, Us
Production Equipment <sup>(8)</sup>	\$64,880	\$67,018	Before Opening	As Arranged	No	Lessor, Suppliers, Us
Commercial Display, Laser Measurement Solution and a Chromebox with licenses <sup>(9)</sup>	\$1,539	\$1,557	As Arranged	As Invoiced	No	Suppliers
Center Management System Computer <sup>(10)</sup>	\$5,175	\$5,561	Before Opening	As Arranged	No	Lessor, Suppliers, Us

<b>Expenditure*</b>	<b>Estimated Low</b>	<b>Estimated High</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>Whether Refundable</b>	<b>To Whom Paid</b>
Signage <sup>(11)</sup>	\$2,375	\$5,307	As Arranged	As Invoiced	No	Suppliers, FASTSIGNS National Accounts
Initial Inventory <sup>(12)</sup>	\$2,703	\$2,750	As Arranged	As Invoiced	No	Suppliers
Architectural Engineering <sup>(13)</sup>	\$0	\$4,900	As Arranged	As Invoiced	No	Suppliers
Initial Advertising <sup>(14)</sup>	\$14,500	\$14,500	Before Registering for Training	Lump Sum	No	Fastsigns National Advertising Council, Inc.
Travel, lodging, meals and 2 employees' costs for initial training <sup>(15)</sup>	\$7,427	\$11,523	As Incurred	As Incurred	No	Suppliers
Administrative Supplies <sup>(16)</sup>	\$827	\$1,662	As Invoiced	Lump Sum As Invoiced	No	Suppliers
Business licenses and permits <sup>(17)</sup>	\$79	\$600	As Arranged	As Incurred	No	Various Agencies
Insurance deposits and premiums (first 3 months) <sup>(18)</sup>	\$625	\$1,125	As Arranged	As Invoiced	No	Independent Carrier
Professional Fees <sup>(19)</sup>	\$2,000	\$5,750	As Arranged	As Invoiced	No	Suppliers
Additional Funds <sup>(20)</sup>	\$40,000	\$65,000	As Arranged	As Incurred	No	Us, Suppliers, Landlord, Employees
Total <sup>(21)</sup>	\$240,080	\$310,569				

## Notes:

(1) Initial Franchise Fee. You must pay an initial franchise fee of \$49,750 when you sign a Franchise Agreement to obtain a single FASTSIGNS Center or for the first FASTSIGNS Center under a Development Agreement. The initial franchise fee for additional FASTSIGNS Centers that you agree to open under a Development Agreement is \$24,875. If you enter into a Development Agreement, you will pay a development fee of \$18,500 per FASTSIGNS Center to be developed. The initial fee for an additional FASTSIGNS Center is \$24,875. You will pay an initial franchise fee of \$24,875, a discount of 50%, if you are a veteran of the U.S. Armed Forces that meet the requirements of the VetFran Program, or you are a First Responder as described in Item 5 of this Disclosure Document. The initial franchise fee is non-refundable under the terms of the Franchise Agreement.

(2) Leasehold Improvements. The cost of leasehold improvements will vary depending on numerous factors, including: (i) the size and configuration of the premises; (ii) pre-construction costs (e.g., demolition of existing walls and removal of existing improvements and fixtures); (iii) cost of materials and labor which may vary based on geography and location; and (iv) landlord contribution toward tenant improvements. Leasehold improvements are net any free rent from the landlord and net any tenant improvement dollars from the landlord. These amounts are based on the cost of adapting our prototypical architectural and design plans to remodel and finish-out of the Center and the cost of leasehold improvements. The amounts shown are based on actual costs for new FASTSIGNS Centers opened over the past 12 months that were built out with the recommended new Center footprint of 1,300 to 1,500 square feet, plus or minus 15%. Labor and material costs may vary in accordance with local variations in wage rates, labor efficiency, union restrictions and availability and price of materials. Finish-out costs are based on leasing unfinished space that consists of walls, plumbing, concrete slab, lighting, HVAC and electric. Your costs may vary based on local conditions. These costs may vary depending on whether certain costs are incurred by the landlord and are allocated over the term of the lease.

(3) Furniture & Fixtures. The figures shown include an estimate for office furniture, counters, file cabinets, and other fixtures included in our fixture package.

(4) Deposits. Deposits for site lease and utilities. The figure includes miscellaneous utility deposits such as telephone, electric, gas, and water. These amounts will vary based on the Center's geographic area, your credit rating, and other factors. We have specific criteria for a FASTSIGNS Center to enable us to approve a particular location. We use a variety of reports, information, and sources. We are not obligated to visit the proposed site for approval. Site visits will be as needed and determined by us. If a site visit is determined as necessary by us, we will notify you. You will lease the Center premises, typically located in a center, office/business park or free-standing building on a visible corridor. The premises for a FASTSIGNS Center are typically 1,300 to 1,500 square feet at approximately \$13.07 to \$33.60 per square foot in annual rent. Rental rates and payment terms vary significantly based on geographic area and market conditions. The lease deposit varies based on market area standards and credit rating, and typically include first and last month's rent. Landlords may also vary the base rental rate and charge rent based on a percentage of gross sales. The actual deposit and rent you pay will vary depending on

the size of the Center, the geographic area, your ability to negotiate with landlords, prevailing rental rates, and other factors.

(5) Telephone & Networking. The figures shown include the installation of a telephone system, installing necessary network cables, networking of all computers, printers, and phone system.

(6) Décor and Graphics. Each FASTSIGNS Center is required to have a similar graphics package that is consistent with the System trade dress. Included are the menu boards and all signage and graphics required for these boards.

(7) Tools, Supplies and Substrate Cutter. You will purchase various tools, cutting devices, and materials. You will purchase a substrate cutter that meets our specifications from our recommended supplier. We may request that you pay us a deposit of up to \$22,500 prior to opening your Center to purchase these items and others on your behalf.

(8) Production Equipment. The figure includes estimated costs for sign making computer systems, software, printer, and peripherals used in the FASTSIGNS System to design and output signs and graphics. This figure also includes production monitors, wireless mouse, and keyboard for a paperless workflow. This includes the required opening package: 64” dual head printer, a 64” plotter, 65” laminator, the Onyx Rip software, networking hardware, finishing station (application table and production table) and antivirus software. All these items are included in our initial equipment package. If you are an existing FASTSIGNS franchisee, you can buy replacement equipment directly from approved vendors. All equipment costs are net of taxes.

(9) Commercial Display, Laser Measurement Solution and a Chromebox with Licenses. We have included the cost of a commercial display, Chromebox with licenses and a Spike Unit laser measurement solution.

(10) Center Management System. We require CoreBridge’s center management software named CoreBridge Management System software. The \$3,500 center management system cost includes set-up, training time and 24 months of the CoreBridge Management System software. You will purchase the hardware, printer, and other system components we specify. We require one configured center management computer system and one CoreBridge Management System software license. The basic software and upgrade options are described in Item 11. Computer manufacturer and specifications are subject to change. You will purchase and use QuickBooks Online (most recent version) as your accounting software. You are required to use an on-line back-up utility to secure your graphics data. We recommend Google Drive as part of Google Workspace. Storage for Google Workspace is shared between Gmail and Google Drive. The cost of a managed firewall is included. (See Item 11).

(11) Signage. You will purchase signage for the exterior of the Center meeting our specifications. Exterior signage is coordinated by us and is purchased from our preferred vendor. For 2022, the average for one exterior signage was \$3,613.50.

(12) Initial Inventory. All FASTSIGNS Centers will open with the standard inventory package. The inventory consists of sign and graphics materials such as plastics, vinyl, magnetic

materials, aluminum, media, laminates, exhibits and displays and other materials as described in greater detail in the Manuals.

(13) Architectural Engineering. We provide you, free of charge, an electronic copy of a space plan layout and design development construction drawings for one site, including all specifications for the build-out of the Center. This service includes 1 revision, for any reason, including changes in layout and revisions due to local building permit requirements. Costs for additional drawing services and printing, beyond the aforementioned, are at your expense. As provided, these plans do not include electrical, plumbing, mechanical engineering services, Title 24 or other requirements by state or municipality and the plans are not sealed by an architect. In some states, if your permitting agency requires an architectural stamp, it can be provided to you at an additional charge by a local professional architect/engineer. They are familiar with the local codes and ordinances.

(14) Initial Advertising. The Franchise Agreement requires you to spend not less than \$14,500 (\$10,500 for Conversion Franchise, Co-Brand Center and for the sale of an existing FASTSIGNS Center to a third party) on initial marketing and advertising for the Center in your local market (see Item 11). The \$14,500 for initial advertising for a new Center and the \$10,500 for a Conversion Franchise or a Co-Brand Center that is administered by our marketing department is paid to the Fastsigns National Advertising Council, Inc. prior to registering for the initial training program.

The \$10,500 for initial marketing and advertising for a transfer of a controlling ownership interest in you or one of your principals (“Resale Center”) is paid to the Fastsigns National Advertising Council, Inc. upon signing of the Franchise Agreement.

After the initial marketing and advertising for the Center as described in Note 15 for the Center, Conversion Franchise, Co-Brand Center, or Resale Center is completed, you are required to continue local digital advertising paying and using our designated vendors. Also, you are required to continue the virtual sales assistant customer prospecting email campaigns using and paying the membership cost to our designated vendors.

(15) Travel, Lodging and Meals for Initial Training. We provide instruction and training materials for you, or your Managing Principal, graphic designer, and visual communications specialist (as defined in Item 15). You and individuals designated as the graphic designer and visual communications specialist will attend and satisfactorily complete our requirements before opening the Center. Initial training consists of 3 weeks for you and 2 weeks for your employees. The amounts shown are estimated costs for your training (3 weeks) and 2 employees’ training (2 weeks). We incorporated the basic expenses for you or your Managing Principal to spend 5 days in a center prior to attending initial training. We may convert the traditional classroom training of the initial training program entirely, or partially to live instructor led virtual training. All costs vary based on the mode of transportation, lodging, meals, employee recruitment, and wages.

(16) Administrative Supplies. We require you to purchase a 3-month supply of office supplies (business cards, forms, and administrative sundries) from a designated provider. We also include the cost for you to purchase general office supplies (a local buy list will be provided). This amount includes \$300 to purchase a credit card terminal, but this is not a requirement.

(17) Business, Licenses and Permits. These are estimates for local business licenses (typically one year in duration). These figures do not include occupancy and construction permits. Permits and license fees vary depending on the location of the Center.

(18) Insurance Deposits and Premiums. You will obtain, before beginning construction and maintain throughout the term of the Franchise Agreement, comprehensive general liability with primary and excess limits of not less than \$2,000,000, motor vehicle liability with primary and excess limits of not less than \$1,000,000, loss of business and compensation insurance, employment practices insurance and employers' and workers' compensation insurance. We require you to obtain garage keeper's comprehensive insurance with limits of not less than \$25,000 to \$50,000 per vehicle and cyber liability insurance with limits of not less than \$50,000. The amounts shown reflect deposits and premiums payable for up to the first 3-month period. Premiums may vary based on the insurer, location of insured's premises, local laws, and other factors (see Item 8). Please consult with your insurance agent regarding the appropriate amount to carry based on your business operation.

(19) Professional Funds. We strongly recommend you hire a lawyer and an accountant to help you evaluate this opportunity, the lease for the Center, and to advise you in establishing your business. If the landlord does not bear the cost of a site survey, you will be required to obtain a site survey at your expense. This estimate includes the cost of a site survey.

(20) Additional Funds. These amounts are estimates of additional funds such as rent, telephone, utilities, employee wages, benefits, workers' compensation, advertising, and promotional activities, inventory costs, Service Fee and Ad Fee payments, operational supplies, and professional fees. There are occasions when these additional funds might be used to finance receivables incurred in the business. These figures are estimates and we cannot assure you that you will not have additional expenses operating the Center. The amount of additional funds you may need depend on factors such as your management skills, experience, and business acumen; local economic conditions; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include salaries, benefits or personal living expenses for you, your Managing Principal, or managers. The figures are based on the working capital costs experienced by our franchisees and represent 12 months. These amounts are in addition to all other expenses in this chart.

(21) Totals. Except as specifically stated above, the amounts provided in this Item 7 may be subject to increases based on changes in market conditions, our cost to provide services and future policy changes. At the present time, we have no plans to increase payments over which we have control. Neither we nor any of our affiliates offer any financing for your initial investment. None of the payments to us described above are refundable. Whether any payments to third parties may be financed or are refundable will be determined by you and the third party.



## CONVERSION FRANCHISE

<b>Expenditure*</b>	<b>Estimated Low</b>	<b>Estimated High</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>Whether Refundable</b>	<b>To Whom Paid</b>
Initial franchise fee <sup>(1)</sup>	\$49,750	\$49,750	Signing of franchise agreement	Lump Sum	Non-refundable	Us
Leasehold improvements <sup>(2)</sup>	\$4,000	\$15,500	As Arranged	As Invoiced	No	Landlord Contractors
Furniture & Fixtures <sup>(2)</sup>	\$7,395	\$12,834	As Arranged	As Invoiced	No	Suppliers, Us
Deposits <sup>(2)</sup>	\$0	\$1,900	Before Opening	Per Lease	Depends on Lease	Landlord
Telephone & Networking <sup>(2)</sup>	\$0	\$1,796	Before Opening	As Invoiced	No	Suppliers
Décor Menu Boards and Graphics <sup>(2)</sup>	\$1,902	\$1,956	Before Opening	As Invoiced	No	Suppliers
Tools, Supplies and Substrate Cutter <sup>(2)</sup>	\$0	\$10,429	As Arranged	As Incurred	No	Suppliers
Production Equipment <sup>(2)</sup>	\$0	\$67,018	Before Opening	As Arranged	No	Suppliers, Us
Commercial Display, Laser Measurement Solution and a Chromebox with licenses <sup>(2)</sup>	\$1,539	\$1,557	As Arranged	As Invoiced	No	Suppliers
Center Management System Computer <sup>(2)</sup>	\$3,858	\$5,561	Before Opening	As Arranged	No	Lessor, Suppliers, Us
Signage <sup>(2)*</sup>	\$250	\$2,908	As Arranged	As Invoiced	No	Suppliers, FASTSIGNS National Accounts

<b>Expenditure*</b>	<b>Estimated Low</b>	<b>Estimated High</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>Whether Refundable</b>	<b>To Whom Paid</b>
Inventory <sup>(2)</sup>	\$350	\$2,750	As Arranged	As Invoiced	No	Suppliers
Architectural Engineering <sup>(2)</sup>	\$0	\$2,350	As Arranged	As Invoiced	No	Suppliers
Initial Advertising <sup>(2)</sup>	\$10,500	\$10,500	Prior to Registering for Initial Training	Lump Sum	No	Fastsigns National Advertising Council, Inc.
Travel, lodging, meals and employee costs for initial training of 1 person <sup>(2)</sup>	\$2,396	\$11,523	As Incurred	As Incurred	No	Suppliers
Administrative Supplies <sup>(2)</sup>	\$100	\$400	As Invoiced	Lump Sum	No	Suppliers
Business licenses and permits <sup>(2)</sup>	0	\$225	As Arranged	As Incurred	No	Various Agencies
Insurance deposits and premiums (for up to the first 3 months) <sup>(2)</sup>	\$625	\$1,125	As Arranged	As Invoiced	No	Independent Carrier
Professional Fees <sup>(2)</sup>	\$0	\$2,500	As Arranged	As Invoiced	No	Suppliers
Additional Funds <sup>(3)</sup>	\$20,000	\$35,000	As Arranged	As Incurred	No	Us, Suppliers, Landlord, Employees
Total <sup>(4)</sup> & <sup>(5)</sup>	\$102,665	\$237,582				

**Notes:**

(1) The initial fee for a Conversion Franchise is \$49,750. You will pay an initial franchise fee of \$24,875, a discount of 50% if you are a veteran of the U.S. Armed Forces that meet the requirements of the VetFran Program, or you are a First Responder as described in Item 5 of this Disclosure Document. The initial franchise fee is non-refundable under the terms of the Franchise Agreement.

(2) The cost of the leasehold improvements, build-out modifications, furniture/fixtures, store graphics, inventory and supplies, administrative supplies, signage, architectural/engineering, initial advertising, travel for initial training expenses, and professional fees vary based on the amount of conversion necessary to meet our standards and specifications. Depending on your existing equipment and supplies, you may need to purchase or modify items such as the center management system, printers, laminators, plotters to meet our standards and specifications. We have included the cost of a commercial display, a touchscreen unit, Chromebox with licenses and a Spike Unit laser measurement solution. Your training costs vary based on the extent of training necessary for existing personnel. The \$3,500 includes set-up, training time and 24 months' use of the CoreBridge Management System software. You are required to use an on-line back-up utility to secure your graphics data. We recommend Google Drive as part of Google Workspace. Storage for Google Workspace is shared between Gmail and Google Drive. Storage for Google Workspace is shared between Gmail and Google Drive. The incremental cost of a Google Workspace account license is \$11.50 monthly. 2023 listed pricing and method and frequency of payment are subject to change. The cost of a managed firewall is included.

(3) Additional Funds may not be necessary since this is a Conversion Franchise and represents an ongoing sign business. There is no consideration for debt service (interest and principal) in the additional Funds allocated. All other ongoing costs will be comparable to your costs prior to conversion. All other items necessary for operation are covered in the list above.

(4) Except as specifically stated above, the amounts provided in this Item 7 may be subject to increases based on changes in market conditions, our cost to provide services and future policy changes. At the present time, we have no plans to increase payments over which we have control. Neither we nor any of our affiliates offer any financing for your initial investment. None of the payments to us described above is refundable. Whether any payments to third parties may be financed or are refundable will be determined by you and the third party.

(5) We will contribute up to a maximum of \$7,500 if your Conversion Franchise had a gross sales level of \$350,000 to \$499,999 and \$10,000 if your Conversion Franchise had a gross sales level of \$500,000 or higher for the most recent 12-month period prior to signing your Franchise Agreement toward the cost of the items indicated with an asterisk that you incur converting to a FASTSIGNS Center ("Allowable Costs"). In order to be eligible for a contribution toward Allowable Costs, you will: (1) submit a valid receipt or purchase order to us; (2) you must be in compliance of your Franchise Agreement and required marketing programs; (3) you must submit a copy of your Conversion Franchise's profit & loss statement and balance sheet for the most recent 12 month period prior to signing your Franchise Agreement; and (4) purchases will be made from our designated suppliers. Upon commencement of operation as a FASTSIGNS Center, there will be no additional reimbursements of allowable costs. The contribution toward Allowable Costs does not apply if you finance your initial franchise fee as described in Item 10. Please note that you are eligible for 1 offer or discount. You will not qualify for the contribution toward Allowable Costs if you received a veteran or First Responder discount on your franchise fee.

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**CO-BRAND CENTER**

<b>Expenditure*</b>	<b>Estimated Low</b>	<b>Estimated High</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>Whether Refundable</b>	<b>To Whom Paid</b>
Initial franchise fee <sup>(1)</sup>	\$49,750	\$49,750	Signing of franchise agreement.	Lump Sum	Non-refundable	Us
Leasehold improvements <sup>(2)</sup>	\$7,383	\$16,916	As Arranged	As Invoiced	No	Landlord and/or Contractors
Furniture & Fixtures <sup>(2)</sup>	\$7,395	\$12,834	As Arranged	As Invoiced	No	Suppliers, Us
Deposits <sup>(2)</sup>	\$0	\$1,900	Before Opening	Per Lease	Depends on Lease	Landlord
Telephone & Networking <sup>(2)</sup>	\$0	\$1,796	Before Opening	As Invoiced	No	Suppliers
Décor, Menu Boards and Graphics <sup>(2)</sup>	\$1,902	\$1,956	Before Opening	As Invoiced	No	Suppliers
Tools, Supplies and Substrate Cutter <sup>(2)</sup>	\$0	\$10,429	As Arranged	As Invoiced	No	Suppliers, Us
Production Equipment <sup>(2)</sup>	\$0	\$67,018	Before Opening	As Arranged	No	Suppliers, Us
Commercial Display, Laser Measurement Solution and a Chromebox with licenses <sup>(2)</sup>	\$1,539	\$1,557	As Arranged	As Invoiced	No	Suppliers
Center Management System Computer <sup>(2)</sup>	\$3,858	\$5,561	Before Opening	As Arranged	No	Lessor, Suppliers, Us

<b>Expenditure*</b>	<b>Estimated Low</b>	<b>Estimated High</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>Whether Refundable</b>	<b>To Whom Paid</b>
Signage <sup>(2)</sup>	\$250	\$2,908	As Arranged	As Invoiced	No	Suppliers, FASTSIGNS National Accounts
Inventory <sup>(2)</sup>	\$350	\$2,750	As Arranged	As Invoiced	No	Suppliers
Architectural Engineering <sup>(2)</sup>	\$0	\$2,350	As Arranged	As Invoiced	No	Suppliers
Initial Advertising <sup>(2)</sup>	\$10,500	\$10,500	Prior to Registering for Initial Training	Lump Sum	No	Fastsigns National Advertising Council, Inc.
Travel, lodging, meals and employee costs for initial training of 1 person	\$2,396	\$11,523	As Incurred	As Incurred	No	Suppliers
Administrative Supplies <sup>(2)</sup>	\$100	\$400	As Invoiced	Lump Sum	No	Suppliers
Business licenses and permits <sup>(2)</sup>	\$0	\$225	As Arranged	As Incurred	No	Various Agencies
Insurance deposits and premiums (first 3 months) <sup>(2)</sup>	\$625	\$1,125	As Arranged	As Invoiced	No	Independent Carrier
Professional Fees <sup>(2)</sup>	\$0	\$2,500	As Arranged	As Invoiced	No	Suppliers
Additional Funds <sup>(3)</sup>	\$15,000	\$25,000	As Arranged	As Incurred	No	Us, Suppliers, Landlord, Employees
Total <sup>(4)</sup>	\$101,048	\$228,998				

**Notes:**

(1) The initial fee for a Co-Brand Center is \$49,750. You will pay an initial franchise fee of \$24,875, a discount of 50%, if you are a veteran of the U.S. Armed Forces that meet the requirements of the VetFran Program, or you are a First Responder as described in Item 5 of this Disclosure Document. The initial franchise fee is non-refundable under the terms of the Co-Brand Franchise Agreement, except as described in Item 5.

(2) The cost of the leasehold improvements, build-out modifications, furniture/fixtures, store graphics, inventory and supplies, administrative supplies, signage, architectural/engineering, initial advertising, travel for initial training expenses, and professional fees vary based on the amount of work necessary to meet our standards and specifications. Depending on your existing equipment and supplies, you may need to purchase or modify items such as the center management system, printers, laminators, plotters to meet our standards and specifications. We have included the cost of a commercial display, Chromebox with licenses and a Spike Unit laser measurement solution in case your Co-Brand Center does not have one. Your training costs vary based on the extent of training necessary for existing personnel. The \$3,500 includes set-up, training time and 24 months' use of the CoreBridge Management System software. You are required to use an on-line back-up utility to secure your graphics data. We recommend Google Drive as part of Google Workspace. Storage for Google Workspace is shared between Gmail and Google Drive. 2023 listed pricing and means and frequency of payment is subject to change. The cost of a managed firewall is included. (See Item 11).

(3) Additional funds may not be necessary since this is a Co-Brand Center and represents an existing operating business. There is no consideration for debt service (interest and principal) in the additional funds allocated. All other ongoing costs will be comparable to your costs prior to the Co-Brand Center opening. All other items necessary for operation are covered in the list above.

(4) Except as specifically stated above, the amounts provided in this Item 7 may be subject to increases based on changes in market conditions, our cost to provide services and future policy changes. At the present time, we have no plans to increase payments over which we have control. Neither we nor any of our affiliates offer any financing for your initial investment. None of the payments to us described above are refundable. Whether any payments to third parties may be financed or are refundable will be determined by you and the third party.

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**Item 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Fixtures, Equipment and Supplies**

To ensure that the highest degree of quality and service is maintained in the System, we require you to operate the Center in strict conformity with the methods, standards, and specifications that we describe in the Manuals or otherwise in writing. You may only sell products and services that we have expressly approved for sale in writing in the manner and style we specify. You must not deviate from any of our standards and specifications without our written consent. You must discontinue selling any products or services that we disapprove of in writing on notice. You have discretion as to the prices you charge customers for your products and services.

None of our officers have any ownership interest in any approved suppliers.

We require you to purchase the items necessary to open your Center from designated suppliers. You cannot install on the Center premises any furnishings, equipment, décor, signs, or other items that do not meet our specifications. You must purchase certain promotional materials from the Fastsigns National Advertising Council, Inc., or its designated supplier (see Items 5, 6, 7 and 11). You must purchase the counter system, menu board fixtures, tool racks and finished goods rack from us. You will purchase the sign and graphics making computers, plotters, printers and laminators from us or suppliers we designate. You will obtain your initial inventory order (raw materials for making signs and graphics), the center graphics package, showroom flooring, backlit light boxes, substrate cutter, exterior signage, and the center management system computer system and center management system software from suppliers we designate or us.

You may lease fixtures, furnishings, equipment, décor, signs, or other items required for the Center from a third party. We may request that the lease has a provision that permits your interest in the lease to be assigned to us when the Franchise Agreement expires or terminates and prohibits the lessor from imposing an assignment or related fee on us because of the assignment.

We have negotiated discounts with suppliers and manufacturers for the benefit of the FASTSIGNS system. To the extent possible, discounts are passed directly on to you. In 2022, we received rebates totaling \$792,527 on certain products required to open and operate FASTSIGNS Centers. We may in the future negotiate additional rebates, discounts, or sponsorships with other suppliers.

Your purchases of equipment and supplies from us and other sources from which we approve or are subject to our specifications will range from 36.57% to 48.44% of your costs in establishing the Center and 58.1% to 60.5% of your total purchases during operation of the Center.

Last fiscal year, we had total revenues of \$43,603,822 of which \$895,332 (or 2%) were derived from the sale of equipment, computer modifications, additional training and other services and products to franchisees. None of our affiliates derive any revenue from sales of products and services to franchisees. These figures were derived from our December 31, 2022, audited financial statements and supplementary work papers.

## **Advertising**

All promotional, sales, marketing, and advertising materials (including printed, digital and media advertising, vehicle graphics, business stationery, cards, forms, envelopes, novelty items and materials used to market the Center), public relations and social media activities, sales collateral materials and other items we specify must bear the Marks in the form, color, location, and manner we require. In addition, all your advertising, marketing, sales, and promotional plans in any medium are conducted in a dignified manner and will conform to the standards and requirements in the Manuals or as we otherwise specify in writing. You may speak on behalf of your Center to the media, but you need pre-approval from us to speak to the media on our behalf. You are required to participate in local digital advertising spending the minimum amount required to consistently achieve an impression share of 75% or more and using our designated agency to direct web traffic to your Center during your Center's business hours (at least \$850 per month). You are required to maintain a virtual sales assistant customer prospecting email campaign program paying and using our designated service. You may purchase advertising materials and enroll in marketing programs from designated suppliers if the programs meet our requirements (see Item 11).

## **eCommerce**

If you are eligible and elect to participate in our eCommerce platform, you must sign our eCommerce Catalog agreement and use our designated suppliers for the eCommerce platform, credit card payment gateway, tax management, and online sign and graphic design services. You will be permitted to set your product pricing and delivery options for fulfilling orders. We will create a Center-specific website within our eCommerce platform, but you will be responsible for setting up your catalogs on the website including product descriptions, product images, pricing, product dimensions, shipping carriers, etc. Your catalogs on the eCommerce platform must comply with our System standards as communicated in the Manuals or otherwise in writing.

## **Site Selection and Construction**

We must approve any proposed site for the Center and approve any contract of sale or lease for the Center premises before it is signed. Once you have a letter of intent signed for the contract of sale or lease, you must move forward with a site survey to obtain current dimensions and conditions of the Center premises. The site survey would be at your cost. If the landlord bears the cost of the site survey, you will not be required to obtain the site survey. Any lease for the premises must include a rider containing the terms and provisions listed in Attachment "C" to the Franchise Agreement (unless we otherwise agree in writing) including the following provisions:

- (1) during the term of the Franchise Agreement, the premises will be used only for operating a FASTSIGNS sign and graphics business;
- (2) the landlord consents to your use of the Marks and signs we require for the Center;
- (3) the landlord agrees to furnish us and any lenders with all letters and notices sent to you pertaining to the lease and the premises, including any notice of default, while the letters and notices are sent to you;



(4) we have the right to enter the premises to make any modification or alteration necessary to protect the System and the Marks or to cure any default under the lease, without being guilty of trespass or any other tort;

(5) the landlord agrees that you may assign the lease to us or our subsidiaries or affiliates on expiration or earlier termination of the Franchise Agreement without the landlord's consent;

(6) the landlord agrees that you may not assign the lease or renew or extend the term of the lease without our written consent; and

(7) the landlord and you will not amend or modify the lease in any manner which would materially affect any of these requirements without our written consent.

We cannot provide legal advice to you regarding the lease; you will need to consult with an attorney.

### **Insurance**

Before you construct the Center, you must obtain and maintain during the term of the Franchise Agreement, certain insurance coverage specified in the Franchise Agreement. The policies must include, at a minimum, the following insurance coverage and policy limits:

(1) Comprehensive general liability insurance, including personal injury coverage, property damage coverage with replacement cost value, products liability coverage and fire and storm damage coverage, with primary and excess limits of not less than \$2,000,000;

(2) Hired and non-owned auto insurance, including coverage of vehicles that you do not own but are used by employees in operating the Center, with a combination of primary and excess limits of not less than \$1,000,000;

(3) Employer's liability and workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, instead of workers' compensation, any legally appropriate alternative providing similar compensation for injured workers satisfactory to us. You must (i) maintain an excess indemnity or "umbrella" policy covering employer's liability and/or a medical/disability policy covering medical expenses for on-the-job accidents, which policies must contain the coverage amounts that you and we mutually agree on and (ii) conduct and maintain a risk management and safety program for your employees that you and we mutually agree is appropriate. The policies must also include a waiver of subrogation in our favor and in favor of our directors, officers, shareholders, partners, employees, representatives, independent contractors, and agents;

(4) Employment Practices Liability Insurance that provides protection against employee lawsuits. The policies will reimburse you against the costs of defending a lawsuit in court and for judgments and settlements;

(5) Business interruption insurance that provides coverage for loss of income that a business suffers after a disaster. The income loss covered may be due to disaster-related closing of the business facility or due to the rebuilding process after a disaster;

(6) Any insurance that may be required by statute or rule of the state or locality in which the Center is located;

(7) If you are doing any type of vehicle work, such as wraps or decals, we require you obtain garage keeper's comprehensive insurance, which provides coverage of theft or vandalism of vehicles that are owned by customers that you are providing service to with limits of not less than \$25,000 to \$50,000 per vehicle; and

(8) We strongly recommend that you obtain cyber liability insurance with limits of not less than \$50,000 to cover your liability for data breaches involving sensitive customer information, such as credit card numbers, account numbers and driver's license number. Please consult with your insurance agent regarding the appropriate amount to carry based on your business operation.

We may change the coverage requirements and the amounts at our discretion and will advise you of the changes in the Manuals or in writing. You may, after obtaining our written consent, elect to have reasonable deductibles under the coverage required under paragraphs 1 and 2 above. We must be named as an additional insured on all insurance policies, if permissible under applicable law.

### **Accounting Service**

You must maintain and submit certain records, reports, financial statements, and other information under the terms of the Franchise Agreement. You are required to use QuickBooks Online (most recent version) as your accounting software. We require that you have an accountant prepare monthly financial statements for you using the required accrual accounting method using our chart of accounts, including income statement, balance sheet and statements of cash-flow.

### **Purchase Arrangements**

We negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above in which you are required to participate.

**Item 9: FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Section 2 of Franchise Agreement Section 2 of Co-Brand Franchise Agreement	Items 5, 8 and 11
b. Pre-opening purchases/leases	Section 2 of Franchise Agreement Section 2 of Co-Brand Franchise Agreement	Items 5 and 8
c. Site development and other pre-opening requirements	Sections 2, 4, and 8 of Franchise Agreement Sections 2, 4, and 8 of Co-Brand Franchise Agreement	Items 5 and 11
d. Initial and ongoing training, including convention attendance	Section 4 of Franchise Agreement Section 4 of Co-Brand Franchise Agreement	Items 5 and 11
e. Opening	Section 2 of Franchise Agreement Section 2 of Co-Brand Franchise Agreement	Item 11
f. Fees	Sections 2, 3, 4, 9, 12, 13 and 15 of Franchise Agreement Sections 2, 3, 4, 9, 12, 13 and 15 of Co-Brand Franchise Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Manuals	Sections 4, 6 and 8 of Franchise Agreement Sections 4, 6 and 8 of Co-Brand Franchise Agreement	Items 8, 11, 15 and 17
h. Trademarks and proprietary information	Sections 5 and 6 of Franchise Agreement	Items 13 and 14

	Sections 5 and 6 of Co-Brand Franchise Agreement	
i. Restrictions on products/services offered	Section 8 of Franchise Agreement Section 8 of Co-Brand Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section 8 of Franchise Agreement Section 8 of Co-Brand Franchise Agreement	Item 16
k. Territorial development	Section 1 of Franchise Agreement Section 1 of Co-Brand Franchise Agreement Section 1 of Development Agreement	Item 12
l. Ongoing product/service purchases	Section 8 of Franchise Agreement Section 8 of Co-Brand Franchise Agreement	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Sections 8 and 13 of Franchise Agreement Sections 8 and 13 of Co-Brand Franchise Agreement	Items 8 and 11
n. Insurance	Section 8 of Franchise Agreement Section 8 of Co-Brand Franchise Agreement	Items 5, 7 and 8
o. Advertising	Section 9 of Franchise Agreement Section 9 of Co-Brand Franchise Agreement	Items 3, 5, 6 and 11
p. Indemnification	Section 16 of Franchise Agreement Section 16 of Co-Brand Franchise Agreement	Item 6
q. Managing Principal and your principals' participation/management/staffing	Sections 1, 4 and 8 of Franchise Agreement Sections 1, 4 and 8 of Co-Brand Franchise Agreement	Items 11 and 15

r. Records and reports	Section 10 of Franchise Agreement Section 10 of Co-Brand Franchise Agreement	Items 6 and 11
s. Inspections and audits	Sections 8 and 11 of Franchise Agreement Sections 8 and 11 of Co-Brand Franchise Agreement	Items 6 and 11
t. Transfer	Section 12 of Franchise Agreement Section 12 of Co-Brand Franchise Agreement Section 7 of Development Agreement	Items 6 and 17
u. Renewal or Extension of Rights	Section 13 of Franchise Agreement Section 13 of Co-Brand Franchise Agreement	Items 6 and 17
v. Default and Termination	Section 14 of Franchise Agreement Section 14 of Co-Brand Franchise Agreement Section 6 of Development Agreement	Item 17
w. Post-termination obligations	Section 15 of Franchise Agreement Section 15 of Co-Brand Franchise Agreement	Items 6 and 17
x. Non-competition covenants	Sections 7 and 15 of Franchise Agreement Sections 7 and 15 of Co-Brand Franchise Agreement	Item 17
y. Dispute Resolution	Section 17 of Franchise Agreement Section 17 of Co-Brand Franchise Agreement	Item 17
z. Other–Guaranty	Section 1 of Franchise Agreement Section 1 of Co-Brand Franchise Agreement	Item 15

## Item 10: FINANCING

We do not offer direct financing (except as described below) or indirect financing. We do not guarantee your note, lease, or obligations.

### **Direct Financing Available to Conversion and Co-Brand Franchisees**

If you are a Conversion Franchisee or Co-Brand Franchisee and you meet our credit standards and qualify for financing, we may offer you financing for a portion of the initial franchise fee necessary to establish a FASTSIGNS Center. If you pay us \$15,000 of the initial franchise fee, we will finance \$34,750 of the initial franchise fee (See Item 5). If you obtain financing from us, you will be required to sign a Promissory Note in the form attached as Exhibit “J” to this Disclosure Document (the “Note”). The Note provides for payment to us over a 36-month period at 0% interest per annum paid in monthly installments. There are no additional finance charges. The first payment on the Note is due 30 days after you commence operating as a FASTSIGNS Center. If you finance the full amount, your monthly installment payment will be \$965.28. We will debit your business checking account automatically for the monthly installment payment on the 25th day of each month. We also require that the Note be guaranteed by your principals if you are a corporation or other business entity. We require no other security interest in the Note. You may pre-pay the Note in whole or in part without penalty.

You may be required to pay a higher down payment than the \$15,000 referenced above or the full initial franchise fee if you do not meet our minimum credit standards.

The following are events of default under the Note: (1) your failure to pay any principal, or any other charge or expense payable under the Note, (2) any breach or default by you of any warranty, representation, covenant, term or condition stated in the Note, in the Franchise Agreement, or in any other security instrument, affidavit or other agreement or instrument between us, (3) if the Franchise Agreement is terminated for any reason by us, (4) if you are not paying your debts as such debts become due, (5) the commencement of any proceedings under any bankruptcy or insolvency laws by or against you or (6) the sale, assignment, transfer or conveyance of all or substantially all of your assets. If you default, we may terminate the Franchise Agreement and all outstanding principal under the Note will be immediately due and payable. Also, you must pay the costs, fees, and expenses we incur in enforcing the Note.

Under the Note you waive presentment, demand for payment, protest, and notice of nonpayment by the makers, endorsers, and guarantors of the Note. We receive no consideration for offering you financing.

The contribution toward Allowable Costs described in Item 7, note (5) of the Conversion Franchise Estimated Initial Investment does not apply if you finance your franchise fee with us.

We do not have any past or present practice, nor do we have any intention to sell, assign or discount to a third party, in whole or in part, any note, contract or other instrument you execute.

**Item 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

**Pre-Opening Obligations:** Before opening a Center, we provide you the following assistance and services:

(1) Site selection assistance as described in the Site Selection below. (Franchise Agreement, Subsection 2.A.). If you are unable to obtain a location for the Center that we approve within 90 days after you sign the applicable Franchise Agreement or if you are unable to obtain the permits, licenses, and certifications you need to begin construction within 120 days after we approve the location for the Center, or if you are unable to acquire sufficient financing to complete construction of the Center and to open the Center for business within 365 days after the date of the Franchise Agreement, we may terminate the Franchise Agreement.

(2) We provide you, free of charge, with an electronic copy of a space plan layout and a design development construction drawing, including all specification for the build-out of your Center. This service includes 1 revision, for any reason, including changes in layout and revisions due to local building permit requirements. Costs for additional drawing services and printing, beyond the aforementioned, are at your expense. As provided, these plans do not include electrical, plumbing, mechanical engineering services or Title 24 and the plans are not sealed by an architect. In some states, if your permitting agency requires an architectural stamp, it can be provided to you at an additional charge by a local professional architect/engineer that is familiar with the local codes and ordinances.

(3) Our initial training program for (i) you (if you are an individual), or (ii) if you are a corporation, partnership, or other business entity, for your Managing Principal, the graphic designer and visual communications specialist. (Franchise Agreement, Subsections 4.A. and 8.F.).

(4) We provide you with access to our learning management system for education and training programs which is accessible using your FASTSIGNS email address.

(5) We provide access to the Manuals to you electronically through a secure website which is accessible via password only. We may revise the contents of the Manuals and you must comply with each new or modified standard. (Franchise Agreement, Subsection 4.D.). The Table of Contents of the Manuals is attached as Exhibit H to this Disclosure Document. As of the date of this disclosure document, there are a total of 259 pages in the Manuals.

(6) A description of the terms and conditions to purchase the store graphics package, menu board graphics, backlit light boxes and other fixtures, substrate cutter, plotter, printer, laminator, finishing station (application table and production table, equipment, computers, supplies and merchandise that you will purchase through us, designated suppliers, recommended suppliers, or suppliers you choose that meets our criteria and specifications. (Franchise Agreement, Subsections 2.C., D. & E.).

(7) Submit the opening inventory order to an approved supplier, on your behalf. We make available, at a reasonable cost, printing, and mailing services for your initial advertising. This is executed through the Fastsigns National Advertising Council, Inc., or its designated suppliers. (Franchise Agreement, Subsections 2.C.(6) and 9.A.).

Other than as described above, we are not required to provide any other service or assistance to you before the Center opening.

**Post-Opening Obligations:** We are obligated by the Franchise Agreement to provide the following services and assistance after the Center opening:

(1) Our Business Consultant will provide on-site, or virtual/video conference based opening training, supervision, and assistance to you at a time to be determined by us. Except as described below, we provide our Business Consultant at no expense to you. If the Center is not constructed at the time our Business Consultant arrives for the Center opening, you may pay the expenses incurred by our Business Consultant on that trip and schedule another trip at a time when Center construction is completed, which will be at no additional expense to you. For any replacement FASTSIGNS Center you establish based on Subsection 14.A. of the Franchise Agreement because of a Force Majeure event (as defined in the Franchise Agreement), we may, in our discretion, charge you a reasonable fee for the opening assistance. (Franchise Agreement, Subsection 2.B.).

(2) Provide advisory assistance in managing and operating the Center as we determine advisable. We provide assistance by means of written materials, toll free telephone service, electronic communication, and/or at our office or the Center. (Franchise Agreement, Subsection 4.C.).

(3) Make available additional training programs as we determine appropriate from time-to-time (e.g., annual convention, vehicle wrap classes, outside sales summit, sales boot camp, sales management training, etc.) that we may charge a fee to defray costs. We make available our initial training program for any replacement for any individual who does not successfully complete the training program and individuals you subsequently hire. (Franchise Agreement, Subsections 4.A. and B.).

(4) Provide information on recommended or approved suppliers of all products, equipment, signs, interior and exterior décor items, fixtures, furnishings, supplies, and other materials required to operate the Center. (Franchise Agreement, Subsection 8.D.).

(5) Conduct meetings, seminars, remote training, and other related activities regarding the System for franchisees, which we encourage you to attend. Any costs you, your principals and Center personnel incur attending such events are your responsibility, unless we agree otherwise. (Franchise Agreement, Subsections 8.B. and D.).

(6) Conduct, as we determine advisable, Center inspections and evaluate the products sold and services offered by the Center. (Franchise Agreement, Subsection 4.B.).



(7) If we substitute different names and marks to identify the System and the businesses operating in it, if the Marks can no longer be used or the use is restricted, we may, at our discretion, reimburse you for a portion of the expenses you incur that are directly related to any change or modification when we receive documentation satisfactory to us. (Franchise Agreement, Subsection 5.D.).

We are not required to provide you any other service or assistance for the Center's continuing operation.

**Advertising:** As a System, we currently advertise and promote the products and services the Centers offer through various forms of media. The advertising is conducted on a national and local basis using the Ad Fund and local franchisees (described below).

All your advertising and promotional plans, in any medium, will be conducted in a dignified manner and will conform to the standards and requirements in the Manuals or as we otherwise specify in writing.

Brand assets include, for example, décor design, icon design and vehicle graphics, and are proprietary to us and cannot be modified or additional elements created.

We and the Fastsigns National Advertising Council, Inc. research, formulate, develop, and produce advertising and promotional programs to benefit the entire System. All franchisees are members of the Fastsigns National Advertising Council, Inc., which is a Texas corporation. The Board of Directors of the Fastsigns National Advertising Council, Inc. is comprised of one of our representatives and 6 franchisee members elected under the bylaws of the Fastsigns National Advertising Council, Inc. The franchisee members represent Canada and 5 regions in the United States. The franchisee board members are elected 1 vote per FASTSIGNS Center from the region in which the FASTSIGNS Center is located. All franchisees may provide suggestions, recommendations and input regarding any advertising programs undertaken by the Fastsigns National Advertising Council, Inc. The Board of Directors of the Fastsigns National Advertising Council, Inc. is responsible for working with us to help provide the strategic direction of the Fastsigns National Advertising Council, Inc. and will provide insight and guidance with respect to programs, projects, activities and operations of the Fastsigns National Advertising Council, Inc. All decisions of the Fastsigns National Advertising Council, Inc. are subject to our approval. Other than the Fastsigns National Advertising Council, you are not required to participate in any local or regional advertising cooperatives.

You must pay an Ad Fee (as defined in Item 6) equal to 1% during the first 12 months of operation of a new FASTSIGNS Center, Conversion Franchise, and Co-Brand Center and 2% of a new FASTSIGNS Center's, Conversion Franchise's, and Co-Brand Center's monthly Gross Sales thereafter. The obligation to pay the Ad Fee begins immediately when your Center opens for business or commences operation and must be paid by electronic transfer on the 15<sup>th</sup> day of the month following the month to which the Ad Fee relates. All Ad Fees we collect are deposited in a separate account we, and the Fastsigns National Advertising Council, Inc. administer. The Ad Fund is intended to maximize public recognition, and acceptance of the Marks and the System. In administering the Ad Fund, we and the Fastsigns National Advertising Council, Inc. have no obligation to make expenditures for you that are equivalent or proportionate to your contribution

or to ensure that any franchisee benefits directly or pro rata from the production and execution of the advertising.

We and the Fastsigns National Advertising Council, Inc. may use the Ad Fund to place and allocate the advertising. The Ad Fund is used to pay all costs for the formulation, planning, research, testing, development, training, production, execution, management and measuring (as possible) of all marketing, advertising, promotional, sales, web, public relations, and social media activities used to promote and protect the FASTSIGNS brand. This includes, but is not limited to, executing marketing research, preparing and producing television, video, audio, radio, magazine, eCommerce, print, promotions, email, e-newsletter, customer loyalty and satisfaction support, social media, web marketing, website development, website hosting, search engine optimization, local digital advertising, virtual sales assistant customer prospecting email campaigns, SMS Text Marketing Campaigns, direct mail, outdoor advertising, telephone prospecting, trade shows, sponsorships, sales collateral material, public relations activities, sales development, sales training, employer of choice branding and all other lead generating and sales building activities. The Ad Fund is used for these activities whether through an outside agency or these functions are executed and developed by marketing staff. The Ad Fund is also used to compensate us and our employees who devote time and render services in formulating, developing, and producing the programs, or who perform services administering the Ad Fund. The Ad Fund and its earnings are not otherwise used to benefit us or the Fastsigns National Advertising Council, Inc. The Ad Fund is not used to develop, produce, or conduct advertising that is primarily a solicitation for the sale of franchises. Any sums paid to the Ad Fund that are not spent in the year they are collected will be carried over to the following year.

We prepare an unaudited statement of the Ad Fund's contributions and disbursements that is made available to you annually upon request. Although not audited, an independent accounting firm reviews the year-end statement. During the last fiscal year (ending December 31, 2022), the Fastsigns National Advertising Council, Inc.'s budget was spent as follows: 18.42% on national broadcast advertising; 27.05% to maintain and enhance the [fastsigns.com](https://fastsigns.com) website and digital advertising; 21.4% on the Fastsigns National Advertising Council, Inc.'s marketing personnel and administration; 2.01% on outside sales support, lead generation and customer satisfaction; 0.74% on public relations and social media; 0.17% on franchisee rebates and awards; 0.48% on research; 2.55% on creative and new production; 2.22% on events, training and travel; 0.09% on miscellaneous; and 8.08% on holdback and sliding scale royalties; and 16.79% reserve carryover to 2023.

We recommend that you spend 5% of the Center's monthly Gross Sales (inclusive of the 2% paid to the Ad Fund) on local advertising and promotion of the Center. All local advertising and promotion you conduct must be approved by us or must be consistent with our Marks, in good taste and in a form provided or approved by us.

If you are opening a new FASTSIGNS Center, in addition to the Ad Fee you are required to spend not less than \$14,500 (\$10,500 if you are a Resale Center, Conversion Franchise or Co-Brand Center) on initial marketing and advertising for the Center in your local market. The \$14,500 for initial advertising for a new Center and the \$10,500 for initial marketing and advertising for a Conversion Franchise or a Co-Brand Center which is administered by our

marketing department is paid prior to the Fastsigns National Advertising Council, Inc. prior to registering for the initial training program. The \$10,500 for initial marketing and advertising for the Resale Center is paid upon signing of the Franchise Agreement. Our marketing department will create a marketing and advertising plan for each new Center, Resale Center, Conversion Franchise or Co-Brand Center and will allocate your required initial marketing and advertising pre-paid dollars to local programs at our sole discretion that will be scheduled to run for 4 to 6 months for a new Center and 3 to 4 months for a Resale Center, Conversion Franchise or Co-Brand Center. The programs included in the initial marketing and advertising plan include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (3-to-4 month supply), local web search marketing, including local digital advertising, telemarketing campaigns, virtual sales assistant customer prospecting email campaigns, social media campaigns, and sales promotion items. The marketing plan also includes the required tracking of phone numbers and web lead forms to capture and track all lead activity. There are 12 months of virtual sales assistant customer prospecting email campaigns included for a new Center and 6 months are included for a Resale Center, Conversion Franchise and Co-Brand Center in the initial marketing and advertising plan. Marketing programs are evaluated for effectiveness, and we may amend the tactics to optimize the initial marketing and advertising plan. If additional funds remain after we outline the spending on these programs and materials on the elements above, other programs such as local media or association marketing opportunities can be included in the pre-paid portion of the marketing plan.

Upon expiration of the pre-paid marketing dollars referenced above for local digital advertising, you are required to continue local digital advertising in the same geographic area as your Territory as defined in Item 12, use our designated agency, and spend the minimum amount required to consistently achieve an impression share of 75% or more in your Territory). The required spend is \$850 a month. If a lower monthly amount keeps your local paid search impression share at least 75%, you must spend the difference in additional digital media channels and search engine optimization to generate demand. Also, you are required to maintain virtual sales assistant customer prospecting email campaigns through our designated service at an annual cost of \$1,380 (this pricing is subject to change).

Your Center may participate in approved social media programs (“Social Media”) and sites in accordance with our policies and guidelines established for Social Media, in the same geographic area as your Territory as defined in Item 12. Different social media programs are allowed following our Social Media policy, guidelines, and naming convention. On any FASTSIGNS center social media sites, we must be co-administrators of your account.

The Franchise Agreement prohibits you from having an individual page or website on the internet outside the FASTSIGNS website that mentions or describes you or the Center, displays any of the Marks, or displays your address or products produced at your Center. The Franchise Agreement prohibits you from having eCommerce sites created by you or vendors unless approved by us, and subject to our guidelines. It also prohibits you from buying any domain name to direct web traffic to your fastsigns.com website or otherwise. Our infrastructure, fastsigns.com, does allow you flexibility to customize your center’s web pages within our brand guidelines. You are required to participate in local digital advertising programs as directed by us using our designated agency and only in the areas that we designate. All advertising and promotional materials

developed for your Center must contain notices of our FASTSIGNS website's domain name used appropriately at fastsigns.com in the manner we designate. We approve, create and host your Center's website on the FASTSIGNS website.

The Fastsigns National Advertising Council, Inc. may, on behalf of the System, obtain accounts from national companies to fulfill their needs for signs on a local basis and from a centrally coordinated service ("FASTSIGNS National Accounts"). Under the FASTSIGNS National Accounts Program, the Fastsigns National Advertising Council, Inc. will negotiate and execute agreements with the FASTSIGNS National Accounts' customers (the "Customers") and will organize and administer the FASTSIGNS National Accounts Program. The FASTSIGNS National Accounts Program acts as a central access point through which the FASTSIGNS System can effectively meet the needs of national and regional Customers. The FASTSIGNS National Accounts Program conforms to the individual needs of each Customer by designing customer-tailored systems for the Customer's ordering, production, distribution, installation, and invoicing. You are permitted to participate in the FASTSIGNS National Accounts Program provided you meet and comply with the Fastsigns National Advertising Council, Inc.'s criteria and standard guidelines for participating in the program as described in our Operations Manual. This includes being in "Good Standing" with the terms of the Franchise Agreement. You will also agree to provide the services under the terms and conditions the Fastsigns National Advertising Council, Inc. negotiates. We do not represent that we or the FASTSIGNS National Accounts Program will obtain any national accounts in your Territory (as defined in Item 12). If the FASTSIGNS National Accounts Program does obtain accounts, the Fastsigns National Advertising Council, Inc. will advise you of the terms of participation. Participation in the FASTSIGNS National Accounts Program is voluntary on the part of franchisees and may be terminated by you or by the FASTSIGNS National Accounts Program.

The Fastsigns National Advertising Council, Inc. may establish other programs with the FASTSIGNS National Accounts Program to encourage FASTSIGNS National Program participation and benefit the System. Currently, the FASTSIGNS National Accounts Program has a referral program available to franchisees. Franchisees can refer qualified national account clients to the FASTSIGNS National Accounts Program and obtain a referral fee based on the work the FASTSIGNS National Accounts Program and other franchisees perform through the FASTSIGNS National Accounts Program for the client. Under the current referral program policy, the FASTSIGNS National Accounts Program pays you a referral fee for all work directly invoiced by the FASTSIGNS National Accounts Program for that account under the FASTSIGNS National Accounts Program. You must be the first qualified Franchisee to refer (in writing) to the FASTSIGNS National Account that participates in the FASTSIGNS National Program. This referral fee is exclusive of any work performed by the referring Franchisee.

The Fastsigns National Advertising Council, Inc. may, in its discretion, modify, amend, or discontinue any of these FASTSIGNS National Accounts Programs.

We may develop and administer other marketing, promotional, sales or advertising programs designed to promote and enhance the entire System. You have the right to participate in those programs in accordance with the terms and conditions we establish for each program.

## **Training:**

Before the Center opening, you, if Franchisee, is an individual, or your Managing Principal; your graphic designer and visual communications specialist (or other designated personnel) must attend and complete the initial training program to our satisfaction. The initial training program is intended to protect and maintain the System and the Trademarks and not to control the day-to-day operation of your Center. You must sign a Training Acknowledgment to indicate your understanding of this. This acknowledgment will be in the form contained in Exhibit “J” to the Franchise Agreement and Exhibit “I” to the Co-Brand Franchise Agreement. The duration of the training program currently is 2 weeks of classroom instruction for up to nine hours each day, plus 5 days in a FASTSIGNS Center for Franchisee prior to the classroom training. With our approval, additional personnel may attend the initial training program. The classroom instruction is conducted at our corporate offices in Carrollton, Texas. We reserve the right to convert the traditional classroom training of the initial training program entirely, or to live instructor led virtual training.

The training program includes training and instruction in the areas of business and financial management, marketing and sales management, production and production management and employee management. We provide training and instruction for your personnel (graphic designer and visual communications specialist) as it applies to their position in the areas of sales, product knowledge, center management system computer, product fulfillment and other related topics (as described in Item 11). We provide instructors, facilities and required training materials for the initial training program.

If you, your Managing Principal, the graphic designer, or visual communications specialist (or other designated employees) do not satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training. We have the right to prevent you from opening the Center for business until the persons designated successfully complete the training program.

During the remaining term of the Franchise Agreement, we may require other personnel to attend and complete the initial training program to our satisfaction. You are responsible for all other expenses you, your outside sales professional or your personnel incur, including costs of travel, lodging, meals, and wages.

Within 120 days from the date that your Center commences business, we require that you hire an outside sales professional, and employ an outside sales professional for the remaining term of the Franchise Agreement. Your outside sales professional will be required to attend Sales Boot Camp at no charge within the first 12 months from the date of hire.

Our Senior Director of Education and New Centers, Barbara Engle, whose experience is described in greater detail in Item 2, is primarily responsible for our initial training course as well as other FASTSIGNS training programs. In addition to Barbara Engle, Bryan Hollis, Kelly Vicha and Patrick Finn work full-time in our training department. Bryan Hollis has been with us since January 2013 and served as our Manager of Technical Services from June 2015 through December 2018. In January 2019, he became our Director of Training. Mr. Hollis has over 25 years of experience in the visual communications and graphic design industry. Kelly Vicha

joined us in February 2018 as a Training Manager. Ms. Vicha has over 20 years of experience in the training and development field. Patrick Finn joined us in May 2021 as a Training Manager. Mr. Finn has over 10 years in the visual communication and graphic design industry. As noted in the description of the training program below, we also draw on the substantial experience of our management and other personnel in conducting our initial training program.

The instructional materials used in the initial training may consist of our FASTSIGNS Operations Manual, Sales and Marketing Manual, Personnel Manual, Pre-Opening Manual, In Center Training Manual, Marketing Resources, promotional materials, videos and computerized tutorial programs related to operating the point of purchase and sign making computers (the “Manuals”).

You and/or your employees will be required to complete some on-line training assignments prior to attending our initial training course. Some of the materials are provided in a tutorial and self-paced teaching format for you to use in training your employees.

Outlined below is an overview of the subject matter and number of hours allocated to each subject of our initial training program. This outline is as of the date of this Disclosure Document and is subject to change. The initial training program is offered 6 to 12 times a year.

### TRAINING PROGRAM

Subject	Hours of Classroom Training			Hours of on-the- Job Training	Location
	You/ Visual Communications Specialist/ Graphic Designer				
Computers - this includes the Center Management System.	11	11	6		Carrollton, Texas
Design Software	1	1	6		Carrollton, Texas
Management	5	2			Carrollton, Texas
Production	6	6	38		Carrollton, Texas
Product Knowledge	10	10	8		Carrollton, Texas

Sales/Marketing	24	28	2		Carrollton, Texas
Homework	8	8	6		Carrollton, Texas
Technology	4	4	6		Carrollton, Texas
In Center Training				32+ Optional	Determined by location of Center
Miscellaneous	5	5	5		Carrollton, Texas
Pre-Opening Meetings	1	1			Carrollton, Texas

The entire training program is subject to change due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated are estimates and may vary based on the experience of those people being trained. During the initial training program, there are three tracks: sales and management, visual communications specialist, and graphic designer. The sales and management track concentrates on sales, marketing, and overall business management. The visual communications specialist track concentrates on sales skills, marketing, sales tools and product knowledge. The graphic designer track focuses on production and computer skills. The hours denoted above reflect approximate classroom instruction. Additionally, during your off hours, there will be homework and you are encouraged to practice the skills taught in class.

We provide on-site opening training, supervision, and assistance to you at a time determined by us. The on-site training focuses on opening, inventory control, management, sign production and marketing strategies and skills. The Business Consultant is provided at no expense to you, unless construction is not completed at the time the Business Consultant arrives for the opening of the Center. Under those circumstances, you may pay the expenses incurred by the Business Consultant, including, the costs of travel, lodging, meals, and wages. You must schedule another trip at a time when the Center construction is complete, which trip is at no expense to you.

From time-to-time we will offer additional training programs, seminars, and webinars for you (if Franchisee is an individual), your Managing Principal, the Key Management Employee, and other employees (e.g., annual convention, vehicle wrap class, sales summit, sales boot camp, sales management training, etc.) and we may charge a fee to defray costs. At our discretion additional training can be mandatory for you, your Managing Principal, and your Key Management Employee. Any additional training is optional for your other personnel. We provide the instructors and training materials for all the programs, seminars, and webinars. The cost of this training may range from \$75 to \$1,000 per person, depending on our costs to prepare the materials and

personnel, tools, equipment, and location necessary for the training. Many training sessions require advance registration. You are responsible for all expenses you, your principals and personnel incur attending training, including the costs of travel, lodging, meals, and any wages.

You, if the Franchisee is an individual, your Managing Principal, or your Key Management Employee must attend the franchise convention once within every three-year period. There is a registration fee charged to attend the franchise convention. You are responsible for all expenses you; your Managing Principal, Key Management Employee or employees incur attending the franchise conventions.

**Site Selection:** You assume all cost, liability, expense, and responsibility for locating, obtaining, and developing a site for your Center and for constructing and equipping the Center at the site. You are prohibited from making any binding commitment to a prospective vendor or lessor of real estate for a site for a Center unless the site is approved by us in compliance with the procedure described below. Our approval of a prospective site or the provision of assistance in its selection is not a representation, promise, warranty or guarantee by us that a FASTSIGNS Center operated at that site will be profitable or otherwise successful.

You will acquire, at your expense, a location for the Center at a site we approve within 90 days after you sign your Franchise Agreement. We may extend that time in writing. The Center may not be relocated without our written consent. At our discretion, we will select a local broker to assist you in locating sites for your Center which satisfy our site selection criteria. This does not apply to a Conversion or a Co-Brand Franchise.

We will review proposed sites with you to ensure they meet our criteria for visibility, accessibility and suitability of the premises and other relevant factors. We have specific criteria for a FASTSIGNS Center to enable us to approve a particular site. We use a variety of reports, information, and sources. You will sign a lease or sublease for the Center premises within 120 days after you sign your Franchise Agreement, typically located in a strip-shopping center, office/business park or a free-standing building on a visible corridor. Site visits will be as needed and determined by us. If a site visit is determined as necessary by us, we will notify you. We may withhold approval of any site for any bona fide reason that we, in the exercise of our reasonable business judgment, deem necessary. In the event, that our representative will make a trip, we will pay all costs incurred by our representative for an on-site evaluation of the premises for a Center. You pay all costs incurred for any additional on-site evaluations you request or if we determine those additional evaluations are necessary. In addition, if you relocate the Center for any reason, you pay all costs we incur conducting an on-site evaluation of the proposed location.

If you occupy the premises of the Center under a lease, you will submit the lease to us before it is signed, for our approval, and furnish us a copy of the signed lease within 10 days after you sign it. Before we approve the lease for the Center premises, the lease must contain the terms and provisions contained in Attachment "C" to the Franchise Agreement, except as we may consent in writing (see Item 8). You are not permitted to operate the Center under a month-to-month lease without our prior written approval. If you purchase the premises for the Center, you will submit the contract of sale to us for approval before it is signed and furnish us a copy of the signed contract of sale within 10 days after it is signed.



If we cannot agree on a site or if you fail to acquire a site for the Center within the time or any extension we grant, it will be a default under the Franchise Agreement, and we have the right to terminate the Franchise Agreement.

The maximum time from the date you sign the Franchise Agreement to the opening of the Center for business should not exceed 365 days with the average time taking 5 to 8 months. This time may vary depending on several factors, including your ability to obtain financing, the time necessary to obtain an acceptable site, the time required to obtain permits and licenses necessary to operate the Center, the time required for tenant improvements and the time required for training.

**Co-Brand Center:** If you purchase a Co-Brand Franchise, your Co-Brand Center will be located at the location of your Existing Business. You will bear the cost and expense for making all alterations, modifications, and improvements necessary to establish the Co-Brand Center at your Existing Business.

We estimate the time from the date you sign the Co-Brand Franchise Agreement to the opening of the Co-Brand Center for business will be approximately 90 days. This time may vary depending on several factors, including the time required for construction and improvements, your ability to obtain financing, the time required to obtain permits and licenses necessary to operate the Co-Brand Center, and the time required for training.

**Center Management System (“CMS”):** We require that you use certain computer hardware, center management system software, and ancillary items that meet our specifications. Because of the continually changing nature of computers, any of the specifications listed below are likely to change from time-to-time. Computer make and model, all prices and specifications listed are subject to change.

You will obtain the CoreBridge Management System (“Program”) software license from our designated vendor, CoreBridge. CoreBridge is a non-exclusive provider of software to the sign and print industry.

The Program is a cloud-based center management system (“Program”). We and certain third-parties with a business need require access to the customer and sales data. You will allow us and these third-parties access to the Program for these business purposes.

The Program will run on almost any type of existing computer, and you can use any operating system; all you need on the computer is the Chrome web browser and a high-speed internet connection.

### **Required Technology Hardware and Software:**

Note: Hardware make, and model are a recommendation, but specifications are the minimum requirements for optimal performance

- Center Management System software (most current version approved by us)
- PC Hardware Specifications
- Processor - Intel i5 (9th gen or newer) or AMD Ryzen 5 (3<sup>rd</sup> gen or newer) 64 bit

- RAM - Minimum 8GB
- Hard Drive - Solid State, minimum 256GB
- Operating System - Windows 10 Pro 64 bit (Windows 11 Pro 64 bit is acceptable as well)
- Productivity Software – Google Workspace
- Antivirus Bitdefender
- Accounting Software - QuickBooks Online Software
- Current recommended Epson WP4730 Desktop Printer
- PCI P2PE encrypted credit card terminal

We require a high-speed internet connection. Once the internet service is activated there will be a monthly fee, charged by your internet provider, for this service. Fees will vary based on access speeds and where your Center is located.

You are required to use an online backup utility to secure your graphics data. We recommend Google Drive as part of Google Workspace. Storage for Google Workspace is shared between Gmail and Google Drive. The incremental cost of a Google Workspace account license is \$11.50 monthly. 2023 listed pricing and method and frequency of payment are subject to change.

We are not obligated to maintain or update the center management system hardware or software. We or CoreBridge may revise the specifications for the hardware and software as we or CoreBridge determine necessary to meet the needs of the FASTSIGNS System. There is no contractual limitation on our ability to require the hardware or software to be improved or upgraded.

**Center Management System allows for remote and mobile access (4G/5G wireless) as follows:**

- Wireless 4G/5G (10Mbps or greater)
- Cable (5Mbps or greater)
- DSL (5 Mbps or greater)

CoreBridge utilizes cloud services with Microsoft Azure to host the center management system data. Microsoft Azure has data centers in California, Iowa, Texas, and Virginia. These data centers employ current industry standard practices and procedures to limit access to the data centers' authorized personnel.

You will sign a software license participation agreement with CoreBridge. For a new FASTSIGNS Center, new Conversion Franchise, or a new Co-Brand Center we negotiated a special 2-year pre-pay price of \$3,500 that includes set-up, training time and 24 months of use of the Center Management System software. After the first 2-years, you will pay CoreBridge directly.

As a Resale Center, you are not eligible for the special 2-year price of \$3,000 for the CoreBridge Center Management System software. You will pay CoreBridge a monthly fee not to exceed \$299. In the event you purchase a Resale Center that uses different center management

system software, you will be required to purchase the most recent, approved version of center management system software.

### **Accounting Software**

You are required to use QuickBooks Online accounting software. The cost of the on-line version is \$50 for the Essentials version. This software program will assist you with your financial statements. These prices are subject to change due to updates to the software (which you are required to purchase).

### **Required Sign Production Equipment and Software:**

We require eco-solvent inkjet printing equipment for all new centers. We require specific graphics software necessary to accept and process many file formats used to create or print files. We provide training on the basics of sign design and production using the software and plotter associated with the sign and graphics business. Training for the eco-solvent inkjet printers and laminators is provided by the respective vendors.

#### **Software:**

- Microsoft Office 365 Business for use with PowerPoint graphics.
- Win 10 Professional 64 English, French, Spanish (Windows 11 Pro 64 bit is acceptable)
- Adobe Creative Cloud (latest version) (purchased from Adobe)
- Plotting Software (included with the plotter)
- Onyx RIP software (FASTSIGNS Edition)
- Bitdefender (preferred vendor)

#### **Equipment:**

- 64" Printer (purchased from us)
- 64" Plotter (purchased from us)
- 65" Laminator (purchased from us)
- Finishing Station (Application Table and Production Table) (purchased from us)

### **Required Graphics Hardware and Software:**

Note: The hardware specifications below are the minimum requirements for optimal performance

#### **PC Hardware Specifications:**

- Processor - Intel i7/i9 (9th gen or newer) or AMD Ryzen 7/9 (3<sup>rd</sup> gen or newer) 64 bit
- RAM - Minimum 32GB
- Hard drive - Solid State, minimum 512GB
- Operating System - Windows 10 Pro 64 bit (Windows 11 Pro 64 bit is acceptable)
- Add-on Graphics Card with minimum 2GB VRAM (4gb VRAM Nvidia preferred)

- Optional – Extra Storage (can be a mechanical drive) 1TB Add-on Graphics Card with minimum 2GB VRAM
- 55” or larger production monitor, wireless mouse and keyboard

You are required to use an online backup utility to secure your graphics data. We recommend Google Drive as part of Google Workspace. Storage for Google Workspace is shared between Gmail and Google Drive. The incremental cost of a Google Workspace account license with unlimited storage per Google Workspace account is \$11.50 monthly. 2023 listed pricing and method and frequency of payment are subject to change.

**Managed Firewall:**

A managed firewall system is required for PCI compliance as well as monitoring network traffic and preventing unauthorized access, with the objective of protecting your business data and credit card transactions. This cost will vary depending on the footprint of the Center. For a larger footprint the monthly cost could be as much as \$130 (taxes, shipping and handling not included). 2023 listed pricing and method and frequency of payment is subject to change.

There are several peripheral, networking and software items that are purchased from Connection, Dell, and other designated vendors to complete the various computer systems, in addition to what has been detailed above. To drive your large format printer, Raster Image Processor (RIP) software is needed. We provide training for the Onyx RIP Software. We may re-evaluate both the hardware and software associated with creating output and change the specifications to keep current with industry standards.

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## Item 12: TERRITORY

### **Franchise Agreement**

The Franchise Agreement grants you the right to operate a single Center only at the approved site. You are assigned a specific geographic area around the Center (the “Territory”). The Territory encompasses an area sufficient to include a minimum of 4,000 businesses. If you comply with the Franchise Agreement, we will not establish or grant others the right to establish a FASTSIGNS Center in the Territory unless there is an increase of at least 25% in the number of businesses in the Territory. Your Territory will be described in Exhibit “A” to the Franchise Agreement. You must use your best efforts to advertise and promote the Center in the Territory. You may not relocate the Center without our approval. You may not offer or sell the products or services offered at the Center from any other location.

The Territory for a Conversion or Co-Brand Center will be a defined trade area around the Premises of the Existing Business as determined by us and may not include a minimum of 4,000 businesses.

Except as described in Item 11, there are no other restrictions in the Franchise Agreement that prevent you from soliciting business outside of your Territory, but you do not have the right to use other channels of distribution to make sales outside your Territory (except as we may allow under our eCommerce Catalog program). Nor are there any restrictions that prohibit us or any other franchisee from soliciting business within your Territory. However, we recommend that all franchisees focus on soliciting business in their own Territories. You have no options, rights of first refusal, or similar rights to acquire additional franchises within your Territory or contiguous territories.

The Franchise Agreement permits us to propose to establish or authorize any other person to establish one or more FASTSIGNS Centers in the Territory if there is a significant increase of at least 25% in the number of businesses in the Territory. To re-determine the size of your Territory and grant a franchise for another FASTSIGNS Center in your Territory, your new assigned Territory must contain at least 4,000 businesses.

The Agreements do not preclude us or any of our affiliates from establishing, operating, franchising, or licensing others to operate businesses at any location, including within your Territory by (i) operating or franchising others to operate, similar or competitive businesses located inside or outside the Territory under trademarks or service marks other than the Marks; operating or franchising others to operate, other dissimilar businesses located inside or outside your Territory under trademarks or service marks other than the Marks; (iii) selling products or services anywhere that are similar to those sold by FASTSIGNS Centers, but under trademarks or service marks other than the Marks; (iv) selling, and licensing others to sell, products and services anywhere that are similar to those sold by FASTSIGNS Centers, which products and services are sold under the Marks but through dissimilar distribution channels (including without limitation via the FASTSIGNS National Accounts Program, general or specialty retailers, the Internet or other electronic media); (v) selling products and services anywhere that are dissimilar from those sold by FASTSIGNS centers, but under the Marks or any other trademarks or service marks; (vi) the right to operate, and to grant others the right to operate FASTSIGNS Centers located anywhere

outside your Territory; (vii) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at FASTSIGNS Centers, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and (viii) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at FASTSIGNS Centers, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Territory. While we currently have no plans to conduct those other businesses, we may do so in the future.

We are not required to pay you if we exercise any of the rights specified above inside your Territory.

The FASTSIGNS National Accounts Program may sell directly to any customer the products and services offered by FASTSIGNS Centers. If the FASTSIGNS National Accounts Program receives orders for any System products or services calling for delivery or performance in your Territory, then the FASTSIGNS National Accounts Program may offer the order to you at the price they establish so long as you are not in default of the Franchise Agreement. If you choose not to fulfill the order or are unable to do so, then the FASTSIGNS National Accounts Program, one of our affiliates or a third party the FASTSIGNS National Accounts Program designates (including another franchisee) may fulfill the order, and you will be entitled to no compensation in connection with this.

### **Development Agreement**

If, with our approval, you choose to develop more than 1 FASTSIGNS Center under a Development Agreement, we will grant you the right to develop FASTSIGNS Centers within a defined geographic area (“Development Area”). We determine the Development Area based on business density, population distribution, and System market penetration. We typically describe the size of the Development Area by boundary streets, city limits or other methods of delineation. The length of the Development Agreement and the number of FASTSIGNS Centers to be developed varies from franchisee to franchisee based on the demographics of the Development Area, your business experience, your location, your financial strength, and certain related factors. The Development Agreement describes and/or contains a map of the Development Area and the minimum number of FASTSIGNS Centers to be developed and the time frame in which the FASTSIGN Centers will be developed.

While the Development Agreement is in effect, we will not establish or authorize any other party to establish any FASTSIGNS Center in your Development Area, except as provided in your Development Agreement. We may exercise all rights that we now reserve in the Franchise Agreement (as described above). Continuation of territorial exclusivity under the Development Agreement depends on your complying with the development schedule and all other provisions of the Development Agreement. Upon expiration, or earlier termination of the Development Agreement, we have the unrestricted right to establish or authorize any other person to establish

FASTSIGNS Centers anywhere in the Development Area, except as prohibited by the provisions of any Franchise Agreement or Co-Brand Franchise Agreement in effect between us and you.

Item 1 describes our current affiliated franchise programs, which are not direct competitors of the FASTSIGNS system given the products/services they sell. There is no formal mechanism in place for resolving conflicts that may arise between your FASTSIGNS Center and the units of our affiliated franchise systems. However, we do not expect any material conflicts regarding territory, customers, or franchise support.

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**Item 13: TRADEMARKS**

We have registered the following principal marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”). As of the date of this Disclosure Document, we have timely filed all required affidavits or renewal filings in connection with these registrations:

Name	Registration or Application Date	Registration or Application Number
Quality Signs. Done Right. On Time.	March 16, 1999	2,231,429
For A Quality Sign That’s Right. On Time.	August 15, 2000	2,377,803
Sign & Graphic Solutions Made Simple	November 9, 1999	2,290,834
<a href="http://WWW.FASTSIGNS.COM">WWW.FASTSIGNS.COM</a>	March 5, 2002	2543943
From Concept To Completion	October 21, 2003	2775358
FASTSIGNS (Stylized)	April 13, 2004	2831455
FASTSIGNS	October 26, 2004	2897178
MORE THAN FAST. MORE THAN SIGNS.	January 29, 2013	4283896
FASTSIGNS & Design	May 27, 2014	4,536,076
BRAND IMAGING GROUP Powered by FASTSIGNS	September 23, 2014	4608672
When Did You See The Sign?	March 23, 2021	6301589
FASTSIGNS (red and blue stylized)	March 23, 2021	6301617

\*FASTSIGNS was formerly registered as #1,666,156 and lapsed on February 13, 2003. We also claim common law rights in the following marks: (i) “FASTSIGNS” as of April 1985, (ii) “Quality Signs. Done Right. On Time.” as of January 5, 1995, (iii) “Sign & Graphic Solutions Made Simple” as of May 14, 1997, (iv) “From Concept To Completion” as of September 1, 2002, (v) “More Than Fast. More Than Signs” as of December 13, 2011, (vi) “Brand Imaging Group” as of November 7, 2011, (vii) “Brand Imaging Group Powered by FASTSIGNS” as of November 7, 2011, (viii) When Did You See The Sign? as of May 25, 2017, and (ix) Make Your Statement as of August 6, 2021.

There are presently no effective determinations of the USPTO, the trademark trial and appeal board or the trademark administrator of any state or any court; no pending infringement,



opposition, or cancellation proceedings; nor any pending material litigation involving the Marks that are relevant to their use by you.

There are instances in which unauthorized third-parties will register domain names which use derivatives of our Marks. We use reasonable efforts to police these unauthorized domain names and to act as we deem appropriate. If you learn of such authorized use, please inform us.

To the extent common law rights to the mark precede the rights of unaffiliated persons; the use by those persons of a similar mark may be an infringement of our right to the mark.

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

There are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the license.

You must immediately notify us of any infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You and your principals must not communicate with any person other than us and our counsel concerning any infringement, challenge, or claim. We have complete discretion to take any action that we determine appropriate and have the right to exclusively control and conduct any litigation, or USPTO or other proceeding arising out of any infringement, challenge, or claim relating to any of the Marks. You must sign all instruments and documents, provide any assistance, and perform any acts that, in the opinion of our counsel, are necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or to otherwise protect and maintaining our interest in the Marks. At our option, we may defend and/or control the defense of any proceeding arising from your use of any Mark. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving the Marks; however, if you timely notify us and comply with our directions in response to a trademark infringement proceeding that disputes your authorized use of the Marks, then we will reimburse you for your damages and reasonable expenses you incur.

We may substitute different names and marks to identify the System and the businesses operating under it if the Marks no longer can be used or their use is restricted, or if we determine that substituting different names and marks will benefit the System. You must pay any costs you incur to comply with any change or modification of the Marks. We may, at our discretion, reimburse you a portion of the expenses you incur that are related to the change or modification. You must send us documentation satisfactory to us.

You must use only the Marks we designate and use them only in the manner we authorize and permit. Any unauthorized use of the Marks is an infringement of our rights and a material event of default under the Franchise Agreement. You must not use the name FASTSIGNS or any other Mark in the corporate or other legal name of any corporation or other entity formed by or affiliated with you. You must use the Marks only for operating the Center or in advertising for the Center.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must execute any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of, or of our or any of our affiliate's rights in and to the Marks.

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## **Item 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

When the Franchise Agreement terminates or expires, you must immediately stop using our Marks, remove them from the Center premises and cancel any advertising using the Marks. We have exclusive rights to our Marks. We also have the right to monitor, supervise and control the use of our Marks by our franchisees and the nature and quality of the goods and services provided under the Marks. We have the right to modify or discontinue the use of any of the Marks and you are required to comply with our standards for their use as modified.

### **Patents and Copyrights**

We do not own any registered patents that are material to the Franchise being offered.

We own various copyrights relative to materials used in the System. You will be able to use these copyrighted materials during the term of the Franchise Agreement or until we withdraw our permission for their use.

We also claim common law copyright protection and proprietary rights in the knowledge, materials, systems and procedures of the FASTSIGNS System, including the Manuals, other written materials, videos, marketing, icon designs, advertising and promotional materials developed for use in the System; and training materials such as manuals, handouts, knowledge base, electronic training and other visual aids used during training. This information is communicated to you confidentially and is treated as proprietary in the Franchise Agreement.

There are currently no effective determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials; pending infringement, opposition, or cancellation proceedings; or pending material litigation involving any of our copyrights that would significantly affect the ownership or use of any of those copyrights. There are no agreements currently in effect that limit our rights to use or license the use of copyrights. We know of no superior rights or infringing uses of any copyright that could materially affect your use of the copyrights in any state.

At our option, we may defend and/or control the defense of any proceeding arising from your use of any copyrights. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright; however, if you timely notify us and comply with our directions in response to a copyright infringement or challenge that disputes your authorized use of the copyrights, then we will reimburse you for your damages and reasonable expenses. You must sign any documents, and do what may, in our counsel's opinion, be necessary to protect our interests in any litigation or administrative or agency proceeding or to otherwise protect and maintain our interests in the copyrights. You must also agree not to contest our interest in these or our other confidential information.

We have the right to modify or discontinue the use of all materials used in the System (including those covered by copyrights). You are required to comply with our standards for their use as modified.

The Manuals and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). You must treat the Manuals and our Systems and any other Manuals and any other Systems we create or approve for you to use in operating the Center, and the information contained in them, as confidential. You must also maintain this information as secret and confidential. You must not duplicate, copy, record or otherwise reproduce these materials or make them available to any unauthorized person. The Manuals remain our sole property and must be kept in a secure place on the Center premises. The Manuals also will include information maintained at our secure website; since access to this information is via password only, you must maintain your password in a secure place.

We may revise the contents of the Manuals and you must comply with each new or changed standard. You will ensure that your copies or versions of the Manuals are always kept current. If there is a dispute as to the contents of the Manuals, the terms of the master copy maintained by us at our home office will be controlling.

We collaborate with you, your principals and other franchisees toward constant improvement and adapting to change to remain relevant and competitive in the graphics and visual communications industry. Many of our current processes are a result of franchisee innovation and input.

All ideas, concepts, inventions, techniques, or materials concerning a FASTSIGNS Center, whether protectable intellectual property and whether created by or for you or your principals or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others. You and your Managing Principal are prohibited, during and after the term of the Franchise Agreement, from communicating, or using for the benefit of any other person or entity, any confidential information, knowledge, or know-how concerning the methods of operating the Center that may be communicated to you or your Managing Principal or that you may learn about in operating the Center. You and your Managing Principal can divulge this confidential information only to the Key Management Employee and each of your employees who have access to it to operate the Center. You and your Managing Principal are prohibited, without first obtaining our written consent, from copying, recording or otherwise reproducing the materials or information or from making them available to any unauthorized person. All information, knowledge, ability and techniques related to the System that we communicate to you, including the Manuals, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, are considered confidential.

You must have your Key Management Employee, outside sales professional and any of your personnel who have received or will have access to confidential information sign similar

covenants (see Item 17). The covenants will be the same as those in Exhibit “K” to the Franchise Agreement and Exhibit “H” to the Co-Brand Franchise Agreement. Your principals also execute these covenants.

**Media:** The videos, and web content provided via mail or other delivery or through resource.fastsigns.com (“Media”) we provide you with are also to be treated as confidential information as described above. You are prohibited from copying, sharing on-line resources via password, or otherwise reproducing or making them available to any unauthorized person in any way. The Media must be returned to us if the Franchise Agreement is terminated or expires.

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## **Item 15: OBLIGATIONS OF FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

To ensure the Center operates efficiently, you must operate the Center at the times and in the manner described in the Manuals. We may change these requirements at any time. The Center must be open during normal business hours (as provided in the Manuals), Monday through Friday, (except holidays as provided in the Manuals). You may operate the business on Saturday and Sunday if you choose to do so.

You, if the Franchisee is an individual, or your Managing Principal must supervise the Center and devote full-time, best efforts and constant personal attention to the day-to-day Center operations for at least the first 6 months the Center is open for business. Your Managing Principal must not have less than a 25% ownership interest in you. You also designate, in writing and submit to us the Key Management Employee Designation form, an individual (the “Key Management Employee”) who will assist you, or your Managing Principal, as the case may be, in managing the Center (who will devote full-time, best efforts and constant personal attention to the day-to-day Center operations), if you or your Managing Principal do not participate in the full-time operation of the Center after the initial 6 month period the Center is open. This acknowledgment will be in the form contained in Exhibit “M” to the Franchise Agreement and Exhibit “J” to the Co-Brand Franchise Agreement. You must obtain a signed covenant not-to-compete (described below) from your Key Management Employee and submit a copy to us with the acknowledgment described herein. The Key Management Employee may be one of your principals or an employee. The Key Management Employee need not have an equity interest in you or in the Center. You also designate, in writing, the individuals who will be your graphic designer and visual communications specialist. Both individuals will attend and satisfactorily complete our initial training program.

Within 120 days from the date that your Center commences business, we require that you hire an outside sales professional, and employ an outside sales professional for the remaining term of the Franchise Agreement. The outside sales professional is required to attend Sales Boot Camp training within 12 months from the date of hire at no charge. You are responsible for all other expenses your outside sales professional, or your personnel incur, including costs of travel, lodging, meals, and wages.

Any Center personnel you designate must satisfactorily complete our initial training program and satisfy our educational or business experience criteria as designated at that time, and otherwise be an individual we accept. If any Center personnel you designate is not able to continue, or no longer qualified, to serve in that capacity, you will promptly notify us and designate a replacement individual within 30 days after the individual ceases to serve. The replacement must meet the same qualifications described above.

Any of your Center personnel having access to any of our confidential information must sign covenants that they will maintain the confidentiality of the information they receive when employed by you. If we request, you will also obtain covenants not-to-compete (including covenants applicable on the person’s termination of its relationship with you) from all managers, outside sales professional and any other personnel you employ who have received or will receive training from us and any holder of a beneficial interest in you (except limited partners) who is not

designated as the Managing Principal and does not sign the Agreements. The covenants will be in the form contained in Exhibit “K” to the Franchise Agreement and Exhibit “H” to the Co-Brand Franchise Agreement. We may modify or you may modify Exhibit “K” to the Franchise Agreement and Exhibit “H” to the Co-Brand Franchise Agreement to remove the covenant not-to-compete provisions if we or you decide not to require these covenants be executed by your Center personnel. We also provide Exhibit “K” to the Franchise Agreement and Exhibit “H” to the Co-Brand Franchise Agreement, Confidentiality/Non-Compete Agreement for your use located at [support.fastsigns.com](http://support.fastsigns.com). You are not required to use our sample covenant. We recommend that you seek legal advice before using covenants not-to-compete in your state.

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**Item 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

The Center premises may be used solely for operating the Center unless you are granted a franchise for a Co-Brand Center. You must refrain from using or permitting the Center premises to be used for any other purpose or activity at any time unless you first obtain our written consent. If you are granted a franchise for a Co-Brand Center, you may operate the Existing Business and the Co-Brand Center at the premises.

To ensure that the highest degree of quality and service is maintained, you must operate the Center in strict conformity with the methods, standards, and specifications that we provide in the Manuals or otherwise in writing. You must sell at the Center all products and services we require and provide the products and services in the manner and style that we specify. You will sell only those products and services that we have expressly approved for sale in writing. You will not deviate from our standards and specifications without our written consent. You will discontinue selling any product or service that we have disapproved in writing at any time on notice. There are no limits on our rights to change the types of products or services you may offer. You may not offer or sell the products or services offered at the Center from any location other than the Center without our written consent. Although not contractually required to do so, we typically review product or service requests within 90 days.

You have sole discretion as to the prices and terms you charge customers for any products and services.

You, at your expense, will maintain the Center in the highest degree of repair and condition and in conformity with the System's standards, specifications, and requirements. You will repair or replace, at your expense, equipment, signs, vehicle graphics, interior and exterior décor items, fixtures, furnishings, floors and walls, supplies, and other products and materials required to operate the Center. You will obtain, at your expense, any new or additional equipment, fixtures, supplies, and other products and materials, which we may require to sell new products or services from the Center. Except as we may expressly provide in the Manuals, you may not alter or improve, or change the design, equipment, signs, vehicle graphics, interior, or exterior décor items, fixtures, or furnishings of the Center without our written approval in each instance.

To assure the continued success of the Center and to maintain the quality of the network and the FASTSIGNS brand, you will be required, at our request, to modernize the Center premises, equipment, signs, vehicle graphics, interior and exterior décor items, fixtures, and furnishings required to operate the Center, to our then-current standards and specifications. We will not require you to undertake a material modernization of the Center that exceeds \$20,000 within any 5-year period during the term of the Franchise Agreement. We will provide you with 180 days' prior notice of this requirement. The \$20,000 limitation will not apply to the purchase of equipment necessary to offer new, current, or additional products or services (see Item 8).

If you meet our requirements and choose to participate in the FASTSIGNS National Accounts Program, you must service those customers under the terms of the Guidelines in our Operations Manual with the FASTSIGNS National Accounts Program customer (See Item 11).



You must maintain a competent, conscientious, and trained staff to operate the Center under the Franchise Agreement and the Manuals and take the steps necessary to ensure that your employees preserve good customer relations; comply with our dress code and standards.

All advertising and promotional materials, signs, decorations, and paper goods and other items that we designate must have the Marks in the form, color, location, and manner we specify.

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

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**Item 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

**Franchise Agreement and Development Agreement**

<b>Category</b>	<b>Section in Agreement</b>	<b>Summary</b>
a. Length of the term of the franchise	Section 1.C. of Franchise Agreement  Section 3. of Development Agreement	10-year term.  Term continues until completion of Development Schedule
b. Renewal or extension of the term	Section 13.A. of Franchise Agreement	10-year renewal term.
c. Requirements for franchisee to renew or extend	Sections 13.A-C. of Franchise Agreement	Give us timely notice; maintain possession of Center premises or find acceptable substitute premises; repair and update equipment and the Center premises: no defaults; pay renewal fee, sign current Franchise Agreement and release (if law allows); and comply with current qualification and training requirements. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you will be asked to sign a new Franchise Agreement that contains terms and conditions that may be materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	Not Applicable	Not Applicable

Category	Section in Agreement	Summary
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with “cause”	Section 14.A. of Franchise Agreement  Section 6. of the Development Agreement	We can terminate only if you default.
g. “Cause” defined - curable defaults	Section 14. of Franchise Agreement	<p>Fail to comply with requirements imposed by the Franchise Agreement or the Manuals, fail to obtain our approval when required, engage in any business under a mark similar to the Marks, 3 or more material customer complaints within a 12 month period, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to obtain required insurance, fail to pay any monies owed to us and do not cure within 10 days after notice, fail to pay any monies owed to us 2 times during any 12-month period or fail to cure any other default within 30 days after notice.</p> <p>Limited Services: If you are in default under your Franchise Agreement and you fail to timely cure it, we may, at our option, rather than terminating your Franchise Agreement, elect to provide limited services to you. Such limited services include:</p> <p>1) Center’s web page(s) removed from FASTSIGNS.com; 2) no access to Ad Fund funded services; 3) removal of you and your employees from the FASTSIGNS email system; 4) not eligible to receive FASTSIGNS National</p>

Category	Section in Agreement	Summary
		<p>Accounts Program orders; 5) not eligible to attend FASTSIGNS events; 6) no access to FASTSIGNS on-line training; 7) no access to center design, layout services and real estate services; 8) not eligible for that year’s Royalty Rebate; 9) ineligible to purchase or open additional centers; 10) resign from the Franchise Advisory Council or Fastsigns National Advertising Council, Inc.’s boards (if applicable); 11) Center visits limited to only what is required by the Franchise Agreement; 12) no access to FASTSIGNS Resource site; and 13) not eligible to participate in e- Commerce. If you are in default and receiving limited services, we may terminate the Franchise Agreement at any time if you fail to cure the default.</p> <p>Non-Compliance Fee: If you are in default of your Franchise Agreement and you fail to timely cure it, we may, at our option charge a non- compliance fee (See Item 6).</p>
<p>h. “Cause” defined - defaults which cannot be cured</p>	<p>Section 14. of Franchise Agreement</p>	<p>Non-curable defaults: Franchise Agreement -insolvency, general assignment for benefit of creditors, bankruptcy, outstanding judgments for over 30 days, or execution has been levied against you, your Center or property; foreclosure against the premises or equipment, non- compliance with International Trade and National Security Laws, sell any products or services authorized by us at an unapproved location, fail to acquire an</p>

Category	Section in Agreement	Summary
		approved location, knowingly understating your gross sales, conviction of a felony or other crime that may have an adverse effect on the System or Marks, abandonment, fail to satisfactorily complete initial training program, breach any of the provisions contained in Section 1.B. of the Franchise Agreement, unapproved transfers, failure to attend conventions.
	Section 6. of Development Agreement	Development Agreement–failure to meet Development Schedule and defaults under the Franchise Agreement.
i. Franchisee’s obligations on termination/expiration	Section 15. of Franchise Agreement	Cease operating the Center, pay amounts owed (including Early Termination Damages, if applicable), cease use of the Marks, de-identify, pay all amounts due, return all Manuals, videos, comply with confidentiality and covenant not- to-compete requirements, and at our option, sell or assign to us your rights in the Center premises, equipment and fixtures, customer lists, graphics files, the center management system databases, the telephone number and yellow pages advertising, any claimed on-line listings and social media accounts and passwords for the Center.
j. Assignment of contract by Franchisor	Sections 1.E. (6) and 12.A. of Franchise Agreement	No restriction on our right to assign. However, no assignment will be made by us except to an assignee that, in our good faith

<b>Category</b>	<b>Section in Agreement</b>	<b>Summary</b>
		judgment, is willing and able to assume our obligations.
	Section 7. of Development Agreement	No restriction on our right to assign.
k. "Transfer" by franchisee - defined	Section 12.B. of Franchise Agreement	Includes transfer of the Franchise Agreement or change in ownership of the entity that licenses it.
l. Franchisor approval of transfer by franchisee	Section 12.C. of Franchise Agreement	Transfers require our prior written consent, which will not be unreasonably withheld.
	Section 7. of Development Agreement	Transfers require our prior written consent, which we may grant or withhold for any or no reason.
m. Conditions for franchisor approval of transfer	Section 12.C. of Franchise Agreement	You (or your principals, as applicable): pay all amounts due us, Fastsigns National Advertising Council, Inc., or our affiliates, not be in default, your landlord approves the transfer, sign a general release, and pay a transfer fee. Transferee: qualifies, attends training, signs current Agreement, and modernizes the facilities and equipment.
n. Franchisor's right of first refusal to acquire the franchisee's business	Section 12.G. of Franchise Agreement	We have the right to match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Section 15.G. of Franchise Agreement	Other than assets on termination, non-renewal or right of first refusal, we have no right or obligation to purchase your business.
p. Death or disability of franchisee	Section 12.E. of Franchise Agreement	If You or your Managing Principal is a natural person, on death or permanent disability, distributee must be approved by us, or franchise must be transferred to

Category	Section in Agreement	Summary
		someone approved by us within 12 months after death or notice of permanent disability.
q. Non-competition covenants during the term of the franchise agreement	Section 7. of Franchise Agreement	You, Guarantors, and personnel are prohibited from operating or having an interest in a similar business other than your Existing Business.
r. Non-competition covenants other than the Existing Business after the franchise is terminated or expires	Section 15.F. of Franchise Agreement	You, your Managing Principal and Guarantors are prohibited from operating or having an interest in a similar business other than your Existing Business which is located, or is intended to be located at the premises, within a 15-mile radius of the premises, or a 15-mile radius of any FASTSIGNS Center in existence or under construction as of the earlier of (i) the expiration or termination of, or the transfer of all your interest in, the Franchise Agreement or (ii) the time your Managing Principal ceases to satisfy the definition of a Managing Principal, as applicable. (See Disclosure Document Addendum and State Amendment to Franchise Agreement.)
s. Modification of the Agreement	Section 17.I. of Franchise Agreement	Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manuals as amended.
t. Integration/merger clause	Section 17.J. of Franchise Agreement  Section 9. of Development Agreement	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any statements or promises not in the Franchise Agreement or this Disclosure Document should not

<b>Category</b>	<b>Section in Agreement</b>	<b>Summary</b>
		be relied upon and may not be enforceable.
u. Dispute resolution by arbitration	Section 17.E., of Franchise Agreement	Except for certain claims, all disputes must be arbitrated in Dallas County, Texas. (See Disclosure Document Addendum and State Amendment to Franchise Agreement.)
v. Choice of forum	Section 17.G. of Franchise Agreement	The venue for all proceedings related to or arising out of the Franchise Agreement is Dallas County, Texas, unless otherwise brought by us. (See Disclosure Document Addendum and State Amendment to Franchise Agreement.)
w. Choice of law	Section 17.F. of Franchise Agreement	The Franchise Agreement is to be interpreted and construed under Texas law (except for Texas choice of law rules). (See Disclosure Document Addendum and State Amendment to Co-Brand Franchise Agreement.)
x. Limitation of claims	Section 17.J. of the Franchise Agreement	All claims, except for claims arising from nonpayment or under payment of amounts owed us, must be brought within one year from occurrence.

**Co-Brand Franchise Agreement**

<b>Category</b>	<b>Section in Agreement</b>	<b>Summary</b>
a. Length of the term of the franchise	Section 1.C. of Co-Brand Franchise Agreement	10-year term.
b. Renewal or extension of the term	Section 13.A. of Co-Brand Franchise Agreement	10-year renewal term.



Category	Section in Agreement	Summary
c. Requirements for franchisee to renew or extend	Sections 13.A-C. of Co-Brand Franchise Agreement	Give us timely notice; maintain possession of Co-Brand Center premises or find acceptable substitute premises; repair and update equipment and the Center premises: no defaults; pay renewal fee, sign current Co-Brand Franchise Agreement and release (if law allows); and comply with current qualification and training requirements. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you will be asked to sign a new Co-Brand Franchise Agreement.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with “cause”	Section 14.A. of Co-Brand Franchise Agreement	We can terminate only if you default.
g. “Cause” defined - curable defaults	Section 14. of Co-Brand Franchise Agreement	Fail to comply with requirements imposed by the Co-Brand Franchise Agreement or the Manuals, fail to obtain our approval when required, engage in any business under a mark like the Marks, 3 or more material customer complaints within a 12-month period, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to obtain required insurance, fail to pay any monies owed to us and do not cure within 10 days after notice, fail to

Category	Section in Agreement	Summary
		<p>pay any monies owed to us 2 times during any 12-month period or fail to cure any other default within 30 days after notice.</p> <p>Limited Services: If you are in default under your Franchise Agreement and you fail to timely cure it, we may, at our option, rather than terminating your Franchise Agreement, elect to provide limited services to you. Such limited services include:  1) Center’s web page(s) removed from FASTSIGNS.com; 2) no access to Ad Fund funded services; 3) removal of you and your employees from the FASTSIGNS email system; 4) not eligible to receive FASTSIGNS National Accounts Program orders; 5) not eligible to attend FASTSIGNS events; 6) no access to FASTSIGNS on-line training; 7) no access to center design, layout services and real estate services; 8) not eligible for that year’s Royalty Rebate; 9) ineligible to purchase or open additional centers; 10) resign from the Franchise Advisory Council or Fastsigns National Advertising Council, Inc.’s boards (if applicable); 11) Center visits limited to only what is required by the Co-Brand Franchise Agreement; 12) no access to FASTSIGNS Resource site;</p>

Category	Section in Agreement	Summary
		<p>and 13) not eligible to participate in eCommerce. If you are in default and receiving limited services, we may terminate the Co-Brand Franchise Agreement at any time if you fail to cure the default.</p> <p>Non-Compliance Fee: If you are in default of your Co-Brand Franchise Agreement and you fail to timely cure it, we may, at our option charge a non-compliance fee (See Item 6).</p>
<p>h. "Cause" defined - defaults which cannot be cured</p>	<p>Section 14. of Co-Brand Franchise Agreement</p>	<p>Insolvency, general assignment for benefit of creditors, bankruptcy, outstanding judgments for over 30 days, or execution has been levied against you, your Co-Brand Center or property; foreclosure against the premises or equipment, non-compliance with International Trade and National Security Laws, sell any products or services authorized by us at an unapproved location, knowingly understating your gross sales, conviction of a felony or other crime that may have an adverse effect on the System or Marks, abandonment, fail to satisfactorily complete initial training program, breach any of the provisions contained in Section 1.B. of the Co-Brand Franchise Agreement,</p>

Category	Section in Agreement	Summary
		unapproved transfers, failure to attend conventions.
i. Franchisee’s obligations on termination/expiration	Section 15. of Co-Brand Franchise Agreement	Cease operating the Co-Brand Center, cease use of the Marks, de-identify, pay all amounts due, liquidated damages for early termination of the Co-Brand Franchise Agreement, return all Manuals, videos, comply with confidentiality requirements, and at our option, sell or assign to us your rights in the Co-Brand Center premises, equipment and fixtures, customer lists, graphics files, the center management system databases, the telephone number and yellow pages advertising, any claimed on-line listings and social media accounts and passwords for the Co-Brand Center.
j. Assignment of contract by Franchisor	Sections 1.E. (6) and 12.A. of Co-Brand Franchise Agreement	No restriction on our right to assign. However, no assignment will be made by us except to an assignee that, in our good faith judgment, is willing and able to assume our obligations.
k. “Transfer” by franchisee - defined	Section 12.B. of Co-Brand Franchise Agreement	Includes transfer of the Co-Brand Franchise Agreement or change in ownership of the entity that licenses it.
l. Franchisor approval of transfer by franchisee	Section 12.C. of Co-Brand Franchise Agreement	Transfers require our prior written consent, which will not be unreasonably withheld.

Category	Section in Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 12.C. of Co-Brand Franchise Agreement	<p>You (or your principals, as applicable): pay all amounts due us, Fastsigns National Advertising Council, Inc., or our affiliates, not be in default, your landlord approves the transfer, sign a general release, and pay a transfer fee.</p> <p>Transferee: qualifies, attends training, signs current Co-Brand Franchise Agreement, and modernizes the facilities and equipment.</p>
n. Franchisor's right of first refusal to acquire the franchisee's business	Section 12.G. of Co-Brand Franchise Agreement	We have the right to match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Section 15.G. of Co-Brand Franchise Agreement	Other than assets on termination, non-renewal or right of first refusal, we have no right or obligation to purchase your business.
p. Death or disability of franchisee	Section 12.E. of Co-Brand Franchise Agreement	If You or your Managing Principal is a natural person, on death or permanent disability, distributee must be approved by us, or Co-Brand Franchise must be transferred to someone approved by us within 12 months after death or notice of permanent disability
q. Non-competition covenants during the term of the franchise	Section 7. of Co-Brand Franchise Agreement	You, Guarantors, and personnel are prohibited from operating or having an interest in a similar business other than your Existing Business.

Category	Section in Agreement	Summary
r. Non-competition covenants other than the Existing Business after the Co-Brand Franchise is terminated or expires	Section 15.F. of Co-Brand Franchise Agreement	You, your Managing Principal and Guarantors are prohibited from operating or having an interest in a similar business other than your Existing Business which is located, or is intended to be located at the premises, within a 15-mile radius of the premises, or a 15-mile radius of any FASTSIGNS Center in existence or under construction as of the earlier of (i) the expiration or termination of, or the transfer of all of your interest in, the Co-Brand Franchise Agreement or (ii) the time your Managing Principal ceases to satisfy the definition of a Managing Principal, as applicable. (See Disclosure Document Addendum and State Amendment to Co-Brand Franchise Agreement.)
s. Modification of the Agreement	Section 17.I. of Co-Brand Franchise Agreement	Co-Brand Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with Manuals as amended.
t. Integration/merger clause	Section 17.J. of Co-Brand Franchise Agreement	Only the terms of the Co-Brand Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any statements or promises not in the Co-Brand Franchise Agreement or this Disclosure Document should

Category	Section in Agreement	Summary
		not be relied upon and may not be enforceable.
u. Dispute resolution by arbitration	Section 17.E., of Co-Brand Franchise Agreement	Except for certain claims, all disputes must be arbitrated in Dallas County, Texas. (See Disclosure Document Addendum and State Amendment to Co-Brand Franchise Agreement.)
v. Choice of forum	Section 17.G. of Co-Brand Franchise Agreement	The venue for all proceedings related to or arising out of the Co-Brand Franchise Agreement is Dallas County, Texas, unless otherwise brought by us. (See Disclosure Document Addendum and State Amendment to Co-Brand Franchise Agreement.)
w. Choice of law	Section 17.F. of Co-Brand Franchise Agreement	The Co-Brand Franchise Agreement is to be interpreted and construed under Texas law (except for Texas choice of law rules). (See Disclosure Document Addendum and State Amendment to Co-Brand Franchise Agreement.)

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**Item 18: PUBLIC FIGURES**

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

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## **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 performance at a particular location or under particular circumstances.

### **2022 FINANCIAL PERFORMANCE REPRESENTATION**

On December 31, 2022, there were 765 FASTSIGNS Centers open and in operation of which 88 were international. 677 FASTSIGNS Centers were open and 665 were in continuous operation in the United States during the entire calendar year ending December 31, 2022. The analysis set forth below is based on the average yearly gross sales and median sales for those 665 FASTSIGNS Centers for 2022.

Of the 665 FASTSIGNS Centers open and in continuous operation in the United States during the entire calendar year ending December 31, 2022, 622 FASTSIGNS Centers were “Full Service” Centers, 15 FASTSIGNS Centers were “Satellite” Centers and 28 FASTSIGNS Centers were “Co-Brand” Centers.

A “Full-Service” Center is the FASTSIGNS Center that we typically offer under this franchise disclosure document. It includes production equipment and is a stand-alone business. A “Satellite” Center is a FASTSIGNS Center without any production equipment and is owned by a franchisee who also owns a Full-Service FASTSIGNS Center. We no longer offer Satellite Centers for sale. A “Co-Brand” Center is an existing operating complementary business that establishes and operates a FASTSIGNS Center within that business.

The following tables refer to “Gross Sales”. “Gross Sales” includes all revenues from the sale of any services and products at or from a FASTSIGNS Center and all other revenues of every kind and nature related to operating a FASTSIGNS Center. “Gross Sales” does not include sales or use taxes.

#### **TABLE 1**

#### **Systemwide Gross Sales Centers Operating for the Entire 2022 Calendar Year**

The following Table provides system-wide Gross Sales for all operational FASTSIGNS CENTERS reporting sales for the full twelve months and the Gross Sales for Full-Service Centers.

Type of Center	Number of Centers	Average Gross Sales	# and % of Centers that met or exceeded the average (Note 1)	Median Gross Sales
All Centers	665	\$998,231	223 33.5%	\$747,212
Full-Service Centers Only	622	\$1,024,156	206 33.1%	\$762,531

**Note 1**

The highest and lowest reported Gross Sales for the 665 operational FASTSIGNS Centers included in the average were \$17,858,030 and \$60,917, respectively. The highest and the lowest reported Gross Sales for the 622 operational Full-Service FASTSIGNS Centers included in the average were \$17,858,030 and \$60,917, respectively.

**TABLE 2**  
**Range of Gross Sales**  
**Centers Operating for the Entire 2022 Calendar Year**

The following Table shows the ranges of Gross Sales for the 665 FASTSIGNS Centers operating for the entire calendar year ending 2022 and the number of FASTSIGNS Centers within each range:

Range of Gross Sales for 2022	# of Centers within Range of Gross Sales
0 - \$300,000	72
\$300,001 - \$500,000	123
\$500,001 - \$1,000,000	247
\$1,000,001 - \$2,000,000	169
\$2,000,001 - \$3,000,000	30
Over \$3,000,000	24
	<b>Total Centers 665</b>

**TABLE 2.A.**  
**Range of Gross Sales**  
**All Full Service Centers Opened in 2021 and Operating for the Entire 2022 Calendar Year**

Range of Gross Sales for 2022	# of Centers within Range of Gross Sales
0 - \$300,000	13

\$300,001 - \$500,000	6
\$500,001 - \$1,000,000	2
\$1,000,001 - over	0
	<b>Total Centers 21</b>

**TABLE 2.B.**

**Range of Gross Sales  
All Full Service Centers Opened in 2020 and Operating  
for the Entire 2021 and 2022 Calendar Years**

<b>Range of Gross Sales</b>	<b># of Centers within Range of Gross Sales First Full Year (2021 Sales)</b>	<b># of Centers within Range of Gross Sales 2nd Full Year (2022 Sales)</b>
0 - \$300,000	10	3
\$300,001 - \$500,000	8	9
\$500,001 - \$1,000,000	1	6
\$1,000,001 - over	1	2
	<b>Total Centers 20</b>	<b>Total Centers 20</b>

**TABLE 2.C.**

**Range of Gross Sales  
All Full Service Centers Opened in 2019 and Operating  
for the Entire 2020, 2021 and 2022 Calendar Years**

<b>Range of Gross Sales</b>	<b># of Centers within Range of Gross Sales First Full Year (2020 Sales)</b>	<b># of Centers within Range of Gross Sales 2nd Full Year (2021 Sales)</b>	<b># of Centers within Range of Gross Sales 3rd Full Year (2022 Sales)</b>
0 - \$300,000	19	15	14
\$300,001 - \$500,000	4	5	4
\$500,001 - \$1,000,000	1	4	6
\$1,000,001 - over	0	0	0
	<b>Total Centers 24</b>	<b>Total Centers 24</b>	<b>Total Centers 24</b>

**TABLE 3**

**Systemwide Gross Sales Top Performing and Lowest Performing Centers Operating for the Entire 2022 Calendar Year**

The following Table shows Gross Sales for the top performing and lowest performing Full Service FASTSIGNS Centers operating for the entire calendar year 2022.

	<b>Number of Centers</b>	<b>Average Gross Sales</b>	<b># and % of Centers that met or exceeded the average</b>	<b>Median Gross Sales</b>	<b>High/Low Gross Sales</b>
Top Quartile Full Service Centers	166	\$2,149,019	45 27.1%	\$1,646,127	\$17,858,030 / \$1,151,588
Lowest Quartile Full Service Centers	166	\$335,226	88 53.0%	\$341,093	\$493,393 / \$60,917

**TABLE 4**

**Co-Brand Centers Operating for the Entire 2022 Calendar Year**

The following Table shows Gross Sales for Co-Brand Centers operating for the entire calendar year 2022.

	<b>Number of Centers</b>	<b>Average Gross Sales</b>	<b># and % of Centers that met or exceeded the average</b>	<b>Median Gross Sales</b>	<b>High/Low Gross Sales</b>
Co-Brand Centers	28	\$637,661	12 42.9%	\$470,923	\$1,888,331/ \$89,857

**Notes Applicable to All Tables:**

(1) We offer substantially the same services to all franchisees. Gross Sales are directly affected by how well the Center implements our business model, follows our advice, is engaged with the FASTSIGNS network including attendance at the Annual Convention and Outside Sales Summit and, as discussed in detail below, whether the Center implements and follows the outside sales program on a full-time basis.

(2) Additionally, advertising and promotional materials developed by the Fastsigns National Advertising Council, Inc. are available to all Franchisees. (See Item 11.) An individual Franchisee is not limited in the amount or type of local advertising that it may conduct; provided, however, that all advertising materials developed by Franchisee must be approved in advance by us. (See Item 16.) Consequently, Franchisee's Gross Sales may be directly affected by the amount, type and effectiveness of advertising conducted by Franchisee.

(3) The Franchise Agreement provides that Franchisees must offer and sell at the FASTSIGNS Center products and services required by us and may offer and sell such additional products and services approved by us. (See Item 16.) Franchisees generally offer substantially the same products and services to the public. In certain states, as noted in Item 1, Franchisees may be required to have a contractor's license to perform certain types of sign installation work. In those states, if you do not have, or meet the requirements to obtain a license, then you may not be able to offer those installation services requiring a license. Additionally, although we may suggest prices for the products and services offered at the FASTSIGNS Center, Franchisees may offer and sell such products and services at any price it chooses. As a result, the products and services offered and the prices at which such products and services are offered to the public at the FASTSIGNS Centers included in this analysis may vary. Likewise, Franchisee's Gross Sales may be directly affected by the amount, type and effectiveness of products and services offered, or not offered, by the franchisee.

(4) The average Gross Sales figures included in this analysis are based on sales reports submitted to us by each Franchisee. The figures in the sales reports have not been audited and we have not undertaken to otherwise independently verify (i) the accuracy of such information or

(ii) whether such information was prepared in accordance with generally accepted accounting principles.

**Gross Sales Study – Full-Service FASTSIGNS Centers with Outside Sales Professionals**

Having a full time outside sales professional has become an essential element of the FASTSIGNS business model. The average Gross Sales of FASTSIGNS Centers in the US with an outside sales professional during the twelve month period from January 1, 2022 to December 31, 2022 was \$1,518,086 for franchise principals who (1) were in business for at least one year prior to January 1, 2022; (2) reported Gross Sales for each of the 12 months in 2022 and (3) advised us that they employed a full-time outside sales professional during the entire period who was not one of the franchise principals of the Center. The median Gross Sales for the same Centers was \$1,177,991. The highest Gross Sales for the same Centers was \$14,526,398 and the lowest Gross Sales was \$207,284. The number of Centers who met these criteria in 2022, and were used in this study, was 210, which represented 33.8% of the Full Service Centers open and operational in the US for the full year in 2022. The number of these Centers that sales attained or surpassed the system average Gross Sales number for the US was 131 or 62.4% of Centers that employed a full-time outside sales professional. The number of these Centers that Gross Sales attained or surpassed the system median Gross Sales number for the US was 161 or 76.7%.

**Performance of New Outside Sales Professionals in Their First 12 Months in the Role**

There were 78 outside sales professionals hired by our franchisees in 2020 that completed 12 consecutive months in the outside sales professional position. The average total Gross Sales generated by the 78 outside sales professionals in their first 12 months in the position was \$241,016. The median Gross Sales for the same group was \$207,116. There were 59 outside sales professionals hired by our franchisees in 2021 that completed 12 consecutive months in the outside sales professional position. The average total Gross Sales generated by the 59 outside sales professionals in their first 12 months in the position was \$323,941. The median Gross Sales for the same group was \$295,397.

	<b>Hired in 2020</b>	<b>Hired in 2021</b>
Outside Sales Professionals Hired	78	59
Average Total Sales	\$241,016	\$323,941
Median Total Sales	\$207,116	\$295,397
High	\$1,255,995	\$1,177,692
Low	\$36,458	\$48,090
# of Outside Sales Professionals that met or exceeded Average Total Sales	29	25

## **Results of 2022 Financial Benchmark Survey**

In addition to the average Gross Sales analysis, certain expenses expressed as a percentage of Gross Sales, have been provided based on the experience of certain of the foregoing FASTSIGNS Centers described below. The expense figures were extracted from the 2022 financial statements submitted by the FASTSIGNS Franchisees included in our 2022 Financial Benchmark Survey. As of the date of this Disclosure Document, we have not been provided with expense data from 278 of the 665 FASTSIGNS Centers open and in continuous operation during 2022 (Co-Brand Centers are not included in this expense data since Co-Brand Centers' financial statements are different). This was primarily due to the proximity of year-end to the time of compilation of these numbers and such 278 FASTSIGNS Centers were not included in the expense figures provided herein. You should note that with respect to the 338 FASTSIGNS Centers included in the compilation of the expense figures, the expense data relates to operations conducted during the calendar year 2022.

The information relating to the operations expenses provided by the FASTSIGNS Centers and used by us in determining the numerical values provided have not been audited and such information has not necessarily been prepared on a basis consistent with generally accepted accounting principles. In particular, we are unable to verify whether the expense data submitted by each FASTSIGNS Center for each separately provided expense item appropriately reflects the types of expenses which are ordinarily incurred by FASTSIGNS Centers and which should be included in the item according to generally accepted accounting principles.

Each percentage given on this analysis reflects the mean average or the median of the total percentages for the applicable expense item provided by the reporting FASTSIGNS Centers (i.e., the aggregate sum of the expense percentages of all reporting FASTSIGNS Centers divided by the number of reporting FASTSIGNS Centers). The expense percentages for the various expense items provided by each reporting FASTSIGNS Center reflects that FASTSIGNS Center's expenses as a percentage of its Gross Sales. No percentage given in this analysis is the actual expenses percentage experienced by anyone FASTSIGNS Center and the actual expense percentages for the reporting FASTSIGNS Centers on any particular expense item may vary significantly.

The following expenses represent the major expense items for a FASTSIGNS Center and should not be considered the only expenses that a FASTSIGNS Center will incur:

<b>2022 Year-End Average &amp; Median P&amp;L For FASTSIGNS Locations (338 FASTSIGNS Centers Reporting)</b>					
	<b>Mean Average</b>	<b>% of Sales</b>	<b># of Centers that met or exceeded the Average</b>	<b>Median</b>	<b>% of Sales</b>
<b>GROSS SALES</b>	\$ 1,138,596	100.0%	114	\$ 848,738	100.0%
<b>EXPENSES</b>					
COST OF GOODS	\$ 333,217	29.3%	114	\$ 237,999	28.0%
LABOR EXPENSES (including Franchisee Principal)	\$ 382,050	33.6%	118	\$ 282,602	33.3%
ADVERTISING EXPENSES *	\$ 34,114	3.0%	123	\$ 50,190	5.9%
AUTO EXPENSES	\$ 15,481	1.4%	119	\$ 14,121	1.7%
FACILITY EXPENSES	\$ 61,969	5.4%	126	\$ 53,093	6.3%
EQUIPMENT EXPENSES	\$ 8,324	0.7%	93	\$ 9,463	1.1%
GENERAL AND ADMINISTRATIVE EXPENSES **	\$ 151,390	13.3%	120	\$ 121,859	14.4%
<b>EBITDA</b>	<b>\$ 152,050</b>	<b>13.4%</b>	<b>106</b>	<b>\$ 86,810</b>	<b>10.2%</b>
Franchise Principal's Salary from Labor Expenses	\$ 80,162	7.0%	123	\$ 90,040	10.6%
<b>Total Franchisee Principal's Benefit</b>	<b>\$ 232,212</b>	<b>20.4%</b>	<b>112</b>	<b>\$ 149,094</b>	<b>17.6%</b>

The highest and lowest Gross Sales for the 338 FASTSIGNS centers that provided 2022 financial statements were \$ 14,398,432 and \$ 113,660.

\* The 2% Advertising Fee is included in Advertising Expenses

\*\* The 6% Service Fee is included in General and Administrative Expenses



The following is the average P&L for the Top 25% FASTSIGNS Centers of the 338 reporting Centers based on profitability.

<b>2022 Year-End Average &amp; Median P&amp;L For Top 25% on Profitability (85 FASTSIGNS Centers Reporting)</b>					
	<b>Average</b>	<b>% of Sales</b>	<b># of Centers that met or exceeded the Average</b>	<b>Median</b>	<b>% of Sales</b>
<b>GROSS SALES</b>	\$ 1,593,310	100.0%	24	\$ 1,131,853	100.0%
<b>EXPENSES</b>					
COST OF GOODS	\$ 435,763	27.3%	62	\$ 297,319	26.3%
LABOR EXPENSES (including Franchisee Principal)	\$ 492,025	30.9%	57	\$ 305,423	27.0%
ADVERTISING EXPENSES *	\$ 37,970	2.4%	58	\$ 85,864	7.6%
AUTO EXPENSES	\$ 15,428	1.0%	59	\$ 12,199	1.1%
FACILITY EXPENSES	\$ 64,547	4.1%	53	\$ 55,198	4.9%
EQUIPMENT EXPENSES	\$ 7,425	0.5%	59	\$ 11,104	1.0%
GENERAL AND ADMINISTRATIVE EXPENSES **	\$ 183,769	11.5%	59	\$ 140,965	12.5%
<b>EBITDA</b>	<b>\$ 356,383</b>	<b>22.4%</b>	<b>26</b>	<b>\$ 248,009</b>	<b>21.9%</b>
Franchise Principal's Salary from Labor Expenses	\$ 134,099	8.4%	27	\$ 130,999	11.6%
<b>Total Franchisee Principal's Benefit</b>	<b>\$ 490,481</b>	<b>30.8%</b>	<b>24</b>	<b>\$ 350,358</b>	<b>31.0%</b>

The highest and lowest Gross Sales for the 85 FASTSIGNS centers that provided 2022 financial statements and were in the Top 25% on Profitability were \$ 14,398,432 and \$ 253,071.

\* The 2% Advertising Fee is included in Advertising Expenses

\*\* The 6% Service Fee is included in General and Administrative Expenses

The following is the average P&L for the Lowest 25% FASTSIGNS Centers of the 338 reporting Centers based on profitability.

<b>2022 Year-End Average &amp; Median P&amp;L For Lowest 25% on Profitability (85 FASTSIGNS Centers Reporting)</b>					
	<b>Average</b>	<b>% of Sales</b>	<b># of Centers that met or exceeded the Average</b>	<b>Median</b>	<b>% of Sales</b>
<b>GROSS SALES</b>	\$ 715,741	100.0%	33	\$ 572,399	100.0%
<b>EXPENSES</b>					
COST OF GOODS	\$ 232,087	32.4%	29	\$ 180,803	31.6%
LABOR EXPENSES (including Franchisee Principal)	\$ 274,814	38.4%	31	\$ 212,469	37.1%
ADVERTISING EXPENSES *	\$ 26,729	3.7%	36	\$ 44,700	7.8%
AUTO EXPENSES	\$ 13,811	1.9%	33	\$ 14,011	2.4%
FACILITY EXPENSES	\$ 54,160	7.6%	28	\$ 47,118	8.2%
EQUIPMENT EXPENSES	\$ 6,825	1.0%	27	\$ 5,278	0.9%
GENERAL AND ADMINISTRATIVE EXPENSES **	\$ 114,865	16.0%	34	\$ 92,734	16.2%
<b>EBITDA</b>	<b>\$ (7,549)</b>	<b>-1.1%</b>	<b>45</b>	<b>\$ (2,152)</b>	<b>-0.4%</b>
Franchise Principal's Salary from Labor Expenses	\$ 35,409	4.9%	33	\$ 56,806	9.9%
<b>Total Franchisee Principal's Benefit</b>	<b>\$ 27,860</b>	<b>3.9%</b>	<b>40</b>	<b>\$ 25,238</b>	<b>4.4%</b>

The highest and lowest Gross Sales for the 85 FASTSIGNS centers that provided 2022 financial statements and were in the Bottom 25% on Profitability were \$2,476,674 and \$ 113,660.

\* The 2% Advertising Fee is included in Advertising Expenses

\*\* The 6% Service Fee is included in General and Administrative Expenses

**The franchisor is unable to verify the accuracy of the expense information provided by FASTSIGNS franchisees and makes no representations or warranties regarding the same.**

The amount of gross sales realized and expenses incurred will vary from unit to unit. In particular, gross sales and expenses at Franchisee's FASTSIGNS Center will be directly affected by many additional factors not noted above, including, without limitation, the Center's geographic location, competition in the market, the presence of other FASTSIGNS Centers, the quality of management, the effectiveness of sales and marketing and the prices charged for products and services sold at the Center. Further, the franchise agreement to which each franchisee included in this analysis is subject is different from the Franchise Agreement attached to this DISCLOSURE DOCUMENT as Exhibit B. Among other terms, the Franchise Agreement attached to this DISCLOSURE DOCUMENT requires an initial franchise fee of \$49,750 and a continuing Service Fee of 6%. This analysis, therefore, should only be used as a reference for you to use in conducting its own analysis.

Finally, you should particularly note the following:

**You are urged to consult with appropriate financial, business and legal advisors in connection with the information set forth in this analysis.**

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

**Substantiation of the data used in preparing this analysis will be made available upon reasonable request.**

Except for the representations above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting the Franchise Development Department at 2542 Highlander Way, Carrollton, Texas 75006, 214-346-5600, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20: OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1**

**UNITED STATES OUTLET SUMMARY FOR YEARS 2020 TO 2022**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2020	641	659	+18
	2021	659	672	+13
	2022	672	677	+5
<b>Company-Owned</b>	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
<b>Total Outlets</b>	2020	641	659	+18
	2021	659	672	+13
	2022	672	677	+5

**TABLE NO. 2**

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW FRANCHISEES FOR YEARS 2020 TO 2022**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>California</b>	2020	0
	2021	1
	2022	1
<b>Colorado</b>	2020	1
	2021	1
	2022	1
<b>Florida</b>	2020	1

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2021	4
	2022	2
<b>Illinois</b>	2020	0
	2021	2
	2022	2
<b>Indiana</b>	2020	0
	2021	0
	2022	1
<b>Kentucky</b>	2020	0
	2021	1
	2022	1
<b>Louisiana</b>	2020	0
	2021	2
	2022	0
<b>Michigan</b>	2020	2
	2021	0
	2022	0
<b>Minnesota</b>	2020	1
	2021	0
	2022	0
<b>Missouri</b>	2020	1
	2021	1
	2022	0

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Montana</b>	2020	0
	2021	1
	2022	0
<b>Nebraska</b>	2020	0
	2021	0
	2022	2
<b>Nevada</b>	2020	1
	2021	0
	2022	0
<b>New Jersey</b>	2020	3
	2021	1
	2022	1
<b>New Mexico</b>	2020	2
	2021	0
	2022	1
<b>New York</b>	2020	0
	2021	2
	2022	1
<b>North Carolina</b>	2020	0
	2021	0
	2022	1
<b>Ohio</b>	2020	0
	2021	1

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2022	1
<b>Oklahoma</b>	2020	1
	2021	0
	2022	0
<b>Pennsylvania</b>	2020	0
	2021	1
	2022	1
<b>South Carolina</b>	2020	2
	2021	0
	2022	0
<b>Tennessee</b>	2020	0
	2021	0
	2022	1
<b>Texas</b>	2020	4
	2021	6
	2022	4
<b>Virginia</b>	2020	3
	2021	0
	2022	0
<b>Washington</b>	2020	2
	2021	0
	2022	0
<b>Wisconsin</b>	2020	0

State	Year	Number of Transfers
	2021	1
	2022	0
<b>Totals</b>	2020	24
	2021	25
	2022	21

**TABLE NO. 3  
STATUS OF FRANCHISED OUTLETS FOR YEARS 2020 TO 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
<b>Alabama</b>	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
<b>Arizona</b>	2020	13	1	0	0	0	0	14
	2021	14	1	0	0	0	0	15
	2022	15	0	0	0	0	0	15
<b>Arkansas</b>	2020	5	0	1	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
<b>California</b>	2020	60	3	0	0	0	1	62
	2021	62	5	2	0	0	0	65
	2022	65	3	0	1	0	0	67
<b>Colorado</b>	2020	17	0	0	0	0	0	17
	2021	17	0	0	0	0	0	17
	2022	17	0	0	0	0	0	17



<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations Other Reasons</b>	<b>Outlets at End of Year</b>
<b>Connecticut</b>	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
<b>Delaware</b>	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
<b>District of Columbia</b>	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
<b>Florida</b>	2020	63	0	0	0	0	0	63
	2021	63	4	2	0	0	0	65
	2022	65	1	0	0	0	0	66
<b>Georgia</b>	2020	22	2	0	0	0	0	24
	2021	24	0	1	0	0	0	23
	2022	23	1	0	0	0	0	24
<b>Hawaii</b>	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
<b>Idaho</b>	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
<b>Illinois</b>	2020	25	3	1	0	0	0	27
	2021	27	3	1	0	0	0	29
	2022	29	1	1	0	0	0	29

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
<b>Indiana</b>	2020	10	0	0	0	0	0	10
	2021	10	1	0	0	0	0	11
	2022	11	0	0	0	0	0	11
<b>Iowa</b>	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	1	0	0	0	1
<b>Kansas</b>	2020	6	1	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
<b>Kentucky</b>	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
<b>Louisiana</b>	2020	11	0	0	0	0	0	11
	2021	11	0	1	0	0	0	10
	2022	10	0	0	0	0	0	10
<b>Maryland</b>	2020	9	1	0	0	0	0	10
	2021	10	1	0	0	0	0	11
	2022	11	0	0	0	0	0	11
<b>Massachusetts</b>	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
<b>Michigan</b>	2020	15	0	0	0	0	0	15
	2021	15	2	1	0	0	0	16
	2022	16	0	0	0	0	0	16

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations Other Reasons</b>	<b>Outlets at End of Year</b>
<b>Minnesota</b>	2020	14	0	0	0	0	0	14
	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
<b>Mississippi</b>	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
<b>Missouri</b>	2020	12	0	0	0	0	0	12
	2021	12	0	0	0	0	0	12
	2022	12	1	0	0	0	0	13
<b>Montana</b>	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	1	0	0	0	0	5
<b>Nebraska</b>	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
<b>Nevada</b>	2020	4	0	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
<b>New Hampshire</b>	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
<b>New Jersey</b>	2020	18	0	1	0	0	0	17
	2021	17	1	0	0	0	0	18
	2022	18	0	0	0	0	0	18

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations Other Reasons</b>	<b>Outlets at End of Year</b>
<b>New Mexico</b>	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
<b>New York</b>	2020	19	3	0	0	0	0	22
	2021	22	2	1	0	0	0	23
	2022	23	1	3	0	0	0	21
<b>North Carolina</b>	2020	16	1	0	0	0	0	17
	2021	17	0	1	0	0	0	16
	2022	16	0	0	0	0	0	16
<b>Ohio</b>	2020	31	2	0	0	0	0	33
	2021	33	0	0	0	0	0	33
	2022	33	0	0	0	0	0	33
<b>Oklahoma</b>	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
<b>Oregon</b>	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
<b>Pennsylvania</b>	2020	30	1	0	0	0	0	31
	2021	31	0	0	0	0	0	31
	2022	31	0	0	0	0	1	30
<b>Puerto Rico</b>	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations Other Reasons</b>	<b>Outlets at End of Year</b>
<b>South Carolina</b>	2020	10	0	0	0	0	0	10
	2021	10	1	0	0	0	0	11
	2022	11	0	0	0	0	0	11
<b>South Dakota</b>	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
<b>Tennessee</b>	2020	13	0	0	0	0	0	13
	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
<b>Texas</b>	2020	88	3	0	0	0	0	91
	2021	91	1	0	0	0	0	92
	2022	92	0	0	0	0	0	92
<b>Utah</b>	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
<b>Vermont</b>	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
<b>Virginia</b>	2020	21	1	0	1	0	0	21
	2021	21	0	0	0	0	0	21
	2022	21	0	0	0	0	0	21
<b>Washington</b>	2020	18	1	0	0	0	0	19
	2021	19	0	0	0	0	0	19
	2022	19	0	0	0	0	0	19

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
West Virginia	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Wisconsin	2020	13	0	0	0	0	0	13
	2021	13	0	0	0	0	0	13
	2022	13	0	1	0	0	0	12
Totals	2020	641	24	4	1	0	1	659
	2021	659	23	7	0	0	3	672
	2022	672	13	6	1	0	1	677

**TABLE NO. 4  
STATUS OF COMPANY-OWNED OUTLETS  
FOR YEARS 2020 TO 2022**

Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
2020	0	0	0	0	0	0
2021	0	0	0	0	0	0
2022	0	0	0	0	0	0
<b>Totals</b>	0	0	0	0	0	0

**TABLE NO. 5****PROJECTED OPENINGS AS OF DECEMBER 31, 2022**

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Open</b>	<b>Projected Franchised New Outlets in the Next Fiscal Year</b>	<b>Projected Company-Operated Outlet Openings in Next Fiscal Year</b>
Arizona	0	1	0
Arkansas	0	0	0
California	3	2	0
Colorado	1	1	0
Connecticut	0	0	0
Florida	3	1	0
Georgia	0	1	0
Illinois	0	1	0
Indiana	0	1	0
Iowa	1	0	0
Kentucky	1	0	0
Maryland	1	1	0
Massachusetts	1	0	0
Michigan	0	1	0
Missouri	0	1	0
New Hampshire	0	1	0
New Jersey	1	1	0
New Mexico	1	0	0
New York	1	1	0

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Open</b>	<b>Projected Franchised New Outlets in the Next Fiscal Year</b>	<b>Projected Company-Operated Outlet Openings in Next Fiscal Year</b>
North Carolina	2	1	0
Ohio	0	1	0
Pennsylvania	0	1	0
Rhode Island	0	1	0
Tennessee	1	1	0
Texas	2	1	0
Utah	1	1	0
Virginia	1	1	0
Totals	21	22	0

Exhibit “F” lists the names of all our operating Franchisees and the addresses and telephone numbers of their FASTSIGNS Centers as of December 31, 2022.

Exhibit “G-1” lists the franchisees who have signed Franchise Agreements for FASTSIGNS Centers which were not yet operational as of December 31, 2022.

Exhibit “G-2” lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of the franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

Exhibit “G-3” lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of the franchisees that left the system due to reselling their FASTSIGNS Center. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

The FASTSIGNS Franchise Advisory Committee is sponsored by us. Some of its members are appointed by us and some are elected by Franchisees. You can reach the organization at c/o



FASTSIGNS International, Inc., 2542 Highlander Way, Carrollton, Texas 75006, (214) 346-5600,  
mark.jameson@propelledbrands.com.

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**Item 21: FINANCIAL STATEMENTS**

The financial statements listed below are attached to this Disclosure Document as Exhibit “E”:

1. Audited consolidated balance sheets for Propelled Brands Franchising, LLC as of December 31, 2022, 2021 and 2020 and related statements of income, changes in members’ equity and cash flows for the years then ended.
2. Propelled Brands Franchising, LLC absolutely and unconditionally guarantees the performance of all the obligations of FASTSIGNS International, Inc. under any fully-executed franchise agreement and related agreements referred to in this Disclosure Document (see Exhibit B to the Financial Statements).

**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]**

**Item 22:      CONTRACTS**

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- |    |   |             |
|----|---|-------------|
| 1. | Franchise Agreement                         | Exhibit “B” |
| 2. | Co-Brand Franchise Agreement                | Exhibit “C” |
| 3. | Development Agreement                       | Exhibit “D” |
| 4. | Table of Contents for the Operations Manual | Exhibit “H” |
| 5. | General Release Agreement                   | Exhibit “I” |

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**Item 23: RECEIPT**

Exhibit “M” contains detachable documents acknowledging your receipt of this disclosure document.

**FASTSIGNS INTERNATIONAL, INC.  
LIST OF ADMINISTRATORS**

**STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS EXHIBIT "A"**

## LIST OF ADMINISTRATORS

### CALIFORNIA

Department of Financial Protection and  
Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

### HAWAII

Hawaii Commissioner of Securities State of  
Hawaii Department of Commerce & Consumer  
Affairs Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2722

### ILLINOIS

Office of Attorney General  
Franchise Bureau  
500 South Second Street  
Springfield, Illinois 62701  
(217) 782-4465

### INDIANA

Secretary of State  
Indiana Securities Division Franchise Section  
302 West Washington Street, Room E 111  
Indianapolis, Indiana 46204  
(317) 232-6681

### MARYLAND

Office of the Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

### MICHIGAN

Consumer Protection Division Antitrust and  
Franchise Unit  
Office of Attorney General  
G. Mennen Williams Bldg.,  
1st Floor 525 W. Ottawa Street  
Lansing, Michigan 48913  
(517) 335-7567

### MINNESOTA

Department of Commerce  
Franchise Division  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101-2198  
(651) 539-1600

### NEW YORK

New York State Department of Law  
Investor Protection Bureau,  
28 Liberty Street, 21st Floor  
New York, New York 10005  
(212) 416-8285

### NORTH DAKOTA

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capital Fifth Floor, Dept. 414  
Bismarck, North Dakota 58505-0510  
(701) 328-2910

### RHODE ISLAND

Securities Division  
Department of Business Regulations  
1511 Pontiac Avenue  
John O. Pastore Complex-Building 69-1  
Cranston, RI 02920  
(401) 462-9500

SOUTH DAKOTA

Department of Labor and Regulation  
Division of Securities  
124 S. Euclid, Second Floor  
Pierre, SD 57501  
(605) 773-3563

VIRGINIA

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 East Main St., 9th Floor  
Richmond, VA 23219  
(804) 371-9051

WASHINGTON

Department of Financial Institutions Securities  
Division  
150 Israel Road SW – 3rd Floor  
Tumwater, Washington, 98501  
(360) 902-8760

WISCONSIN

Office of the Commissioner of Securities  
Department of Financial Institutions  
201 West Washington Ave.  
Madison, WI 53703  
(608) 266-0448

## AGENTS FOR SERVICE OF PROCESS

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

### CALIFORNIA

Department of Financial Protection and  
Innovation  
320 West 4<sup>th</sup> Street Suite 750  
Los Angeles, CA 90013-2344

### HAWAII

Hawaii Commissioner of Securities  
State of Hawaii Department of Commerce  
& Consumer Affairs  
Business Registration Division Securities  
Compliance Branch 335 Merchant Street,  
Room 203  
Honolulu, Hawaii 96813

### ILLINOIS

Office of Attorney General Franchise  
Bureau 500 South Second Street  
Springfield, Illinois 62701

### INDIANA

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

### MARYLAND

Maryland Securities Commissioner, at the  
Office of Attorney General- Securities  
Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021

### MICHIGAN

Michigan Department of the Attorney  
General  
G. Mennen Williams Bldg.  
1<sup>st</sup> Floor 525 W. Ottawa Street Lansing,  
Michigan 48913

### MINNESOTA

Commissioner of Commerce 85 7th Place  
East, Suite 280  
St. Paul, Minnesota 55101-2198

### NEW YORK

New York Secretary of State 99  
Washington Avenue  
Albany, NY 11231

### NORTH DAKOTA

Securities Commissioner  
North Dakota Securities Department 600  
East Boulevard Avenue  
State Capital Fifth Floor, Dept. 414  
Bismarck, North Dakota 58505-0510

### RHODE ISLAND

Director of the Department of Business  
Regulation  
1511 Pontiac Avenue  
Building 69-1 Cranston  
Rhode Island 02920



SOUTH DAKOTA

Division of Insurance Securities  
Regulation 124 S. Euclid, Suite 104  
Pierre, South Dakota 57501

VIRGINIA

Clerk of the State Corporation Commission  
Tyler Building  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219-  
(804) 371-9733

WASHINGTON

Director of Financial Institutions Securities  
Division  
150 Israel Road SW 3<sup>rd</sup> Floor  
Tumwater, Washington 98501

WISCONSIN

Commissioner of Securities 201 W.  
Washington Ave.  
Madison, Wisconsin 53703

**FASTSIGNS INTERNATIONAL, INC.**  
**FRANCHISE AGREEMENT**

**EXHIBIT “B”**

**FRANCHISE AGREEMENT**

\_\_\_\_\_  
**FRANCHISEE**

\_\_\_\_\_  
**CENTER NUMBER**

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**FASTSIGNS INTERNATIONAL, INC.**  
**FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (the “**Agreement**”) is made and entered into by and between **FASTSIGNS INTERNATIONAL, INC.**, a Texas corporation located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“**we,**” “**us,**” or “**our**”), and \_\_\_\_\_, whose principal address is \_\_\_\_\_ (“**you**” or “**your**”) as of the date signed by us and set forth opposite our signature on this Agreement (the “**Effective Date**”).

**1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.**

**A. PREAMBLES.**

(1) We and our affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of businesses specializing in the selling, marketing, producing installing and repairing visual communications including signs (both non- electrical and electrical), related work involved in the maintenance, installation and de- installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services. These businesses operate under the “FASTSIGNS” name and other trademarks (“**FASTSIGNS Centers**”) and have distinctive business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time.

(2) We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols in operating FASTSIGNS Centers, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for FASTSIGNS Centers (collectively, the “**Marks**”).

(3) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to license and operate a FASTSIGNS Center offering the goods and services we authorize and using our business formats, methods, procedures, signs, designs, layouts, standards, specifications, and Marks (the “**Franchise System**”).



(4) As a franchisee of a FASTSIGNS Center, you will comply with this Agreement and all System Standards (defined below) to maintain the high and consistent quality that is critical to attracting and keeping customers for FASTSIGNS Centers.

(5) You have applied for a franchise to license and operate a FASTSIGNS Center.

**B. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.**

If you are at any time a corporation, limited liability company, or general or limited partnership (collectively, an “**Entity**”), you agree and represent that:

(1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement, or partnership agreement, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interest in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement’s restrictions;

(3) **Exhibit “B”** to this Agreement completely and accurately describes all your principals (and the owners of your principal, if applicable) and their interests in you as of the Effective Date;

(4) Each of your principals during this Agreement’s term will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 12, you and your principals agree to sign and deliver to us revised Exhibits B to reflect any permitted changes in the information that **Exhibit “B”** now contains;

(5) As described in Subsection 8.F., you will appoint a shareholder, member, or partner, as applicable, with not less than twenty five percent (25%) ownership interest to be your “**Managing Principal**,” responsible for overseeing and supervising the operation of the CENTER (as defined in Subsection D below). The Managing Principal as of the Effective Date is identified in **Exhibit “B”**. You may not change the Managing Principal without our prior written consent;

(6) The CENTER and other FASTSIGNS Centers, if applicable, will be the only businesses you operate (although your principals may have other, non-competitive business interests); and

(7) You will provide us with copies of your certificate of incorporation, articles of incorporation, bylaws, stock certificates, other governing documents, any amendments, and resolutions of your Board of Directors authorizing entry into and the performance of this Agreement prior to the execution of this Agreement; or, if you are a partnership, copies of the written partnership agreement, other governing documents, and any amendments prior to the execution of this Agreement.

**C. GRANT OF FRANCHISE.**

You have applied for a franchise to license and operate a FASTSIGNS Center at the location identified on **Exhibit “A”** (the “Premises”). Subject to this Agreement’s terms, we grant you a franchise (the “Franchise”) to operate a FASTSIGNS Center (the “CENTER”) at the Premises, and to use the Franchise System in its operation, for a term beginning on the Effective Date and expiring ten (10) years from that date, unless sooner terminated as provided herein. You may use the Premises only for the CENTER. You agree to always perform your obligations faithfully, honestly, and diligently under this Agreement and to use your best efforts to promote the CENTER.

**D. TERRITORIAL RIGHTS.**

After you select an approved location and we designate it as the Premises, we will designate and describe your Territory in **Exhibit “A”**. The size of the Territory shall be determined in our sole discretion. The Territory encompasses an area sufficient to include a business count of a minimum of four thousand (4,000) businesses. We may re-determine the size of your Territory if there is an increase of least twenty-five percent (25%) in the Business Count in the Territory and locate another FASTSIGNS Center in your former Territory. Your remaining Territory will contain at least 4,000 businesses.

**E. RIGHTS WE RESERVE.**

Except as expressly limited by Subsection D above, we and our affiliates retain all rights with respect to FASTSIGNS Centers, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate. Specifically, but without limitation, we reserve the following rights:

(1) the right to operate, or franchise others to operate, similar or competitive businesses located inside or outside the Territory under trademarks or service marks other than the Marks;

(2) the right to operate, or franchise others to operate, other dissimilar businesses located inside or outside the Territory under trademarks or service marks other than the Marks;

(3) the right to sell products or services anywhere that are like those sold by FASTSIGNS centers, but under trademarks or service marks other than the Marks;

(4) the right to sell, and to license others to sell, products and services anywhere that are like those sold by FASTSIGNS centers, which products and services

are sold under the Marks but through dissimilar distribution channels (including without limitation via the FASTSIGNS National Program, general or specialty retailers, the Internet or other electronic media);

(5) the right to sell products and services anywhere that are dissimilar from those sold by FASTSIGNS centers, but under the Marks or any other trademarks or service marks;

(6) the right to operate, and to grant others the right to operate FASTSIGNS Centers located anywhere outside the Territory;

(7) the right to acquire the assets or ownership interests of one or more businesses providing products and services like those provided at FASTSIGNS Centers, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(8) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services like those provided at FASTSIGNS Centers, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory.

## **F. MODIFICATION OF FRANCHISE SYSTEM.**

Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege to vary System Standards (defined below) for any franchise principal based upon the peculiarities of any condition that we consider important to that franchise principal's successful operation. You have no right to require us to grant you a similar variation or accommodation.

## **2. SITE SELECTION, LEASE OF PREMISES, AND DEVELOPMENT AND OPENING OF CENTER.**

### **A. SITE SELECTION.**

You agree to obtain our written approval of the CENTER'S proposed site before signing any lease, sublease, or other document for the site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. We will not unreasonably withhold our approval of a site that meets our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; other commercial characteristics; visibility and the proposed site's size, appearance, and other physical characteristics.

At our discretion, we will select a local broker to assist you in locating potential sites that satisfy our criteria. You agree to send us a description of the proposed sites within ninety (90) days after the Effective Date of this Agreement, including a summary of the items listed

above or other evidence confirming your favorable prospects for obtaining each of the proposed sites. Upon our approval of a site, and after you secure the site, we will insert its address into **Exhibit “A”**, and it will be the Premises. You may operate the CENTER only at the Premises.

You acknowledge and agree that, if we recommend or give you information regarding a site for the Premises, that it is not a representation or warranty of any kind, express or implied, of the site’s success for a FASTSIGNS Center or any other purpose. Our recommendation indicates only that we believe that the site meets our then acceptable criteria.

**B. LEASE OF PREMISES.**

You must sign a lease or sublease for the Premises (the “**Lease**”) within one hundred twenty (120) days after the Effective Date of this Agreement. We have the right to approve the terms of the Lease before you sign it. The Lease must be in a form acceptable to us and must contain certain required terms and provisions (although we will not directly negotiate your Lease or provide legal advice regarding your Lease, including, but not limited to those listed in **Exhibit “C”**). You must also sign the Lease Acknowledgement of Understanding acknowledging that we do not provide legal advice regarding new center leases, lease renewals, or lease amendments as stated in **Exhibit “D”**.

You acknowledge that our approval of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a FASTSIGNS Center operated at the Premises. Our approval indicates only that we believe that the Premises and the Lease’s terms meet our then acceptable criteria. You must deliver to us a signed copy of the Lease within ten (10) days after its execution.

If the Lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the CENTER to a new site acceptable to us. Any relocation will be at your sole expense, and we may charge you for the reasonable costs we incur, plus a reasonable fee (as set forth in the Operations Manual) for our services, in connection with any relocation of the CENTER. Any relocation will be subject to the provisions of this Section 2.

You are not permitted to operate the CENTER under a month-to-month lease without our prior written approval. If you are purchasing the premises for the CENTER, you must submit the contract of sale to us for approval prior to your signing it and you must deliver to us a signed copy of the contract of sale within ten (10) days after execution.

**C. CENTER DEVELOPMENT.**

You are responsible for developing the CENTER. We will give you mandatory and suggested specifications and layouts for a FASTSIGNS Center, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the “**ADA**”) or similar rules governing public accommodations for persons with disabilities. It is your responsibility to prepare a site survey (at your expense if the landlord does not provide

and bear the cost of this) and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, Title 24, permit requirements, and Lease requirements and restrictions. We will not charge you for the cost of the first revision of the plans, but we may charge you for the cost of any additional revisions.

You agree to send us construction plans and specifications for review before you begin constructing the CENTER and all revised or “as built” plans and specifications during construction. We may require you to use an approved or designated architect and/or general contractor to design and construct the CENTER. Plans and modifications to plans not created by an approved or designated architect and/or general contractor must be pre-approved by us.

Because our review is limited to ensuring your compliance with our design requirements, it might not assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with these laws are your responsibility. We may inspect the Premises while you are developing the CENTER.

You agree to do the following, at your own expense, to develop the CENTER at the Premises:

- (1) secure all financing required to develop and operate the CENTER;
- (2) obtain all required building, utility, sign, health, sanitation, business, EPA and other permits and licenses;
- (3) construct all required improvements to the Premises and decorate the CENTER according to approved plans and specifications;
- (4) obtain all customary contractor’s sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;
- (5) purchase or lease, and install, all required fixtures, furniture, equipment (including a required or recommended computer, facsimile, and center management system information system), furnishings, and signs (collectively, “**Operating Assets**”) for the CENTER; and
- (6) purchase an opening inventory of authorized and approved products, materials, and supplies to operate the CENTER.

#### **D. OPERATING ASSETS.**

You agree to use in operating the CENTER only those Operating Assets that we approve for FASTSIGNS Centers as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos, and display materials that we approve from time to time. You agree to purchase or lease brands, types, or models of

Operating Assets only from suppliers that meet our specifications (which may include or be limited to us and/or our affiliates) or suppliers you choose that meet our criteria and specifications.

**E. COMPUTER SYSTEM.**

You agree to obtain and use the computer hardware and/or operating software we specify from time to time (the “**Computer System**”). We may modify specifications for and components of the Computer System. You also agree to use the email system and address we specify. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement’s remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within ninety (90) days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

You agree that we or our affiliates may require the use of proprietary software or technology that we or our affiliates select, develop, or maintain. Upon your signing or accepting of the Software License Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology, we and our affiliates reserve the right to charge you or implement additional monthly or other fees for access to, maintenance, and support of said software or technology that we or our affiliates have licensed to you during this Agreement’s term. We will provide you with one hundred eighty (180) days’ prior notice of our decision to implement any new fees or increase in existing fees.

We charge you a Technology Fee (“Tech Fee”) as described in Subsection 3.D. below. The Tech Fee allows us to provide tools and resources to keep the FASTSIGNS System operating efficiently.

Even though you agree to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the way your Computer System interfaces with our and any third party’s computer system; and (3) any consequences if the Computer System is not properly operated, maintained, and upgraded.

**F. CENTER OPENING.**

You agree not to open the CENTER until:

- (1) we notify you in writing that the CENTER meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the CENTER complies with any engineering, licensing, environmental,

labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) your required attendees satisfactorily complete training as described in Subsection 4. A. of this Agreement;

(3) you pay the initial franchise fee and other amounts then due to us;

(4) you pay for the equipment, furniture and fixtures package then due to us;

and

(5) you give us certificates for all required insurance policies.

Subject to your compliance with these conditions, you agree to open the CENTER for business within three hundred sixty-five (365) days after the Effective Date. You agree to operate and supervise the CENTER and devote your full time, best efforts, and constant personal attention to the day-to-day operations of the CENTER for at least six (6) months after the opening.

If you fail to sign a Lease for the Premises within one hundred twenty (120) days after the Effective Date or if you fail to open the CENTER within three hundred sixty-five (365) days after the Effective Date, we have the right to terminate this Agreement (see Subsection 14.A.(2) and (3)).

### **3. FEES.**

#### **A. INITIAL FRANCHISE FEE.**

You agree to pay us a nonrecurring and nonrefundable initial franchise fee of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_). This fee is due, and fully earned by us when you sign this Agreement.

#### **B. CONTINUING SERVICE AND ROYALTY FEE.**

You agree to pay us, in the manner provided below (or as the Operations Manual otherwise prescribes), a monthly Continuing Service and Royalty Fee (the "**Service Fee**") equal to three percent (3%) of the CENTER'S Gross Sales (defined in Subsection D. below) for the first twelve (12) months that the CENTER is open by the fifteenth (15th) day of the month. Beginning the thirteenth (13th) month through the end of the term of the Agreement you shall pay us the greater of One Thousand Two Hundred Fifty Dollars (\$1,250) or six percent (6%) of the CENTER'S Gross Sales as defined in Subsection D below). On or before the fifth (5th) day of the month, we will extract a statement of the CENTER'S Gross Sales for the preceding calendar month from your Computer System. The method of payment is described in Subsection 3.H. below. In addition, you agree to pay us the Ad Fund contribution as described in Subsection 9.B.

You must be in “Good Standing” (as described in Subsection 3.I. below) to be eligible for the lower three percent (3%) Service Fee each month during the first twelve (12) months the CENTER is open. If you are not in “Good Standing” at any time during this twelve (12) month period, the monthly Service Fee will increase to six percent (6%) in addition to all other remedies available to us.

**C. SLIDING SCALE ROYALTY REBATE.**

Beginning with your first full calendar year of operation that you are required to pay the six percent (6%) Service Fee and the two percent (2%) Ad Fee, we will recalculate your Service Fee and Ad Fund Contributions (described in Subsection 9.B.) paid to us for the preceding calendar year using your annual gross sales for the calendar year as described in the following Sliding Scale Chart below (“**Chart**”):

<u>On your sales between:</u>	<u>Your Service Fee will be:</u>	<u>Your Ad Fee will be:</u>
\$0 to \$1,215,703	6.00%	2.00%
\$1,215,704 to \$1,823,555	5.75%	1.75%
\$1,823,556 to \$3,343,186	5.50%	1.65%
\$3,343,187 to \$4,862,815	5.25%	1.50%
\$4,862,816 to \$6,382,444	4.75%	1.25%
\$6,382,445 to \$7,902,073	4.25%	1.10%
\$7,902,074 and above	3.75%	1.00%

At the conclusion of each calendar year, we will issue a rebate payment (“**Rebate Payment**”) to you based on each increment of your Gross Sales falling within each of the sales bands described above. The Rebate Payment will be paid to you no later than March 31 of each year. All monthly royalty reports must be submitted through December 31 of each year as described in Section 10. of this Agreement to receive the Rebate Payment. You must be in “Good Standing” (as described in Subsection 3.J. below) at the end of each calendar year to receive your Rebate Payment. The Rebate Payment will be paid to the franchisee’s principal of the CENTER on December 31 of each year.

At our election, the sales bands described in the Chart above may be adjusted effective the first day of each calendar year based on the most recent Consumer Price Index published by the Bureau of Labor Statistics or the FASTSIGNS same center sales growth percentage (“**Same Center Sales Growth**”) for the prior calendar year, whichever is higher. Same Center Sales Growth is calculated by averaging the sales growth for all FASTSIGNS centers in the United States open for the full twelve (12) months for the two (2) prior years and the full twelve (12) months for the prior year.

**D. TECHNOLOGY FEE.**

You agree to pay us a Tech Fee of Fifty Dollars (\$50) (“Tech Fee”) per month through the end of your first year of operation of the CENTER. Beginning your second year of operation of the CENTER, you will pay us a Tech Fee of One Hundred Dollars (\$100) per month. This fee is due by the 15<sup>th</sup> day of each month.



You must be in “Good Standing” (as described in Subsection 3.J. below) to be eligible for the lower Fifty Dollar (\$50) per month Tech Fee during the first twelve (12) months the CENTER is open. If you are not in “Good Standing” at any time during this twelve (12) month period, the monthly Tech Fee will increase to One Hundred Dollars (\$100) per month in addition to all other remedies available to us.

We reserve the right to increase the Tech Fee. Any increase in the Tech Fee will not exceed Two Hundred Dollars (\$200) per month. We will provide you with one hundred eighty (180) days’ notice before we implement an increase in the Tech Fee.

**E. DEFINITION OF “GROSS SALES”.**

As used in this Agreement, the term “**Gross Sales**” means all revenue that you derive from operating the CENTER, including, but not limited to, all amounts that you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but excluding (1) all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and the amount of any documented refunds, credits, allowances, and charge-backs the CENTER in good faith gives to customers.

**F. INTEREST.**

All amounts which you owe us for any reason, will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for late fees and interest. You acknowledge that this Subsection is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the CENTER.

**G. APPLICATION OF PAYMENTS.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your principals owe us or our affiliates against any amounts we or our affiliates owe you or your principals. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

**H. METHOD OF PAYMENT.**

Before the CENTER opens, you agree to sign and deliver to us the documents we require (including **Exhibit “E”**) to authorize us to debit your business checking account automatically for the Service Fees, Ad Fund contributions (described in Subsection 9.B. below), and other amounts due under this Agreement and for your purchases from us, Fastsigns National Advertising Council, Inc. and our affiliates (the “**Electronic Funds Transfer Account**” or “**EFTA**”). We will debit the EFTA for these amounts on their due dates. You agree to ensure that funds are available in the EFTA to cover our withdrawals. If there are insufficient funds in the EFTA to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), you stop payment on the EFTA (or check), close the EFTA, or

request we do not process the EFTA we will charge you a processing fee as prescribed in the Operations Manual) per withdrawal or amount to compensate us for our additional administrative expenses. This amount is currently One Hundred Dollars (\$100) but is subject to change.

If we unable to extract a statement of your Gross Sales from your Computer System, we may debit your EFTA for one hundred fifty percent (150%) of the last Service Fee and Ad Fund contribution that we debited. If the amounts that we debit from your EFTA are less than the amount you owe us (once we have determined the CENTER'S true and correct Gross Sales), we will debit your EFTA for the balance on the day we specify. If the amounts that we debit from your EFTA are greater than the amount you owe us, we will credit the excess against the amounts we otherwise would debit from your EFTA during the following month.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate, and you agree to comply with our payment instructions.

**I. LATE FEE FOR SUBMISSION OF LATE SALES REPORT, LATE SERVICE FEE AND NAC FUND CONTRIBUTION.**

If we are unable to obtain any sales report when due as provided in Subsection 10.(a) and/or Service Fee payment or Ad Fund contribution when due as provided in Subsection 3.B above, we have the right, in addition to any other remedy available, to charge you a late fee of Fifty Dollars (\$50) for each day such sales report, Service Fee payment or Ad Fund contribution is late, reduced, if necessary, to the extent such payment exceeds the amount permitted by applicable law. Said late fee shall be due and payable by you immediately when invoiced.

**J. DEFINITION OF "GOOD STANDING."**

The term "**Good Standing**" means that you do not owe any Service Fees or Ad Fund contributions or any other monetary obligations to us more than thirty (30) days and you follow all your other obligations under the Agreement and any other agreement with us, including timely reporting of Gross Sales. You are not in "Good Standing" if you make partial payments to us, but still have amounts outstanding more than thirty (30) days.

**4. TRAINING AND ASSISTANCE.**

**A. INITIAL TRAINING.**

Before the CENTER opens for business, we will train up to three (3) of your representatives on the material aspects of operating a FASTSIGNS Center. We will provide the initial training program at a designated training facility of our choice and/or at an operating FASTSIGNS Center. The initial training program is to protect and maintain the System Standards (defined below) and the Marks are not to control the day-to-day operation of your CENTER. You and your principals agree to sign **Exhibit "N"** to this Agreement to acknowledge this. We will provide initial training for no additional fee for you (if you are an individual) or your Managing Principal (if you are an entity), your graphic designer and your

visual communications specialist. Additional people beyond these three (3) may attend initial training. You also agree to pay for all travel and living expenses that your attendees incur and for your employees' wages and workers' compensation insurance while they train at operating FASTSIGNS Centers. Training is conducted at our corporate offices or at such other location determined by us. We reserve the right to convert the traditional classroom training of the initial training program entirely, or partially to live instructor led virtual training.

You (or your Managing Principal), your graphic designer and your visual communications specialist must satisfactorily complete initial training. If we determine that you (or your Managing Principal) cannot complete initial training to our satisfaction, you may designate a replacement to complete such training.

When the CENTER is ready to open for business, we will, at our own cost, send one of our representatives to the CENTER at a time to be determined by us to assist with its opening. You (or your Managing Principal) also must successfully complete this phase of the initial training program. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

#### **B. ONGOING TRAINING.**

We may require you (or your Managing Principal) to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations we designate. At your option and expense, you may send previously trained and experienced employees to these training courses. We may charge reasonable registration or similar fees for these courses to defray costs. Besides attending these courses, you agree to attend a designated franchise convention of all FASTSIGNS Center franchisees at a location we designate at least once in every three (3) year period. You agree to pay all registration fees, charges, and costs to attend. In addition, you agree to pay all travel and living expenses which you and your employees incur during all training courses and programs.

If you or your Managing Principal chooses not to give your full time, best efforts, and constant personal attention to the operation of the CENTER, after six (6) months, you will designate, in writing, an individual (the "**General Manager**") who will assist you in the management of the CENTER by signing the Key Management Employee Designation form attached to this Agreement as **Exhibit "O"**. The Key Management Employee will devote their full time, best efforts, and constant personal attention to the day-to-day operations of the CENTER in the event you do not participate in the full-time operation of the CENTER after the initial six (6) month period the CENTER is open.

We may require that your CENTER manager (including the Key Management Employee if you (or your Managing Principal) cease to function as the day-to-day manager of the CENTER) satisfactorily complete our initial and ongoing training programs. If at any time the Key Management Employee is not able to continue to serve in such capacity or no longer qualifies to function as General Manager, you will promptly notify us and shall designate a replacement Key Management Employee within thirty (30) days after the Key Management

Employee ceases to serve. Should a replacement be required for the Key Management Employee, the replacement will be required to attend and complete training.

Within one hundred twenty (120) days from the date that your CENTER opens for business, we require that you hire an outside sales professional, and employ an outside sales professional for the remaining term of the Agreement. Your outside sales professional will be required to attend and successfully complete Sales Boot Camp within the first twelve (12) months from the date of hire. This is no charge for your initial outside sales professional's attendance of Sales Boot Camp training. We may charge a reasonable fee for training additional outside sales professionals. Sales Boot Camp training is conducted at our corporate offices or at such other location determined by us. You agree to pay all travel and living expenses which your outside sales professional incurs during attendance of Sales Boot Camp training.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

#### **C. GENERAL GUIDANCE.**

We will advise you from time to time regarding the CENTER'S operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, operating procedures, and methods that FASTSIGNS Centers use; (2) purchasing required and authorized Operating Assets and other items and arranging for their distribution to you; (3) advertising and marketing materials and programs; (4) employee training; and (5) administrative, bookkeeping, accounting, and inventory control procedures.

We will guide you in our manuals ("**Operations Manual**"); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the CENTER. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel per diem charges and travel and living expenses.

#### **D. OPERATIONS MANUAL.**

During the Franchise term you will have electronic access to our Operations Manual, which could include audio and files/links, video and links, computer software, other electronic media, and/or written materials on a restricted website. You agree to monitor and access the Website for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on a Website or extranet will be deemed to be part of Confidential Information (defined in Section 6 below). At our discretion, hard copies of certain manuals may be loaned to you at no expense. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("**System Standards**") that we periodically prescribe for operating a FASTSIGNS Center and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards.

You agree that the Operations Manual's contents are confidential and that you will not disclose the Operations Manual to any person other than CENTER employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual.

**E. DELEGATION OF PERFORMANCE.**

You agree that we have the right to delegate the performance of any portion or all our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

**5. MARKS.**

**A. OWNERSHIP AND GOODWILL OF MARKS.**

Your right to use the Marks is derived only from this Agreement and limited to your operating the CENTER according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the CENTER under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

**B. LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the CENTER'S sole identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, email addresses, or otherwise in connection with a Website, or (5) in any other manner that we have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of the CENTER or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the CENTER and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

**C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

**D. DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. Any costs incurred by you to comply with any change or modification of any mark will be paid solely by you; however, we may, at our discretion, reimburse a portion of the costs to you. We need not reimburse you for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Subsection D apply to all the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

**E. INDEMNIFICATION FOR USE OF MARKS.**

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

**6. CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the “**Confidential Information**”) relating to developing and operating FASTSIGNS Centers, including (without limitation):

- (1) site selection criteria;
- (2) training and operations materials and manuals;

(3) methods, formats, specifications, standards, systems, procedures, production techniques, production processes, sales and marketing techniques, knowledge, and experience used in developing and operating FASTSIGNS Centers;

(4) sales, marketing, and advertising programs for FASTSIGNS Centers;

(5) knowledge of, specifications for, and suppliers of Operating Assets and other products and supplies;

(6) any computer software or similar technology which is proprietary to us or the Franchise System, including, without limitation, digital passwords and identifications and any source code and data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of FASTSIGNS Centers other than the CENTER;

(8) graphic designs, icon designs and related intellectual property; and

(9) personal information of any customers of the CENTER and other FASTSIGNS Centers (“**Customer Information**”). “Personal information” is data that identifies an individual or relates to an identifiable individual.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the CENTER during this Agreement’s term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

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

(b) will keep each item deemed to be part of Confidential Information confidential, both during this Agreement’s term and then thereafter for as long as the item is not known in the signage and printing industry;

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

(d) will not sell, trade, or otherwise profit in any way from any Confidential Information, except during the Term using methods we approve;

(e) will comply with all applicable laws in relation to the collection, processing, and storage of Customer Information;

(f) will, in addition to the procedures described herein, adopt, and implement all reasonable procedures, including those prescribed from time to

time by us, to prevent unauthorized use or disclosure of or access to any Confidential Information; and

(g) will require and obtain execution of the Confidentiality/Non-Compete Agreement attached to this Agreement as **Exhibit “L”** from your Key Management Employee, outside sales professional and other personnel who have received or will have access to Confidential Information. You will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information. We may modify or you may modify **Exhibit “L”** to this Agreement to remove the covenant not-to-compete provisions if we or you decide not to require these covenants be executed by your Center personnel. We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the signage and printing industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the signage and printing industry through publication or communication by others (without violating an obligation to us). However, if we designate any information as Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

We collaborate with you, your principals and other franchisees towards constant improvement and adapting to change to remain relevant and competitive in the graphics and visual communications industry. Many of our current processes are a result of franchisee innovation and input.

All ideas, concepts, techniques, or materials relating to a FASTSIGNS Center, whether protectable intellectual property and whether created by or for you or your principals or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

## **7. EXCLUSIVE RELATIONSHIP.**

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Agreement’s term, neither you, any of your principals, nor any of your or your principals’ spouses will:



(a) have any direct or indirect controlling or non-controlling interest as an owner –whether of record, beneficially, or otherwise –in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of the CENTER to a Competitive Business, or divert or attempt to divert any actual or potential business or customer from another FASTSIGNS Center to a competitive business; or

(d) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

The term “**Competitive Business**” means (i) any business which markets, produces, installs, repairs, offers for sale or provides services related to selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), and related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a FASTSIGNS Center operated under a franchise agreement with us).

You agree to obtain execution of the Confidentiality/Non-Compete Agreement attached to this Agreement as **Exhibit “L”** from the personnel we specify, including officers, directors, managers, and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third- party beneficiary of that agreement with independent enforcement rights.

## **8. SYSTEM STANDARDS.**

### **A. CONDITION AND APPEARANCE OF THE CENTER.**

You agree that:

(1) you will maintain the condition and appearance of the CENTER, its Operating Assets and the Premises in accordance with System Standards and consistent with the image of a FASTSIGNS Center as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness, sanitation, efficient work flow, courteous service and pleasant ambiance, and in that connection will take, without limitation, the following actions during the term of this Agreement: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe; (b) interior and exterior repair of the Premises; and (c) repair or replacement of damaged, worn out or obsolete Operating Assets;

(2) you will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, icon designs, vehicle graphics, lettering, logos, and display and advertising materials that we from time to time approve;

(3) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises of the CENTER or its fixtures, furnishings, floors, walls, equipment, vehicle graphics or signs does not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within twenty (20) days after you receive our notice, and then continue in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, we have the right, in addition to all other remedies, to enter the Premises or the CENTER and do any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection; and

(4) to maintain the quality of the system and the FASTSIGNS brand, you agree to remodel, expand, redecorate, and/or refurbish the Premises and the CENTER to reflect changes in the operations of FASTSIGNS Centers which we prescribe and require of new franchisees, however, we will not require you to spend more than Twenty Thousand Dollars (\$20,000) in any five (5) year period on material modernization of the CENTER. We will provide you with one hundred and eighty (180) days' prior notice of this requirement. This Twenty Thousand Dollar (\$20,000) cap shall not apply to the purchase of equipment and/or other items necessary to offer new, current, or additional products or services from the CENTER.

**B. PRODUCTS AND SERVICES SOLD AT THE CENTER.**

You agree that: (1) the CENTER will offer for sale all products and services that meet our specifications; (2) the CENTER will offer and sell products and services only in the manner we have prescribed; (3) you will not offer for sale or sell at the CENTER, the Premises or any other location any products or services that do not meet our specifications; (4) all products will be offered and sold only at and from the Premises (excluding the products and services sold by your outside sales professional), unless approved otherwise by us (including sales you make from the System Website as approved by us); and (5) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole discretion) do not meet our specifications.

You understand and acknowledge that it is your responsibility to check state law and local ordinances regarding sign regulations, permitting and compliance with local building and electrical codes. These regulations, ordinances and laws will vary by city and state. You understand that there may be licensing requirements regarding the different types of sign installations and that you are responsible for obtaining such licenses, as acknowledged by your signature in **Exhibit “M”**.

**C. NATIONAL ACCOUNTS.**

We or the Fastsigns National Advertising Council, Inc. (defined in Subsection 9.B.) may obtain accounts from regional or national companies that fulfill their needs for signs on a local basis and from a centrally coordinated service (“**FASTSIGNS National Accounts Program**”). We or the Fastsigns National Advertising Council, Inc. will negotiate and execute agreements with FASTSIGNS National Accounts Program customers (the “**Customers**”) and will organize and administer the FASTSIGNS National Accounts Program. The FASTSIGNS National Accounts Program acts as a central access point through which the FASTSIGNS System can effectively meet the needs of national and regional Customers. The FASTSIGNS National Accounts Program conforms to the individual needs of each Customer by designing a Customer-tailored system for the Customer’s ordering, production, distribution, and invoicing. You may participate in the FASTSIGNS National Accounts Program; provided, you meet and comply with the criteria and standards guidelines (“**Guidelines**”) that are in our Operations Manual for participating in such a program (which include following with the terms of this Agreement) and agree to provide the services under the terms and conditions negotiated by us or the Fastsigns National Advertising Council, Inc. We do not represent that we or the FASTSIGNS National Accounts Program will obtain any national accounts in your Territory. If, however, we or the FASTSIGNS National Accounts Program do obtain such accounts, we or the FASTSIGNS National Accounts Program will advise you of the terms of such participation and offer you the option to participate. Your participation in the FASTSIGNS National Accounts Program is voluntary. We or you may terminate your participation in the FASTSIGNS National Accounts Program in accordance with the Guidelines.

**D. APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.**

We have developed or may develop standards and specifications for types, models, and brands of required Operating Assets, other products, materials, and supplies. We reserve the right from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you may be required to purchase only such products meeting those specifications.

We and our affiliates may receive payments from suppliers on account of such suppliers’ dealings with you and other franchisee principals and may use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate.

**E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.**

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the CENTER and operate the CENTER in full compliance with all

applicable laws, ordinances and regulations, including, without limitation, government regulations relating to wage and hour laws, the Equal Employment Opportunity Commission, the National Labor Relations Act, the Fair Labor Standards Act, Family and Medical Leave Act, occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You are solely responsible for the safety and well-being of your employees and the customers of the CENTER. It is your responsibility to make sure that you follow all laws that are applicable to the center management system or other technology used in the operation of the CENTER, including data protection or security laws as well as PCI compliance. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The CENTER must in all dealings with its customers, suppliers, us, and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other FASTSIGNS Centers. You must 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 your operation or financial condition or that of the CENTER and of any notice of violation of any law, ordinance, or regulation relating to the CENTER.

**F. MANAGEMENT OF THE CENTER/CONFLICTING INTERESTS.**

Except as provided below, you (if you are an individual) or your Managing Principal (if you are an entity) must be the direct, on-premises supervisor of the CENTER and devote your full-time, best efforts to the day-to-day operations of the CENTER for at least the first six (6) months the CENTER is open for business. If, after the first six (6) months of operations (or at any time thereafter), you or your appointed principal cease to be responsible for day-to-day management of the CENTER, you must appoint a Key Management Employee to be the direct, on-premises supervisor of the CENTER. The original and any replacement Key Management Employee must: (1) devote his/her full-time, best efforts to the day-to-day operations of the CENTER; (2) satisfactorily complete the initial training program and other required training; (3) be acceptable to us; and (4) sign our Confidentiality/Non-Compete Agreement attached to this Agreement as **Exhibit "L"**.

If you (or your Managing Principal) license more than one FASTSIGNS Center, each FASTSIGNS Center must be under the direct on-premises supervision of a Key Management Employee we have approved and who has completed our training programs.

**G. INSURANCE.**

During the term of this Agreement, you must maintain in force at your sole expense comprehensive public liability, general liability, product liability and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the CENTER'S operation, all containing the minimum liability coverage we prescribe from time to time. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect

inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds (as permitted by applicable law) and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation, or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the CENTER on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

#### **H. COMPLIANCE WITH SYSTEM STANDARDS.**

You acknowledge and agree that operating and maintaining the CENTER according to System Standards are essential to preserve the goodwill of the Marks and all FASTSIGNS Centers. All required System Standards exist to protect our interests in the System and the Marks and not for the purpose of exercising day-to-day control over your CENTER. Therefore, you always agree to operate and maintain the CENTER according to all our System Standards, as we periodically modify and supplement them. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the CENTER and implementing and maintaining System Standards at the CENTER.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Subsections 8.A. through 8.G. above:

- (1) purchase, storage, preparation, and inventory requirements for products and supplies so that the CENTER may operate at full capacity;
- (2) terms and conditions of the sale and delivery of, and terms and methods of payment for, products, and services that you obtain from us and affiliated and unaffiliated suppliers; and our and our affiliates' right not to sell you any products or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;
- (3) sales, marketing, advertising, and promotional programs and materials and media used in these programs;
- (4) use and display of the Marks at the CENTER and on labels, forms, paper products, and other supplies;
- (5) recommending staffing levels for the CENTER; identifying the CENTER'S personnel; and employee qualifications and training to protect our interests in the System Standards and Marks (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);

- (6) days and hours of operation;
- (7) accepting credit and debit cards, other payment systems, and check verification services;
- (8) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the CENTER;
- (9) any other aspects of operating and maintaining the CENTER that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and FASTSIGNS Centers;
- (10) production methods; production processes; workflow; equipment used; installation methods; and initiative-taking business development through consistent use of outside salespeople.

You agree that System Standards we prescribe in the Operations Manual, or otherwise communicate to you in writing or another tangible form (for example, via Franchise System extranet or Website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified. You agree to comply with the System Standards provided in the then current Operations Manual.

**I. CUSTOMER INFORMATION.**

All Customer Information that you collect from customers of your CENTER is owned exclusively by us/or our affiliates. We and our affiliates will, through the Computer System or otherwise, have access to Customer Information and may use Customer Information in our and their business activities. You, your employees, and your agents only right to use Customer Information is in connection with your CENTER, and only while this Agreement is in effect. Upon expiration or termination of this Agreement – for any reason – we will have sole rights to use Customer Information in any manner we deem necessary or appropriate, so long as such use complies with applicable law. You must secure from your customers or prospective customers all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Information to us and our affiliates, and for us and our affiliates to use that Customer Information, in the manner that this Agreement contemplates.

**J. MODIFICATION OF SYSTEM STANDARDS.**

You acknowledge and agree that as our business and industry evolve, we may amend the Franchise System from time to time to remain relevant and competitive. Although it is our practice to consult or collaborate with the Franchise Advisory Council, the Fastsigns National Advertising Council, Inc. and/or other franchisee leadership in the change process as we deem appropriate (we may further outline any franchisee involvement in the Operations Manual or other franchisee communication), we have the right and final decision to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the Franchise System to changing conditions, competitive circumstances, business

strategies, business practices and technological innovations and other changes. You must comply with these modifications, additions, or rescissions at your expense, subject to any express limitations as stated in this Agreement. All modifications, innovations, and improvements to the Franchise System become our property regardless of who developed the modification, innovation, or improvement.

## **9. MARKETING.**

### **A. INITIAL MARKETING PLAN.**

Before you register for initial training, you must pay Fourteen Thousand Five Hundred dollars (\$14,500) for initial advertising for your CENTER to the Fastsigns National Advertising Council, Inc. This will be administered by our marketing department on behalf of the Fastsigns National Advertising Council, Inc. We will create a marketing and advertising plan for your CENTER and will allocate your required initial marketing and advertising pre-paid dollars to local programs at our sole discretion that will be scheduled to run for 4 to 6 months. The programs included in the initial marketing and advertising plan include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (3-to-4 month supply), local web search marketing including local digital advertising, telemarketing campaigns, social media campaigns, virtual sales assistant customer prospecting email campaigns and sales promotion items. The marketing plan also includes required tracking phone numbers and web lead forms to capture and track all lead activity. There are twelve (12) months of virtual sales assistant customer prospecting email campaigns included in your initial marketing and advertising plan. Marketing programs are evaluated for effectiveness, and we may amend the tactics to optimize the initial marketing and advertising plan. If additional funds remain after we outline the spending on these programs and materials on the elements above, other programs such as local media or association marketing opportunities can be discussed for inclusion in the pre-paid portion of the marketing plan. The marketing plan will also include recommended programs and spending that you can choose to implement or not or modify as desired beyond the pre-paid fund amount. These recommended programs and their associated costs are not included in the initial advertising costs of Fourteen Thousand Five Hundred Dollars (\$14,500) payable to Fastsigns National Advertising Council, Inc. You agree to comply with our guidelines for this initial marketing and advertising plan. We recommend that you invest additional amounts to local marketing during the first year of the CENTER'S operation.

Upon expiration of the pre-paid marketing dollars referenced above for local digital advertising, you are required to continue local digital advertising in the same geographic area as your Territory as defined in Item 12, use our designated agency and spend the minimum amount required to consistently achieve an impression share of 75% or more in your Territory. The minimum spend is Eight Hundred Fifty Dollars (\$850) a month. If spending a lower monthly amount keeps your local paid search impression share due to at least seventy-five percent (75%), you must spend the difference in additional digital media channels and search engine optimization to generate demand. Also, you are required to maintain a virtual sales assistant customer prospecting email campaigns through our designated service at an annual cost of One Thousand Three Hundred Eighty dollars (\$1,380) (this pricing is subject to change).

## **B. ADVERTISING.**

Recognizing the value of advertising and marketing to the goodwill and public image of FASTSIGNS Centers, we have established an advertising fund for the advertising, marketing, promotional and public relations programs, and materials we deem appropriate (the “Ad Fund”). You agree to contribute to the Ad Fund one percent (1%) of the CENTER’S Gross Sales for the first twelve (12) months the CENTER is open, payable in the same manner as the Service Fee. Beginning the thirteenth (13th) month through the end of the term of the Agreement, you agree to contribute to the Ad Fund two percent (2%) of the CENTER’S Gross Sales. The Ad Fund is currently administered by the Fastsigns National Advertising Council, Inc.

You must be in “Good Standing” (as described in Subsection 3.I. above) with your Agreement to be eligible for the lower reduced one percent (1%) Ad Fund contribution each month during the first twelve (12) months the CENTER is open. If you are not in “Good Standing” at any time during this twelve (12) month period, the monthly Ad Fund contribution will increase to two percent (2%) in addition to all other remedies available to us.

The Board of Directors of the Fastsigns National Advertising Council, Inc. is comprised of us and other members elected by our franchisees in accordance with the Fastsigns National Advertising Council Inc.’s bylaws. All decisions of the Fastsigns National Advertising Council, Inc. are subject to our approval. We, the Fastsigns National Advertising Council, Inc., or our designee will maintain and administer the Ad Fund.

We or the Fastsigns National Advertising Council, Inc. has the right to collect for deposit into the Ad Fund any advertising, marketing, promotional or similar allowances paid to us or the Fastsigns National Advertising Council, Inc. by suppliers who deal with FASTSIGNS Centers and with whom we or the Fastsigns National Advertising Council, Inc. have agreed that we will deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Subsection 8.D. above.)

We or the Fastsigns National Advertising Council, Inc. will direct all programs that the Ad Fund finances, with sole control over the creative concepts, materials, testing and endorsements used and their geographic, market, and media placement and allocation. The Ad Fund is used to pay all costs for the formulation, planning, research, testing, development, production, management and execution of all marketing, advertising, promotional, merchandising, sales, web, public relations and social media activities, and brand-related employer of choice advertising used to promote and protect the FASTSIGNS brand. This includes, but is not limited to, executing marketing research, preparing and producing television, video, audio, radio, magazine, outdoor, eCommerce, print, promotions, email, e-newsletter, customer loyalty and satisfaction support, social media, web marketing, website development, website hosting, search engine optimization, local digital advertising, virtual sales assistant customer prospecting email campaigns, digital advertising, SMS text marketing programs, direct mail, outdoor activities, telephone prospecting, trade shows, sponsorships, sales collateral material, public relations activities, sales development, sales training and all other lead generating and sales building activities. The advertising fund is used for these



activities whether through an outside agency or if these functions are executed and developed by our marketing staff.

The Ad Fund periodically may give you samples of advertising, marketing, and promotional formats, and materials at no cost.

We or the Fastsigns National Advertising Council, Inc. will account for the Ad Fund separately from our or the National Advertising Council Inc.'s other funds and not use the Ad Fund for any of our general operating expenses. However, we or the Fastsigns National Advertising Council, Inc. uses the Ad Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Ad Fund, the Ad Fund's other administrative costs, travel expenses of personnel while they are on Ad Fund business, meeting costs, overhead relating to Ad Fund business, and other expenses that we or the Fastsigns National Advertising Council, Inc. incur in activities reasonably related to administering or directing the Ad Fund and its programs, including, without limitation, conducting market research, public relations activities and social media, preparing advertising, promotion, marketing materials, sales collateral materials, teaching franchisees how to implement local marketing and collecting and accounting for Ad Fund contributions.

The Ad Fund will not be our or the Fastsigns National Advertising Council Inc.'s asset. Although the Ad Fund is not a trust, we or the Fastsigns National Advertising Council, Inc. will hold all Ad Fund contributions for the benefit of the contributors and use contributions only for the purposes described in this Subsection. Neither we nor the Fastsigns National Advertising Council, Inc. owe any fiduciary obligation to you for administering the Ad Fund or any other reason. The Ad Fund may spend in any fiscal year more or less than the total Ad Fund contributions in that year, borrow from us, the Fastsigns National Advertising Council, Inc. or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We or the Fastsigns National Advertising Council, Inc. will use all interest earned on Ad Fund contributions to pay costs before using the Ad Fund's other assets.

We or the Fastsigns National Advertising Council, Inc. will prepare an annual, unaudited statement of Ad Fund collections and expenses and give you the statement upon written request. We or the Fastsigns National Advertising Council, Inc. may have the Ad Fund audited, at the Ad Fund's expense, by an independent certified public accountant. We or the Fastsigns National Advertising Council, Inc. may incorporate the Ad Fund or operate it through a separate entity whenever we deem appropriate. The renewal entity will have all the rights and duties specified in this Subsection.

We and the Fastsigns National Advertising Council, Inc. intend the Ad Fund to maximize recognition of the Marks, patronage of FASTSIGNS Centers and when offered, eCommerce programs. Although we and the Fastsigns National Advertising Council, Inc. will try to use the Ad Fund to develop advertising, marketing, promotional and sales materials and programs that will benefit all FASTSIGNS Centers, neither we nor the Fastsigns National Advertising Council, Inc. ensure that Ad Fund expenditures in or affecting any geographic area are proportionate or equivalent to Ad Fund contributions by FASTSIGNS Centers operating in that geographic area or that any FASTSIGNS Center benefits directly or in

proportion to its Ad Fund contribution from the development of materials or the placement of advertising, marketing, promotions or sale-related programs.

We and the Fastsigns National Advertising Council, Inc. have the right, but no obligation, to use collection agents and institute legal proceedings to collect Ad Fund contributions at the Ad Fund's expense. We and the Fastsigns National Advertising Council, Inc. also may forgive, waive, settle, and compromise all claims by or against the Ad Fund. Except as expressly provided in this Subsection, neither we nor the Fastsigns National Advertising Council, Inc. assume any direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Ad Fund.

**C. BY YOU.**

Your local marketing, advertising and promotion must follow our guidelines. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising. This includes but is not limited to your CENTER décor, vehicles, social media accounts and email footers. Our brand assets include, for example, décor, icon design, vehicle graphics, taglines are proprietary to us and cannot be modified or any additional elements created. You may speak on behalf of your CENTER to the media, but you must obtain pre-approval to speak to the media on our behalf.

You may engage in social (“**Social Media**”) that references (expressly or by implication) the Marks or the CENTER only if we approve, only in accordance with the standards that we periodically specify and within your Territory. Our Social Media policy is described in further detail in the Operations Manual. On any FASTSIGNS center social media sites, we must be co- administrators of your account.

If you choose to advertise in a print or digital local business listings or directories, you must use our approved form of telephone directory advertisement. If other FASTSIGNS Centers are located within the directory's distribution area and you are planning to advertise in the same book, we require that you share the advertisement with those other interested FASTSIGNS Centers and pay your share of that collective advertisement.

**D. FRANCHISE SYSTEM WEBSITE.**

At our option, we may establish one or more Websites to advertise, market, and promote FASTSIGNS Centers, the merchandise that they offer and sell, and/or the FASTSIGNS franchise opportunity (each a “**System Website**”). We have a System Website, and your CENTER will be listed on it. You can customize your CENTER'S webpage(s) within our brand guidelines. We will own all intellectual property and other rights in the System Website, and all the information it contains, including, without limitation, the log of visitors, and any personal or business data that visitors supply.

We will maintain the System Website, including your listing on it, and may use the Ad Fund's assets to develop, maintain and update the System Website. You acknowledge that we shall control all information on the System Website.

We will maintain a listing of your CENTER on our System Website only while you are in full compliance with this Agreement and all System Standards we implement. If you are in default of any obligation under this Agreement or our System Standards, then we may, in addition to our other remedies, temporarily remove your listing from the System Website until you fully cure the default. We will permanently remove your listing from the System Website upon this Agreement's expiration or termination.

You can have eCommerce websites that are created through our approved vendor(s) that may be accessed from your CENTER website. You cannot have an eCommerce website created by others than our approved vendors unless approved by us, and subject to our guidelines. You cannot promote the Uniform Resource Locator ("URL") connected to these eCommerce websites in Pay-Per-Click or other advertising.

All advertising, marketing, sales and promotional materials that you develop for the CENTER must contain notices of the System Website's domain name in the manner we designate. You may not develop, maintain, or authorize any other website that mentions or describes you or the CENTER or displays any of the Marks, or displays your CENTER address or products produced at your CENTER. You may not buy a domain name to direct web traffic to your fastsigns.com website or otherwise. Our System Web Policies are described in further detail in the Operations Manual.

**E. CENTER TELEPHONE NUMBER(S) AND SOCIAL MEDIA ACCOUNTS AND PASSWORDS.**

Upon execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary, including, but not limited to **Exhibit "I"** to this Agreement for the sole purpose of assigning to us all rights to the telephone number(s) and social media accounts and passwords of the CENTER and any related and other business listings upon termination or expiration of this Agreement.

**10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use a Computer System to maintain certain sales data and other information. You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before the fifth (5<sup>th</sup>) day of each month, we will extract a report on the CENTER'S Gross Sales during the preceding month through your Computer System;

(b) within thirty (30) days after the end of each calendar month, a monthly and year-to-date financial statement prepared based on a calendar year and using the accrual basis of accounting and our recommended chart of accounts;

(c) within sixty (60) days following the conclusion of your fiscal year, annual profit and loss statements, and a balance sheet for the CENTER using the accrual basis of accounting and our recommended chart of accounts;

(d) within sixty (60) days after filing, a copy of your federal tax return;

and

(e) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the CENTER and the Franchise.

You agree to prepare all financial statements in accordance with Generally Accepted Accounting Principles (“GAAP”) using our recommended chart of accounts using the accrual basis of accounting and to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including daily), access the Computer System and extract or send through the internet all information relating to the CENTER’S operation.

You agree to preserve and maintain all records in a secure location at the CENTER for at least seven (7) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts, disbursement journals, and general ledgers). We may require you to have audited financial statements prepared annually during this Agreement’s term.

If you fail to provide any of the above reports or financial statements when due, we may, in our discretion, charge a late fee of Fifty Dollars (\$50) per day for each day the report or financial statement is late. Any such late fee shall be due and payable when imposed.

## **11. INSPECTIONS AND AUDITS.**

### **A. OUR RIGHT TO INSPECT THE CENTER.**

To determine whether you and the CENTER are complying with this Agreement and all System Standards, we and our designated agents or representatives may always and without prior notice to you: (1) inspect the CENTER; (2) photograph the CENTER and observe and video the CENTER’S operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the CENTER’S personnel and customers; and (5) inspect and copy any books, records, data files and documents relating to the CENTER’S operation. If we exercise any of these rights, we will not interfere unreasonably with the CENTER’S operation. You acknowledge that any evaluation or inspection that we conduct is conducted to protect our interests in the System Standards and Marks and is not intended to exercise, and does not constitute, in whole or in part, control over the day-to-day operation of the CENTER and you agree to never contend otherwise. You agree to cooperate with us fully.

**B. OUR RIGHT TO AUDIT.**

We may at any time during your business hours, and without prior notice to you, examine your (if you are an Entity) and the CENTER'S business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the CENTER'S Gross Sales, you agree to pay us, within fifteen (15) days after receiving the examination report, the Service Fee, and Ad Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Service Fee or Ad Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees and representatives. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

**12. TRANSFER.**

**A. BY US.**

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

**B. BY YOU.**

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your principals) and that we have granted you the Franchise in reliance upon our perceptions of your (or your principals') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the CENTER (or any right to receive all or a portion of the CENTER'S profits or losses or capital appreciation related to the CENTER); (iii) substantially all the assets of the CENTER; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your principals (if such owners are legal entities). A transfer of the CENTER'S ownership, possession, or control, or all its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term “**transfer**” includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

- (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (b) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (c) any sale of a security convertible to an ownership interest;
- (d) transfer of an interest in you, this Agreement, the CENTER or all its assets, or your principals in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;
- (e) if you, one of your principals, or an owner of one of your principals die, a transfer of an interest in you, this Agreement, the CENTER or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or
- (f) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your principals as security, foreclosure upon the CENTER, or your transfer, surrender, or loss of the CENTER’S possession, control, or management. You may grant a security interest (including a purchase money security interest) in the CENTER’S assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the CENTER without having to obtain our prior written approval if you give us ten (10) days’ prior written notice.

**C. CONDITIONS FOR APPROVAL OF TRANSFER.**

If you (and your principals) are fully complying with this Agreement, then, subject to the other provisions of this Section 12. we will approve a transfer that meets all the requirements in this Subsection.

If you are an entity, your principals may transfer a non-controlling ownership interest in you or your principals (determined as of the date on which the proposed transfer will occur) if: (1) the proposed transferee and its direct and indirect principals (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for FASTSIGNS Center franchise principals (including no ownership interest in or performance of services for a Competitive Business); and (2) you give us prior written notice of the transfer.

For any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in you or one of your principals, or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of

your principals) all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) we have determined that the transferee has sufficient business experience, aptitude, and financial resources to operate the CENTER;

(2) you have paid all Service Fees, Ad Fund contributions, and other amounts owed to us, our affiliates, and third-party vendors; have submitted all required reports and statements; and have not violated any provision of this Agreement, the Lease, or any other agreement with us during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(3) neither the transferee nor its principals (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(4) the transferee (or its managing principal) satisfactorily completes our training programs;

(5) your landlord allows you to transfer the Lease or sublease the Premises to the transferee;

(6) at our option, the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your principals), sign our then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Service Fee and the Ad Fund contributions and a revised Territory; provided, however, that the term of the new franchise agreement will be ten (10) years;

(7) you or the transferee pays us a transfer fee in the amount of Seventeen Thousand Five Hundred dollars (\$17,500), and if you request and we assist you in selling the CENTER, you must also pay us a resale consulting fee of Five Thousand Dollars (\$5,000);

(8) you (and your transferring principals) sign a general release, in a form satisfactory to us, of all claims against us and our shareholders, interest holders, officers, directors, employees, and agents;

(9) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the CENTER;

(10) if you or your principals finance any part of the purchase price, you and/or your principals agree that all the transferee's obligations under promissory notes, agreements, or security interests reserved in the CENTER are subordinate to the transferee's obligation to pay Service Fees, Ad Fund contributions, and other amounts

due to us, our affiliates, and third-party vendors and otherwise to comply with this Agreement;

(11) you and your transferring principals (and you and your principals' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities described in Subsection 15.D. and F. below; and

(12) you and your transferring principal will not directly or indirectly at any time or in any manner (except with respect to other FASTSIGNS Centers you license and operate) identify yourself or themselves or any business as a current or former FASTSIGNS Center or as one of our franchise principals; use any Mark, any colorable imitation of a Mark, or other indicia of a FASTSIGNS Center in any manner or for any purpose or utilizing for any purpose any tradename, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

(13) We pay a "Finder's Fee" to brokers when we award a new franchise to a broker network candidate. In a resale situation if a broker candidate is involved, it is your responsibility to pay this fee. This fee currently could be a flat fee up to Twenty-Five Thousand Dollars (\$25,000) or ten percent (10%) of the purchase price. You may be asked to sign a non-exclusive listing agreement with the broker.

We may review all information regarding the CENTER that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us, or we have made regarding the CENTER.

**D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.**

Despite Subsection C. above, if you are fully complying with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the CENTER and, if applicable, other FASTSIGNS Centers, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the CENTER'S assets are owned, and the CENTER'S business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Subsection C above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

**E. YOUR DEATH OR DISABILITY.**

(1) **Transfer upon Death or Disability.** Upon your or your Managing Principal's death or disability, you or the Managing Principal's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Principal's ownership interest in you, to a third party (which may be your or the Managing Principal's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed



nine (9) months from the date of death or disability, and is subject to all the terms and conditions in this Subsection 12.A. Failure to transfer your interest in this Agreement or the Managing Principal's ownership interest in you within this time is a breach of this Agreement.

The term “**disability**” means a mental or physical disability, impairment, or condition that is expected to prevent or does prevent you or the Managing Principal from supervising the CENTER'S management and operation.

(2) **Operation upon Death or Disability.** Upon your or the Managing Principal's death or disability, you or the Managing Principal's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a Key Management Employee (unless you or the Managing Principal had previously appointed a Key Management Employee who remains responsible for the day-to-day operation of the CENTER). The Key Management Employee must complete our standard training program at your expense. If fewer than twelve (12) months have passed since the opening of the CENTER, then a new Managing Principal acceptable to us also must be appointed as Key Management Employee for the CENTER, and that new Managing Principal must complete our standard training program and sign our Confidentiality/Non- Compete Agreement attached as **Exhibit “N”** to this Agreement within sixty (60) days after the date of death or disability.

If, in our judgment, the CENTER is not being managed properly any time after your or the Managing Principal's death or disability, we may, but need not, assume the CENTER'S management (or appoint a third party to assume its management). All funds from the CENTER'S operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Service Fee, Ad Fund contributions, and other amounts due under this Agreement) Five Hundred Dollars (\$500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses if we (or a third party) assume the CENTER'S management under this subparagraph. We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your principals for any debts, losses, or obligations the CENTER incurs, or to any of your creditors for any products, other assets, or services the CENTER purchases, while we (or a third party) manage it.

**F. EFFECT OF CONSENT TO TRANSFER.**

Our consent to a transfer of this Agreement and the CENTER, or any interest in you or your principals, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the CENTER'S or transferee's prospects of success, or a waiver of any claims we have against you (or your principals) or of our right to demand the transferee's full compliance with this Agreement.

**G. OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your principals) at any time determine to sell or transfer for consideration an interest in this Agreement and the CENTER, or an ownership interest in you (except to or among your current owners, which is not subject to this Subsection), in a transaction that otherwise would be covered by Subsections 12.B. and C. above, you (or your principals) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the CENTER. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Subsections B. and C. above. We may require you (or your principals) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within fifteen (15) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional thirty (30) days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your principals agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If we do not exercise our right of first refusal, you or your principals may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your principals) and the transferee comply with the conditions in, Subsections B. and C. above. This means that, even if we do not exercise our right of first refusal (whether it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Subsections B. and C. above, you (or your principals) may not move forward with the transfer at all.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the fifteen (15) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

### **13. EXPIRATION OF THIS AGREEMENT.**

#### **A. YOUR RIGHT TO ACQUIRE A RENEWAL FRANCHISE.**

If you meet certain conditions, then you will have the option to acquire one renewal franchise term. The renewal term will be ten (10) years. The qualifications and conditions for the renewal term are described below.

When this Agreement expires:

(1) if you (and each of your principals) have complied with this Agreement during its term; and

(2) if you (and each of your principals) are, both on the date you give us written notice of your election to acquire a renewal franchise (as provided in Subsection 13.B. below) and on the date on which the term of the renewal franchise would commence, in full compliance with this Agreement and all System Standards; and

(3) provided that (a) you maintain possession of and agree (regardless of cost) to remodel and/or expand the CENTER, add or replace improvements and Operating Assets, and otherwise modify the CENTER as we require to comply with System Standards then applicable for new FASTSIGNS Centers, or (b) at your option, you secure a substitute premises that we approve and you develop those premises according to System Standards then applicable for FASTSIGNS Centers, then you have the option to acquire a renewal franchise term of ten (10) years commencing immediately upon the expiration of this Agreement. You agree to sign the franchise agreement we then use to grant franchises for FASTSIGNS Centers (modified as necessary to reflect the fact that it is for a renewal franchise). The then-current form of Franchise Agreement may contain provisions that differ materially from all of those contained in this Agreement; provided that, in lieu of the initial franchise fee, you will pay a renewal fee in an amount equal to no more than fifteen percent (15%) of the initial franchise fee then being charged to new franchisees under the Franchise System.

If you (and each of your principals) are not, both on the date you give us written notice of your election to acquire a renewal franchise and on the date on which the term of the renewal franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a renewal franchise, whether or not we had, or choose to exercise, the right to terminate this Agreement during its term under Subsection 14.A.

**B. GRANT OF A RENEWAL FRANCHISE.**

You agree to give us written notice of your election to acquire a renewal franchise no more than three hundred sixty-five (365) days and no less than two hundred forty (240) days before this Agreement expires. We agree to give you written notice (“**Our Notice**”) of our decision:

- (1) to grant you a renewal franchise;
- (2) to grant you a renewal franchise on the condition that you correct existing deficiencies of the CENTER or in your operation of the CENTER; or
- (3) not to grant you a renewal franchise based on our determination that you and your principals have not complied with this Agreement during its term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a renewal franchise.

If applicable, Our Notice will:

- (a) describe the remodeling, expansion, improvements, and/or modifications required to bring the CENTER into compliance with the then applicable System Standards for new FASTSIGNS Centers; and
- (b) state the actions you must take to correct operating deficiencies and the time in which you must correct these deficiencies.
- (c) If we elect not to grant you a renewal franchise, our Notice will describe the reasons for our decision. If we elect to grant you a renewal franchise, your right to acquire a renewal franchise is subject to your full compliance with all the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must cure certain deficiencies of the CENTER or its operation as a condition to our granting you a renewal franchise, we will give you written notice of our decision not to grant a renewal franchise, based upon your failure to cure those deficiencies, not less than ninety (90) days before this Agreement expires, provided, however, that we need not give you this ninety (90) days’ notice if we decide not to grant you a renewal franchise due to your breach of this Agreement during the ninety (90) day period before it expires. If we fail to give you:

- (a) notice of deficiencies in the CENTER, or in your operation of the CENTER, within ninety (90) days after we receive your timely election to acquire a renewal franchise (if we elect to grant you a renewal franchise under subparagraphs (2) and (b) above); or
- (b) notice of our decision not to grant a renewal franchise at least ninety (90) days before this Agreement expires, if this notice is required, we may

extend this Agreement's term for the time necessary to give you either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a renewal franchise. If you fail to notify us of your election to acquire a renewal franchise within the prescribed time of ninety (90) days, we need not grant you a renewal franchise.

**C. AGREEMENTS/RELEASES.**

If you satisfy all the other conditions for a renewal franchise, you and your principals agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for FASTSIGNS Centers (modified as necessary to reflect the fact that it is for a renewal franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your principals further agree to sign general releases, in a form satisfactory to us, of all claims against us and our shareholders, officers, directors, employees, agents, renewals, and assigns. We will consider your or your principals' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election not to acquire a renewal franchise.

**14. TERMINATION OF AGREEMENT BY US.**

**A. GROUND FOR TERMINATION.**

We may terminate this Agreement, subject to state law, effective upon delivery of written notice of termination to you, if:

- (1) you (or any of your principals) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the CENTER;
- (2) you do not locate, and sign a Lease or purchase document for, an acceptable site for the Premises within one hundred twenty (120) days after the Effective Date;
- (3) you do not open the CENTER for business within three hundred sixty-five (365) days after the Effective Date;
- (4) you (or your Managing Principal) do not satisfactorily complete the initial training program;
- (5) you do not hire an outside sales professional within one hundred twenty (120) days from the date that your CENTER opens for business, take possession of an existing CENTER as a resale or your outside sales professional fails to attend and successfully complete Sales Boot Camp within the first twelve (12) months from their date of hire;
- (6) you abandon or fail actively to operate the CENTER for five (5) or more consecutive business days, unless you close the CENTER for a purpose we approve or because of casualty or government order;

(7) you (or your principals) make or attempt to make any transfer in violation of Section 12;

(8) you (or any of your principals) are or have been convicted by a trial court of, or plead or have pleaded no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill in the Marks, or our interest in the Marks;

(9) you fail to maintain proof of the insurance we require and do not correct the failure within thirty (30) days after we deliver written notice of that failure to you;

(10) you (or any of your principals) engage in any dishonest or unethical conduct which adversely affects the CENTER'S reputation, or the goodwill associated with the Marks;

(11) you (or any of your principals) make any unauthorized use of the Marks and do not cure such default within thirty (30) days after we give you notice;

(12) you lose the right to occupy the Premises and fail (a) to begin immediately to look for a substitute site or (b) to locate a substitute site, obtain written approval from us, and begin operating the CENTER from that substitute site, within ninety (90) days;

(13) you (or any of your principals) knowingly make any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(14) you violate any health or safety law, ordinance, or regulation, or operate the CENTER in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within seventy-two (72) hours, after you receive notice from us or any other party;

(15) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(16) you fail to pay when due any federal or state income, service, sales, or other taxes due on the CENTER'S operation, unless you are in good faith contesting your liability for these taxes;

(17) you understate the CENTER'S Gross Sales during this Agreement's term or by more than five percent (5%) for any period;

(18) you (or any of your principals) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(19) you receive three (3) or more material customer complaints within a twelve (12) month period that are reported to us and are not resolved to our complete satisfaction;

(20) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or a substantial part of your property; the CENTER is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the CENTER is not vacated within thirty (30) days following the order's entry;

(22) your or any of your principals' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your principals otherwise violate any such law, ordinance, or regulation;

(23) you or your Managing Principals do not require your Key Management Employee, outside sales professional or any other CENTER personnel that have access to Confidential Information to sign our Confidentiality and Non-Competition Agreement attached to this Agreement as **Exhibit "L"**;

(24) you (or any of your principals) fail to comply with (i) any other provision of this Agreement; (ii) or any System Standard; (iii) any obligation to any supplier; or (iv) any provision of any other agreement with us or our affiliates, and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you;

(25) you sell any product or service we have not authorized for sale at the CENTER;

(26) any other agreement between you (and/or your affiliates) and us (and/or our affiliates) is terminated for any reason; or

(27) your CENTER achieves a customer satisfaction rating for any six (6) month period that is twenty percent (20%) or lower than the FASTSIGNS Centers' in the United States average (we currently use a net promoter score).

## **B. INTERIM REMEDIES.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the CENTER'S management (or to appoint a third party to assume its management) for any period we deem appropriate. If we (or a third party) assume the CENTER'S management under subparagraphs (1) and (2) below, you agree to pay us (in addition to the Service Fee, Ad Fund contributions, and other amounts due under this Agreement) Five Hundred Dollars (\$500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, for up to sixty (60) days after we assume management.

If we (or a third party) assume the CENTER'S management, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to

you or your principals for any debts, losses, or obligations the CENTER incurs, or to any of your creditors for any supplies, products, or other assets or services the CENTER purchases, while we (or the third party) manage it.

We (or a third party) may assume the CENTER'S management under the following circumstances: (1) if you abandon or fail actively to operate the CENTER; (2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or (3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the CENTER under Subsection 15.G. below.

If we exercise our rights under subparagraphs (1) or (2) above, that will not affect our right to terminate this Agreement under Subsection 14.A. above.

If you are in default of any provision of this Agreement, we may, at our option, elect to impose interim remedies and/or limited services on your CENTER ("**Limited Services**") rather than terminate this Agreement. We will provide written notice to you prior to placing you on Limited Services. If you are in default and receiving Limited Services, we may terminate this Agreement at any time if you fail to cure the default Limited Services may include:

- (1) CENTER'S web page(s) removed from FASTSIGNS.com;
- (2) no access to any Ad Fund funded services;
- (3) removal of you or your personnel from the FASTSIGNS Google Workspace email platform and other Google Workspace functions or Outlook email, depending on which platform franchisee's email is on;
- (4) no access to the FASTSIGNS Resource site;
- (5) not eligible to receive FASTSIGNS National Accounts Program orders;
- (6) not eligible to attend any FASTSIGNS events;
- (7) no access to FASTSIGNS online training;
- (8) no access to center design, layout services real estate services;
- (9) not eligible for that year's Royalty Rebate;
- (10) not eligible to purchase or open additional Centers;
- (11) resign from the Franchise Advisory Council or Fastsigns National Advertising Council, Inc.'s boards (if applicable);
- (12) CENTER visits limited to only what is required by this Agreement; and
- (13) not eligible to participate in eCommerce.



**C. NON-COMPLIANCE FEE.**

If you are in default of any provision of this Agreement and you fail to timely cure the default following our notice to you, we may, at our option, elect to charge a non-compliance fee of two percent (2%) of your CENTER'S Gross Sales payable to us in the same manner as the Service Fee and a non-compliance fee of a half percent (.5%) of your CENTER'S Gross Sales payable to the Fastsigns National Advertising Council, Inc. in the same manner as the Ad Fund contribution until you cure the default. We will provide written notice to you prior to charging the non-compliance fee. If you are in default and paying the non-compliance fee, we may terminate this Agreement at any time if you fail to cure the default.

**15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

**A. PAYMENT OF AMOUNTS OWED TO US.**

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Service Fees, Ad Fund Contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

If we terminate this Agreement as a result of your breach, you and we agree that the amount of damages which we would incur for any such early termination would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, you shall pay us an amount equal to the greater of (i) the average monthly royalty fees and advertising contributions that you owed to us for the past twenty-four (24) months multiplied by the lesser of thirty-six (36) or the number of months remaining in the Term, or (ii) the average monthly royalty fees and advertising contributions paid by all franchised FASTSIGNS Centers who have operated for at least twenty-four (24) months multiplied by the lesser of thirty-six (36) or the months remaining in the Term (“**Early Termination Damages**”). If you have not operated the Center for twenty-four (24) months before the termination of this Agreement, the Early Termination Damages will be calculated by using the average monthly royalties and advertising contributions by all FASTSIGNS Centers who have operated for the past twenty-four (24) months multiplied by thirty-six (36). These Early Termination Damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of you and each of your Owners who personally guarantee your obligations under this Agreement.

The parties acknowledge and agree that: (a) the Early Termination Damages are a reasonable estimation of the damages that we would incur if this Agreement is prematurely terminated; and (b) your payment of such Early Termination Damages is intended to fully compensate us for any and all damages related to or arising out of our premature termination of this Agreement, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of our claim for other damages and/or equitable relief arising out of your breach of this Agreement.

The imposition of Early Termination Damages shall be at our sole option. We are not required to impose Early Termination Damages and may, in addition or in lieu thereof, pursue other remedies available to us under the terms and conditions of this Agreement, in equity or at law in the event of your breach under this Agreement, including, without limitation, actual damages we incur, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

**B. MARKS.**

When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other FASTSIGNS Centers you license and operate) identify yourself or any business as a current or former FASTSIGNS Center or as one of our current or former franchise franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a FASTSIGNS Center in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us within thirty (30) days all signs, sign-faces, sign- cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a FASTSIGNS Center that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the CENTER;

(4) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to affect these events;

(5) you agree to give us your usernames and passwords for your claimed directory lists (i.e., yelp, google) and your social media accounts and passwords for your CENTER to delete or transfer; and

(6) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

**C. CENTER MANAGEMENT SYSTEM DATABASE AND GRAPHIC FILES.**

You agree that, when this Agreement expires or is terminated, you will immediately transfer to us, via the method designated by us, the data that comprises the center management

system database and graphic files. This transfer shall take place as instructed by us. Once this transfer has occurred, and we have verified that you have accurately transferred the data from the center management system and graphic files to us, you will take immediate measures to erase the data that comprises the center management system and Graphic files and will destroy all hard and digital copies of this information.

**D. CONFIDENTIAL INFORMATION.**

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the Franchise System) in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned you, such as records, files (including electronic files), graphic files, customer lists, center management system databases, instructions, and correspondence within fourteen (14) days of such termination or expiration.

**E. ALTERATIONS TO CENTER.**

If we do not exercise our option to purchase the CENTER under Subsection G. below, you agree, when this Agreement expires or is terminated, to make all modifications or alterations to de-identify the appearance of the CENTER and make such specific additional changes as we may request for that purpose. In the event you fail or refuse to comply with the requirements of this Subsection 15.E., we have the right to enter upon the premises where the CENTER was operated, without being guilty of trespass or tort, for the purpose of making or causing changes to be made as may be required, at your expense, which expense you agree to pay upon demand.

**F. COVENANT NOT TO COMPETE.**

Upon termination (regardless of cause) or expiration of this Agreement, you and your principals agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Subsection begin to comply with this Subsection, whichever is later, neither you nor any of your principals will have any direct or indirect interest (e.g., through a spouse) as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 7 above) located or operating:

- (a) at the Premises;
- (b) within a fifteen (15) mile radius of the Premises;
- (c) within fifteen (15) miles of any other FASTSIGNS Center in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Subsection begin to comply with this Subsection.

These restrictions also apply after transfers, as provided in Subsection 12.C. above. If any person restricted by this Subsection refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. You and your principals expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Subsection will not deprive you of your personal goodwill or ability to earn a living.

**G. OUR RIGHT TO PURCHASE CERTAIN ASSETS OF THE CENTER.**

Upon termination of this Agreement, or upon expiration of this Agreement without renewal, you will, at our option, assign to us or our designee your interest in any lease or sublease of the Premises and your interest in any lease for equipment used in the operation of the CENTER. Also, upon termination of this Agreement, or expiration of this Agreement without renewal, we shall have the right and option, but not the obligation, to purchase the inventory, equipment, fixtures, furnishings, and all items bearing the Marks at your cost or fair market value, whichever is less. In determining the fair market value of the assets, we and you will not include any value for goodwill, the Franchise rights granted by this Agreement, or participation in the network of FASTSIGNS Centers. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect the Premises and assets at any time during this thirty- day period. If we elect to purchase any of these assets, we will be entitled to, and you must provide, all customary warranties and representations relating to the asset purchase, including, without limitation, representations and warranties as to maintenance, function, condition and your good title (including that you own the assets free and clear of any liens and encumbrances).

**H. CONTINUING OBLIGATIONS.**

All our and your (and your principals') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

**16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**A. INDEPENDENT CONTRACTORS.**

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, CENTER personnel, and others as the CENTER'S franchisee under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

None of your employees or other personnel will be our employees, agents or personnel. Neither you nor any of your employees, agents or personnel whose compensation you pay may in any way, directly or indirectly, expressly or by implication, and to be construed to be our employee, agent or personnel for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, provincial, or federal governmental agency. We will not have the power to hire or fire your employees or personnel. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or personnel for qualification to perform certain functions for the CENTER does not directly or indirectly vest in us the power to hire, fire or control any such employee. You shall always comply with all employment laws. We will not have any duty or obligation to operate the CENTER, to direct or supervise your employees or to oversee your employment policies or practices. You will post a notice at your CENTER notifying all its employees that they are your employees and not our employees in the manner prescribed by us. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of the CENTER and that under no circumstances shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which we are required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the CENTER, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the CENTER.

**B. NO LIABILITY FOR ACTS OF OTHER PARTY.**

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise principal. We will not be obligated for any damages to any person or property directly or indirectly arising out of the CENTER'S operation or the business you conduct under this Agreement.

**C. TAXES.**

In addition to any sales, use, excise, privilege, or other transaction taxes that we are required or permitted by law to collect from you for the sale, lease or other provision of goods or services under this Agreement, you shall pay to us an amount equal to all federal, state, local or foreign (i) sales, use, excise, privilege, occupation or any other transactional taxes, or (ii) any other taxes or similar exactions no matter how designated (excluding only taxes imposed on us for the privilege of conducting business and calculated with respect to our net income, capital, net worth, gross receipts, or some other basis or combination thereof, but not excluding any gross receipts taxes imposed on us for your payments intended to reimburse us for expenditures incurred for the benefit and on behalf of you), that are imposed on us or required to be withheld by you in connection with the receipt or accrual of Service Fees or any other amounts payable by you to us under this Agreement or any related agreement. Any additional required payment pursuant to the preceding sentence shall be made in an amount necessary to provide us with after tax receipts (considering any additional payments required

hereunder), equal to the same amounts we would have received under the provisions of this Agreement if such additional tax liability or withholding had not been imposed or required.

#### **D. INDEMNIFICATION.**

You will defend, indemnify and hold harmless us and our affiliates, and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, the “**Indemnified Parties**”) from and against all Losses (defined below) which any of the Indemnified Parties may suffer, sustain or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought, by a third party and directly or indirectly arising out of the operation of the CENTER, your conduct of business under this Agreement, your breach of this Agreement or for any liability arising from labor or employment law violations (including from your acts and omissions and of your employees). We will promptly notify you of any claim that may give rise to a claim of indemnity hereunder, provided, however, that the failure to provide such notice shall not release you from your indemnification obligations under this Section except to the extent you are actually and materially prejudiced by such failure. You shall have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. If (i) the Indemnified Party shall have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to you and, in the reasonable opinion of the Indemnified Party, your counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with your interests, or (ii) you do not assume responsibility for such Losses in a timely manner or you fail to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party shall have the right to employ counsel of its own choosing and you shall pay the fees and disbursements of such Indemnified Party’s counsel as incurred. In connection with any claim, the Indemnified Party or you, whichever is not assuming the defense of such claim, shall have the right to participate in such claim and to retain its own counsel at such party’s own expense. You or the Indemnified Party (as the case may be) shall keep you or the Indemnified Party (as the case may be) apprised of, and shall respond to any reasonable requests concerning, the status of the defense of any claim and shall cooperate in good faith with each other with respect to the defense of any such claim. You shall not, without the prior written consent of the Indemnified Party, (a) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (b) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by you. No claim which is being defended in good faith by you in accordance with the terms of this Section shall be settled by the Indemnified Party without your prior written consent. Notwithstanding anything to the contrary herein, if a claim involves the Marks, you agree that we shall have the exclusive right to assume the defense of such claim, at your expense with counsel selected by us, but satisfactory to you.

You have no obligation to indemnify or hold harmless, an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

For purposes of this Section, "**Losses**" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, and alternative dispute resolution.

Your obligations in this Section will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, to maintain and recover fully a claim against you 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 from you under this Section.

## **17. ENFORCEMENT.**

### **A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be fully enforced to the extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a renewal franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

**B. WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason, effective upon delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other FASTSIGNS Centers; the existence of franchise agreements for other FASTSIGNS Centers which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Service Fees or Ad Fund contributions due afterward.

**C. COSTS AND ATTORNEYS' FEES.**

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, collection agency fees, attorneys', arbitrators', and related fees.

**D. RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.



## **E. ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us and our affiliates, and us and our respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) arising out of or related to: (i) this Agreement or any other agreement between us and you; (ii) Our relationship with you; (iii) the scope and validity of this Agreement or any other agreement between us and you (including the scope and validity of the arbitration obligations under this Section 17.1, which you and us acknowledge is to be determined by an arbitrator and not a court); and/or (iv) or any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Subsection otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator within ten (10) miles of our principal place of business in Dallas County, Texas. The arbitrator shall have no authority to select a hearing or locale other than as described in the previous sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Subsection 17.H. below, award any punitive or exemplary damages against either party (we and you hereby waive to the fullest extent permitted by law, except as expressly provided in Subsection 17.H. below, any right to or claim for any punitive or exemplary damages against the other).

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

We and you agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your principals, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must

contemporaneously submit our dispute for arbitration on the merits as provided in this Subsection.

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

**F. INJUNCTIVE RELIEF.**

You acknowledge that a breach of this Agreement by you which relates to any of the matters set out below, will cause us irreparable harm, for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Agreement, we are entitled to seek and obtain from a court of law the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) your obligations upon termination or expiration of this Agreement; (v) Transfers; (vi) Confidential Information; and (vii) any act or omission by us or your employees that: (a) constitutes a violation of any legal requirement; (b) is dishonest or misleading to customers of the CENTER; (c) constitutes a danger to the employees or customers of the CENTER or to the public; or (d) may impair the goodwill associated with the Marks or the System. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay us an amount equal to the aggregate of its costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, we incurred in obtaining such relief.

**G. WAIVER OF PUNITIVE DAMAGES.**

US AND YOU HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), WITH THE EXCEPTION OF TRADEMARK LAW TREBLE DAMAGES.

**H. JURY TRIAL WAIVER.**

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OR ITS AFFILIATES AND/OR ANY GOODS OR SERVICES OBTAINED FROM US OR ITS AFFILIATES.

**I. WAIVER OF CLASS OR GROUP ACTION.**

ANY DISAGREEMENT BETWEEN US AND YOU (AND/OR THEIR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND CANNOT BE BROUGHT AS A CLASS ACTION OR CLASS ARBITRATION. YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, A CLASS ARBITRATION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

**J. GOVERNING LAW.**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY TEXAS LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SUBSECTION.

**K. CONSENT TO JURISDICTION.**

SUBJECT TO SUBSECTION 17.E. ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR PRINCIPALS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN DALLAS, TEXAS, AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR PRINCIPALS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE CENTER IS LOCATED.

**L. BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement may not

be modified except by a written agreement signed by both our and your duly authorized officers.

**M. LIMITATIONS OF CLAIMS.**

Except for claims arising from your non-payment or underpayment of amounts you owe us, any claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

**N. CONSTRUCTION.**

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the Operations Manual (which may be periodically modified, as provided in Subsections 4.D., 8, and 17.I. above), constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the CENTER (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent Disclosure Document (including exhibits and amendments) that we delivered to you or your representative.

Any policies that we adopt and implement from time to time to guide us in our decision- making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as provided in Subsections 16.D. and 17.E., nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “we,” “us,” and “our,” with respect to all our rights and all your obligations to us under this Agreement, including any of our affiliates with whom you deal. The term “**affiliate**” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “**Control**” means the power to direct or cause the direction of management and policies.

If two (2) or more persons are at any time the owners of the Franchise and the CENTER, whether as partners or joint venturers, their obligations, and liabilities to us will be joint and several. References to “**principal**” mean any person holding a direct or indirect

ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the CENTER or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the CENTER and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a “controlling ownership interest” in you or one of your principals (if an Entity) means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of principals. In the case of a proposed transfer of an ownership interest in you or one of your principals, the determination of whether a “controlling ownership interest” is involved must be made as of both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of principals before the proposed transfer) or will be deemed to have been transferred (because of the number of principals after the proposed transfer).

“**Person**” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term “**CENTER**” includes all the assets of the FASTSIGNS Center you operate under this Agreement, including its revenue and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

## **18. NOTICES AND PAYMENTS.**

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

- (a) at the time delivered by hand;
- (b) at the time delivered via electronic mail and, in the case of the Service Fee, Ad Fund contributions, and other amounts due, at the time we receive payment via the EFTA;
- (c) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;
- (d) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(e) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice to us must be sent to the address specified on the first page of this Agreement, although we may change this address for notice by giving you notice of the new address. Any notice that we send to you may be sent only to the one (1) person identified on **Exhibit “B”**, even if you have multiple principals, at the email or postal address specified on **Exhibit “B”**. You may change the person and/or address for notice only by giving us thirty (30) days’ prior notice by any of the means specified in subparagraphs (a) through (e) above.

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

## **19. COMPLIANCE WITH ANTI-TERRORISM LAWS.**

You and your principals agree to comply, and to fully assist us to the fullest extent possible in our efforts to comply with (A) all applicability economic sanctions laws, including the various economic sanctions regulations and guidelines of the U.S. Department of Treasury, Office of Foreign Assets Control, and the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001), as amended; and (B) all applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1, et seq., as amended (“FCPA”) (collectively, the “ International Trade and National Security Laws. In connection with such compliance, you and your principals certify, represent, and warrant that none of their property or interests is subject to being blocked under, and that you and your principals otherwise are not in violation of, any of the International Trade and National Security Laws. Any violation of the International Trade and National Security Laws by Franchisee and Franchisee’s principals, or any blocking of Franchisee and Franchisee’s principals’ assets under the International Trade and National Security Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Subsection 14.B.(18) above.

## **20. LIMITED LIABILITY.**

You agree that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours shall have any liability for (i) any of our obligations or liabilities relating to or arising from this Agreement, (ii) any claim against us based on, in respect of, or by reason of, the relationship between you and us, or (iii) any claim against us based on any alleged unlawful act or omission by us.

## 21. ACKNOWLEDGMENTS.

You acknowledge:

(1) That you have independently investigated the FASTSIGNS Center franchise opportunity and recognize that, like any other business, the nature of the business a FASTSIGNS Center conducts may, and will, evolve and change overtime.

(2) That an investment in a FASTSIGNS Center involves business risks that could result in the loss of a significant portion or all your investment.

(3) That your business abilities and efforts are vital to your success.

(4) That attracting customers for your CENTER will require you to make consistent marketing efforts in your community through various methods, including media advertising, sales and direct mail advertising, and display and use of in-center promotional materials and initiative-taking outside sales activities.

(5) That retaining customers for your CENTER will require you to have a elevated level of customer service, produce and deliver an on-time quality product, and adhere strictly to the Franchise System and our System Standards and that you are committed to maintaining System Standards.

(6) That you have not received from us, and are not relying upon, any representations or guarantees, express, or implied, as to the potential volume, sales, income, or profits of a FASTSIGNS Center, except as described in our Franchise Disclosure Document.

(7) That in all their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them because of this Agreement are deemed to be only between you and us.

(8) That you have represented to us, to induce our entry into this Agreement, that all statements you have made and materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

(9) That you have read this Agreement and our Franchise Disclosure Document and understand and accept that this Agreement's terms and covenants are necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each FASTSIGNS Center, and to protect and preserve the goodwill of the Marks.

(10) That we have the right to restrict your sources of other goods and services, as provided in various sections of this Agreement.

(11) That we have not made any representation, warranty, or other claim regarding this FASTSIGNS Center franchise opportunity, other than those made in this Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement.

(12) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the FASTSIGNS Center franchise opportunity.

(13) That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or waived your right to do so.

[Signatures appear on following page]



**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**FASTSIGNS INTERNATIONAL, INC.,**

a Texas corporation

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

Name: \_\_\_\_\_

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

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_  
[Print Name of Franchisee Entity]

**DATED\*:** \_\_\_\_\_

(\*Effective Date of this Agreement)

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

\_\_\_\_\_  
[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

\_\_\_\_\_  
[signature of individual franchisee]

Print Name: \_\_\_\_\_

**EXHIBIT "A"**

**TO THE FRANCHISE AGREEMENT THE PREMISES AND TERRITORY**

1. The Premises of the CENTER will be located at:

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2. The Territory shall be:

“Will be defined and delineated in black on a map attached hereto once the CENTER site is selected and a lease is signed.”

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**FASTSIGNS INTERNATIONAL, INC.,**

a Texas corporation

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

Name: \_\_\_\_\_

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

DATED\*: \_\_\_\_\_

(\*Effective Date of this Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_  
[Print Name of Franchisee Entity]

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**EXHIBIT "B"**

**TO THE FRANCHISE AGREEMENT**

**Effective Date: This Exhibit "B" is current and complete as of the date noted below, to be effective as of the Effective Date**

**You and Your principals**

1. **Form of Owner**. (Choose (a) or (b))

(a) **Individual Proprietorship**. List individual(s):

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

(b) **Corporation, Limited Liability Company, or Partnership**. You were incorporated or formed on \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and \_\_\_\_\_. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

<b><u>Name of Each Director/Officer</u></b>	<b><u>Position(s) Held</u></b>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. **Principals**. The following list includes the full name of each person who is one of your principals (as defined in the Franchise Agreement), or an owner of one (1) of your principals, and fully describes the nature of each principal's interest (attach additional pages if necessary).

	<u>Principal's Name</u>	<u>Percentage/Description of Interest</u>
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

**3. Name and Address of Person to Receive Notice for Franchisee.**

- (a) Name: \_\_\_\_\_
- (b) Postal Address: \_\_\_\_\_
- (c) E-mail Address: \_\_\_\_\_

**4. Identification of Managing Principal.** Your Managing Principal as of the Effective Date is \_\_\_\_\_ you (if you are an individual proprietorship) or one of your principals (if you are an entity). You may not change the Managing Principal without our prior written approval (see Subsection 8.F.).

The Key Management Employee (if different than the Managing Principal) is \_\_\_\_\_.

[Signatures on following page.]

**FASTSIGNS INTERNATIONAL, INC.,**

a Texas corporation

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

Name: \_\_\_\_\_

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

**DATED\*:** \_\_\_\_\_

(\*Effective Date of this Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_

[Print Name of Franchisee Entity]

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

\_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

\_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**EXHIBIT “C”**  
**TO THE FRANCHISE AGREEMENT**  
**REQUIRED LEASE TERMS**

## REQUIRED LEASE TERMS

This Addendum to Lease (“Addendum”) is attached hereto and made a part hereof of the Lease (the “Lease”) dated \_\_\_\_\_ by and between \_\_\_\_\_ (as “Landlord”) and \_\_\_\_\_ (as “Tenant”) for the premises as more fully described in the Lease (the “Premises”). In the event of a conflict between the terms of this Addendum and the Lease, the terms of this Addendum shall control.

### 1. Use of Premises.

During the term of Tenant’s franchise agreement (“Franchise Agreement”) or the term of the Lease, whichever is the last to expire, the Premises may be used only for the operation of a visual communication and graphic sign business under the FASTSIGNS mark or other mark approved by FASTSIGNS International, Inc. (“Franchisor”). The FASTSIGNS business shall specialize in the selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile- optimized), logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services. Tenant shall be permitted to use all equipment and machines typical of other FASTSIGNS centers. If any equipment or machines require ventilation systems, Tenant shall be permitted to install such systems, with Landlord’s approval, not to be unreasonably withheld, conditioned, or delayed, Landlord acknowledges that the foregoing use does not violate any zoning restrictions, restrictive covenants or existing exclusive uses granted to any other tenant or occupant of the shopping center.

### 2. Exclusive Use.

During the term of this lease or any renewal or extension, so long as Tenant is not in default under its terms after expiration of applicable notice and cure periods, Landlord, its successors and assigns, hereby agree that they will not lease to any individual or entity, or allow the use of any premises within the shopping center or on property adjacent to the shopping center which is owned, controlled by or under common control with Landlord, its successors or assigns, for the purpose of selling, marketing, producing, installing and repairing all items described in Use of Premises.

### 3. Signs and Graphics.

Subject to applicable zoning laws and regulations, and any applicable restrictive covenants which Landlord has provided to Tenant prior to the execution of this Lease:

- A. Tenant shall be permitted to install on the outside of the Premises a red, white and blue FASTSIGNS fascia sign or awning.

B. Tenant shall be permitted from time to time to place a banner in the front, side or fascia of the Premises.

C. Tenant shall be permitted to install the typical FASTSIGNS graphics package which includes 4 color window graphics on the storefront glass of the Premises.

D. Should a pylon and/or monument sign exist or be erected for the Premises, Tenant shall have the right to utilize the pylon and/or monument at no additional charge.

4. Operating Covenant.

Provided Tenant continues to pay minimum rent and all other charges due under the Lease, Tenant shall have the right during the term of the Lease and any option periods to cease the operation of its FASTSIGNS business. In addition, in no event shall Tenant be required to maintain any specified shopping center hours.

5. Quiet Enjoyment.

Landlord warrants and represents that the Landlord is the owner of the Leased Premises, has full authority and right to lease the Premises and enter this Lease. The landlord will defend Tenant's right to quiet enjoyment of the Leased Premises from the claims of all persons during the lease term. Notwithstanding any federal, state or local law to the contrary, in the event any mortgage holder or other party acquires the right and title to Landlord's interest in the shopping center whether through purchase, foreclosure or deed in lieu of, it is expressly agreed and understood that the Lease and Tenant's rights hereunder shall be protected and the acquiring party shall be bound by all the terms and covenants of Landlord under this Lease as though the acquiring party had actually entered into the Lease with Tenant.

6. Assignment and Sublet.

Landlord and Tenant recognize FASTSIGNS International, Inc. ("Franchisor") and Tenant have entered into a Franchise Agreement to open a FASTSIGNS in the Premises. Tenant shall have the right to sublease or assign all or any portion of the Premises during the Term to: (i) any wholly-owned subsidiary or parent company of Tenant without obtaining Landlord's prior written consent (but with prior written notice to the Landlord), provided such subtenant or assignee has a net worth equal to or great than Tenant; (ii) another duly authorized franchisee of Franchisor's; or (iii) to Franchisor, who may in turn transfer its interest to a duly authorized franchisee (collectively, "Permitted Transfers"). As used herein, a duly authorized franchisee is any entity that meets the Franchisor's then standard qualifications including a tangible net worth of at least three hundred thousand dollars (\$300,000).

Upon Tenant's default or termination of the Franchise Agreement and/or Tenant's default under the Lease, Franchisor shall be permitted to assume this Lease from Tenant with all the rights and obligations of Tenant provided Franchisor gives Landlord written notice of Franchisor's intent to assume the Lease and cures any of Tenant's defaults within fifteen days of the expiration of Tenant's time for curing such defaults under the Lease. The franchisor



may assign or sublease the Premises to a duly authorized franchisee, which is any franchisee that meets Franchisor's standard qualifications. Upon Franchisor assigning the Lease to such a franchisee, Franchisor shall be released as Tenant on the following conditions: (i) the use of the Premises remains the same; and (ii) such franchisee has a tangible net worth of at least three hundred thousand dollars (\$300,000). The landlord will not unreasonably withhold approval. Further, if Franchisor is the Tenant under this Lease, the direct or indirect change of control of Franchisor shall not constitute an assignment of this Lease.

7. Franchisor's Rights.

Franchisor shall have the right to enter the Premises to make any reasonable non-structural, non-storefront modifications or reasonable non-structural, non-storefront alteration necessary to protect Franchisor's interest in the FASTSIGNS business and proprietary marks or to cure any default under the Franchise Agreement or any development agreement entered into by Franchisor and Tenant or under the Lease, and Landlord agrees that Franchisor shall not be liable for trespass or any other crime or tort.

8. Lease Renewal, Amendments, and other Assignments.

Landlord agrees that Tenant shall not otherwise amend, assign, renew or extend the term of the Lease without the prior written consent of Franchisor.

9. Waiver of Landlord Lien.

Notwithstanding anything to the contrary in this Lease, Landlord expressly waives all liens it may have or acquire pursuant to the Lease or by law with respect to Tenant's fixtures, equipment, and other personal property. Landlord acknowledges and agrees that Tenant's or Franchisor's lender (the "Equipment Lender") may own/hold a security interest senior to that of Landlord in all such fixtures, equipment, and personal property.

Landlord shall permit Equipment Lender to enter the Premises to remove such fixtures, equipment, and personal property in the event Tenant defaults under the Lease, vacates, abandons, or otherwise surrenders the Premises, or upon mutual cancellation of the Lease, or otherwise jeopardizes Equipment Lender's security interest in the fixtures, equipment, and personal property.

10. Financing.

This Lease shall be expressly conditioned upon Tenant securing adequate financing. Tenant shall give Landlord notice upon obtaining such financing.

11. Parking and Common Areas.

Subject to local code restrictions, Landlord shall make two (2) parking spaces in front of the Premises reserved for Tenant's exclusive use for the term of the Lease. Tenant shall have the non-exclusive right to utilize all remaining parking spaces and common areas serving the Premises.

12. Environmental.

Landlord agrees to remove all hazardous materials from the Premises prior to the date on which it delivers possession of the Premises to Tenant (the "Possession Date"). Tenant shall indemnify Landlord for any and all loss, costs, claims or damages (including attorney's fees) as a result of hazardous materials brought to the shopping center or the Premises by Tenant or its agents, employees or contractors, and Landlord shall indemnify Tenant for any and all loss, costs, claims or damages (including attorney's fees) as a result hazardous materials at the Premises or the shopping center prior to the Possession Date or brought to the shopping center or the Premises by anyone other than Tenant, its agents, employees or contractors. During the Term, Tenant shall have the right to maintain janitorial and cleaning supplies (and related items) in commercially reasonable amounts on the Premises. Landlord shall provide to Tenant prior to the Possession Date copies of all environmental assessments, tests, evaluations, or studies conducted on the shopping center or the Premises. If any such reports indicate that there is contamination or if Landlord fails to deliver such reports, Tenant may terminate the Lease.

13. Affiliates.

Landlord agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of Franchisor will have any liability for: (i) any of Franchisor's obligations or liabilities relating to or arising from this Lease; (ii) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Landlord and Franchisor; or (iii) any claim against Franchisor based on any alleged unlawful act or omission.

14. Remodel.

The tenant will have the right to remodel the non-structural interior portions of the Premises and to replace the exterior signage with its current prototype store design and layout.

15. Relocation.

Notwithstanding anything to the contrary in the Lease, the Premises shall not be relocated.

16. Force Majeure

The time for performance by Landlord or Tenant of any term, provision or covenant of this Lease shall be deemed extended by time lost due to delays resulting from acts of God, strikes, unavailability of building materials, civil riots, floods, pandemics or epidemics, material or labor restrictions by governmental authority, enforcement of governmental regulations or requirements, and any other cause not within the control of Landlord or Tenant, as the case may be.

17. Notices.

Landlord agrees to furnish Franchisor with copies of any material changes to the lease and all default letters and notices sent to Tenant pertaining to the Lease and the Premises, while such letters and notices are sent to Tenant. Landlord further agrees that, if it intends to terminate the Lease, the Landlord will give Franchisor thirty (30) days advance written notice of such intent, specifying in such notice all defaults that are the cause of the proposed termination. Franchisor shall have after the expiration of the period during which Tenant may cure such default, an additional fifteen (15) days (or if there is no cure period, at least fifteen (15) days) to cure, at its sole option, any such default. If neither Tenant nor Franchisor cures all such defaults within said time periods (or such longer cure period as may be specifically permitted by the Lease), then the Landlord may terminate the Lease, re- enter the Premises, and exercise all its other post-termination rights as set forth in the Lease.

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

If directed to Franchisor, the notice shall be addressed to: FASTSIGNS International, Inc.

2542 Highlander Way  
Carrollton, Texas 75006-2333  
Attention: Legal Department  
Email: legalnotices@propelledbrands.com  
Facsimile: (866) 897-6155

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

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Attention: \_\_\_\_\_

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

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

Attention: \_\_\_\_\_

Facsimile:  
\_\_\_\_\_

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices that are given by electronic mail or facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be affected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday, and national holidays.

The terms of this Addendum will supersede any conflicting terms of the Lease.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the day and year set forth in the Lease.

WITNESS

LANDLORD

\_\_\_\_\_

\_\_\_\_\_

WITNESS

TENANT

\_\_\_\_\_

\_\_\_\_\_

**EXHIBIT “D”**

**TO THE FRANCHISE AGREEMENT**

**LEASE ACKNOWLEDGEMENT OF UNDERSTANDING**

I understand and acknowledge that FASTSIGNS International, Inc. does not provide legal advice regarding new center leases, lease renewals or lease amendments (“Lease”). FASTSIGNS International, Inc. will provide legal information, but legal information is not the same as legal advice - the application of law to a specific circumstance. FASTSIGNS International, Inc. goes to great lengths to make sure our information is accurate and useful. We recommend that you consult an attorney if you want professional assurance that our information, and your interpretation of it, is appropriate to your Lease situation.

Please acknowledge your understanding by signing below:

\*First and last name \_\_\_\_\_

\*First and last name \_\_\_\_\_

\*Legal Entity if applicable \_\_\_\_\_

\*Center Number \_\_\_\_\_

\*Franchisee Signature \_\_\_\_\_

\*Date \_\_\_\_\_

**EXHIBIT "E"**

**TO THE FRANCHISE AGREEMENT**

**AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER**

FASTSIGNS INTERNATIONAL, INC./FASTSIGNS NATIONAL

ADVERTISING COUNCIL, INC./PAYEE

BANK NAME

ACCOUNT#

ABA

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above-named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by Depositor. It is further agreed that if any such debt is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

- (1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify Payee and the Depository for any loss arising if any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: \_\_\_\_\_

Name of Depositor: \_\_\_\_\_

Designated Bank Acct.: \_\_\_\_\_

(Please attach one voided check for the above account)

Center Location: \_\_\_\_\_

Center #: \_\_\_\_\_

For Information call: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Name of Franchisee/Depositor (please print)

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

Signature and Title of Authorized Representative

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

**EXHIBIT “F” TO FRANCHISE AGREEMENT ADDENDUM TO FASTSIGNS  
INTERNATIONAL, INC. FRANCHISE AGREEMENT**

**RENEWAL BY FRANCHISEE**

THE FASTSIGNS INTERNATIONAL, INC. RENEWAL FRANCHISE AGREEMENT (“Renewal Franchise Agreement”) between FASTSIGNS International, Inc., a Texas corporation located at 2542 Highlander Way, Carrollton, Texas 75006-2333, (“we, us, or our”) and \_\_\_\_\_, whose principal address is \_\_\_\_\_ (“you” or “your”) as of the date signed by us and set forth opposite our signature on this Addendum (“the Effective Date”) shall be amended by the addition of the following language, which shall be considered an integral part of the Renewal Franchise Agreement (the “Addendum”):

WHEREAS, your existing Franchise Agreement dated \_\_\_\_\_ expires on \_\_\_\_\_, 20;

WHEREAS, the Renewal Franchise Agreement is effective on the Effective Date; and

WHEREAS, the term of the Renewal Franchise Agreement commences on \_\_\_\_\_, 20\_\_;

Certain provisions contained in the Renewal Franchise Agreement are amended to be consistent with your renewal of an existing Center.

**INCORPORATION OF TERMS OF AGREEMENT**

This Addendum shall amend and supplement the Renewal Franchise Agreement simultaneously executed by the parties herein. The terms, covenants, and conditions of this Addendum are incorporated into the Renewal Franchise Agreement, and with respect to any conflict between the two agreements, the terms of this Addendum shall be controlling with respect to the subject matter thereof.

**AMENDMENTS TO THE RENEWAL FRANCHISE AGREEMENT**

The Renewal Franchise Agreement shall be amended as follows:

**1. Preambles, Acknowledgments, and Grant of Franchise**

The first sentence of Subsection 1.C. of the Renewal Franchise Agreement shall be deleted in its entirety.

The following shall be deleted from the first sentence of Subsection 1.D. of the Renewal Franchise Agreement:

“After you select an approved location and we designate it as the Premise,”

**2. Site Selection, Lease of Premises, and Development and Opening of Center**



Any provisions set forth in Subsections 2, A., B., C., and F. of the Renewal Franchise Agreement that pertains to the opening of a new Center shall be deleted in their entirety.

### 3. Fees

Subsection 3.A. of the Renewal Franchise Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

Upon execution of this Agreement, you agree to pay us a renewal fee of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) which shall be deemed fully earned and nonrefundable upon execution of this Agreement in consideration of the administrative and other expenses incurred by us in renewing the franchise hereunder.

Subsection 3.B. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

You agree to pay us, in the manner provided below (or as the Operations Manual otherwise prescribes), a monthly Continuing Service and Royalty Fee (the "Service Fee") the greater of One Thousand Two Hundred Fifty Dollars (\$1,250) or six percent (6%) of the CENTER'S Gross Sales (defined in Subsection D. below) by the fifteenth (15th) day of the month. On or before the fifth (5th) day of the month, you agree to send us on a form we approve (or as we otherwise direct) a signed statement of the CENTER'S Gross Sales for the preceding calendar month. The method of payment is described in Subsection 3.G. below. In addition, you agree to pay us the Ad Fund contribution as described in Subsection 9.B.

The phrase "Before the CENTER opens, you agree to sign and deliver" shall be deleted from the first sentence of Subsection 3.G. of the Renewal Franchise Agreement and replaced with "You previously signed and delivered."

### 4. Initial Training

Subsection 4.A. of the Renewal Franchise Agreement shall be deleted in its entirety.

### 5. System Standards

Subsection 8.A. of the Renewal Franchise Agreement shall be supplemented by the addition of the following paragraph as if it were an original part of the Renewal Franchise Agreement:

(5) Upon execution of the Agreement, you agree to renovate and modernize the facilities and equipment used in the CENTER to our then-current standards for FASTSIGNS centers under the System no later than six (6) months after execution of this Agreement.

6. Initial Marketing

Subsection 9.A. of the Renewal Franchise Agreement shall be deleted in its entirety.

The first two (2) paragraphs of Subsection 9.B. shall be deleted in their entirety and the following shall be substituted in lieu thereof:

Recognizing the value of advertising and marketing to the goodwill and public image of FASTSIGNS Centers, we have established an advertising fund for the advertising, marketing, and public relations programs, and materials we deem appropriate (the “**Ad Fund**”). You agree to contribute to the Ad Fund two percent (2%) of the CENTER’S Gross Sales, payable in the same manner as the Service Fee. The Ad Fund is currently administered by the Fastsigns National Advertising Council, Inc.

7. Termination of Agreement by Us

Subsection 14.A. (2) – (4) of the Renewal Franchise Agreement shall be deleted in its entirety.

8. Acknowledgments

Section 21, of the Renewal Franchise Agreement shall be supplemented by the addition of the following paragraph as if it were an original part of the Renewal Franchise Agreement:

(14) Unless otherwise agreed in writing by us, all amounts owed to us or our affiliates in accordance with the franchise agreement dated \_\_\_\_\_ between you and us and all other agreements and documents incorporated in that franchise agreement for the CENTER will be transferred to the amounts owed as reflected in this Renewal Franchise Agreement.

IN WITNESS WHEREOF, you acknowledge that you have read and understood the contents of this Addendum, that you have had an opportunity to obtain the advice of counsel, and that you intend to comply with this Addendum and be bound thereby. The parties have executed and delivered this Addendum to the Renewal Franchise Agreement on the dates noted below, to be effective as of the Effective Date.

**FASTSIGNS INTERNATIONAL, INC., a**

Texas corporation

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

Name: \_\_\_\_\_

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

**DATED\*:**

\_\_\_\_\_

(\*Effective Date of this Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_

[Print Name of Franchisee Entity]

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

\_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT “G”**

**TO FRANCHISE AGREEMENT ADDENDUM TO FASTSIGNS INTERNATIONAL,  
INC. FRANCHISE AGREEMENT TRANSFER OF INTEREST**

THE FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT (“Agreement”) between \_\_\_\_\_, whose principal \_\_\_\_\_ address is \_\_\_\_\_ (“you” or “your”) and FASTSIGNS International, Inc., a Texas corporation located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“we, us, or our”) as of the date signed by us and set forth opposite our signature on this Addendum (the “Effective Date”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Addendum”):

Certain provisions contained in the Agreement are amended to be consistent with your purchase of an existing Center.

**INCORPORATION OF TERMS OF AGREEMENT**

This Addendum shall amend and supplement the Agreement simultaneously executed by the parties herein. The terms, covenants, and conditions of this Addendum are incorporated into the Agreement, and with respect to any conflict between the two agreements, the terms of this Addendum shall be controlling with respect to the subject matter thereof.

**AMENDMENTS TO THE AGREEMENT**

The Agreement shall be amended as follows:

1. Site Selection, Lease of Premises, and Development and Opening of Center Subsections 2.A., B., C., and F. of the Agreement shall be deleted in their entirety.
2. Fees

Subsection 3.A. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

Transferor or Transferee agrees to pay us a transfer fee of Seventeen Thousand Five Hundred Dollars (\$17,500). If you request and we assist you in selling the CENTER, you must also pay us a resale consulting fee of Five Thousand Dollars (\$5,000). Both the transfer fee and resale consulting fee (if applicable) shall be deemed fully earned and nonrefundable upon execution of this Agreement in consideration of the costs and expenses associated with reviewing the transfer and training cost for the Transferee.

Subsection 3.B. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

You agree to pay us, in the manner provided below (or as the Operations Manual otherwise prescribes), a monthly Continuing Service and Royalty Fee (the

“Service Fee”) the greater of One Thousand Two Hundred Fifty Dollars (\$1,250) or six percent (6%) of the CENTER’S Gross Sales (defined in Subsection D. below) by the fifteenth (15<sup>th</sup>) day of the month. On or before the fifth (5<sup>th</sup>) day of the month, you agree to send us on a form we approve (or as we otherwise direct) a signed statement of the CENTER’S Gross Sales for the preceding calendar month. The method of payment is described in Subsection 3.G. below. In addition, you agree to pay us the Ad Fund contribution as described in Subsection 9.B.

### 3. Training and Assistance

The phrase “Before you open the CENTER,” in the first sentence of the first paragraph of 4.A. of the Agreement shall be changed to “Before you take possession of the CENTER.”

The phrase “When the CENTER is ready to open for business,” in the last paragraph of Subsection 4.A. of the Agreement shall be changed to “Upon your possession of the CENTER”.

The phrase “Within one hundred twenty (120) days from the date that your CENTER opens for business” in the first sentence of the fourth paragraph of Subsection 4.B. of the Agreement shall be changed to “Within one hundred twenty (120) days after you take possession of the CENTER,”.

### 4. Marketing

Subsection 9.A. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

You agree to pay Ten Thousand Five Hundred Dollars (\$10,500) to the Fastsigns National Advertising Council, Inc. upon signing of the Agreement for initial marketing and advertising for your CENTER in your local market which is administered by our marketing department. We will create a marketing and advertising plan for your CENTER and will allocate your required initial marketing and advertising pre-paid dollars to local programs at our sole discretion that will be scheduled to run for approximately 3-to-4 months. The programs included in the initial marketing and advertising plan include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (3-to-4 month supply), local web search marketing including local digital advertising, telemarketing campaigns, social media campaigns, virtual sales assistant customer prospecting email campaigns and sales promotion items. There is six (6) months of virtual sales assistant customer prospecting email campaigns included in your initial marketing and advertising plan. Marketing programs are evaluated for effectiveness, and we may amend the tactics to optimize the initial marketing and advertising plan. If additional funds remain after we outline the spending on these programs and materials on the elements above, other programs such as local paid media and association marketing opportunities can be included in the pre-paid portion of the marketing plan. You agree to comply with our guidelines for this initial marketing and advertising plan. We

recommend that you invest additional amounts to local marketing during the first year of the CENTER'S operation.

Upon expiration of the pre-paid marketing dollars referenced above for local digital advertising, you are required to continue local digital advertising in the same geographic area as your Territory as defined in Item 12, use our designated agency and spend the minimum amount required to consistently achieve an impression share of seventy-five percent (75%) in your Territory. The minimum spend is Eight Hundred Fifty Dollars (\$850) a month. If spending a lower monthly amount keeps your local paid search impression at least seventy-five percent (75%), you must spend the difference in additional media channels to generate demand. Also, you are required to maintain virtual sales assistant customer prospecting email campaigns through our designated service at an annual cost of One Thousand Three Hundred Eighty dollars (\$1,380) (this pricing is subject to change).

The first two (2) paragraphs of Subsection 9.B. shall be deleted in their entirety and the following shall be substituted in lieu thereof:

Recognizing the value of advertising and marketing to the goodwill and public image of FASTSIGNS Centers, we have established an advertising fund for the advertising, marketing, and public relations programs, and materials we deem appropriate (the "Ad Fund"). You agree to contribute to the Ad Fund two percent (2%) of the CENTER'S Gross Sales, payable in the same manner as the Service Fee. The Ad Fund is currently administered by the Fastsigns National Advertising Council, Inc.

## 5. Construction

The first line in Section 17.J of the Franchise Agreement shall have the phrase "and Agreement and Consent" inserted after the word "Agreement".

IN WITNESS WHEREOF, you acknowledge that you have read and understood the contents of this Addendum, that you have had an opportunity to obtain the advice of counsel, and that you intend to comply with this Addendum and be bound thereby. The parties have executed and delivered this Addendum to the Agreement on the dates noted below, to be effective as of the Effective Date.

**FASTSIGNS INTERNATIONAL, INC.,**

a Texas corporation

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

Name: \_\_\_\_\_

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

**DATED\*:**

(\*Effective Date of this Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS  
A CORPORATION, LIMITED LIABILITY  
COMPANY, OR PARTNERSHIP):**

[Print Name of Franchisee Entity]

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE  
FRANCHISE INDIVIDUALLY AND  
NOT AS A LEGAL ENTITY):**

signature of individual franchisee]

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

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

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

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**EXHIBIT “H” TO FRANCHISE AGREEMENT ADDENDUM TO FASTSIGNS  
INTERNATIONAL, INC. FRANCHISE AGREEMENT CONVERSION FRANCHISE**

THE FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT between \_\_\_\_\_ whose address is at \_\_\_\_\_ (“you” or “your”) and FASTSIGNS International, Inc., a Texas corporation located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“we, us, or our”) and (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Addendum (the “Effective Date”) (the “Addendum”):

WHEREAS, you operate an existing sign business under the name of \_\_\_\_\_ (the “Existing Business”); and

WHEREAS, you desire to establish a franchise relationship with us; and

WHEREAS, you desire to obtain the right to convert its Existing Business to a FASTSIGNS Center (“Conversion Franchise”) and to operate the Conversion Franchise pursuant to the System in accordance with the terms and conditions of the Agreement as amended herein; and

WHEREAS, the parties acknowledge that, unless otherwise defined in this Addendum, all capitalized defined terms used in this Addendum shall have the same meaning as that attributed to such terms in the Agreement;

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

**INCORPORATION OF TERMS OF AGREEMENT**

This Addendum shall amend and supplement the Agreement simultaneously executed by the parties herein. The terms, covenants, and conditions of this Addendum are incorporated into the Agreement, and with respect to any conflict between the two agreements, the terms of this Addendum shall be controlling with respect to the subject matter thereof.

**AMENDMENTS TO THE AGREEMENT** The Agreement shall be amended as follows:

**1. Territorial Rights**

Subsection 1.D. of the Agreement shall be amended as follows:

The Territory for a Conversion Franchise will be a defined area around the location as determined by us. We will designate and describe your Territory in Exhibit “A”.

**2. Site Selection**



Subsection 2.A. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

You agree to bear the cost and expense for making all alterations, modifications, and improvements as we may deem necessary to convert your Existing Business Franchise to a Conversion Franchise. You acknowledge and agree that approving you to operate a Conversion Franchise at the Existing Business premises does not constitute a representation, promise, warranty, or guarantee by us that a Center operated at that site will be profitable or otherwise successful.

3. Lease of Premises

The first two (2) paragraphs of Subsection 2.B. of the Agreement shall be deleted in their entirety.

4. Center Development

Subsection 2.C. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

Within forty-five (45) days of your execution of this Agreement and the Addendum, you agree to make all alterations, modifications and improvements to the Conversion Franchise premises as reasonably requested by us, which shall include, but not be limited to, replacing any and all signage, menu boards and window striping with signage, menu boards and window striping meeting the current standards of the FASTSIGNS System; replacing all stationery, forms, invoices, business cards and all other written materials used in the sign business with materials meeting our standards for such items; obtaining and replacing such computer hardware, software and other equipment (at your option), meeting our specifications and standards necessary to operate the Conversion Franchise under the System; and to cancel and/or replace all advertising, including Yellow Page advertising, under the Existing Business's name and substitute advertising approved by us using the Marks.

We will contribute up to a maximum of Seven Thousand Five Hundred Dollars (\$7,500) if your Existing Business had a gross sales level of Three Hundred Fifty Thousand Dollars (\$350,000) to Four Hundred Ninety Nine Thousand Nine Hundred Ninety Nine Dollars (\$499,999) and Ten Thousand Dollars (\$10,000) if your Existing Business had a gross sales level of Five Hundred Thousand Dollars (\$500,000) or higher for the most recent twelve (12) month period prior to signing the Agreement ("Contribution") towards "allowable costs" that you incur converting to a Conversion Franchise. Allowable costs are defined as costs for output equipment, décor enhancements, furniture, signage, center management system software, construction, and business forms. The initial Franchise Fee and working capital are not included in the allowable costs.

The Contribution will not apply if you finance your Franchise Fee through our direct financing program for Conversion Franchises.

To be eligible for the Contribution you need to: (1) submit a valid receipt or purchase order to us; (2) you need to be in compliance of your Agreement and all required marketing programs; (3) you must submit a copy of your Existing Business' profit and loss statement and balance sheet for the most recent twelve (12) month period prior to signing the Agreement; and (4) purchases are made from our recommended suppliers or suppliers of your choice. Once you commence operation as a Conversion Franchise, there will be no additional reimbursement of allowable costs.

You shall be responsible for obtaining and maintaining all zoning classifications and clearances which may be required by the state, provincial, or local laws, ordinances, or regulations or which may be necessary or advisable because of any restrictive covenants relating to the Conversion Franchise's premises. You agree to obtain and maintain all permits, licenses, and certifications required for the lawful operation of the Conversion Franchise. You will certify in writing to us that the insurance coverage specified in Subsection 8.G. of this Agreement is in full force and effect and that all required approvals, clearances, permits, and certifications related thereto have been obtained within thirty (30) days of your execution of this Agreement and the Addendum. Upon request, you agree to promptly provide to us additional copies of your insurance policies or certificates of insurance and copies of all the foregoing approvals, clearances, permits, licenses, and certifications.

## 5. Operating Assets

Subsection 2.D. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

With respect to the existing inventory, products, supplies, and other materials currently in use at the Conversion Franchise, we will inspect such items and advise you within thirty (30) days of the execution of this Agreement and the Addendum whether such items meet our standards and specifications. Within forty-five (45) days after the execution of this Agreement and the Addendum, you agree to cease rendering services and remove all products, equipment, signs, interior and exterior decor items, fixtures, furnishings, supplies and other materials that do not conform with the standards and specifications prescribed by us for use under the System, unless such services or other items are otherwise approved in writing by us.

## 6. Computer System

Subsection 2.E. of the Agreement shall be supplemented by the addition of the following as the last paragraph of the Section as if it were an original part of the Agreement:

With respect to a Conversion Franchise, we will inspect the existing Computer System currently used at the Existing Business and advise you within thirty (30) days of the execution of this Agreement and the Addendum whether such items meet our standards and specifications. If the computer system does not meet our standards and

specifications, you agree to obtain and use the Computer System we specify within forty- five (45) days of your execution of this Agreement and Addendum.

**7. Center Opening**

Subsection 2.F. of the Agreement shall be supplemented by the addition of the following as the last paragraph of the Section as if it were an original part of the Agreement:

With respect to a Conversion Franchise, you acknowledge that time is of the essence. Subject to your compliance with the pre-opening obligations described in Section 4. you agree to complete conversion and commence operating the business under the FASTSIGNS System within ninety (90) days following the date of execution of this Agreement and the Addendum unless you obtain an extension of such time from us. We will inspect the Conversion Franchise prior to opening to determine whether you have complied with our specifications and standards for conversion to a FASTSIGNS Center. We have the right to prohibit you from commencing operation of the Conversion Franchise in the event you fail to comply with such pre-opening obligations.

**8. Continuing Service and Royalty Fee**

Subsection 3.B. of the Agreement shall be supplemented by the following two (2) paragraphs:

In the event you have not commenced operation as a Conversion Franchise within ninety (90) days following the date of execution of this Agreement, effective on the first of the month after the ninety (90) days until commencement of operation of the Conversion Franchise, you will begin paying a minimum monthly service fee of Two Thousand Five Hundred Dollars (\$2,500).

You agree to provide us with your year-end financial statements and other information for the previous twelve (12) month period prior to signing the Agreement for your Existing Business.

**9. Marketing**

Subsection 9.A. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

**a. INITIAL MARKETING**

You agree to pay Ten Thousand Five Hundred Dollars (\$10,500) to the Fastsigns National Advertising Council, Inc. prior to registering for the initial training program for initial marketing and advertising for your Conversion Franchise in your local market which will be administered by our marketing department. We will create a marketing and advertising plan for your Conversion Franchise and will allocate your required initial marketing and advertising pre-paid dollars to local programs at our

sole discretion that will be scheduled to run for approximately 3-to-4 months. The programs included in the initial marketing and advertising plan include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (3-to-4 month supply), local web search marketing including local digital advertising, virtual sales assistant customer prospecting email campaigns, telemarketing campaigns, social media campaigns and sales promotion items. There is six (6) months of virtual sales assistant customer prospecting email campaigns included in your initial marketing and advertising plan. Marketing programs are evaluated for effectiveness, and we may amend the tactics to optimize the initial marketing and advertising plan. If additional funds remain after we outline the spending on these programs and materials on the elements above, other programs such as local paid media and association marketing opportunities can be included in the pre-paid portion of the marketing plan. You agree to comply with our guidelines for this initial marketing and advertising plan. We recommend that you invest additional amounts to local marketing during the first year of the Conversion Franchise's operation.

Upon expiration of the pre-paid marketing dollars referenced above for local digital advertising, you are required to continue local digital advertising in the same geographic area as your Territory as defined in Item 12, use our designated agency and spend the minimum amount required to consistently achieve an impression share of seventy-five percent (75%) or more in your Territory. The minimum spend is Eight Hundred Fifty Dollars (\$850) a month. If spending a lower monthly amount keeps your local paid search impression share at least seventy-five percent (75%), you must spend the difference in additional digital media channels and search engine optimization to generate demand. Also, you are required to maintain virtual sales assistant customer prospecting email campaigns through our designated service at an annual cost of One Thousand Three Hundred Eighty dollars (\$1,380) (this pricing is subject to change).

Subsection 9.E. of the Agreement shall be supplemented by the addition of the following paragraph as if it were an original part of the Agreement:

You agree to transfer the Uniform Resource Location ("URL") for the Existing Business to us within sixty (60) days from the date of signing this Addendum. You will work with us and the domain name registrar to complete any necessary paperwork to complete the transfer of the URL to us. We will allow you to maintain the Existing Business' website, social media accounts, and email for a six (6) months from the date of this Addendum for the sole purpose of maintaining the business from the Existing Business. These URL(s) should not be promoted or marketed. After this six (6) month period, you agree to discontinue the website, social media accounts and email. Upon discontinuance of the Existing Business' website, you agree to put a jump page on the Existing Business' website that is redirected to your Conversion Franchise's CENTER page.

## **10. Records, Reports, and Financial Statements**

The Agreement shall be supplemented by the addition of the following paragraph to the end of Section 10. as if it was an original part of the Agreement.

If we determine that the form and manner which you maintain the books and records of the Existing Business are not consistent with those prescribed by us under the System, you agree to prepare all books and records in the form and manner prescribed by us upon commencing operations as a Conversion Franchise.

**11. Termination of Agreement**

Subsection 14.A. (2) and (3) of the Agreement shall be deleted in its entirety (and section numbers renumbered) and the following shall be substituted in lieu thereof:

(2) If you fail to convert your Existing Business to a Conversion Franchise in accordance with the terms of the Addendum within ninety (90) days of the date of execution of this Agreement and the Addendum;

Subsection 14.A. of the Agreement shall be supplemented by the addition of the following subsection (26) as if it were an original part of the Agreement:

(26) If you fail to comply with any of the terms and conditions of the Addendum.

**12. Acknowledgments**

Section 21. of the Agreement shall be supplemented by the addition of the following Subsections (14), (15), and (16) as if they were an original part of the Agreement:

(14) Except for you, no other person, firm, corporation, or other entity has any right, title, interest in or to you; that your business has not been mortgaged, pledged, or assigned; and there are no judgments, liens, executions or proceedings pending which may alter, decrease or remove your interest in such business;

(15) You acknowledge that the information submitted, and representations made to us as an inducement for us to enter into this Agreement and the Addendum are complete, true and correct;

(16) You acknowledge that by virtue of the terms and conditions of this Agreement and the Addendum the manner and operation of its business must be in strict compliance with the System.

IN WITNESS WHEREOF, you acknowledge that you have read and understand the contents of this Addendum, that you have had an opportunity to obtain the advice of counsel, and that you intend to comply with this Addendum and be bound thereby. The parties have executed and delivered this Addendum to the Agreement on the dates noted below, to be effective as of the Effective Date.

**FASTSIGNS INTERNATIONAL, INC.,**

a Texas corporation

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

Name: \_\_\_\_\_

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

**Dated:** \_\_\_\_\_

(\*Effective Date of this Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_  
[Print Name of Franchisee Entity]

By: \_\_\_\_\_  
[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

\_\_\_\_\_  
[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

\_\_\_\_\_  
[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

## **EXHIBIT “I” TO FRANCHISE AGREEMENT**

### **COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, LISTINGS, SOCIAL MEDIA ACCOUNTS AND PASSWORDS**

**FOR VALUE RECEIVED**, (“Assignor”) hereby assigns, transfers and sets over unto FASTSIGNS International, Inc. (“Assignee”), all of Assignor’s right, title and interest in and to the telephone numbers and regular, classified or other telephone directory listings (collectively, the “Telephone Numbers and Listings”) and to social media accounts and passwords (“Accounts”) associated with the Marks and used from time to time in connection with the operation of the CENTER (all initial capitalized terms used but not defined in this Assignment shall have the meanings set forth in the Franchise Agreement between Assignee and Assignor (the “Franchise Agreement”). This Assignment is only effective upon the conditions specified herein, and Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Assignee shall notify the telephone company and/or the listing agencies with which Assignor has placed telephone directory listings and social media companies with which Assignor has placed social media (all such entities are collectively referred to herein as the “Companies”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without renewal or extension), Assignee shall have the right and is hereby empowered to effectuate this assignment of the Telephone Numbers and Listings and Accounts and, in such event, Assignor shall have no further right, title or interest in the Telephone Numbers and Listings or the Accounts but shall remain liable to the Companies for all past due fees owing to the Companies on or before the effective date of the assignment hereunder.

Assignor acknowledges and agrees that as between Assignee and Assignor, upon termination or expiration of the Franchise Agreement (without renewal or extension), Assignee shall have the sole right to and interest in the Telephone Numbers and Listings and the Accounts, and Assignor appoints Assignee as Assignor’s true and lawful attorney-in-fact to direct the Companies to assign same to Assignee (or to the party Assignee designates) and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Assignor shall immediately notify the Companies to assign the Telephone Numbers and Listings and the Accounts to Assignee (or Assignee’s designee). If Assignor fails to promptly direct the Companies to assign the Telephone Numbers and Listings and Accounts to Assignee (or Assignee’s designee), Assignee may direct the Companies to effectuate the assignment contemplated hereunder to Assignee (or Assignee’s designee). The parties agree that the Companies may accept Assignee’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Assignee’s exclusive rights in and to the Telephone Numbers and Listings and the Accounts upon such termination or expiration (without renewal or extension) and that such assignment shall be made automatically and immediately effective upon Companies’ receipt of such notice from Assignee or Assignor. The parties further agree that if the Companies require that the parties execute the Companies’ assignment forms or other documentation at the time of termination or expiration (without renewal or extension) of the Franchise Agreement, Assignee’s execution of such forms or documentation on behalf of Assignor shall effectuate Assignor’s consent and agreement to the assignment. The parties agree that at any time after the date hereof, they will

perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration (without renewal or extension) of the Franchise Agreement.

**ASSIGNOR:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
DATED: \_\_\_\_\_

**ASSIGNEE:**

**FASTSIGNS International, Inc.** a Texas  
corporation  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
  
DATED: \_\_\_\_\_



**EXHIBIT “J” TO FRANCHISE AGREEMENT**

**INITIAL FRANCHISE FEE ACKNOWLEDGEMENT FOR 401K OR ROLLOVER  
FINANCING TO FASTSIGNS INTERNATIONAL, INC.:**

I understand that my application for the grant of a franchise to operate a FASTSIGNS Center in the general area of \_\_\_\_\_, has been approved and I have received a Franchise Agreement for execution. To continue the process of obtaining a license to operate a FASTSIGNS Center, I am submitting this Franchise Agreement, this Initial Franchise Fee Acknowledgement (this “Acknowledgement”) and my deposit in the amount of Twenty Thousand Dollars (\$20,000) (“Franchise Fee Deposit”) to FASTSIGNS International, Inc. (“Franchisor”).

In connection with my deposit, I understand and acknowledge the following:

My entire Franchise Fee Deposit will be applied toward the initial Franchise Fee payable under the Franchise Agreement.

Upon my submission of the signed Franchise Agreement, this Acknowledgement and my Franchise Fee Deposit to Franchisor, my Franchise Fee Deposit will be immediately non-refundable. This amount will be deemed earned by Franchisor for processing of my Franchise Agreement and for services performed following the effective date of my Franchise Agreement.

Upon receipt of the balance of my funds for the Initial Franchise Fee from my 401(k), IRA or other qualified retirement account roll-over, I will pay Franchisor. The payment of the balance of the Initial Franchise Fee to Franchisor will be paid no later than thirty (30) days from the Effective Date of the Franchise Agreement. If I am unable to obtain the balance of my funds for the Initial Franchise Fee from my 401(k), IRA or other qualified retirement account roll-over, I will so notify Franchisor.

The Franchisor will have no obligation to return my Franchise Fee Deposit, regardless of whether I or Franchisor performs any services or obligations following submission of my Franchise Fee Deposit.

Franchisor’s obligations with respect to my Franchise Fee Deposit are those of a debtor and not a trustee and Franchisor may maintain my deposit separate and apart from Franchisor’s general funds or may commingle my Franchise Fee Deposit with its general funds.

I have received Franchisor's Franchise Agreement, including this Acknowledgement, more than fourteen (14) calendar days before the date of my execution hereof.

FRANCHISEE:

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

Name: \_\_\_\_\_

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

FRANCHISOR: FASTSIGNS International Inc., a  
Texas corporation

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

Its: \_\_\_\_\_

\*Dated: \_\_\_\_\_

(\*Effective Date of this Initial Franchise Fee Acknowledgement for 401K or Rollover  
Financing) FRANCHISE FEE DEPOSIT RECEIVED SUBJECT TO ABOVE TERMS

**EXHIBIT “K” TO FRANCHISE AGREEMENT FASTSIGNS INTERNATIONAL, INC.**  
**SUMMARY OF ACKNOWLEDGEMENTS**

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

State of Formation: \_\_\_\_\_

Residence Addresses of Guarantors: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Indicate your acknowledgement of the following by signing below:

Franchisee acknowledges that it is not a domiciliary or a resident of any other state or it is a domiciliary or resident of \_\_\_\_\_.

Franchisee acknowledges that it has received the Franchise Disclosure Document (“FDD”) as follows:

FDD with an effective date of:

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

Franchisee acknowledges that it has received the appropriate FDD(s) at least fourteen (14) calendar days before the execution of the franchise agreement or before paying any fees to FASTSIGNS International, Inc. (“Franchisor”).

The Franchisee has signed and returned to Franchisor the “Acknowledgement of Receipt” for each FDD.

Franchisee acknowledges that it has had an opportunity to read each FDD and that no representations have been made to Franchisee which is inconsistent with the information presented in the FDD(s), and Franchisee has not relied upon any representations inconsistent with or not contained in the FDD(s).

Franchisee acknowledges that it has had the opportunity to conduct an independent investigation of the franchised business offered and to seek independent counsel concerning the franchised business.

Franchisee acknowledges that the franchised business, as any business venture involves risks, and the success of the franchised business will depend upon the ability of Franchisee.

Franchisee acknowledges that it has not received any warranty or guarantee express or implied, as to the actual or potential volume, earnings, profits, or success of the franchised business, other than the financial performance representation provided in Item 19 of the FDD(s) received by Franchisee.

Acknowledged by: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

Each of the undersigned has read this Summary of Acknowledgements and each individually acknowledges and states that each statement described above is true and correct:

FRANCHISEE'S GUARANTOR

Name: \_\_\_\_\_

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

FRANCHISEE'S GUARANTOR

Name: \_\_\_\_\_

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

\* If a corporation, include the name and title of the office signing on behalf of the corporation.

**EXHIBIT “L” TO FRANCHISE AGREEMENT CONFIDENTIALITY AND NON-  
COMPETE AGREEMENT**

This Agreement is made and entered into on \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (“Franchisee”) and \_\_\_\_\_ (“Covenantor”).

WHEREAS, Franchisee is a licensed franchisee of FASTSIGNS International, Inc., a Texas corporation (“FII”), operating a FASTSIGNS center (the “Center”) using the FII system and certain confidential information for the operation of centers that specialize in the selling, marketing, producing, installing and repairing visual communications including signs (both non- electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services; and

WHEREAS, FII owns, and has provided access to Franchisee to certain confidential information, including but not limited to FII’s Operations Manuals; technology, know-how, techniques and procedures for selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services; quality control methods; inventory, management and financial control methods; training materials and presentations; advertising and promotional programs; financial performance information; drawings, specifications, and compilations; and information relating to customers of Franchisee, including but not limited to customer identities, contact information, order information, and graphics, drawings and specifications (collectively, “Confidential Information”); and

WHEREAS, Covenantor will have access to the Confidential Information; and

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

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

**Confidentiality Agreement.**

Covenantor shall maintain all Confidential Information. Covenantor shall not at any time make copies of any documents or compilations containing any Confidential Information for any purpose without the express written permission of Franchisee and FII. Covenantor shall not disclose or permit the disclosure of any Confidential Information to any party except other employees or persons associated with Franchisee and only to the extent necessary to train or assist other employees of Franchisee in the operation of the Center. This covenant shall always continue in full force and effect during and after the Covenantor's employment with Franchisee.

This is also to provide you with notice that, pursuant to 18 U.S.C. §1833(b), an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret: (i) made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, please note that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, provided that such individual (i) files any document containing the trade secret under seal, and (ii) the individual does not disclose the trade secret, except pursuant to a court order.

**In-Term Covenant Not to Compete.**

To protect the goodwill and unique qualities of the FASTSIGNS system and the confidentiality and value of the Confidential Information, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor covenants that, during the time Covenantor is associated with Franchisee, Covenantor will not:

**1.** Directly or indirectly, personally or in conjunction with any person or entity, engage in, acquire any financial interest in, be employed by, advise, help or make loans to any entity involved in, any business that is the same as or similar to that conducted at the Center, including but not limited to any business that specializes in selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand

format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services.

2. Divert or attempt to divert, directly or indirectly or divert, any business, business opportunity or customer of Franchisee or of any other FASTSIGNS Center to any competitor, by direct or indirect inducement or otherwise.

Post-Term Covenant Not to Compete.

In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the FASTSIGNS system, Covenantor agrees that for two (2) years following the termination of Covenantor's employment with Franchisee, Covenantor will not, without the prior written consent of FII:

3. Directly or indirectly, personally or in conjunction with any person or entity, engage in, acquire any financial interest in, employed by, advise, help or make loans to any entity involved in, any business that is the same as or similar to that conducted at the Center, including but not limited to any business that specializes in selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready- to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services, which business is located or operates within a fifteen (15) mile radius of the Center or within fifteen (15) miles of any other FASTSIGNS Center in operation or under construction on the date that Covenantor ceases to be employed by Franchisee.

4. Directly or indirectly, personally or through or in conjunction with any person or entity, solicit, recruit, or otherwise contact any customers of Franchisee, or divert or attempt to divert any business, business opportunity or customer of Franchisee to any competitor, including, but not limited to, other FASTSIGNS Centers operated by authorized franchisees.

Irreparable Injury.

Covenantor agrees that in the event of a breach of this Agreement, Franchisee and FII would be irreparably injured and would be without an adequate remedy at law. Therefore, in the event of such a breach or threatened breach, Franchisee and/or FII shall be entitled, in addition to any other remedies which are made available to it at law or equity, to a temporary and/or permanent injunction, without the necessity of showing actual or threatened harm, and without being required to furnish a bond or other security.

Third-party Beneficiary.

FII is expressly intended to be a third-party beneficiary of this Agreement. FII shall have the right to enforce this Agreement and all provisions hereof.

No Waiver.

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

Enforcement.

**THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT FOR TEXAS CHOICE OF LAW RULES. COVENANTORS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF DALLAS COUNTY, TEXAS, AND THE FEDERAL DISTRICT COURTS FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS, DIVISION. COVENANTORS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTORS HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW.**

**COVENANTORS FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE DALLAS COUNTY, TEXAS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.**

Severability.

Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant is held unreasonable or unenforceable, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty



permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

Entire Agreement.

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

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

FRANCHISEE:

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

COVENANTOR

\_\_\_\_\_

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

**EXHIBIT “M”**

**TO THE FRANCHISE AGREEMENT ACKNOWLEDGEMENT OF UNDERSTANDING  
OF RESPONSIBILITY**

I understand and acknowledge that it is my responsibility to check state law and local ordinances regarding sign regulations, permitting and compliance with local building and electrical codes. These regulations, ordinances and laws will vary by city and state. I understand that there may be licensing requirements regarding the different types of sign installations and that I am responsible for obtaining such licenses.

Please acknowledge your understanding by signing below:

\*First and last name \_\_\_\_\_

\*First and last name \_\_\_\_\_

\*Legal Entity if applicable \_\_\_\_\_

\*Center Number \_\_\_\_\_

\*Franchisee Signature \_\_\_\_\_

\*Date \_\_\_\_\_

**EXHIBIT “N” TO FRANCHISE AGREEMENT ACKNOWLEDGMENT OF  
UNDERSTANDING BY FRANCHISEE REGARDING TRAINING**

You understand and acknowledge that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the FASTSIGNS brand and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages, and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee-related matters.

**FRANCHISEE:  
(IF YOU ARE TAKING THE FRANCHISE AS  
A CORPORATION, LIMITED LIABILITY  
COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_

[Print Name of Franchisee Entity]

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL  
ENTITY):**

\_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

DATED: \_\_\_\_\_

\_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

DATED: \_\_\_\_\_

**EXHIBIT “O” TO FRANCHISE AGREEMENT KEY MANAGEMENT EMPLOYEE  
DESIGNATION**

In accordance with my Franchise Agreement, this is to verify and validate that I designate \_\_\_\_\_ as my Key Management Employee to devote his/her full time, best efforts and personal attention to the day-to-day management and operation of the FASTSIGNS Center number \_\_\_\_\_.

If the Key Management Employee is not able to continue to serve or no longer qualifies to function as the Key Management Employee, I will notify FASTSIGNS International, Inc. (“Franchisor”) and designate a replacement Key Management Employee within thirty (30) days after the Key Management Employee ceases to serve in this position.

I agree to have my Key Management Employee sign the Confidentially and Non-Compete Agreement attached to the Franchise Agreement as Exhibit L upon the employee’s designation as Key Management Employee and submit it to Franchisor with this Key Management Employee Designation form.

FRANCHISEE: \_\_\_\_\_

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

Center Number: \_\_\_\_\_

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is as of the date that certain Franchise Agreement (the “Agreement”) is signed by us as described below.

By (list each guarantor):

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In consideration of, and as an inducement to, the execution of that certain Agreement on this date by FASTSIGNS International, Inc. (“us,” “we,” or “our”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that \_\_\_\_\_ (“Franchisee”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person;

(4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its principals, and for so long as we have any cause of action against Franchisee or its principals; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising because of the undersigned's execution of, and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations above and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in state or federal court of general jurisdiction in Dallas, Texas, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

**Signatures of Each Guarantor**

**Percentage of Ownership Interest in Franchisee**

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

\_\_\_\_\_ %

**FASTSIGNS INTERNATIONAL, INC.**  
**CO-BRAND FRANCHISE AGREEMENT**

**EXHIBIT “C”**



**CO-BRAND FRANCHISE AGREEMENT**

---

**FRANCHISEE**

---

**CENTER NUMBER**

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GUARANTY AND ASSUMPTION OF OBLIGATIONS

## FASTSIGNS INTERNATIONAL, INC. CO-BRAND FRANCHISE AGREEMENT

THIS CO-BRAND FRANCHISE AGREEMENT (the “Agreement”) is made and entered into by and between FASTSIGNS INTERNATIONAL, INC., a Texas corporation located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“we,” “us,” or “our”), and, \_\_\_\_\_ whose principal address is \_\_\_\_\_ (“you” or “your”) as of the date signed by us and set forth opposite our signature on this Agreement (the “Effective Date”).

### 1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.

#### A. PREAMBLES.

We and our affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of businesses specializing in the selling, marketing, producing, installing and repairing visual communications including signs (both non- electrical and electrical), related work involved in the maintenance, installation and de- installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including wide/grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services. “Wide/grand format printing” is described as anything printed on a range of substrates that are 15 inches by 27 inches or larger, whether or not they are finished to a smaller size (“**wide/grand format printing**”). The products produced using wide/grand format printing include; but are not limited to, indoor and outdoor banners, floor graphics, window graphics, wall graphics, wall coverings, vehicle wraps, vehicle decals, signs, stickers, labels and other graphics or printed textiles. These businesses operate under the “FASTSIGNS” name and other trademarks (“**FASTSIGNS Centers**”) and have distinctive business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time.

We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols in operating FASTSIGNS Centers, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for FASTSIGNS Centers (collectively, the “**Marks**”).

We grant to persons who meet our qualifications and are willing to undertake the investment and effort, a franchise to license and operate a FASTSIGNS Center

offering the goods and services we authorize and using our business formats, methods, procedures, signs, designs, layouts, standards, specifications, and Marks (the “**Franchise System**”).

You operate a business under the name of \_\_\_\_\_ which engages in \_\_\_\_\_ (the “**Existing Business**”).

Your core business at your Existing Business is

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(“**Core Business**”).

Your Existing Business includes the business described in Subsection 1.A.(1) above (the “**Included Business**”).

You desire to establish an exclusive franchise and Co-Branding relationship with us while maintaining and operating your Existing Business (the “**Co-Brand Relationship**”); and the Co-Brand Relationship will include the Included Business but will not include the other aspects of your Existing Business’s Core Business.

As a franchise principal of a FASTSIGNS Co-Brand Center, you will comply with this Agreement and all System Standards (defined below) to maintain the high and consistent quality that is critical to attracting and keeping customers for FASTSIGNS Centers.

You have applied for a franchise to license and operate a FASTSIGNS Co-Brand Center.

You will conduct your Co-Brand CENTER opened under this Agreement at the Existing Business.

“**Co-Brand CENTER**” refers to the business described in 1.A.(1) above and excludes reference to your Existing Business.

**B. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.**

If you are at any time a corporation, limited liability company, or general or limited partnership (collectively, an “**Entity**”), you agree and represent that:

You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

Your organizational documents, operating agreement, or partnership agreement, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interest in you, and all certificates and other documents



representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

**Exhibit "B"** to this Agreement completely and accurately describes all your principals (and the owners of your principals, if applicable) and their interests in you as of the Effective Date;

Each of your principals during this Agreement's term will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 12, you and your principals agree to sign and deliver to us revised Exhibits B to reflect any permitted changes in the information that **Exhibit "B"** now contains;

As described in Subsection 8.F., you will appoint a shareholder, member, or partner, as applicable, with not less than twenty five percent (25%) ownership interest to be your "**Managing Principal**," responsible for overseeing and supervising the operation of the Co-Brand CENTER (as defined in Subsection D below). The Managing Principal as of the Effective Date is identified in **Exhibit "B"**. You may not change the Managing Principal without our prior written consent;

You will not engage in any business that competes with the Co-Brand CENTER;

You will provide us with copies of your certificate of incorporation, articles of incorporation, bylaws, stock certificates, other governing documents, any amendments, and resolutions of your Board of Directors authorizing entry into and the performance of this Agreement prior to the execution of this Agreement; or, if you are a partnership, copies of the written partnership agreement, other governing documents, and any amendments prior to the execution of this Agreement.

#### **C. GRANT OF FRANCHISE.**

You have applied for a franchise to license and operate a FASTSIGNS Center at your Existing Business' location identified on **Exhibit "A"** (the "**Premises**"). Subject to this Agreement's terms, we grant you a franchise (the "**Franchise**") to operate a Co-Brand CENTER under the Co-Branding Relationship at the Premises, and to use the Franchise System in its operation, for a term beginning on the Effective Date and expiring ten (10) years from that date, unless sooner terminated as provided herein. You may use the Premises only for the Existing Business and the Co-Brand CENTER. You always agree to perform your obligations faithfully, honestly, and diligently under this Agreement and to use your best efforts to promote the Co-Brand CENTER.

#### **D. TERRITORIAL RIGHTS.**

You will open and operate a Co-Brand CENTER at your Existing Business. We will designate and describe your Territory in **Exhibit "A"**. The size of the Territory for

the Co-Brand CENTER shall be a defined trade area around the Premises of the Existing Business.

**E. RIGHTS WE RESERVE.**

Except as expressly limited by Subsection D above, we and our affiliates retain all rights with respect to FASTSIGNS Centers, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate. Specifically, but without limitation, we reserve the following rights:

the right to operate, or franchise others to operate, similar or competitive businesses located inside or outside the Territory under trademarks or service marks other than the Marks;

the right to operate, or franchise others to operate, other dissimilar businesses located inside or outside the Territory under trademarks or service marks other than the Marks;

the right to sell products or services anywhere that are like those sold by FASTSIGNS centers, but under trademarks or service marks other than the Marks;

the right to sell, and to license other to sell, products and services anywhere that are like those sold by FASTSIGNS centers, which products and services are sold under the Marks but through dissimilar distribution channels (including without limitation via the FASTSIGNS National Program, general or specialty retailers, the Internet or other electronic media);

the right to sell products and services anywhere that are dissimilar from those sold by FASTSIGNS centers, but under the Marks or any other trademarks or service marks;

the right to operate, and to grant others the right to operate FASTSIGNS Centers located anywhere outside the Territory;

the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at FASTSIGNS Centers, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services like those provided at FASTSIGNS Centers, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory.

**F. MODIFICATION OF FRANCHISE SYSTEM.**

Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege to vary System Standards (defined below) for any franchise principal based upon the peculiarities of any condition that we consider important to that franchise principal's successful operation. You have no right to require us to grant you a similar variation or accommodation.

**2. DEVELOPMENT AND OPENING OF CO-BRAND CENTER.**

**A. CO-BRAND CENTER.**

Your Co-Brand CENTER will be located at the Premises. You agree to bear the cost and expense for making all alterations, modifications, and improvements as we deem necessary to develop the Co-Brand CENTER at the Premises. You acknowledge and agree that our approval of the Premises for the operation of the Co-Brand CENTER does not guarantee success.

**B. PREMISES.**

If the Lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the Co-Brand CENTER to a new site acceptable to us. Any relocation will be at your sole expense, and we may charge you for the reasonable costs we incur, plus a reasonable fee (as set forth in the Operations Manual) for our services, in connection with any relocation of the Co-Brand CENTER.

**C. CENTER DEVELOPMENT.**

Within forty-five (45) days of your execution of this Agreement, you agree to make all alterations, modifications and improvements to the Co-Brand CENTER as reasonably requested by us, which shall include, but not be limited to, adding signage, menu boards and window striping with signage meeting the current standards of the Franchise System; using/creating stationery, forms, invoices, business cards and all other written materials used in the sign business with materials meeting our standards for such items; obtaining and replacing such computer hardware, software and other equipment (at your option), meeting our specifications and standards necessary to operate the Co-Brand CENTER under the Franchise System.

You shall be responsible for obtaining and maintaining all zoning classifications and clearances which may be required by state, provincial, or local laws, ordinances, or regulations or which may be necessary or advisable because of any restrictive covenants relating to the Premises. You agree to obtain and maintain all permits, licenses and certifications required for the lawful operation of the Co-Brand CENTER. You will certify in writing to us that the insurance coverage specified in Subsection of this Agreement is in full force and effect and that all required approvals, clearances, permits, and certifications related thereto have been obtained within thirty

(30) days after the Effective Date. Upon request, you agree to promptly provide to us additional copies of your insurance policies or certificates of insurance and copies of all the foregoing approvals, clearances, permits, licenses and certifications.

We will give you mandatory and suggested specifications and layouts for a Co-Brand CENTER, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the “**ADA**”) or similar rules governing public accommodations for persons with disabilities. It is your responsibility to prepare a site survey (at your expense if the landlord does not provide and bear the cost of this) and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, Title 24, permit requirements, and Lease requirements and restrictions. We will not charge you for the cost of the first revision of the plans, but we may charge you for the cost of any additional revisions.

Because our review is limited to ensuring your compliance with our design requirements, it might not assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with these laws are your responsibility. We may inspect the Premises while you are developing the Co-Brand CENTER.

You agree to do the following, at your own expense, to develop the Co-Brand CENTER at the Premises:

secure all financing required to develop and operate the Co-Brand CENTER;

obtain all required building, utility, sign, health, sanitation, business, EPA and other permits and licenses;

construct all required improvements to the Premises and decorate the Co-Brand CENTER according to approved plans and specifications;

obtain all customary contractor’s sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;

purchase or lease, and install, all required fixtures, furniture, equipment (including a required or recommended computer, facsimile, and center management system), furnishings, and signs (collectively, “**Operating Assets**”) for the Co-Brand CENTER; and

purchase an opening inventory of authorized and approved products, materials, and supplies to operate the Co-Brand CENTER.

**D. OPERATING ASSETS.**

You agree to use in operating the Co-Brand CENTER only those Operating Assets that we approve for FASTSIGNS Centers as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) the signs, emblems, lettering, logos, and display materials that we approve from time to time, in addition to the signs you display for the Existing Business. You agree to purchase or lease brands, types, or models of Operating Assets only from suppliers that meet our specifications (which may include or be limited to us and/or our affiliates) or suppliers you choose that meet our criteria and specifications.

**E. COMPUTER SYSTEM.**

You agree to obtain and use the computer hardware and/or operating software we specify from time to time (the “**Computer System**”). We may modify specifications for and components of the Computer System. You also agree to use the email system and address we specify. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement’s remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within ninety (90) days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

You agree that we or our affiliates may require the use of proprietary software or technology that we or our affiliates select, develop, or maintain. Upon your signing or accepting of the Software License Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology, we and our affiliates reserve the right to charge you or implement additional monthly or other fees for access to, maintenance, and support of said software or technology that we or our affiliates have licensed to you during this Agreement’s term. We will provide you with one hundred eighty (180) days’ prior notice of our decision to implement any new fees or increase in existing fees.

We charge you a Technology Fee (“Tech Fee”) as described in Subsection 3.D. below. The Tech Fee allows us to provide tools and resources to keep the FASTSIGNS System operating efficiently.

Despite the fact that you agree to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party’s computer

system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

**F. CO-BRAND CENTER OPENING.**

You agree not to open the Co-Brand CENTER until:

we notify you in writing that the Co-Brand CENTER meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Co-Brand CENTER complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

- i. your required attendees satisfactorily complete training as described in Subsection 4.A. of this Agreement;
- ii. you pay the initial franchise fee and other amounts then due to us;
- iii. you pay for the equipment, furniture, and fixtures package then due to us; and
- iv. you give us certificates for all required insurance policies.

With respect to the Co-Brand CENTER, you acknowledge that time is of the essence. Subject to your compliance with the pre-opening obligations described in Section 2, you agree to complete construction and commence operating the Co-Brand CENTER under the Franchise System within ninety days after the Effective Date, unless you obtain an extension of such time from us. We will inspect the Co-Brand CENTER before you commence operation to determine whether you have complied with our specifications and standards for operating a Co-Brand CENTER. We have the right to prohibit you from commencing operation of the Co-Brand CENTER in the event you fail to comply with such pre-opening obligations.

You agree to operate and supervise the Co-Brand CENTER and devote your full time, best efforts and constant personal attention to the day-to-day operations of the Co-Brand CENTER for at least six (6) months after the opening.

If you fail to open the Co-Brand CENTER within ninety (90) days after the Effective Date, we have the right to terminate this Agreement (see Subsection 14.A.(2) and (3)).

**3. FEES.**

**A. INITIAL FRANCHISE FEE.**

You agree to pay us a nonrecurring and nonrefundable initial franchise fee of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_). This fee is due, and fully earned by us when you sign this Agreement.

**B. CONTINUING SERVICE AND ROYALTY FEE.**

Effective the first of the month following ninety (90) days after the Effective Date or the first of the month following commencement of operation as a Co-Brand CENTER; whichever occurs first, through the end of the twelfth (12<sup>th</sup>) month of operation you shall pay to us a monthly Continuing Service and Royalty Fee (the “**Service Fee**”) equal to three percent (3%) of the Co-Brand CENTER’S Gross Sales (defined in Subsection D. below). From the thirteenth (13<sup>th</sup>) month of operation of the Co-Brand CENTER through the end of the term of the Agreement you shall pay us the greater of One Thousand Two Hundred Fifty Dollars (\$1,250) or six percent (6%) of the Co-Brand CENTER’S Gross Sales (defined in Subsection D. below). On or before the fifth (5<sup>th</sup>) day of the month, we will extract a statement of the C-Brand CENTER’S Gross Sales for the preceding calendar month from your Computer System. The method of payment is described in Subsection 3.H. below. In addition, you agree to pay us the Ad Fund contribution as described in 9.B.

In the event you have not commenced operation as a Co-Brand CENTER within ninety (90) days following the date of execution of this Agreement, effective on the first of the month after the ninety (90) days described above until commencement of operation of the Co-Brand CENTER, you will begin paying a minimum monthly Service Fee of Two Thousand Five Hundred Dollars (\$2,500).

The Sliding Scale Royalty Rebate described in Subsection 3.C. below does not apply until the first full calendar year that you are required to pay us a Service Fee equal to six percent (6%) and an Ad Fund contribution equal to two percent (2%) of the Co-Brand CENTER’S Gross Sales.

You must be in “Good Standing” (as described in Subsection 3.I. below) to be eligible for the lower three percent (3%) Service Fee each month during the first twelve (12) months the Co-Brand CENTER is open. If you are not in “Good Standing” at any time during this twelve (12) month period, the monthly Service Fee will increase to six percent (6%) in addition to all other remedies available to us.

**C. SLIDING SCALE ROYALTY REBATE.**

Beginning with your first full calendar year of operation that you are required to pay the six percent (6%) Service Fee and the two percent (2%) Ad Fee, we will recalculate your Service Fee and Ad Fund Contributions (described in Subsection 9.B.) paid to us for the preceding calendar year using your annual gross sales for the calendar year as described in the following Sliding Scale Chart below (“**Chart**”):

<u>On your sales between:</u>	<u>Your Service Fee will be:</u>	<u>Your Ad Fee will be:</u>
\$0 to \$1,215,703	6.0%	2.0%
\$1,215,704 to \$1,823,555	5.75%	1.75%
\$1,823,556 to \$3,343,186	5.50%	1.65%
\$3,343,187 to \$4,862,815	5.25%	1.50%
\$4,862,816 to \$6,382,444	4.75%	1.25%
\$6,382,445 to \$7,902,073	4.25%	1.10%
\$7,902,074 and above	3.75%	1.00%

At the conclusion of each calendar year, we will issue a rebate payment (the “**Rebate Payment**”) to you based on each increment of your Gross Sales falling within each of the sales bands described above. The Rebate Payment will be paid to you no later than March 31 of each year. All monthly royalty reports must be submitted through December 31 of each year as described in Section 10. of this Agreement to receive the Rebate Payment. You must be in Good Standing (as described in Subsection 3.I. below) at the end of each calendar year to receive your Rebate Payment. The Rebate Payment will be paid to the franchisee’s principal of the Co-Brand CENTER on December 31 of each year.

At our election, the sales bands described in the Chart above may be adjusted effective the first day of each calendar year based on the most recent Consumer Price Index published by the Bureau of Labor Statistics or the FASTSIGNS same center sales growth percentage (“Same Center Sales Growth”) for the prior calendar year, whichever is higher. Same Center Sales Growth is calculated by averaging the sales growth for all FASTSIGNS centers in the United States open for the full twelve (12) months for the two (2) prior years and the full twelve (12) months for the prior year.

**D. TECHNOLOGY FEE.**

You agree to pay us a Tech Fee of Fifty Dollars (\$50) (“Tech Fee”) per month through the end of your first year of operation of the CENTER. Beginning your second year of operation of the CENTER, you will pay us a Tech Fee of One Hundred Dollars (\$100) per month. This fee is due by the 15<sup>th</sup> day of each month.

You must be in “Good Standing” (as described in Subsection 3. J. below to be eligible for the lower Fifty Dollar (\$50) per month Tech Fee during the first twelve (12) months the CENTER is open. If you are not in “Good Standing” at any time during this twelve (12) month period, the monthly Tech Fee will increase to One Hundred Dollars (\$100) per month in addition to all other remedies available to us

We reserve the right to increase the Tech Fee. Any increase in the Tech Fee will not exceed Two Hundred Dollars (\$200) per month. We will provide you with one hundred eighty (180) days’ notice before we implement an increase in the Tech Fee.



**E. DEFINITION OF “GROSS SALES”.**

As used in this Agreement, the term “**Gross Sales**” means all revenue that you derive from operating the Co-Brand CENTER, including, but not limited to, all amounts that you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but excluding (1) all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; (2) revenues from the Core Business of your Existing Business; and (3) the amount of any documented refunds, credits, allowances, and charge-backs the Co-Brand CENTER in good faith gives to customers.

**F. INTEREST.**

All amounts which you owe us for any reason, will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for late fees and interest. You acknowledge that this Subsection is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Co-Brand CENTER.

**G. APPLICATION OF PAYMENTS.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your principals owe us or our affiliates against any amounts we or our affiliates owe you or your principals. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

**H. METHOD OF PAYMENT.**

Before the Co-Brand CENTER opens, you agree to sign and deliver to us the documents we require (including **Exhibit “C”**) to authorize us to debit your business checking account automatically for the Service Fee, Ad Fund contribution (described in Subsection 9.B. below), and other amounts due under this Agreement and for your purchases from us, Fastsigns National Advertising Council, Inc. and our affiliates (the “**Electronic Funds Transfer Account**” or “**EFTA**”). Additionally, we reserve the right to debit the EFTA for cooperative advertising fees (described in Subsection 9.D. below). We will debit the EFTA for these amounts on their due dates. You agree to ensure that funds are available in the EFTA to cover our withdrawals. If there are insufficient funds in the EFTA to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), you stop payment on the EFTA (or check), close the EFTA, or request we do not process the EFTA we will charge you a processing fee as prescribed in the Operations Manual) per withdrawal or amount to compensate us for our additional administrative expenses. This amount is currently One Hundred Dollars (\$100), but is subject to change.

If we unable to extract a statement of your Gross Sales from your Computer System, we may debit your EFTA for one hundred fifty percent (150%) of the last Service Fee and Ad Fund contribution that we debited. If the amounts that we debit from your EFTA are less than

the amount you actually owe us (once we have determined the Co-Brands CENTER'S true and correct Gross Sales), we will debit your EFTA for the balance on the day we specify. If the amounts that we debit from your EFTA are greater than the amount you owe us, we will credit the excess against the amounts we otherwise would debit from your EFTA during the following month.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (e.g., by check) whenever we deem appropriate, and you agree to comply with our payment instructions.

**I. LATE FEE FOR SUBMISSION OF LATE SALES REPORT, LATE SERVICE FEE AND NAC FUND CONTRIBUTION.**

If we are unable to obtain any sales report when due as provided in Subsection 10(a) and/or Service Fee payment or Ad Fund contribution when due as provided in Subsection 3.B above, we have the right, in addition to any other remedy available, to charge you a late fee of Fifty Dollars (\$50) for each day such sales report, Service Fee payment or Ad Fund contribution is late, reduced, if necessary, to the extent such payment exceeds the amount permitted by applicable law. Said late fee shall be due and payable by you immediately when invoiced.

**J. DEFINITION OF "GOOD STANDING".**

The term "**Good Standing**" means that you do not owe any Service Fees or Ad Fund contributions or any other monetary obligations to us more than thirty (30) days and you are in compliance with all of your other obligations under the Agreement and any other agreement with us, including timely reporting of Gross Sales. You are not in "Good Standing" if you make partial payments to us, but still have amounts outstanding more than thirty (30) days.

**4. TRAINING AND ASSISTANCE.**

**A. INITIAL TRAINING.**

Before the Co-Brand CENTER opens for business, we will train up to three (3) of your representatives on the material aspects of operating a FASTSIGNS Center. We will provide the initial training program at a designated training facility of our choice and/or at an operating FASTSIGNS Center. The initial training program is to protect and maintain the System Standards (defined below) and the Marks are not to control the day-to-day operation of your Co-Brand CENTER. You and your principals agree to sign **Exhibit "I"** to this Agreement to acknowledge this. We will provide initial training for no additional fee for you (if you are an individual) or your Managing Principal (if you are an entity), your graphic designer and your visual communications specialist. Additional people beyond these three (3) may attend initial training. You also agree to pay for all travel and living expenses that your attendees incur and for your employees' wages and workers' compensation insurance while they train at operating FASTSIGNS Centers. Training is conducted at our corporate offices or at such other location determined by us. We reserve the right to convert the traditional classroom training of the initial training program entirely, or partially to live instructor led virtual training.

You (or your Managing Principal), your graphic designer and your visual communications specialist must satisfactorily complete initial training. If we determine that you (or your Managing Principal) cannot complete initial training to our satisfaction, you may designate a replacement to complete such training.

When the Co-Brand CENTER is ready to open for business, we will, at our own cost, send one of our representatives to the Co-Brand CENTER at a time to be determined by us to assist with its opening. You (or your Managing Principal) also must successfully complete this phase of the initial training program. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then applicable charges, including our personnel per diem charges and travel and living expenses.

## **B. ONGOING TRAINING.**

We may require you (or your Managing Principal) to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations we designate. At your option and expense, you may send previously trained and experienced employees to these training courses. We may charge reasonable registration or similar fees for these courses to defray costs. Besides attending these courses, you agree to attend a designated franchise convention of all FASTSIGNS Center franchisees at a location we designate at least once in every three (3) year period. You agree to pay all registration fees, charges, and costs to attend. In addition, you agree to pay all travel and living expenses which you and your employees incur during all training courses and programs.

If you or your Managing Principal chooses not to give your full time, best efforts and constant personal attention to the operation of the Co-Brand CENTER, after six (6) months, you will designate, in writing, an individual (the “**General Manager**”) who will assist you in the management of the Co-Brand CENTER by signing the Key Management Employee Designation form attached to this Agreement as **Exhibit “J”**. The Key Management Employee will devote his full time, best efforts, and constant personal attention to the day-to-day operations of the Co-Brand CENTER in the event you do not participate in the full-time operation of the Co-Brand CENTER after the initial six (6) month period the Co-Brand CENTER is open. We may require that your Co-Brand CENTER manager (including the Key Management Employee if you (or your Managing Principal) cease to function as the day-to-day manager of the Co-Brand CENTER) satisfactorily complete our initial and ongoing training programs. If at any time the Key Management Employee is not able to continue to serve in such capacity or no longer qualifies to function as Key Management Employee, you will promptly notify us and shall designate a replacement Key Management Employee within thirty (30) days after the Key Management Employee ceases to serve. Should a replacement be required for the Key Management Employee, the replacement will be required to attend and complete training.

Within one hundred twenty (120) days from the date that your Co-Brand CENTER opens for business, we require that you hire an outside sales professional, and employ an outside sales professional for the remaining term of the Agreement. Your outside sales professional will be required to attend Sales Boot Camp within the first twelve (12) months from the date of hire. This is no charge for your initial outside sales professional’s attendance

of Sales Boot Camp training. We may charge a reasonable fee for training additional outside salespeople. Sales Boot Camp training is conducted at our corporate offices or at such other location determined by us. You agree to pay all travel and living expenses which your outside sales professional incurs during attendance of Sales Boot Camp training.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

### **C. GENERAL GUIDANCE.**

We will advise you from time to time regarding the Co-Brand CENTER'S operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that FASTSIGNS Centers use; (2) purchasing required and authorized Operating Assets and other items and arranging for their distribution to you; (3) advertising and marketing materials and programs; (4) employee training; and (5) administrative, bookkeeping, accounting, and inventory control procedures.

We will guide you in our manuals ("**Operations Manual**"); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the Co-Brand CENTER. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel per diem charges and travel and living expenses.

### **D. OPERATIONS MANUAL.**

During the Franchise term you will have electronic access to our Operations Manual, which could include audio and files/links, video and links, computer software, other electronic media, and/or written materials on a restricted website or extranet. You agree to monitor and access the Website for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on a Website will be deemed to be part of Confidential Information (defined in Section 6 below). At our discretion, hard copies of certain manuals may be loaned to you at no expense. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("**System Standards**") that we periodically prescribe for operating a FASTSIGNS Center and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards.

You agree to keep any hard copies of the Operations Manual current and in a secure location at the Co-Brand CENTER. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the Operations Manual's contents are confidential and that you will not disclose the Operations Manual to any person other than Co-Brand CENTER employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy at our then applicable charge.

**E. DELEGATION OF PERFORMANCE**

You agree that we have the right to delegate the performance of any portion or all our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

**5. MARKS.**

**A. OWNERSHIP AND GOODWILL OF MARKS.**

Your right to use the Marks is derived only from this Agreement and limited to your operating the Co-Brand CENTER according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Co-Brand CENTER under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

**B. LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the Co-Brand CENTER'S identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you),

(3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, email addresses, or otherwise in connection with a website or (5) in any other manner that we have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Co-Brand CENTER or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Co-Brand CENTER and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

**C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding

any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

**D. DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. Any costs incurred by you to comply with any change or modification of any mark will be paid solely by you; however, we may, at our discretion, reimburse a portion of the costs to you. We need not reimburse you for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Subsection D apply to all the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

**E. INDEMNIFICATION FOR USE OF MARKS.**

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

**6. CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the “**Confidential Information**”), relating to developing and operating FASTSIGNS Centers, including (without limitation):

- (1) site selection criteria;
- (2) training and operations materials and manuals;
- (3) methods, formats, specifications, standards, systems, procedures, production techniques, production processes, sales and marketing techniques, knowledge, and experience used in developing and operating FASTSIGNS Centers;
- (4) sales, marketing, and advertising programs for FASTSIGNS Centers;

(5) knowledge of, specifications for, and suppliers of Operating Assets and other products and supplies;

(6) any computer software or similar technology which is proprietary to us or the Franchise System, including, without limitation, digital passwords and identifications and any source code, data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of FASTSIGNS Centers other than the Co-Brand CENTER;

(8) graphics designs, icon designs and related intellectual property; and

(9) personal information of any customers of the CENTER and other FASTSIGNS Centers (“**Customer Information**”). “Personal Information” is data that identifies an individual or relates to an identifiable individual.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Co-Brand CENTER during this Agreement’s term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

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

(b) will keep each item deemed to be part of Confidential Information confidential, both during this Agreement’s term and then thereafter for as long as the item is not known in the signage and printing industry;

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

(d) will not sell, trade or otherwise profit in any way from any Confidential Information, except during the Term using methods we approve;

(e) will comply with all applicable laws in relation to the collection, processing, and storage of Customer Information;

(f) will, in addition to the procedures described herein, adopt, and implement all reasonable procedures, including those prescribed from time to time by us, to prevent unauthorized use or disclosure of or access to any Confidential Information; and

(g) will require and obtain execution of the Confidentiality/Non- Compete Agreement attached to this Agreement as **Exhibit “H”** from your General Manager, outside sales professional and other personnel who have received or will have access to Confidential Information. You will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without

limitation, restricting its disclosure to Co-Brand CENTER personnel, and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. We may modify or you may modify **Exhibit “H”** to this Agreement to remove the covenant not-to-compete provisions if we or you decide not to require these covenants be executed by your Center personnel. We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the signage and printing industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the signage and printing industry through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

We collaborate with you, your principals and other franchisees towards constant improvement and adapting to change to remain relevant and competitive in the graphics and visual communications industry. Many of our current processes are a result of franchisee innovation and input.

All ideas, concepts, techniques, or materials relating to a FASTSIGNS Center, whether protectable intellectual property and whether created by or for you or your principals or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

## **7. EXCLUSIVE RELATIONSHIP.**

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, except for your Existing Business (which shall continue to be licensed and operated by you at the same Premises as the Co-Brand CENTER in accordance with this Agreement), during this Agreement’s term, neither you, any of your principals, nor any of your or your principals’ spouses will:

(a) have any direct or indirect controlling or non-controlling interest as an owner whether of record, beneficially, or otherwise –in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);



- (b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;
- (c) divert or attempt to divert any actual or potential business or customer of the Co-Brand CENTER to a Competitive Business, or divert or attempt to divert any actual or potential business or customer from another FASTSIGNS Center to a competitive business; or
- (d) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

The term “Competitive Business” means (i) any business which markets, produces, installs, offers for sale or provides services related to selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), and related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready- to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including wide/grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (other than a FASTSIGNS Center operated under a franchise agreement with us). Your Existing Business shall not be considered a “Competitive Business” under this Agreement.

Wide/grand format printing is described as anything printed on a range of substrates that are fifteen (15) inches by twenty-seven (27) inches or larger, whether they are finished to a smaller size. The products produced using wide/grand format printing include but are not limited to, indoor and outdoor banners, floor graphics, window graphics, wall graphics, wall coverings, vehicle wraps, vehicle decals, signs, stickers, labels and other graphics or printed textiles.

You agree to obtain execution of the Confidentiality/Non-Compete Agreement attached to this Agreement as **Exhibit “H”** from the personnel we specify, including officers, directors, managers, and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third- party beneficiary of that agreement with independent enforcement rights.

**8. SYSTEM STANDARDS.**

**A. CONDITION AND APPEARANCE OF THE CENTER.**

You agree that:

(1) you will maintain the condition and appearance of the Co-Brand CENTER, its Operating Assets and the Premises in accordance with System Standards and consistent with the image of a FASTSIGNS Center as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness, sanitation, efficient work flow, courteous service and pleasant ambiance, and in that connection will take, without limitation, the following actions during the term of this Agreement: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe; (b) interior and exterior repair of the Premises; and (c) repair or replacement of damaged, worn out or obsolete Operating Assets;

(2) you will place or display at the Premises (interior and exterior) only those signs (including neon), emblems, designs, artwork, icon designs, vehicle graphics, lettering, logos, and display and advertising materials that we from time to time approve;

(3) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises of the Co-Brand CENTER or its fixtures, furnishings, floors, walls, equipment, vehicle graphics or signs does not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within twenty (20) days after you receive our notice, and then continue in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, we have the right, in addition to all other remedies, to enter the Premises or the Co-Brand CENTER and do any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection; and

(4) in an effort to maintain the quality of the system and the FASTSIGNS brand, you agree to remodel, expand, redecorate, and/or refurbish the Premises and the Co-Brand CENTER to reflect changes in the operations of FASTSIGNS Centers which we prescribe and require of new franchisees, however, we will not require you to spend more than Twenty Thousand Dollars (\$20,000) in any five (5) year period on material modernization of the Co-Brand CENTER. We will provide you with one hundred and eighty (180) days' prior notice of this requirement. This Twenty Thousand Dollar (\$20,000) cap shall not apply to the purchase of equipment and/or other items necessary to offer new, current, or additional products or services from the Co-Brand CENTER.

**B. PRODUCTS AND SERVICES SOLD AT THE CO-BRAND CENTER.**

You agree that: (1) the Co-Brand CENTER will offer for sale all products and services that meet our specifications; (2) the Co-Brand CENTER will offer and sell products and services only in the manner we have prescribed; (3) you will not offer for sale or sell at the Co-Brand CENTER, the Premises or any other location any products or services that do not meet

our specifications; (4) all products will be offered and sold only at and from the Premises (excluding the products and services sold by your outside sales professional), unless approved otherwise by us (including sales you make from the System Website as approved by us); and you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole discretion) do not meet our specifications.

### **C. NATIONAL ACCOUNTS.**

We or the Fastsigns National Advertising Council, Inc. (defined in Subsection 9.B.) may obtain accounts from regional or national companies that fulfill their needs for signs on a local basis and from a centrally coordinated service (“**FASTSIGNS National Accounts Program**”). We or the Fastsigns National Advertising Council, Inc. will negotiate and execute agreements with FASTSIGNS National Accounts Program customers (the “**Customers**”) and will organize and administer the FASTSIGNS National Accounts Program. The FASTSIGNS National Accounts Program acts as a central access point through which the FASTSIGNS System can effectively meet the needs of national and regional Customers. The FASTSIGNS National Accounts Program conforms to the individual needs of each Customer by designing a Customer- tailored system for the Customer’s ordering, production, distribution, and invoicing. You may participate in the FASTSIGNS National Accounts Program; provided, you meet and comply with the criteria and standards guidelines (“**Guidelines**”) in our Operations Manual for participating in such a program (which include following the terms of this Agreement), and agree to provide the services under the terms and conditions negotiated by us or the Fastsigns National Advertising Council, Inc. We do not represent that we or the FASTSIGNS National Accounts Program will obtain any national accounts in your Territory. If, however, we or the FASTSIGNS National Accounts Program do obtain such accounts, we or the FASTSIGNS National Accounts Program will advise you of the terms of such participation and offer you the option to participate. Your participation in the FASTSIGNS National Accounts Program is voluntary. We or you may terminate your participation in the FASTSIGNS National Accounts Program in accordance with the Guidelines.

### **D. APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.**

We have developed or may develop standards and specifications for types, models, and brands of required Operating Assets, other products, materials, and supplies. We reserve the right from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you may be required to purchase only such products meeting those specifications.

We and our affiliates may receive payments from suppliers on account of such suppliers’ dealings with you and other franchise principals and may use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate.

### **E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.**

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Co-Brand CENTER and operate the Co-Brand CENTER in full compliance with all applicable laws, ordinances and regulations, including, without limitation,

government regulations relating to wage and hour laws, the Equal Employment Opportunity Commission, the National Labor Relations Act, the Fair Labor Standards Act, Family and Medical Leave Act, occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You are solely responsible for the safety and well-being of your employees and the customers of your Co-Brand CENTER. You are solely responsible for the safety and well-being of your employees and the customers of the Co-Brand CENTER. It is your responsibility to make sure that you are following all laws that are applicable to the center management system or other technology used in the operation of the Co-Brand CENTER, including data protection or security laws as well as PCI compliance. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Co-Brand CENTER must in all dealings with its customers, suppliers, us, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other FASTSIGNS Centers. You must 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 your operation or financial condition or that of the Co-Brand CENTER and of any notice of violation of any law, ordinance, or regulation relating to the Co-Brand CENTER.

**F. MANAGEMENT OF THE CENTER/CONFLICTING INTERESTS.**

Except as provided below, you (if you are an individual) or your Managing Principal (if you are an entity) must be the direct, on-premises supervisor of the Co-Brand CENTER and devote your full-time, best efforts to the day-to-day operations of the Co-Brand CENTER for at least the first six (6) months the Co-Brand CENTER is open for business. If, after the first six (6) months of operations (or at any time thereafter), you or your appointed principal cease to be responsible for day-to-day management of the Co-Brand CENTER, you must designate a Key Management Employee to be the direct, on-premises supervisor of the Co-Brand CENTER by signing the Key Management Employee Designation form attached to this Agreement as Exhibit "I". The original and any replacement Key Management Employee must: (1) devote his/her full-time, best efforts to the day-to-day operations of the Co-Brand CENTER; (2) satisfactorily complete the initial training program and other required training; and (3) be acceptable to us; and (4) sign our Confidentiality/Non-Competition Agreement attached to this Agreement as **Exhibit "H"**.

If you (or your Managing Principal) license more than one FASTSIGNS Center, each FASTSIGNS Center must be under the direct on-premises supervision of a Key Management Employee we have approved and who has completed our training programs.

**G. INSURANCE.**

During the term of this Agreement, you must maintain in force at your sole expense comprehensive public liability, general liability, product liability and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by

or occurring in connection with the Co-Brand CENTER'S operation, all containing the minimum liability coverage we prescribe from time to time. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds (as permitted by applicable law) and provide for thirty

(30) days' prior written notice to us of a policy's material modification, cancellation, or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Co-Brand CENTER on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

#### **H. COMPLIANCE WITH SYSTEM STANDARDS.**

You acknowledge and agree that operating and maintaining the Co-Brand CENTER according to System Standards are essential to preserve the goodwill of the Marks and all FASTSIGNS Centers. All required System Standards exist to protect our interests in the System and the Marks and not for the purpose of exercising day-to-day control over your Co-Brand CENTER. Therefore, you always agree to operate and maintain the Co-Brand CENTER according to all our System Standards, as we periodically modify and supplement them. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Co-Brand CENTER and implementing and maintaining System Standards at the Co-Brand CENTER.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Subsections 8.A. through 8.G. above:

purchase, storage, preparation, and inventory requirements for products and supplies so that the Co-Brand CENTER may operate at full capacity;

terms and conditions of the sale and delivery of, and terms and methods of payment for, products, and services that you obtain from us and affiliated and unaffiliated suppliers; and our and our affiliates' right not to sell you any products or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;

sales, marketing, advertising, and promotional programs, and materials and media used in these programs;

use and display of the Marks at the Co-Brand CENTER and on labels, forms, paper products, and other supplies; recommending staffing levels for the Co-Brand

CENTER; identifying the Co-Brand CENTER'S personnel; and employee qualifications and training to protect our interests in the System Standards and Marks (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);

days and hours of operation;

accepting credit and debit cards, other payment systems, and check verification services;

bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Co-Brand CENTER;

any other aspects of operating and maintaining the Co-Brand CENTER that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and FASTSIGNS Centers.

production methods; production processes; workflow; equipment used; installation methods; and proactive business development through consistent use of outside salespeople.

You agree that System Standards we prescribe in the Operations Manual, or otherwise communicate to you in writing or another tangible form (for example, via Franchise System extranet or Website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified. You agree to comply with the System Standards provided in the then current Operations Manual.

#### **I. CUSTOMER INFORMATION**

All Customer Information that you collect from customers of your CENTER is owned exclusively by us/or our affiliates. We and our affiliates will, through the Computer System or otherwise, have access to Customer Information and may use Customer Information in our and their business activities. You, your employees, and your agents only right to use Customer Information is in connection with your CENTER, and only while this Agreement is in effect. Upon expiration or termination of this Agreement – for any reason – we will have sole rights to use Customer Information in any manner we deem necessary or appropriate, so long as such use complies with applicable law. You must secure from your customers or prospective customers all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Information to us and our affiliates, and for us and our affiliates to use that Customer Information, in the manner that this Agreement contemplates.

#### **J. MODIFICATION OF SYSTEM STANDARDS.**

You acknowledge and agree that as our business and industry evolve, we may make changes to the Franchise System from time to time to remain relevant and competitive.

Although it is our practice to consult or collaborate with the Franchise Advisory Council, the Fastsigns National Advertising Council, Inc. and/or other franchisee leadership in the change process as we deem appropriate (we may further outline any franchisee involvement in the Operations Manual or other franchisee communication), we have the right and final decision to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the Franchise System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes. You must comply with these modifications, additions, or rescissions at your expense, subject to any express limitations as stated this Agreement. All modifications, innovations and improvements to the Franchise System become our property regardless of who developed the modification, innovation, or improvement.

## **9. MARKETING.**

### **A. INITIAL MARKETING PLAN.**

You agree to pay Ten Thousand Five Hundred Dollars (\$10,500) to the Fastsigns National Advertising Council, Inc. prior to registering for the initial training program for initial marketing and advertising for your Co-Brand CENTER in your local market which will be administered by our marketing department. We will create a marketing and advertising plan for your Co-Brand CENTER and will allocate your required initial marketing and advertising pre-paid dollars to local programs at our sole discretion that will be scheduled to run for approximately 3-to-4 months. The programs included in the initial marketing and advertising plan include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (3- to-4-month supply), local web search marketing including local digital advertising, virtual sales assistant customer prospecting email campaigns, telemarketing campaigns, social media campaigns and sales promotion items. The marketing plan also includes required tracking phone numbers and web lead forms to capture and track all lead activity. There are six (6) months of virtual sales assistant customer prospecting email campaigns included in your initial marketing and advertising plan. Marketing programs are evaluated for effectiveness, and we may amend the tactics to optimize the initial marketing and advertising plan. If additional funds remain after we outline the spending on these programs and materials on the elements above, other programs such as local media or association marketing opportunities can be discussed for inclusion in the pre-paid portion of the marketing plan. The marketing plan will also include recommended programs and spending that you can choose to implement or not or modify as desired beyond the pre-paid marketing amount. These recommended programs and their associated costs are not included in the initial advertising cost of Ten Thousand Five Hundred Dollars (\$10,500) payable to the Fastsigns National Advertising Council, Inc. You agree to comply with our guidelines for this initial marketing and advertising plan. We recommend that you invest additional amounts to local marketing during the first year of the Co-Brand CENTER'S operation.

Upon expiration of the pre-paid marketing dollars referenced above, you are required to continue local digital advertising in the same geographic area as your Territory as defined in Item 12, use our designated agency and spend the minimum amount required to consistently achieve an impression share of seventy-five percent (75%) or more in your Territory. The minimum spend is Eight Hundred Fifty Dollars (\$850) a month. If spending a lower monthly

amount keeps your local paid search impression share at least seventy- five percent (75%), you must spend the difference in additional digital media channels and search engine optimization to generate demand. Also, you are required to maintain virtual sales assistant customer prospecting email campaigns through our designated service at an annual cost of One Thousand Three Hundred Eighty dollars (\$1,380) (this pricing is subject to change).

## **B. ADVERTISING.**

Recognizing the value of advertising and marketing to the goodwill and public image of FASTSIGNS Centers, we have established an advertising fund for the advertising, marketing, promotional and public relations programs and materials we deem appropriate (the “**Ad Fund**”). You agree to contribute to the Ad Fund one percent (1%) of the Co-Brand CENTER’S Gross Sales for the first twelve months the Co-Brand CENTER is open, payable in the same manner as the Service Fee. Beginning the thirteenth (13th) month through the end of the term of the Agreement, you agree to contribute to the Ad Fund two percent (2%) of the Co-Brand CENTER’S Gross Sales. The Ad Fund is currently administered by the Fastsigns National Advertising Council, Inc. The Sliding Scale Royalty Rebate described in Subsection 3.C. of the Agreement does not apply until the first full calendar year that you are required to pay an Ad Fund contribution equal to two percent (2%) and Service Fee equal to six percent (6%) of the Co-Brand CENTER’S Gross Sales.

You must be in “Good Standing” (as described in Subsection 3.I. above) with your Agreement to be eligible for the lower reduced one percent (1%) Ad Fund contribution each month during the first twelve (12) months the Co-Brand CENTER is open. If you are not in “Good Standing” at any time during this twelve (12) month period, the monthly Ad Fund contribution will increase to two percent (2%) in addition to all other remedies available to us.

The Board of Directors of the Fastsigns National Advertising Council, Inc. is comprised of us, and other members elected by our franchisees in accordance with the Fastsigns National Advertising Council Inc.’s bylaws. All decisions of the Fastsigns National Advertising Council, Inc. are subject to our approval. We, the Fastsigns National Advertising Council, Inc., or our designee will maintain and administer the Ad Fund.

We or the Fastsigns National Advertising Council, Inc. has the right to collect for deposit into the Ad Fund any advertising, marketing, promotional or similar allowances paid to us or the Fastsigns National Advertising Council, Inc. by suppliers who deal with FASTSIGNS Centers and with whom we or the Fastsigns National Advertising Council, Inc. have agreed that we will deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Subsection 8.D. above.)

We or the Fastsigns National Advertising Council, Inc. will direct all programs that the Ad Fund finances, with sole control over the creative concepts, materials, testing, and endorsements used and their geographic, market, and media placement and allocation. The Ad Fund is used to pay all costs for the formulation, planning, research, testing, development, production, management and execution of all marketing, advertising, promotional,



merchandising, sales, web, public relations and social media activities, and brand-related employer of choice advertising used to promote and protect the FASTSIGNS brand. This includes, but is not limited to, executing marketing research, preparing and producing television, video, audio, radio, magazine, newspaper, outdoor, eCommerce, print, promotions, email, e- newsletter, social media, web marketing, website development, website hosting, search engine optimization, local digital advertising, virtual sales assistant customer prospecting email campaigns, Internet banner and other digital advertising, SMS text marketing programs, direct mail, outdoor activities, telephone prospecting, trade shows, sponsorships, sales collateral material, public relations activities, sales development, sales training and all other lead generating and sales building activities. The advertising fund is used for these activities whether through an outside agency or if these functions are executed and developed by our marketing staff.

The Ad Fund periodically may give you samples of advertising, marketing, and promotional formats and materials at no cost.

We or the Fastsigns National Advertising Council, Inc. will account for the Ad Fund separately from our or the Fastsigns National Advertising Council Inc.'s other funds and not use the Ad Fund for any of our general operating expenses. However, we or the Fastsigns National Advertising Council, Inc. may use the Ad Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Ad Fund, the Ad Fund's other administrative costs, travel expenses of personnel while they are on Ad Fund business, meeting costs, overhead relating to Ad Fund business, and other expenses that we or the Fastsigns National Advertising Council, Inc. incur in activities reasonably related to administering or directing the Ad Fund and its programs, including, without limitation, conducting market research, public relations activities and social media, preparing advertising, promotion, marketing materials, sales collateral materials, teaching franchisees how to implement local marketing and collecting and accounting for Ad Fund contributions.

The Ad Fund will not be our or the Fastsigns National Advertising Council Inc.'s asset. Although the Ad Fund is not a trust, we or the Fastsigns National Advertising Council, Inc. will hold all Ad Fund contributions for the benefit of the contributors and use contributions only for the purposes described in this Subsection. Neither we nor the Fastsigns National Advertising Council, Inc. owe any fiduciary obligation to you for administering the Ad Fund or any other reason. The Ad Fund may spend in any fiscal year more or less than the total Ad Fund contributions in that year, borrow from us, the Fastsigns National Advertising Council, Inc., or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We or the Fastsigns National Advertising Council, Inc. will use all interest earned on Ad Fund contributions to pay costs before using the Ad Fund's other assets.

We or the Fastsigns National Advertising Council, Inc. will prepare an annual, unaudited statement of Ad Fund collections and expenses and give you the statement upon written request. We or the Fastsigns National Advertising Council, Inc. may have the Ad Fund audited, at the Ad Fund's expense, by an independent certified public accountant. We or the Fastsigns National Advertising Council, Inc. may incorporate the Ad Fund or operate it through a separate entity whenever we deem appropriate. The renewal entity will have all the rights and duties specified in this Subsection.

We and the Fastsigns National Advertising Council, Inc. intend the Ad Fund to maximize recognition of the Marks, patronage of FASTSIGNS Centers and when offered, eCommerce programs. Although we and the Fastsigns National Advertising Council, Inc. will try to use the Ad Fund to develop advertising, marketing, promotional and sales materials and programs that will benefit all FASTSIGNS Centers, neither we nor the Fastsigns National Advertising Council, Inc. ensure that Ad Fund expenditures in or affecting any geographic area are proportionate or equivalent to Ad Fund contributions by FASTSIGNS Centers operating in that geographic area or that any FASTSIGNS Center benefits directly or in proportion to its Ad Fund contribution from the development of materials or the placement of advertising, marketing, promotions or sales related programs.

We and the Fastsigns National Advertising Council, Inc. have the right, but no obligation, to use collection agents and institute legal proceedings to collect Ad Fund contributions at the Ad Fund's expense. We and the Fastsigns National Advertising Council, Inc. also may forgive, waive, settle, and compromise all claims by or against the Ad Fund. Except as expressly provided in this Subsection, neither we nor the Fastsigns National Advertising Council, Inc. assume any direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Ad Fund.

### **C. BY YOU.**

Your local marketing, advertising and promotion must follow our Co-Brand guidelines and you will not commingle the marketing, advertising and promotion for the Co-Brand Center and your Existing Business. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising. This includes but is not limited to your Co-Brand CENTER décor, vehicles, social media accounts and email footers. Our brand assets include, for example, décor, icon design, vehicle graphics, taglines are proprietary to us and cannot be modified or any additional elements created. You may speak on behalf of your Co-Brand CENTER to the media, but you must obtain pre-approval to speak to the media on our behalf.

You may engage in social media (“**Social Media**”) that references (expressly or by implication) the Marks or the Co-Brand CENTER only if we approve, only in accordance with the standards that we periodically specify and within your Territory. Our Social Media policy is described in further detail in the Operations Manual. On any FASTSIGNS center social media sites, we must be co-administrators of your account.

If you choose to advertise in print or digital local business listings or directories, you must use our approved form of telephone directory advertisement. If other FASTSIGNS Centers are located within the directory's distribution area and you are planning to advertise in the same book, we require that you share the advertisement with those other interested FASTSIGNS Centers and pay your share of that collective advertisement.

### **D. FRANCHISE SYSTEM WEBSITE.**

At our option, we may establish one or more Websites to advertise, market, and promote FASTSIGNS Centers, the merchandise that they offer and sell, and/or the

FASTSIGNS franchise opportunity (each a “**System Website**”). We have a System Website and your Co-Brand CENTER will be listed on it. You can customize your Co-Brand CENTER’S webpage(s) within our guidelines. We will own all intellectual property and other rights in the System Website and all the information it contains, including, without limitation, the log of visitors, and any personal or business data that visitors supply.

We will maintain the System Website, including your listing on it, and may use the Ad Fund’s assets to develop, maintain and update the System Website. You acknowledge that we shall control all information on the System Website.

We will maintain a listing of your Co-Brand CENTER on our System Website only while you are in full compliance with this Agreement and all System Standards we implement. If you are in default of any obligation under this Agreement or our System Standards, then we may, in addition to our other remedies, temporarily remove your listing from the System Website until you fully cure the default. We will permanently remove your listing from the System Website upon this Agreement’s expiration or termination.

You can have eCommerce websites that are created through our approved vendor(s) that may be accessed from your Co-Brand CENTER website. You cannot have an eCommerce website created by others than our approved vendors unless approved by us, and subject to our guidelines. You cannot promote the Uniform Resource Locator (“URL”) connected to these eCommerce websites in local digital advertising or other advertising.

All advertising, marketing, sales, and promotional materials that you develop for the Co-Brand CENTER must contain notices of the System Website’s domain name in the manner we designate. You may not develop, maintain, or authorize any other website that mentions or describes you or the Co-Brand CENTER or displays any of the Marks. You may not buy a domain name to direct web traffic to your fastsigns.com website or otherwise. Our System Web Policies are described in further detail in the Operations Manual.

**E. CO-BRAND CENTER TELEPHONE NUMBER(S) AND SOCIAL MEDIA ACCOUNTS AND PASSWORDS.**

You agree to install a dedicated telephone line(s) and listing(s) for the Co-Brand CENTER that will be effective upon opening the Co-Brand CENTER.

Upon execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary, including, but not limited to **Exhibit “I”** to this Agreement for the sole purpose of assigning to us all rights to the dedicated telephone number(s) and social media accounts and passwords of the Co-Brand CENTER and any related and other business listings upon termination or expiration of this Agreement.

**10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You agree to provide us with your year-end financial statements for your Existing Business for the twelve (12) month period immediately prior to the Effective Date so we can verify your Existing Business’s gross sales.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use a Computer System to maintain certain sales data and other information. You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before the fifth (5<sup>th</sup>) day of each month, we will extract a report on the Co-Brand CENTER'S Gross Sales during for the preceding month through your Computer System;

(b) within thirty (30) days after the end of each calendar month, a monthly and year-to-date financial statement prepared based on a calendar year and using the accrual basis of accounting and our recommended chart of accounts;

(c) within sixty (60) days following the conclusion of your fiscal year, annual profit and loss statements, and a balance sheet for the Co-Brand Center using the accrual basis of accounting and our recommended chart of accounts;

(d) within sixty (60) days after filing, a copy of your federal tax return;

and

(e) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Co-Brand CENTER and the Franchise.

You agree to prepare all financial statements in accordance with Generally Accepted Accounting Principles ("GAAP") using our recommended chart of accounts using the accrual basis of accounting and to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including daily), access the Computer System and extract or send through the internet all information relating to the Co-Brand CENTER'S operation.

You agree to preserve and maintain all records in a secure location at the Co-Brand CENTER for at least seven (7) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts, disbursement journals, and general ledgers). We may require you to have audited financial statements prepared annually during this Agreement's term.

If you fail to provide any of the above reports or financial statements when due, we may, in our discretion, charge a late fee of Fifty Dollars (\$50) per day for each day the report or financial statement is late. Any such late fee shall be due and payable when imposed.

**11. INSPECTIONS AND AUDITS.**

**A. OUR RIGHT TO INSPECT THE CO-BRAND CENTER.**

To determine whether you and the Co-Brand CENTER are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Co-Brand CENTER; (2) photograph the Co-Brand CENTER and observe and videotape the Co-Brand CENTER'S operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the Co-Brand CENTER'S personnel and customers; and (5) inspect and copy any books, records, data files and documents relating to the Co-Brand CENTER'S operation. If we exercise any of these rights, we will not interfere unreasonably with the Co-Brand CENTER'S operation. You acknowledge that any evaluation or inspection that we conduct is conducted to protect our interests in the System Standards and Marks and is not intended to exercise, and does not constitute, in whole or in part, control over the day-to-day operation of the Co-Brand CENTER and you agree to never contend otherwise. You agree to cooperate with us fully.

**B. OUR RIGHT TO AUDIT.**

We may at any time during your business hours, and without prior notice to you, examine your (if you are an Entity) and the Co-Brand CENTER'S or your Existing Business's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the Co-Brand CENTER'S Gross Sales, you agree to pay us, within fifteen days after receiving the examination report, the Service Fee and Ad Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Service Fee or Ad Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees and representatives. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

**12. TRANSFER.**

**A. BY US.**

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our

assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

**B. BY YOU.**

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your principals) and that we have granted you the Franchise in reliance upon our perceptions of your (or your principals') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Co-Brand CENTER (or any right to receive all or a portion of the Co-Brand CENTER'S profits or losses or capital appreciation related to the Co-Brand CENTER); (iii) substantially all of the assets of the Co-Brand CENTER; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your principals (if such principals are legal entities). A transfer of the Co-Brand CENTER'S ownership, possession, or control, or all its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

- (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (b) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (c) any sale of a security convertible to an ownership interest;
- (d) transfer of an interest in you, this Agreement, the Co-Brand CENTER or all its assets, or your principals in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;
- (e) if you, one of your principals, or an owner of one of your principals dies, a transfer of an interest in you, this Agreement, the Co-Brand CENTER or all of its assets, or your principal by will, declaration of or transfer in trust, or under the laws of intestate succession; or
- (f) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your principals as security, foreclosure upon the Co-Brand CENTER, or your transfer, surrender, or loss of the Co-Brand CENTER'S possession, control, or management. You may grant a security interest (including a purchase money security interest) in the Co-Brand CENTER'S assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the Co-

Brand CENTER without having to obtain our prior written approval if you give us ten (10) days' prior written notice.

**C. CONDITIONS FOR APPROVAL OF TRANSFER.**

If you (and your principals) are fully complying with this Agreement, then, subject to the other provisions of this Section 12. we will approve a transfer that meets all the requirements in this Subsection.

If you are an entity, your principals may transfer a non-controlling ownership interest in you or your principals (determined as of the date on which the proposed transfer will occur) if:

(1) the proposed transferee and its direct and indirect principals (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for FASTSIGNS Co-Brand CENTER franchise principals (including no ownership interest in or performance of services for a Competitive Business); and (2) you give us prior written notice of the transfer.

For any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in you or one of your principals, or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your principals) all of the following conditions must be met before or concurrently with the effective date of the transfer:

we have determined that the transferee has sufficient business experience, aptitude, and financial resources to operate the Co-Brand CENTER; you have paid all Service Fees, Ad Fund contributions, and other amounts owed to us, our affiliates, and third party vendors; have submitted all required reports and statements; and have not violated any provision of this Agreement, the Lease, or any other agreement with us during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer; neither the transferee nor its principals (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business; the transferee (or its managing principal) satisfactorily completes our training programs; at our option, the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your principals), sign our then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Service Fee and the Ad Fund contributions and a revised Territory; provided, however, that the term of the new franchise agreement will be Ten

(10) years; you or the transferee pays us a transfer fee in the amount of Seventeen Thousand Five Hundred dollars (\$17,500); you (and your transferring principals) sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents; we have determined that the

purchase price and payment terms will not adversely affect the transferee's operation of the Co-Brand CENTER; if you or your principals finance any part of the purchase price, you and/or your principals agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Co-Brand CENTER are subordinate to the transferee's obligation to pay Service Fees, Ad Fund contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement; you and your transferring principals (and you and your principals' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities described in Subsection 15.D. and F. below; and you and your transferring principals will not directly or indirectly at any time or in any manner (except with respect to other FASTSIGNS Co-Brand Centers you license and operate) identify yourself or themselves or any business as a current or former FASTSIGNS Co-Brand Center or as one of our franchise principals; use any Mark, any colorable imitation of a Mark, or other indicia of a FASTSIGNS Co-Brand Center in any manner or for any purpose, or utilizing for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

We pay a "Finder's Fee" to brokers when we award a new franchise to a broker network candidate. In a resale situation if a broker candidate is involved, it is your responsibility to pay this fee. This fee currently could be a flat fee of up to Twenty-Five Thousand Dollars (\$25,000) or ten percent (10%) of the purchase price. You may be asked to sign a non-exclusive listing agreement with the broker.

We may review all information regarding the Co-Brand CENTER that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us, or we have made regarding the Co-Brand CENTER.

**D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.**

Despite Subsection C. above, if you are fully complying with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Co-Brand CENTER and, if applicable, other FASTSIGNS Centers, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Co-Brand CENTER'S assets are owned, and the Co-Brand CENTER'S business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Subsection C. above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.



**E. YOUR DEATH OR DISABILITY.**

**Transfer upon Death or Disability.** Upon your or your Managing Principal's death or disability, you or the Managing Principal's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Principal's ownership interest in you, to a third party (which may be your or the Managing Principal's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all the terms and conditions in this Subsection 12.

A. failure to transfer your interest in this Agreement or the Managing Principal's ownership interest in you within this period is a breach of this Agreement.

The term "disability" means a mental or physical disability, impairment, or condition that is expected to prevent or does prevent you or the Managing Principal from supervising the Co-Brand CENTER'S management and operation.

**Operation upon Death or Disability.** Upon your or the Managing Principal's death or disability, you or the Managing Principal's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a Key Management Employee (unless you or the Managing Principal had previously appointed a Key Management Employee who remains responsible for the day-to-day operation of the Co-Brand CENTER). The Key Management Employee must complete our standard training program at your expense. If fewer than twelve months have passed since the opening of the Co-Brand CENTER, then a new Managing Principal acceptable to us also must be appointed as Key Management Employee for the Co-Brand CENTER, and that new Managing Principal must complete our standard training program and sign our Confidentiality/Non-Compete Agreement attached as **Exhibit "H"** to this Agreement within sixty (60) days after the date of death or disability.

If, in our judgment, the Co-Brand CENTER is not being managed properly any time after your or the Managing Principal's death or disability, we may, but need not, assume the Co-Brand CENTER'S management (or appoint a third party to assume its management). All funds from the Co-Brand CENTER'S operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Service Fee, Ad Fund contributions, and other amounts due under this Agreement) Five Hundred Dollars (\$500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses if we (or a third party) assume the Co-Brand CENTER'S management under this subparagraph. We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your principals for any debts, losses, or obligations the Co-Brand CENTER incurs, or to any of your creditors for any products, other assets, or services the Co-Brand CENTER purchases, while we (or a third party) manage it.

**F. EFFECT OF CONSENT TO TRANSFER.**

Our consent to a transfer of this Agreement and the Co-Brand CENTER, or any interest in you or your principals, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Co-Brand CENTER'S or transferee's prospects of success, or a waiver of any claims we have against you (or your principals) or of our right to demand the transferee's full compliance with this Agreement.

**13. EXPIRATION OF THIS AGREEMENT.**

**A. YOUR RIGHT TO ACQUIRE A RENEWAL FRANCHISE.**

If you meet certain conditions, then you will have the option to acquire one (1) renewal franchise term. The renewal term will be ten (10) years. The qualifications and conditions for the renewal term are described below.

When this Agreement expires:

if you (and each of your principals) have complied with this Agreement during its term; and

if you (and each of your principals) are, both on the date you give us written notice of your election to acquire a renewal franchise (as provided in Subsection 13.B. below) and on the date on which the term of the renewal franchise would commence, in full compliance with this Agreement and all System Standards; and

provided that (a) you maintain possession of and agree (regardless of cost) to remodel and/or expand the Co-Brand CENTER, add or replace improvements and Operating Assets, and otherwise modify the Co-Brand CENTER as we require to comply with System Standards then applicable for new FASTSIGNS Co-Brand CENTERS, or (b) at your option, you secure a substitute premises that we approve, and you develop those premises according to System Standards then applicable for FASTSIGNS Co-Brand CENTERS, then you have the option to acquire a renewal franchise term of ten (10) years commencing immediately upon the expiration of this Agreement. You agree to sign the franchise agreement we then use to grant franchises for FASTSIGNS Co-Brand CENTERS (modified as necessary to reflect the fact that it is for a renewal franchise). The then-current form of Franchise Agreement may contain provisions that differ materially from all of those contained in this Agreement; provided that, in lieu of the initial franchise fee, you will pay a renewal fee in an amount equal to no more than fifteen percent (15%) of the initial franchise fee then being charged to new franchisees under the Franchise System.

If you (and each of your principals) are not, both on the date you give us written notice of your election to acquire a renewal franchise and on the date on which the term of the renewal franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a renewal franchise, whether we had, or choose to exercise, the right to terminate this Agreement during its term under Subsection 14.B.

**B. GRANT OF A RENEWAL FRANCHISE.**

You agree to give us written notice of your election to acquire a renewal franchise no more than three hundred sixty-five (365) days and no less than two hundred forty (240) days before this Agreement expires. We agree to give you written notice (“**Our Notice**”) of our decision:

- (1) to grant you a renewal franchise;
- (2) to grant you a renewal franchise on the condition that you correct existing deficiencies of the Co-Brand CENTER or in your operation of the Co-Brand CENTER; or not to grant you a renewal franchise based on our determination that you and your principals have not complied with this Agreement during its term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a renewal franchise.

If applicable, Our Notice will:

- (a) describe the remodeling, expansion, improvements, and/or modifications required to bring the Co-Brand CENTER into compliance with the then applicable System Standards for new FASTSIGNS Co-Brand Centers; and
- (b) state the actions you must take to correct operating deficiencies and the time in which you must correct these deficiencies.

If we elect not to grant you a renewal franchise, our Notice will describe the reasons for our decision. If we elect to grant you a renewal franchise, your right to acquire a renewal franchise is subject to your full compliance with all the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If our Notice states that you must cure certain deficiencies of the Co-Brand CENTER or its operation as a condition to our granting you a renewal franchise, we will give you written notice of our decision not to grant a renewal franchise, based upon your failure to cure those deficiencies, not less than ninety (90) days before this Agreement expires, provided, however, that we need not give you this ninety days’ notice if we decide not to grant you a renewal franchise due to your breach of this Agreement during the ninety (90) day period before it expires. If we fail to give you:

- (a) notice of deficiencies in the Co-Brand CENTER, or in your operation of the Co-Brand CENTER, within ninety (90) days after we receive your timely election to acquire a renewal franchise (if we elect to grant you a renewal franchise under subparagraphs (1) and (2) above); or
- (b) notice of our decision not to grant a renewal franchise at least ninety (90) days before this Agreement expires, if this notice is required, we may extend this Agreement’s term for the time necessary to give you either

reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a renewal franchise. If you fail to notify us of your election to acquire a renewal franchise within the prescribed period of ninety days, we need not grant you a renewal franchise.

**C. AGREEMENTS/RELEASES.**

If you satisfy all the other conditions for a renewal franchise, you and your principals agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for FASTSIGNS Co-Brand Centers (modified as necessary to reflect the fact that it is for a renewal franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your principals further agree to sign general releases, in a form satisfactory to us, of all claims against us and our shareholders, officers, directors, employees, agents, renewals, and assigns. We will consider your or your principals' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election not to acquire a renewal franchise.

**14. TERMINATION OF AGREEMENT BY US.**

**A. GROUND FOR TERMINATION.**

We may terminate this Agreement, subject to state law, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your principals) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the Co-Brand CENTER;

(2) If you fail to open your Co-Brand CENTER to a FASTSIGNS Center in accordance with the terms of this Agreement within ninety (90) days after the Effective Date;

(3) you (or your Managing Principal) do not satisfactorily complete the initial training program;

(4) you do not hire an outside sales professional within one hundred twenty (120) days from the date that your Co-Brand CENTER opens for business, you take possession of the Co-Brand CENTER as a resale, or your outside sales professional fails to attend and successfully complete Sales Boot Camp within the first twelve (12) months from their date of hire;

(5) you abandon or fail actively to operate the Co-Brand CENTER for five (5) or more consecutive business days, unless you close the Co-Brand CENTER for a purpose we approve or because of casualty or government order;

(6) you (or your principals) make or attempt to make any transfer in violation of Section 12;

- (7) you (or any of your principals) are or have been convicted by a trial court of, or plead or have pleaded no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe is likely to have an adverse effect on the Franchise System, the Marks, the goodwill in the Marks, or our interest in the Marks;
- (8) you fail to maintain proof of the insurance we require and do not correct the failure within thirty (30) days after we deliver written notice of that failure to you;
- (9) you (or any of your principals) engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Co-Brand CENTER'S reputation or the goodwill associated with the Marks;
- (10) you (or any of your principals) make any unauthorized use of the Marks and do not cure such default within thirty (30) days after we give you notice;
- (11) you lose the right to occupy the Premises and fail (a) to begin immediately look for a substitute site or (b) to locate a substitute site, obtain written approval from us, and begin operating the Co-Brand CENTER from that substitute site with your Existing Business, within ninety (90) days;
- (12) you (or any of your principals) knowingly make any unauthorized user disclosure of any part of the Operations Manual or any other Confidential Information;
- (13) you violate any health or safety law, ordinance, or regulation, or operate the Co-Brand CENTER in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within seventy-two (72) hours, after you receive notice from us or any other party;
- (14) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;
- (15) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Co-Brand CENTER'S operation, unless you are in good faith contesting your liability for these taxes;
- (16) you understate the Co-Brand CENTER'S Gross Sales during this Agreement's term or by more than five percent (5%) for any period;
- (17) you (or any of your principals) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether we notify you of the failures, and, if we do notify you of the failures, whether you correct the failures after our delivery of notice to you;
- (18) you receive three (3) or more material customer complaints within a twelve (12) month period that are reported to us and are not resolved to our complete satisfaction;

(19) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or a substantial part of your property; the Co-Brand CENTER is attached, seized, subjected to a writ, or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the Co-Brand CENTER is not vacated within thirty (30) days following the order's entry;

(20) your or any of your principals' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your principals otherwise violate any such law, ordinance, or regulation;

(21) you (or any of your principals) fail to comply with (i) any other provision of this Agreement; (ii) or any System Standard; (iii) any obligation to any supplier; or

(iv) any provision of any other agreement with us or our affiliates, and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you;

(22) you or your Managing Principals do not require your General Manager, outside sales professional or any other Co-Brand CENTER personnel that have access to Confidential Information to sign our Confidentiality and Non-Compete Agreement attached to this Agreement as **Exhibit "H"**;

(23) you sell any product or service we have not authorized for sale at the Co-Brand CENTER; any other agreement between you (and/or your affiliates) and us (and/or our affiliates) is terminated for any reason; or

(24) your Co-Brand CENTER achieves a customer satisfaction rating for any six (6) month period that is twenty percent (20%) or lower than FASTSIGNS Centers' in the United States average (we currently use a net promoter score).

## **B. INTERIM REMEDIES.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the Co-Brand CENTER'S management (or to appoint a third party to assume its management) for any period we deem appropriate. If we (or a third party) assume the Co-Brand CENTER'S management under subparagraphs (1) and (2) below, you agree to pay us (in addition to the Service Fee, Ad Fund contributions, and other amounts due under this Agreement) Five Hundred Dollars (\$500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, for up to sixty (60) days after we assume management.

If we (or a third party) assume the Co-Brand CENTER'S management, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your principals for any debts, losses, or obligations the Co-Brand CENTER incurs, or to any of your creditors for any supplies, products, or other assets or services the Co-Brand CENTER purchases, while we (or the third party) manage it.

We (or a third party) may assume the Co-Brand CENTER'S management under the following circumstances: (1) if you abandon or fail actively to operate the Co-Brand CENTER: (2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time we specify in our notice to you; or

(3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the Co-Brand CENTER under Subsection 15.G. below.

If we exercise our rights under subparagraphs (1) or (2) above, that will not affect our right to terminate this Agreement under Subsection 14.A. above.

If you are in default of any provision of this Agreement, we may, at our option, elect to impose interim remedies and/or limited services on you ("**Limited Services**") rather than terminate this Agreement. We will provide written notice to you prior to placing you on Limited Services. If you are in default and receiving Limited Services, we may terminate this Agreement at any time if you fail to cure the default. Limited Services may include:

- 1) Co-Brand CENTER'S web page(s) removed from FASTSIGNS.com;
- 2) no access to any Ad Fund funded services;
- 3) removal of you or your personnel from the FASTSIGNS Google Workspace email platform and other Google Workspace functions or Outlook email, depending on which platform franchisee's email is on;
- 4) no access to the FASTSIGNS Resource site;
- 5) not eligible to receive FASTSIGNS National Accounts Program orders;
- 6) not eligible to attend any FASTSIGNS events;
- 7) no access to FASTSIGNS online training;
- 8) no access to center design, layout services real estate services;
- 9) not eligible for that year's Royalty Rebate;
- 10) not eligible to purchase or open additional Centers;
- 11) resign from the Franchise Advisory Council or Fastsigns National Advertising Council, Inc.'s boards (if applicable);
- 12) Co-Brand CENTER visits limited to only what is required by this Agreement;  
and
- 13) no access to the eCommerce site.

**C. NON-COMPLIANCE FEE.**

If you are in default of any provision of this Agreement and you fail to timely cure the default following notice to you, we may, at our option, elect to charge a non-compliance fee of two (2) percent of your Co-Brand CENTER'S Gross Sales payable to us in the same manner as the Service Fee and a non-compliance fee of a half percent (.5%) of your Co-Brand CENTER'S Gross Sales payable to the Fastsigns National Advertising Council, Inc. in the same manner as the Ad Fund contribution until you cure the default. We will provide written notice to you prior to charging the non-compliance fee. If you are in default and paying the non-compliance fee, we may terminate this Agreement at any time if you fail to cure the default.

**15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

**A. PAYMENT OF AMOUNTS OWED TO US.**

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Service Fees, Ad Fund Contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

If we terminate this Agreement as a result of your breach, you and we agree that the amount of damages which we would incur for any such early termination would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, you shall pay us an amount equal to the average monthly royalty fees and advertising contributions that you owed to us for the past twenty-four (24) months multiplied by the lesser of thirty-six (36) or the number of months remaining in the term ("**Early Termination Damages**"). If you have not operated the Co-Brand Center for twenty-four (24) months prior to the termination of this Agreement, the Early Termination Damages will be calculated by using the average monthly royalties and advertising contributions you owed for the number of months that the Co-Brand Center operated multiplied by thirty-six (36). These Early Termination Damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of you and each of your Owners who personally guarantee your obligations under this Agreement.

The parties acknowledge and agree that: (a) the Early Termination Damages are a reasonable estimation of the damages that we would incur if this Agreement is prematurely terminated; and (b) your payment of such Early Termination Damages is intended to fully compensate us for any and all damages related to or arising out of our premature termination of this Agreement, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor a waiver of our claim for other damages and/or equitable relief arising out of your breach of this Agreement.

The imposition of Early Termination Damages shall be at our sole option. We are not required to impose Early Termination Damages and may, in addition or in lieu thereof, pursue other remedies available to us under the terms and conditions of this Agreement, in equity or



at law in the event of your breach under this Agreement, including, without limitation, actual damages we incur, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

**B. MARKS.**

When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other FASTSIGNS Co-Brand Centers you license and operate) identify yourself or any business as a current or former FASTSIGNS Co-Brand Center or as one of our current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a FASTSIGNS Co-Brand Center in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a FASTSIGNS Co-Brand Center that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the Co-Brand CENTER;

(4) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the telephone company to forward all calls made to your Co-Brand CENTER'S numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to affect these events;

(5) you agree to give us your usernames and passwords for your claimed directory lists (i.e., yelp, google) and your social media accounts and passwords for your Co-

Brand CENTER to delete or transfer; and

(6) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

**C. CENTER MANAGEMENT SYSTEM DATABASE AND GRAPHIC FILES.**

You agree that, when this Agreement expires or is terminated, you will immediately transfer to us, via the method designated by us, the data that comprises the center management

system database and graphic files. This transfer shall take place as instructed by us. Once this transfer has occurred, and we have verified that you have accurately transferred the data from the center management system and graphic files to us, you will take immediate measures to erase the data that comprises the center management system and Graphic files and will destroy all hard and digital copies of this information.

**D. CONFIDENTIAL INFORMATION.**

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the Franchise System) in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned you, such as records, files (including electronic files), graphics file, customer lists, center management system databases, instructions, and correspondence within fourteen (14) days of such termination or expiration.

**E. DE-IDENTIFICATION TO CO-BRAND CENTER.**

If we do not exercise our option to purchase the Co-Brand CENTER under Subsection G. below, you agree, when this Agreement expires or is terminated, to make all modifications or alterations to de-identify the appearance of the Co-Brand CENTER and make such specific additional changes as we may reasonably request for that purpose. In the event you fail or refuse to comply with the requirements of this Subsection 15.E., we have the right to enter the premises where the Co-Brand CENTER was operated, without being guilty of trespass or tort, for the purpose of making or causing changes to be made as may be required, at your expense, which expense you agree to pay upon demand.

**F. COVENANT NOT TO COMPETE.**

Upon termination (regardless of cause) or expiration of this Agreement, you and your principals agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Subsection begin to comply with this Subsection, whichever is later, neither you nor any of your principals will have any direct or indirect interest (e.g., through a spouse) as a principal (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 7 above) located or operating:

- (a) at the Premises;
- (b) within a fifteen (15) mile radius of the Premises;
- (c) within fifteen (15) miles of any other FASTSIGNS Center in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Subsection begin to comply with this Subsection.

These restrictions also apply after transfers, as provided in Subsection 12.C. above. If any person restricted by this Subsection refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. You and your principals expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Subsection will not deprive you of your personal goodwill or ability to earn a living.

**G. OUR RIGHT TO PURCHASE CERTAIN ASSETS OF THE CO-BRAND CENTER.**

Upon termination of this Agreement, or upon expiration of this Agreement without renewal, you will, at our option, assign to us or our designee your interest in any lease or sublease of the Premises and your interest in any lease for equipment used in the operation of the Co-Brand CENTER. Also, upon termination of this Agreement, or expiration of this Agreement without renewal, we shall have the right and option, but not the obligation, to purchase the inventory, equipment, fixtures, furnishings, and all items bearing the Marks at your cost or fair market value, whichever is less. In determining the fair market value of the assets, we and you will not include any value for goodwill, the Franchise rights granted by this Agreement, or participation in the network of FASTSIGNS Centers. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect the Premises and assets at any time during this thirty-day period. If we elect to purchase any of these assets, we will be entitled to, and you must provide, all customary warranties and representations relating to the asset purchase, including, without limitation, representations, and warranties as to maintenance, function, condition, and your good title (including that you own the assets free and clear of any liens and encumbrances).

**H. CONTINUING OBLIGATIONS.**

All our and your (and your principals') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

**16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**A. INDEPENDENT CONTRACTORS.**

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Co-Brand CENTER personnel, and others as the Co-Brand CENTER'S principal under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

None of your employees or other personnel will be our employees, agents or personnel. Neither you nor any of your employees, agents, or personnel whose compensation you pay may in any way, directly or indirectly, expressly or by implication, and to be construed to be our employee, agent or personnel for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, provincial, or federal governmental agency. We will not have the power to hire or fire your employees or personnel. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or personnel for qualification to perform certain functions for the Co-Brand CENTER does not directly or indirectly vest in us the power to hire, fire or control any such employee. You shall always comply with all employment laws. We will not have any duty or obligation to operate the CENTER, to direct or supervise your employees or to oversee your employment policies or practices. You will post a notice at your CENTER notifying all its employees that they are your employees and not our employees in the manner prescribed by us. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of the Co-Brand CENTER and that under no circumstances shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications, and procedures of the System which we are required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that we control any aspect or element of the day-to-day operations of the Co-Brand CENTER, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the Co-Brand CENTER.

**B. NO LIABILITY FOR ACTS OF OTHER PARTY.**

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise principal. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Co-Brand CENTER'S operation or the business you conduct under this Agreement.

**C. TAXES.**

In addition to any sales, use, excise, privilege or other transaction taxes that we are required or permitted by law to collect from you for the sale, lease or other provision of goods or services under this Agreement, you shall pay to us an amount equal to all federal, state, local or foreign (i) sales, use, excise, privilege, occupation or any other transactional taxes, or (ii) any other taxes or similar exactions no matter how designated (excluding only taxes imposed on us for the privilege of conducting business and calculated with respect to our net income, capital, net worth, gross receipts, or some other basis or combination thereof, but not excluding any gross receipts taxes imposed on us for your payments intended to reimburse us for expenditures incurred for the benefit and on behalf of you), that are imposed on us or required to be withheld by you in connection with the receipt or accrual of Service Fees or any other amounts payable by you to us under this Agreement or any related agreement. Any additional required payment pursuant to the preceding sentence shall be made in an amount

necessary to provide us with after tax receipts (considering any additional payments required hereunder), equal to the same amounts we would have received under the provisions of this Agreement if such additional tax liability or withholding had not been imposed or required.

**D. INDEMNIFICATION.**

You will defend, indemnify and hold harmless us and our affiliates, and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, the “Indemnified Parties”) from and against all Losses (defined below) which any of the Indemnified Parties may suffer, sustain or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought, by a third party and directly or indirectly arising out of the operation of the Co-Brand CENTER, your conduct of business under this Agreement, your breach of this Agreement or for any liability arising from labor or employment law violations (including from your acts and omissions and of your employees). We will promptly notify you of any claim that may give rise to a claim of indemnity hereunder, provided, however, that the failure to provide such notice shall not release you from your indemnification obligations under this Section except to the extent you are actually and materially prejudiced by such failure. You shall have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. If (i) the Indemnified Party shall have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available you and, in the reasonable opinion of the Indemnified Party, your counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with your interests, or (ii) you do not assume responsibility for such Losses in a timely manner or you fail to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party shall have the right to employ counsel of its own choosing and you shall pay the fees and disbursements of such Indemnified Party’s counsel as incurred. In connection with any claim, the Indemnified Party or you, whichever is not assuming the defense of such claim, shall have the right to participate in such claim and to retain its own counsel at such party’s own expense. You or the Indemnified Party (as the case may be) shall keep you or the Indemnified Party (as the case may be) apprised of, and shall respond to any reasonable requests concerning, the status of the defense of any claim and shall cooperate in good faith with each other with respect to the defense of any such claim. You shall not, without the prior written consent of the Indemnified Party, (a) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (b) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by you. No claim which is being defended in good faith by you in accordance with the terms of this Section shall be settled by the Indemnified Party without your prior written consent. Notwithstanding anything to the contrary herein, if a claim involves the Marks, you agree that we shall have the

exclusive right to assume the defense of such claim, at your expense with counsel selected by us, but satisfactory to you.

You have no obligation to indemnify or hold harmless, an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

For purposes of this Section, "Losses" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, and alternative dispute resolution.

Your obligations in this Section will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, to maintain and recover fully a claim against you 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 from you under this Section.

**17. ENFORCEMENT.**

**A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be fully enforced to the extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a renewal franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty

the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

**B. WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason, effective upon delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other FASTSIGNS Co-Brand CENTERS; the existence of franchise agreements for other FASTSIGNS Co-Brand CENTERS which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Service Fees or Ad Fund contributions due afterward.

**C. COSTS AND ATTORNEYS' FEES.**

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, collection agency fees, attorneys', arbitrators', and related fees.

**D. RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

**E. ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us and our affiliates, and us and our respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) arising out of or related to: (i) this Agreement or any other agreement between us and you; (ii) Our relationship with you; (iii) the scope and validity of this Agreement or any other agreement between us and you (including the scope and validity of the arbitration obligations under this Section 17.1, which you and us acknowledge is to be determined by an arbitrator and not a court); and/or (iv) or any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Subsection otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator within ten (10) miles of our principal place of business in Dallas County, Texas. The arbitrator shall have no authority to select a hearing or locale other than as described in the previous sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Subsection 17.H. below, award any punitive or exemplary damages against either party (we and you hereby waive to the fullest extent permitted by law, except as expressly provided in Subsection 17.H. below, any right to or claim for any punitive or exemplary damages against the other).

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

We and you agree that arbitration will be conducted on an individual, not a class wide basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your



principals, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person.

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

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

### **Injunctive Relief.**

You acknowledge that a breach of this Agreement by you which relates to any of the matters set out below, will cause us irreparable harm, for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Agreement, we are entitled to seek and obtain from a court of law the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) your obligations upon termination or expiration of this Agreement; (v) Transfers; (vi) Confidential Information; and (vii) any act or omission by us or your employees that: (a) constitutes a violation of any legal requirement; (b) is dishonest or misleading to customers of the Co-Brand CENTER; (c) constitutes a danger to the employees or customers of the Co-Brand CENTER or to the public; or (d) may impair the goodwill associated with the Marks or the System. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay us an amount equal to the aggregate of its costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, we incurred in obtaining such relief.

### **WAIVER OF PUNITIVE DAMAGES.**

US AND YOU HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), WITH THE EXCEPTION OF TRADEMARK LAW TREBLE DAMAGES.

### **JURY TRIAL WAIVER.**

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OR ITS

AFFILIATES AND/OR ANY GOODS OR SERVICES OBTAINED FROM US OR ITS AFFILIATES.

**WAIVER OF CLASS OR GROUP ACTION.**

ANY DISAGREEMENT BETWEEN US AND YOU (AND/OR THEIR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND CANNOT BE BROUGHT AS A CLASS ACTION OR CLASS ARBITRATION. YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, A CLASS ARBITRATION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

**F. GOVERNING LAW.**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF TEXAS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY TEXAS LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SUBSECTION.

**G. CONSENT TO JURISDICTION.**

SUBJECT TO SUBSECTION 17.E. ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR PRINCIPALS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN DALLAS, TEXAS, AND YOU (AND EACH PRINCIPAL) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE PRINCIPAL) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR PRINCIPALS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE CO-BRAND CENTER IS LOCATED.

## **H. BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

## **I. LIMITATIONS OF CLAIMS.**

Except for claims arising from your non-payment or underpayment of amounts you owe us, all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

## **J. CONSTRUCTION.**

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the Operations Manual (which may be periodically modified, as provided in Subsections 4.D., 8, and 17.I. above), constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Co-Brand CENTER (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent Disclosure Document (including exhibits and amendments) that we delivered to you or your representative.

Any policies that we adopt and implement from time to time to guide us in our decision- making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as provided in Subsections 16.D. and 17.E., nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “we,” “us,” and “our,” with respect to all our rights and all your obligations to us under this Agreement including any of our affiliates with whom you deal. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies.

If two (2) or more persons are at any time the principal of the Franchise and the Co-Brand CENTER, whether as partners or joint venturers, their obligations, and liabilities to us will be joint and several. References to “principal” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Co-Brand CENTER or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Co-Brand CENTER and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a “controlling ownership interest” in you or one of your principals (if an Entity) means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of principals. In the case of a proposed transfer of an ownership interest in you or one of your principals, the determination of whether a “controlling ownership interest” is involved must be made as of both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of principals before the proposed transfer) or will be deemed to have been transferred (because of the number of principals after the proposed transfer).

“Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term “Co-Brand CENTER” includes all the assets of the FASTSIGNS Co-Brand CENTER you operate under this Agreement, including its revenue and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

## **18. NOTICES AND PAYMENTS.**

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

- (a) at the time delivered by hand;
- (b) at the time delivered via electronic mail and, in the case of the Service Fee, Ad Fund contributions, and other amounts due, at the time we receive payment via the EFTA;
- (c) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;

(d) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(e) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice to us must be sent to the address specified on the first page of this Agreement, although we may change this address for notice by giving you notice of the new address. Any notice that we send to you may be sent only to the one (1) person identified on **Exhibit “B”**, even if you have multiple owners, at the email or postal address specified on **Exhibit “B”**. You may change the person and/or address for notice only by giving us thirty (30) days’ prior notice by any of the means specified in subparagraphs (a) through (e) above.

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

## **19. COMPLIANCE WITH ANTI-TERRORISM LAWS.**

You and your principals agree to comply, and to fully assist us to the fullest extent possible in our efforts to comply, with (A) all applicable economic sanction laws, including the various sanction regulations and guidelines of the U.S. Department of Treasury, Office of Foreign Assets Control, and the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001), as amended; and (B) all applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1, et seq., as amended (“FCPA”) (collectively, the “International Trade and National Security Laws. In connection with such compliance, you and your principals certify, represent, and warrant that none of your property or interests or none of their property or interests is subject to being blocked under, and that you and your principals otherwise are not in violation of, any of the International Trade and National Security Laws by you or your principals, or any blocking of your or your principals’ assets under the International Trade and National Security Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Subsection 14.B.(18) above.

## **20. LIMITED LIABILITY.**

You agree that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours shall have any liability for (i) any of our obligations or liabilities relating to or arising from this Agreement, (ii) any claim against us based on, in respect of, or by reason of, the relationship between you and us, or (iii) any claim against us based on any alleged unlawful act or omission by us.

**21. ACKNOWLEDGMENTS.**

You acknowledge:

That you have independently investigated the FASTSIGNS Co-Brand Center franchise opportunity and recognize that, like any other business, the nature of the business a FASTSIGNS Co-Brand Center conducts may, and will, evolve and change over time.

That an investment in a FASTSIGNS Co-Brand Center involves business risks that could result in the loss of a significant portion or all your investment.

That your business abilities and efforts are vital to your success.

That attracting customers for your Co-Brand CENTER will require you to make consistent marketing efforts in your community through various methods, including media advertising, sales and direct mail advertising, and display and use of in-center promotional materials and initiative-taking outside sales activities.

That retaining customers for your Co-Brand CENTER will require you to have an elevated level of customer service, produce and deliver an on-time quality product and adhere strictly to the Franchise System and our System Standards and that you are committed to maintaining System Standards.

That you have not received from us, and are not relying upon, any representations or guarantees, express, or implied, as to the potential volume, sales, income, or profits of a FASTSIGNS Co-Brand Center, except as described in our Franchise Disclosure Document.

That in all their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them because of this Agreement are deemed to be only between you and us.

That you have represented to us, to induce our entry into this Agreement, that all statements you have made and materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

That you have read this Agreement and our Franchise Disclosure Document and understand and accept that this Agreement's terms and covenants are necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each FASTSIGNS Co-Brand Center, and to protect and preserve the goodwill of the Marks.

That we have the right to restrict your sources of other goods and services, as provided in various sections of this Agreement.

That we have not made any representation, warranty, or other claim regarding this FASTSIGNS Co-Brand Center franchise opportunity, other than those made in this Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement.

That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the FASTSIGNS Co-Brand Center franchise opportunity.

That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or waived your right to do so.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.,  
a Texas corporation  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
DATED\*: \_\_\_\_\_

FRANCHISEE:  
By: \_\_\_\_\_  
DATED: \_\_\_\_\_



**EXHIBIT "A"**  
**TO THE CO-BRAND FRANCHISE AGREEMENT**  
**THE PREMISES AND TERRITORY**

1. The Premises of the Co-Brand CENTER will be located at:

\_\_\_\_\_

2. The Territory shall be:

“Will be defined and delineated in black on a map attached hereto.”

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

**FASTSIGNS INTERNATIONAL, INC.,**

a Texas corporation

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

Name: \_\_\_\_\_

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

**DATED\*:** \_\_\_\_\_

(\*Effective Date of this agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE  
AS A CORPORATION, LIMITED  
COMPANY, OR LIABILITY  
PARTNERSHIP):**

[Print Name of Franchisee Entity]

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE  
INDIVIDUALLY AND NOT AS A LEGAL  
ENTITY):**

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**EXHIBIT "B"**

**TO THE CO-BRAND FRANCHISE AGREEMENT**

**Effective Date:** This Exhibit B is current and complete as of the date noted below, to be effective as of the Effective Date

**You and Your Principals**

1. **Form of Franchisee.** (Choose (a) or (b))

(a) **Individual Proprietorship.** List individual(s):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(b) **Corporation, Limited Liability Company, or Partnership.** You were incorporated or formed on \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. You have not conducted business under any name other than your corporate, limited \_\_\_\_\_ liability company, or partnership name and \_\_\_\_\_. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

**Name of Each Director/Officer**

**Position(s) Held**

_____	_____
_____	_____
_____	_____
_____	_____

2. **Principals.** The following list includes the full name of each person who is one of your principals (as defined in the Franchise Agreement), or a principal of one (1) of your principals, and fully describes the nature of each owner's interest (attach additional pages if necessary).

**Principal's Name**

**Percentage/Description of Interest**

(a) _____	_____
(b) _____	_____

- (c) \_\_\_\_\_
- (d) \_\_\_\_\_

**3. Name and Address of Person to Receive Notice for Franchisee.**

- (a) Name: \_\_\_\_\_
- (b) Postal Address: \_\_\_\_\_  
\_\_\_\_\_

4. **Identification of Managing Principal.** Your Managing Principal as of the Effective Date is \_\_\_\_\_ you (if you are an individual proprietorship) or one of your principals (if you are an entity). You may not change the Managing Principal without our prior written approval (see Subsection 8.F.).

The Key Management Employee (if different than the Managing Principal) is \_\_\_\_\_.

[Signatures on following page.]

**FASTSIGNS INTERNATIONAL, INC., a**

Texas corporation

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

Name: \_\_\_\_\_

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

**DATE:** \_\_\_\_\_

(\*effective Date of this Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_  
[Print Name of Franchisee Entity]

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

\_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

\_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**EXHIBIT "C"**

**TO THE CO-BRAND FRANCHISE AGREEMENT**

**AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER**

FASTSIGNS INTERNATIONAL, INC./FASTSIGNS NATIONAL ADVERTISING  
COUNCIL, INC./PAYEE

BANK NAME	ACCOUNT #	ABA
_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the abovenamed Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by Depositor. It is further agreed that if any such debt is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

- (1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify Payee and the Depository for any loss arising if any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: \_\_\_\_\_  
Name of Depositor: \_\_\_\_\_  
Designated Bank Acct.: \_\_\_\_\_  
(Please attach one voided check for the above account)  
Co-Brand CENTER Location: \_\_\_\_\_  
Co-Brand CENTER #: \_\_\_\_\_  
For information call: \_\_\_\_\_  
Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Name of Franchisee/Depositor (please print)

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

Signature and Title of Authorized Representative

**EXHIBIT “D” TO CO-BRAND FRANCHISE AGREEMENT ADDENDUM TO  
FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT**

**RENEWAL BY FRANCHISEE**

THE FASTSIGNS INTERNATIONAL, INC. CO-BRAND RENEWAL FRANCHISE AGREEMENT (“Renewal Co-Brand Franchise Agreement between \_\_\_\_\_, whose principal address is \_\_\_\_\_ (“you” or “your”) and FASTSIGNS International, Inc., a Texas corporation located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“we, us, or our”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Addendum (the “Effective Date”) (“the Addendum”):

WHEREAS, your existing Co-Brand Franchise Agreement dated \_\_\_\_\_ expires on \_\_\_\_\_, 20 \_\_\_\_; and

WHEREAS, the term of the Renewal Co-Brand Franchise Agreement commences on \_\_\_\_\_, 20 \_\_\_\_;

1. **Certain provisions contained in the Renewal Co-Brand Franchise Agreement are amended to be consistent with your renewal of an existing Co-Brand CENTER.**
2. **INCORPORATION OF TERMS OF AGREEMENT**

This Addendum shall amend and supplement the Renewal Co-Brand Franchise Agreement simultaneously executed by the parties herein. The terms, covenants, and conditions of this Addendum are incorporated into the Renewal Co-Brand Franchise Agreement, and with respect to any conflict between the two agreements, the terms of this Addendum shall be controlling with respect to the subject matter thereof.

3. **AMENDMENTS TO THE RENEWAL CO-BRAND FRANCHISE AGREEMENT**

The Renewal Co-Brand Franchise Agreement shall be amended as follows:

- I. **Preambles, Acknowledgments, and Grant of Franchise**

The first sentence of Subsection 1.C. of the Renewal Co-Brand Franchise Agreement shall be deleted in its entirety.

- II. **Lease of Premises, Development, and Opening of Co-Brand CENTER**

Any provisions set forth in Subsections 2. A., B., and C. of the Renewal Co-Brand Franchise Agreement that pertains to the opening of a new Co-Brand CENTER shall be deleted in their entirety.

### **III. Fees**

Subsection 3.A. of the Renewal Co-Brand Franchise Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

Upon execution of this Agreement, you agree to pay us a renewal fee of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) which shall be deemed fully earned and nonrefundable upon execution of this Agreement in consideration of the administrative and other expenses incurred by us in renewing the franchise hereunder.

Subsection 3.B. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

You agree to pay us, in the manner provided below (or as the Operations Manual otherwise prescribes), a monthly Continuing Service and Royalty Fee (the "Service Fee") the greater of One Thousand Two Hundred Fifty Dollars (\$1,250) or six percent (6%) of the Co-Brand CENTER'S Gross Sales (defined in Subsection D. below) by the fifteenth (15th) day of the month. On or before the fifth (5th) day of the month, you agree to send us on a form we approve (or as we otherwise direct) a signed statement of the Co-Brand CENTER'S Gross Sales for the preceding calendar month. The method of payment is described in Subsection 3.G. below. In addition, you agree to pay us the Ad Fund contribution as described in Subsection 9.B.

The phrase "Before the Co-Brand CENTER opens; you agree to sign and deliver" shall be deleted from the first sentence of Subsection 3.G. of the Renewal Co-Brand Franchise Agreement and replaced with "You previously signed and delivered".

### **IV. Initial Training**

Subsection 4.A. of the Renewal Co-Brand Franchise Agreement shall be deleted in its entirety.

### **V. System Standards**

Subsection 8.A. of the Renewal Co-Brand Franchise Agreement shall be supplemented by the addition of the following paragraph as if it were an original part of the Renewal Co-Brand Franchise Agreement:

(5) Upon execution of the Agreement, you agree to renovate and modernize the facilities and equipment used in the Co-Brand CENTER to our then-current standards for FASTSIGNS Co-Brand CENTERS under the System no later than six (6) months after execution of this Agreement.

### **VI. Initial Marketing**

Subsection 9.A. of the Renewal Co-Brand Franchise Agreement shall be deleted in its entirety.



The first two (2) paragraphs of Subsection 9.B. shall be deleted in their entirety and the following shall be substituted in lieu thereof:

Recognizing the value of advertising and marketing to the goodwill and public image of FASTSIGNS Co-Brand CENTERS, we have established an advertising fund for the advertising, marketing, and public relations programs, and materials we deem appropriate (the “Ad Fund”). You agree to contribute to the Ad Fund two percent (2%) of the Co-Brand CENTER’S Gross Sales, payable in the same manner as the Service Fee. The Ad Fund is currently administered by the Fastsigns National Advertising Council, Inc.

**VII. Acknowledgments**

Section 21. of the Renewal Co-Brand Franchise Agreement shall be supplemented by the addition of the following paragraph as if it were an original part of the Renewal Co-Brand Franchise Agreement:

Unless otherwise agreed in writing by us, all amounts owed to us or our affiliates in accordance with the Co-Brand Franchise Agreement dated \_\_\_\_\_ between you and us and all other agreements and documents incorporated in that Renewal Co-Brand Franchise Agreement for the Co-Brand CENTER will be transferred to the amounts owed as reflected in this Renewal Co-Brand Franchise Agreement.

**SIGNATURES ON NEXT PAGE**

IN WITNESS WHEREOF, you acknowledge that you have read and understand the contents of this Addendum, that you have had an opportunity to obtain the advice of counsel, and that you intend to comply with this Addendum and be bound thereby. The parties have executed and delivered this Addendum to the Renewal Co-Brand Franchise Agreement on the dates noted below, to be effective as of the Effective Date.

**FASTSIGNS INTERNATIONAL, INC.,**

a Texas corporation

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

Name: \_\_\_\_\_

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

**DATED\*:** \_\_\_\_\_

(\*Effective Date of this Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_

[Print Name of Franchisee Entity]

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

[Signature of person signing on behalf of entity] Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

[signature of individual franchisee]

Print Name: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**EXHIBIT “E” TO CO-BRAND FRANCHISE AGREEMENT**

**ADDENDUM TO FASTSIGNS INTERNATIONAL, INC.**

**CO-BRAND FRANCHISE AGREEMENT**

**TRANSFER OF INTEREST**

THE FASTSIGNS INTERNATIONAL, INC. CO-BRAND FRANCHISE AGREEMENT between\_\_\_\_, whose principal address is\_\_ (“you” or “your”) and FASTSIGNS International, Inc., a Texas corporation located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“we, us, or our”) (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Amendment (the “Effective Date”) (the “Addendum”):

I. Certain provisions contained in the Agreement are amended to be consistent with your purchase of an existing Co-Brand CENTER from an existing franchisee (“Transferor”).

II. INCORPORATION OF TERMS OF AGREEMENT

This Addendum shall amend and supplement the Agreement simultaneously executed by the parties herein. The terms, covenants, and conditions of this Addendum are incorporated into the Agreement, and with respect to any conflict between the two agreements, the terms of this Addendum shall be controlling with respect to the subject matter thereof.

III. AMENDMENTS TO THE AGREEMENT The Agreement shall be amended as follows:

1. Site Selection, Lease of Premises, and Development and Opening of Co-Brand CENTER Subsections 2.A., B., C. and F. of the Agreement shall be deleted in their entirety.

2. Fees

Subsection 3.A. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

Transferor or You agree to pay us a transfer fee of Seventeen Thousand Five Hundred Dollars (\$17,500) which shall be deemed fully earned and nonrefundable upon execution of this Agreement in consideration of the costs and expenses associated with reviewing your transfer and training cost.

Subsection 3.B. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

You agree to pay us, in the manner provided below (or as the Operations Manual otherwise prescribes), a monthly Continuing Service and Royalty Fee (the "Service Fee") the greater of One Thousand Two Hundred Fifty Dollars (\$1,250) or six percent (6%) of the Co-Brand CENTER's Gross Sales (defined in Subsection D. below) by the fifteenth (15<sup>th</sup>) day of the month. On or before the fifth (5<sup>th</sup>) day of the month, you agree to send us on a form we approve (or as we otherwise direct) a signed statement of the Co-Brand CENTER'S Gross Sales for the preceding calendar month. The method of payment is described in Subsection 3.G. below. In addition, you agree to pay us the Ad Fund contribution as described in Subsection 9.B.

3. Training and Assistance

The phrase "When the Co-Brand CENTER is ready to open for business" in the first sentence of the first paragraph of Subsection 4.A. of the Agreement shall be changed to "Before you take possession of the Co-Brand CENTER,"

The phrase "When the Co-Brand CENTER is ready to open for business," in the last paragraph of Subsection 4.A. of the Agreement shall be changed to "Upon your possession of the Co-Brand CENTER,"

The phrase "Within one hundred twenty (120) days from the date that your CENTER opens for business" in the first sentence of the fourth paragraph of Subsection 4.B. of the Agreement shall be changed to "Within one hundred twenty (120) days after you take possession of the CENTER,".

4. Marketing

Subsection 9.A. of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

- A. You agree to pay Ten Thousand Five Hundred Dollars (\$10,500) to the Fastsigns National Advertising Council, Inc. upon signing of the Agreement for initial marketing and advertising for your Co-Brand CENTER in your local market which will be administered by our marketing department. We will create a marketing and advertising plan for your Co-Brand CENTER and will allocate your required initial marketing and advertising pre-paid dollars to local programs at our sole discretion that will be scheduled to run for approximately 3 to 4 months. The programs included in the initial marketing and advertising plan include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (3-to-4 month supply), local web search marketing including local Pay-Per-Click advertising, virtual sales assistant customer prospecting email campaigns, telemarketing campaigns, social media campaigns and sales promotion items. There is six (6) months of virtual sales assistant customer prospecting email campaigns included in your initial marketing and advertising plan. Marketing programs are evaluated for effectiveness, and we may make changes to the tactics in order to optimize the initial marketing and advertising plan. If additional funds remain after

we outline the spending on these programs and materials on the elements above, other programs such as local paid media and association marketing opportunities can be included in the pre-paid portion of the marketing plan. You agree to comply with our guidelines for this initial marketing and advertising plan. We recommend that you invest additional amounts to local marketing during the first year of the Co-Brand CENTER'S operation.

Upon expiration of the pre-paid marketing dollars referenced above for Pay-Per-Click advertising, you are required to continue Pay-Per-Click advertising in the same geographic area as your Territory as defined in Item 12, use our designated agency and spend the minimum amount required to consistently achieve an impression share of seventy-five percent (75%) or more in your Territory. The minimum local digital advertising amount that you are required to spend is Eight Hundred Fifty Dollars (\$850) a month. If spending a lower monthly amount keeps your local paid search impression share at least seventy-five percent (75%), you must spend the difference in additional media channels to generate demand. Also, you are required to maintain virtual sales assistant customer prospecting email campaigns through our designated service at an annual cost of One Thousand Three Hundred Eighty dollars (\$1,380) (this pricing is subject to change).

The first two (2) paragraphs of Subsection 9.B. shall be deleted in their entirety and the following shall be substituted in lieu thereof:

Recognizing the value of advertising and marketing to the goodwill and public image of FASTSIGNS Co-Brand CENTERS, we have established an advertising fund for the advertising, marketing, and public relations programs, and materials we deem appropriate (the "Ad Fund"). You agree to contribute to the Ad Fund two percent (2%) of the Co-Brand CENTER'S Gross Sales, payable in the same manner as the Service Fee. The Ad Fund is currently administered by the Fastsigns National Advertising Council, Inc.

5. Construction

The first line in Section 17. of the Franchise Agreement shall have the phrase "and Agreement and Consent" inserted after the word "Agreement".

IN WITNESS WHEREOF, you acknowledge that you have read and understand the contents of this Addendum, that you have had an opportunity to obtain the advice of counsel, and that you intend to comply with this Addendum and be bound thereby. The parties have executed and delivered this Addendum to the Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.

a Texas corporation

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

Name: \_\_\_\_\_

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

Dated: \_\_\_\_\_

[Effective Date of Addendum]

FRANCHISEE:

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):**

[Name of Entity]

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

[Name of person signing on behalf of entity]

Name: \_\_\_\_\_

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

Dated: \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY)**

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

[signature of individual franchisee]

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT “F” TO CO-BRAND FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS AND  
SOCIAL MEDIA ACCOUNTS AND PASSWORDS**

**FOR VALUE RECEIVED,** \_\_\_\_\_ (“Assignor”) hereby assigns, transfers and sets over unto FASTSIGNS International, Inc. (“Assignee”), all of Assignor’s right, title and interest in and to the telephone numbers and regular, classified or other telephone directory listings (collectively, the “Telephone Numbers and Listings”) and to social media accounts and passwords (“Accounts”) associated with the Marks and used from time to time in connection with the operation of the Co-Brand CENTER (all initial capitalized terms used but not defined in this Assignment shall have the meanings set forth in the Franchise Agreement between Assignee and Assignor (the “Franchise Agreement”). This Assignment is only effective upon the conditions specified herein, and Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Assignee shall notify the telephone company and/or the listing agencies with which Assignor has placed telephone directory listings and social media companies with which Assignor has placed social media (all such entities are collectively referred to herein as the “Companies”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without renewal or extension) Assignee shall have the right and is hereby empowered to effectuate this assignment of the Telephone Numbers and Listings and Accounts, and, in such event, Assignor shall have no further right, title or interest in the Telephone Numbers and Listings or Accounts but shall remain liable to the Companies for all past due fees owing to the Companies on or before the effective date of the assignment hereunder.

Assignor acknowledges and agrees that as between Assignee and Assignor, upon termination or expiration of the Franchise Agreement (without renewal or extension) Assignee shall have the sole right to and interest in the Telephone Numbers and Listings and the Accounts, and Assignor appoints Assignee as Assignor’s true and lawful attorney-in-fact to direct the Companies to assign same to Assignee (or to the party Assignee designates) and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Assignor shall immediately notify the Companies to assign the Telephone Numbers and Listings and Accounts to Assignee (or Assignee’s designee). If Assignor fails to promptly direct the Companies to assign the Telephone Numbers and Listings and Accounts to Assignee (or Assignee’s designee), Assignee may direct the Companies to effectuate the assignment contemplated hereunder to Assignee (or Assignee’s designee). The parties agree that the Companies may accept Assignee’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Assignee’s exclusive rights in and to the Telephone Numbers and Listings and Accounts upon such termination or expiration (without renewal or extension) and that such assignment shall be made automatically and immediately effective upon Companies’ receipt of such notice from Assignee or Assignor. The parties further agree that if the Companies require that the parties execute the Companies’ assignment forms or other documentation at the time of termination or expiration (without renewal or extension) of the Franchise Agreement, Assignee’s execution of such forms or documentation on behalf of Assignor shall effectuate Assignor’s consent and agreement to the

assignment. The parties agree that at any time after the date hereof, they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration (without renewal or extension) of the Co-Brand Franchise Agreement.

**ASSIGNOR:**

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

Name: \_\_\_\_\_

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

DATED: \_\_\_\_\_

**ASSIGNEE:** FASTSIGNS International,  
Inc.,

a Texas corporation

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

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

DATED: \_\_\_\_\_



**EXHIBIT “G” TO CO-BRAND FRANCHISE AGREEMENT FASTSIGNS  
INTERNATIONAL, INC.**

**SUMMARY OF ACKNOWLEDGEMENTS**

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

State of Formation: \_\_\_\_\_

Residence Addresses of Guarantors: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Indicate your acknowledgement of the following by signing below:

Franchisee acknowledges that it is not a domiciliary or a resident of any other state or Franchisee is a domiciliary or resident of \_\_\_\_\_.

Franchisee acknowledges that it has received the Franchise Disclosure Document (“FDD”) as follows: FDD with an effective date of: \_\_\_\_\_

Franchisee acknowledges that it has received the appropriate FDD(s) at least fourteen (14) calendar days before the execution of the franchise agreement or before paying any fees to FASTSIGNS International, Inc. (“Franchisor”).

The franchisee has signed and returned to FASTSIGNS International, Inc. the “Acknowledgement of Receipt” for each FDD. Franchisee acknowledges that it has had an opportunity to read each FDD and that no representations have been made to Franchisee which is inconsistent with the information presented in the FDD(s), and Franchisee has not relied upon any representations inconsistent with or not contained in the FDD(s).

Franchisee acknowledges that it has had the opportunity to conduct an independent investigation of the franchised business offered and to seek independent counsel concerning the franchised business.

Franchisee acknowledges that the franchised business, like any business venture, involves risks, and the success of the franchised business will depend upon the ability of Franchisee.

Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the actual or potential volume, earnings, profits, or success of the franchised business, other than the financial performance representation provided in Item 19 of the FDD(s) received by Franchisee.

\_\_\_\_\_  
Acknowledged by: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Each of the undersigned has read this Summary of Acknowledgements and each individually acknowledges and states that each statement described above is true and correct:

FRANCHISEE'S GUARANTOR

\_\_\_\_\_

Name: \_\_\_\_\_

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

FRANCHISEE'S GUARANTOR

\_\_\_\_\_

Name: \_\_\_\_\_

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

\* If a corporation, include the name and title of the officer signing on behalf of the corporation.

**EXHIBIT “H” TO CO-BRAND FRANCHISE AGREEMENT**  
**CONFIDENTIALITY AND NON-COMPETE AGREEMENT**

This Agreement is made and entered into on \_\_\_\_\_, 20\_\_\_\_,  
\_\_\_\_\_ (“Franchisee”) and \_\_\_\_\_ (“Covenantor”).

WHEREAS, Franchisee is a licensed franchisee of FASTSIGNS International, Inc. (“FII”), operating a FASTSIGNS Co-Brand Center (the “Co-Brand Center”) using the FII system and confidential information for the operation of centers that specialize in the selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services; and

WHEREAS, FII owns, and has provided access to Franchisee to certain confidential information, including but not limited to FII’s Operations Manuals; technology, know-how, techniques and procedures for selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services; quality control methods; inventory, management and financial control methods; training materials and presentations; advertising and promotional programs; financial performance information; drawings, specifications, and compilations; and information relating to customers of Franchisee, including but not limited to customer identities, contact information, order information, and graphics, drawings and specifications (collectively, “Confidential Information”); and

WHEREAS, Covenantor will have access to the Confidential Information; and

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

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

#### Confidentiality Agreement.

Covenantor shall maintain all Confidential Information in confidence. Covenantor shall not at any time make copies of any documents or compilations containing any Confidential Information for any purpose without the express written permission of Franchisee and FII. Covenantor shall not disclose or permit the disclosure of any Confidential Information to any party except other employees or persons associated with Franchisee and only to the extent necessary to train or assist other employees of Franchisee in the operation of the Co-Brand Center. This covenant shall always continue in full force and effect during and after Covenantor ceases to be employed by Franchisee.

This is also to provide you with notice that, pursuant to 18 U.S.C. §1833(b), an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret: (i) made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, please note that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, provided that such individual (i) files any document containing the trade secret under seal, and (ii) the individual does not disclose the trade secret, except pursuant to a court order.

#### In-Term Covenant Not to Compete.

To protect the goodwill and unique qualities of the FASTSIGNS system and the confidentiality and value of the Confidential Information, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor covenants that, during the time Covenantor is associated with Franchisee, Covenantor will not:

1. Directly or indirectly, personally or in conjunction with any person or entity, engage in, acquire any financial interest in, be employed by, advise, help or make loans to any entity involved in, any business that is the same as or similar to that conducted at the Co-Brand Center, including but not limited to any business that specializes in selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small

format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services.

2. Divert or attempt to divert, directly or indirectly or divert, any business, business opportunity or customer of Franchisee or of any other FASTSIGNS Co-Brand Center or FASTSIGNS Center to any competitor, by direct or indirect inducement or otherwise.

#### Post-Term Covenant Not to Compete.

In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the FASTSIGNS system, Covenantor agrees that for two (2) years following the termination of Covenantor's employment with Franchisee, Covenantor will not, without the prior written consent of FII:

3. Directly or indirectly, personally or in conjunction with any person or entity, engage in, acquire any financial interest in, employed by, advise, help or make loans to any entity involved in, any business that is the same as or similar to that conducted at the Co-Brand Center, including but not limited to any business that specializes in selling, marketing, producing, installing and repairing visual communications including signs (both non-electrical and electrical), related work involved in the maintenance, installation and de-installation of interior and exterior signage, including painting, patching, masonry and landscaping, graphics, banners, flags, vehicle graphics, vehicle wraps, ADA signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format, grand format and 3D), textile and fabric printing, advertising and promotional products (including wearables), electronic and digital signage, content for digital signage, visual graphics enhanced by 2D barcodes, radio frequency identification (RFID), augmented reality and virtual reality, QR codes, websites (both regular and mobile-optimized), logo and artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services, which business is located or operates within a fifteen (15) mile radius of the Co-Brand Center or within fifteen (15) miles of any other Co-Brand FASTSIGNS Center or FASTSIGNS Center in operation or under construction on the date that Covenantor ceases to be employed by Franchisee.

4. Directly or indirectly, personally or through or in conjunction with any person or entity, solicit, recruit or otherwise contact any customers of Franchisee, or divert or attempt to divert any business, business opportunity or customer of Franchisee to any competitor, including, but not limited to, other FASTSIGNS Co-Brand Centers operated by authorized franchisees.

Irreparable Injury.

Covenantor agrees that in the event of a breach of this Agreement, Franchisee and FII would be irreparably injured and would be without an adequate remedy at law. Therefore, in the event of such a breach or threatened breach, Franchisee and/or FII shall be entitled, in addition to any other remedies which are made available to it at law or equity, to a temporary and/or permanent injunction, without the necessity of showing actual or threatened harm, and without being required to furnish a bond or other security.

Third-party Beneficiary.

FII is expressly intended to be a third-party beneficiary of this Agreement. FII shall have the right to enforce this Agreement and all provisions hereof.

No Waiver.

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

Enforcement.

**THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT FOR TEXAS CHOICE OF LAW RULES. COVENANTORS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF DALLAS COUNTY, TEXAS, AND THE FEDERAL DISTRICT COURTS FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS, DIVISION. COVENANTORS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTORS HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. COVENANTORS FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE DALLAS COUNTY, TEXAS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.**

Severability.

Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant is held unreasonable or unenforceable, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

Entire Agreement.

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

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

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

\_\_\_\_\_

COVENANTOR

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

**EXHIBIT "I" TO CO-BRAND FRANCHISE AGREEMENT ACKNOWLEDGMENT OF UNDERSTANDING BY FRANCHISEE REGARDING TRAINING**

You understand and acknowledge that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the System Standards and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages, and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee-related matters.

FRANCHISEE:

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By:

[signature of person signing on behalf of entity]

Title of Signator:

DATED:

IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: \_\_\_\_\_

DATED:

[signature of individual franchisee]

Print Name: \_\_\_\_\_

DATED: \_\_\_\_\_



**EXHIBIT “J” TO CO-BRAND FRANCHISE AGREEMENT KEY MANAGEMENT  
EMPLOYEE DESIGNATION**

In accordance with my Co-Brand Franchise Agreement, this is to verify and validate that I designate \_\_\_\_\_ as my Key Management Employee to devote their full time, best efforts and personal attention to the day-to-day management and operation of the Co-Brand FASTSIGNS Center number\_\_\_\_\_.

If the Key Management Employee is not able to continue to serve or no longer qualifies to function as the Key Management Employee, I will notify FASTSIGNS International, Inc. (“Franchisor”) and designate a replacement Key Management Employee within thirty (30) days after the Key Management Employee ceases to serve in this position.

I agree to have my Key Management Employee sign the Confidentially and Non-Compete Agreement attached to the Franchise Agreement as Exhibit H upon the employee’s designation as Key Management Employee and submit it to Franchisor with this Key Management Employee Designation form.

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

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

Center Number: \_\_\_\_\_

**EXHIBIT “K”**

**TO THE CO-BRAND FRANCHISE AGREEMENT ACKNOWLEDGEMENT OF  
UNDERSTANDING OF RESPONSIBILITY**

I understand and acknowledge that it is my responsibility to check state law and local ordinances regarding sign regulations, permitting and compliance with local building and electrical codes. These regulations, ordinances and laws will vary by city and state. I understand that there may be licensing requirements regarding the different types of sign installations and that I am responsible for obtaining such licenses.

Please acknowledge your understanding by signing below:

\*First and last name \_\_\_\_\_

\*First and last name \_\_\_\_\_

\*Legal Entity if applicable \_\_\_\_\_

\*Center Number \_\_\_\_\_

\*Franchisee Signature \_\_\_\_\_

\*Date \_\_\_\_\_

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS as of the date that certain Co-Brand Franchise Agreement (the “**Agreement**”) is signed by us as described below.

By (list each guarantor):

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In consideration of, and as an inducement to, the execution of that certain Agreement on this date by FASTSIGNS International, Inc. (“**us,**” “**we,**” or “**our**”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that \_\_\_\_\_ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its principals, and for so long as we have any cause of action against Franchisee or its principals;

and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations above and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal court of general jurisdiction in Dallas, Texas, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

**Signatures of Each Guarantor**

**Percentage of Ownership Interest**

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

**FASTSIGNS INTERNATIONAL, INC.**  
**DEVELOPMENT AGREEMENT**  
**EXHIBIT “D”**

## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “Agreement”) between \_\_\_\_\_, whose principal address is \_\_\_\_\_ (“Developer”), and FASTSIGNS International, Inc., a Texas corporation, located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“we”, “us,” or “our”) as of the date signed by us and set forth opposite our signature on this Agreement (the “Effective Date”).

WHEREAS, Developer desires to obtain the right to develop FASTSIGNS centers (“Centers”) within a defined geographic area as described in this Agreement;

WHEREAS, the parties will enter into a Franchise Agreement (“Franchise Agreement”) for each Center;

WHEREAS, the parties acknowledge that, unless otherwise defined in this Agreement, all capitalized defined terms used in this Agreement shall have the same meaning as that attributed to such terms in the Franchise Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings, obligations, and commitments contained herein, it is agreed between the parties as follows:

### **I. INTERPRETATION**

This Agreement shall amend and supplement any Franchise Agreement executed by the parties. The terms, covenants, and conditions of this Agreement are incorporated into the Franchise Agreement and, if there is any conflict between this Agreement and the Franchise Agreement, the terms of this Agreement shall be controlling with respect to the subject matter thereof. If the numbering of the provisions of the Franchise Agreement changes, any references herein to specifically numbered Franchise Agreement provisions shall refer to comparable provisions in such renumbered Franchise Agreement.

### **II. TERMS AND CONDITIONS**

#### **1. Grant of Development Rights**

**A.** We grant to Developer, upon the terms and subject to the conditions of this Agreement, the right and obligation to develop (\_\_\_\_) Centers solely within the geographic area described in Attachment “A” attached hereto and made a part hereof (“Development Area”) in accordance with the development schedule (“Development Schedule”) set forth in Attachment “A.”

**B.** Each Center shall be established and operated pursuant to a separate Franchise Agreement.

**C.** Except as otherwise provided, so long as Developer is following the terms of this Agreement, we shall not establish, nor authorize anyone other than Developer to establish a Center in the Development Area during the term of this Agreement. Notwithstanding the above, we or any person or entity authorized by us

may, at any time, use the Marks to advertise or promote the System or fulfill customer orders in the Development Area and we otherwise reserve the rights described in Section 1.E. of the Franchise Agreement.

## **2. Prerequisites to Obtaining Franchises**

Developer understands and agrees that this Agreement does not confer upon Developer the right to obtain a franchise for any Center but is intended by the parties to set forth the terms and conditions which, if fully satisfied, shall entitle Developer to obtain such franchises for Centers located within the Development Area. These terms and conditions are the following:

**A.** If we, in the exercise of our sole discretion, have granted Developer operational, financial, and legal approval, then we will grant Developer a franchise for a Center developed pursuant to Section 2. As used herein, we will give Developer “operational”, “financial” and “legal” approval under the criteria set forth in the Manuals. Manuals are defined in the Franchise Agreement.

## **3. Term**

Unless sooner terminated in accordance with the provisions of this Agreement, the term of this Agreement and all rights granted hereunder shall commence on the date this Agreement is executed by us and shall end on the date specified in the Development Schedule.

## **4. Development and Initial Franchise Fees**

**A.** In consideration of the development rights granted herein, Developer shall pay us upon execution of this Agreement a nonrefundable development fee of Eighteen Thousand Five Hundred Dollars (\$18,500) (the “Development Fee”). The Development Fee shall represent the payment of Eighteen Thousand Five Hundred Dollars (\$18,500) for each Center to be developed pursuant to the Development Schedule. The Development Fee for each Center shall be credited to the initial franchise fee for each Center as described in 4.B. below. The Development Fee shall be deemed fully earned by us upon execution of this Agreement for administrative and other expenses incurred by us and for the development opportunities lost or deferred because of the rights granted Developer herein.

**B.** The franchise fee for each Center to be developed by Developer shall be Twenty-Four Thousand Eight Hundred Seventy-Five Dollars (\$24,875) less the portion of the Development Fee described in 4.A above.

## **5. Execution of Franchise Agreement**

**A.** The Developer shall execute and deliver to us the then-current Franchise Agreement for each Center within three hundred sixty-five (365) days prior to the opening date of the Center.



**B.** Following the execution of each Franchise Agreement in accordance with 5.A., Developer shall select a site for the applicable Center in accordance with the terms of the Franchise Agreement relating to such Center.

**C.** The Developer must meet our staffing and training requirements for a new Center as set forth in the Franchise Agreement.

**D.** This Agreement does not grant Developer any right to license others to operate a Center. Only the Developer may open and operate a Center and only under a Franchise Agreement with us. This Agreement is not a franchise agreement and does not grant Developer the right to engage in the business of offering, selling, or distributing goods and services under the Marks or to use the Marks in any manner.

## **6. Default and Termination**

**A.** Developer shall be deemed to be in default, and we may, in our sole discretion, terminate Developer's rights granted hereunder, without affording Developer any opportunity to cure such default, effective immediately upon written notice to Developer upon the occurrence of any of the following events, each of which shall be deemed to be a material event of default:

**1.** If Developer fails to comply with the Development Schedule set forth in Attachment "A" hereto; or

**2.** If Developer is not in good standing under any Franchise Agreement between Developer and us. "Good Standing" means that Developer does not owe any Service Fees or Advertising Fees or any other monetary obligations to us more than thirty (30) days and Developer is following all of Developer's other obligations under any Franchise Agreement and any other agreement with us.

## **7. Local Digital Advertising in the Development Area**

You may market in the Development Area using local digital advertising during the term of this Agreement. In the event you use local digital advertising to market in the Development Area, it must be facilitated through our designated vendor. You must spend the greater amount of either the minimum monthly local digital advertising country average or a budget sufficient to be live no less than six (6) daytime business hours each weekday. The local digital advertising average and the budget are both determined by our Marketing Department. In the event you opt not to do local digital advertising in the Development Area, or do not comply with the local digital advertising requirements or with the Development Schedule set forth in Attachment "A" hereto, you will no longer have local digital advertising exclusivity in the Development Area and other franchisees may do local digital advertising in the Development Area.

**8. Assignment**

Developer acknowledges that we are granting rights under this Agreement because of our perception of Developer’s individual and collective character, skills, business acumen, financial capability, and ability to operate Centers according to our standards. These rights are personal to the Developer. Therefore, the Developer may not assign this Agreement or any ownership interests without our prior written approval, which we may grant or withhold for any or no reason. We may assign this Agreement or any of our ownership interests without restriction.

**9. Entire Agreement; Modification**

This Agreement constitutes the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to Developer.

Developer acknowledges that Developer are entering into this Agreement as a result of Developer’s independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in the Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to Developer pursuant to applicable law.

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Agreement, that Developer has had an opportunity to obtain the advice of counsel, and that it intends to comply with this Agreement and be bound thereby. The parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**FASTSIGNS INTERNATIONAL, INC., a**

**DEVELOPER**

Texas corporation

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

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

Title of Signator: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

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

Dated\*: \_\_\_\_\_

(\*Effective Date of this Agreement)

**ATTACHMENT "A" TO AGREEMENT**

**Development Area and Development Schedule**

Development Area

The Development Area, as defined in Section 1. of this Agreement, is defined as follows:

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

The Development Area is further defined as the area encompassed within the map attached hereto as Exhibit 1.

Development Schedule

Developer shall open Centers by the dates specified below:

Center

Date by which the Franchise Agreement must be executed

Date by which the Center must be open and in operation

Center # \_\_\_\_\_  
Center # \_\_\_\_\_  
Center # \_\_\_\_\_

**FASTSIGNS INTERNATIONAL, INC., a**

Texas corporation

**DEVELOPER**

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

By: \_\_\_\_\_  
Title of Signator: \_\_\_\_\_

Dated\*: \_\_\_\_\_  
(\*Effective Date of this Agreement)

Dated: \_\_\_\_\_

**PROPELLED BRANDS FRANCHISING, LLC**  
**FINANCIAL STATEMENTS EXHIBIT “E”**

# **Propelled Brands Franchising, LLC and Subsidiaries**

## **Consolidated Financial Statements**

For the years ended December 31, 2022 and 2021

# **Propelled Brands Franchising, LLC and Subsidiaries**

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**Consolidated Financial Statements**  
For the years ended December 31, 2022 and 2021

# Propelled Brands Franchising, LLC and Subsidiaries

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## Independent Auditor's Report

Board of Directors  
Propelled Brands Franchising, LLC and Subsidiaries  
Carrollton, Texas

### *Opinion*

We have audited the consolidated financial statements of Propelled Brands Franchising, LLC (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of income, changes in member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our 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 Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Emphasis of Matter*

As discussed in Note 1 to the consolidated financial statements, effective December 28, 2021, as a transaction among entities under common control and all prior financial information has been recast to reflect the Reorganization Transaction as of the earliest period presented under common control, March 13, 2019. Prior to March 13, 2019, the consolidated financial statements reflect the historical financial information of FASTSIGNS International, Inc. and, therefore, is not comparable. Our opinion is not modified with respect to this matter.

As discussed in Note 5 to the consolidated financial statements, the Company changed its method of accounting for leases in 2022 due to the adoption of Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.





In preparing the consolidated 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 consolidated financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

Dallas, Texas  
April 28, 2023

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Balance Sheets

<i>As of December 31,</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 11,866,419	\$ 5,842,325
Accounts receivable - net	5,062,196	3,934,585
Current portion of notes receivable - net	91,504	132,084
Amounts due from affiliates	-	844,519
Prepaid expenses	2,561,724	2,658,939
Other current assets	640,893	825,033
<b>Total current assets</b>	<b>20,222,736</b>	<b>14,237,485</b>
Fixed assets - net	9,996,833	8,871,348
Right of use assets - net	44,760,873	-
Other intangibles - net	83,841,171	87,935,054
Goodwill - net	296,897,247	296,824,386
Notes receivable, less current portion - net	111,093	75,765
Other assets	2,297,840	2,600,564
<b>Total assets</b>	<b>\$ 458,127,793</b>	<b>\$ 410,544,602</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Balance Sheets (continued)

<i>As of December 31,</i>	2022	2021
<b>Liabilities and Member's Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 994,642	\$ 1,231,129
Accrued liabilities	7,779,892	6,296,029
Deferred revenue	3,619,688	3,511,196
Current portion lease liabilities	3,841,036	-
Income tax payable	1,817,613	2,658,989
<b>Total current liabilities</b>	<b>18,052,871</b>	<b>13,697,343</b>
Deferred revenue - less current portion	9,831,490	11,448,858
Unfavorable leases - net	-	515,600
Other long-term liabilities	-	1,520,269
Lease liabilities - less current portion	40,413,908	-
Deferred tax liabilities	17,037,959	17,564,146
<b>Total liabilities</b>	<b>85,336,228</b>	<b>44,746,216</b>
<b>Commitments and Contingencies (Note 5)</b>		
<b>Member's equity</b>		
Common stock, \$1.00 par value		
Authorized shares - 100,000, issued and outstanding shares - 1,000	1,000	1,000
Additional paid-in capital	315,400,882	326,062,998
Retained earnings	57,389,683	39,734,388
<b>Total member's equity</b>	<b>372,791,565</b>	<b>365,798,386</b>
<b>Total liabilities and member's equity</b>	<b>\$ 458,127,793</b>	<b>\$ 410,544,602</b>

*See accompanying notes to consolidated financial statements.*

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Statements of Income

<i>For the years ended December 31,</i>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Franchise sales	\$ 3,373,128	\$ 2,242,187
Royalties	45,832,770	36,660,610
Rental income	11,907,621	5,669,980
Other revenue	5,952,703	6,940,342
<b>Total revenues</b>	<b>67,066,222</b>	<b>51,513,119</b>
<b>Costs and expenses</b>		
Cost of goods sold	3,374,481	4,376,987
Selling, general, and administrative	37,229,030	25,296,487
Depreciation and amortization	4,092,237	3,215,353
<b>Total costs and expenses</b>	<b>44,695,748</b>	<b>32,888,827</b>
<b>Operating Income</b>	<b>22,370,474</b>	<b>18,624,292</b>
<b>Other income (expenses)</b>		
Interest income (expense)	199	(279)
Foreign currency exchange	(43,356)	(10,027)
Gain on sale of assets	253,092	-
Other income	-	7,162
<b>Total other income (expense), net</b>	<b>209,935</b>	<b>(3,144)</b>
<b>Income before taxes</b>	<b>22,580,409</b>	<b>18,621,148</b>
<b>Income tax expense</b>	<b>4,925,114</b>	<b>5,909,117</b>
<b>Net income</b>	<b>\$ 17,655,295</b>	<b>\$ 12,712,031</b>

*See accompanying notes to consolidated financial statements.*

## Propelled Brands Franchising, LLC and Subsidiaries

### Consolidated Statements of Changes in Member's Equity

	Common stock Shares	Amount	Additional Paid-in Capital	Retained Earnings	Total
<b>Balance at December 31, 2020</b>	1,000	\$ 1,000	\$ 264,142,939	\$ 27,022,357	\$ 291,166,296
Effect of Reorganization Transaction	-	-	81,167,101	-	81,167,101
Parent Company advances - net	-	-	(19,984,602)	-	(19,984,602)
Share-based compensation	-	-	737,560	-	737,560
Net income	-	-	-	12,712,031	12,712,031
<b>Balance at December 31, 2021</b>	1,000	\$ 1,000	\$ 326,062,998	\$ 39,734,388	\$ 365,798,386
Parent Company advances - net	-	-	(11,618,027)	-	(11,618,027)
Share-based compensation	-	-	955,911	-	955,911
Net income	-	-	-	17,655,295	17,655,295
<b>Balance at December 31, 2022</b>	1,000	\$ 1,000	\$ 315,400,882	\$ 57,389,683	\$ 372,791,565

*See accompanying notes to consolidated financial statements.*

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Statements of Cash Flows

For the years ended December 31,	2022	2021
<b>Operating activities</b>		
Net income	\$ 17,655,295	\$ 12,712,031
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense	58,670	89,627
Depreciation & amortization	4,043,757	3,215,353
Share-based compensation expense	955,911	737,560
Gain on sale of assets	(253,092)	-
Deferred income taxes	(526,188)	(68,902)
Amortization of right-of-use asset	3,957,006	-
Changes in operating assets and liabilities, net of businesses acquired:		
Accounts and notes receivable, trade	(1,222,781)	(161,887)
Amount due to/from affiliate	844,519	308,720
Prepaid expenses	61,885	(512,331)
Other assets	410,263	(1,056,611)
Income taxes payable	(841,376)	(81,189)
Accounts payable	(236,487)	129,978
Accrued liabilities	1,499,001	3,351,612
Intangible liabilities - unfavorable leases	-	569,926
Other long-term liabilities	(2,367,045)	1,520,269
Deferred revenue	108,492	713,572
Operating lease obligation	(3,613,275)	-
Net cash provided by operating activities	20,534,555	21,467,728
<b>Investing activities</b>		
Capital expenditures	(3,563,623)	(1,734,538)
Proceeds from sale of assets	725,000	-
Acquisition of a business, net of cash acquired	-	(1,745,946)
Net cash used in investing activities	(2,838,623)	(3,480,484)
<b>Financing activities</b>		
Payments on finance lease	(53,811)	-
Net advances to parent	(11,618,027)	(19,371,672)
Net cash used in financing activities	(11,671,838)	(19,371,672)
Net increase (decrease) in cash and cash equivalents	6,024,094	(1,384,428)
<b>Cash and cash equivalents at beginning of year</b>	<b>5,842,325</b>	<b>7,226,753</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 11,866,419</b>	<b>\$ 5,842,325</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Statements of Cash Flows

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Supplemental disclosure:

Cash paid for income taxes	\$ 2,603,475	\$ 3,223,390
Cash received for interest	\$ 695	\$ -

Supplemental noncash disclosures:

Effect of the Reorganization Transaction	\$ -	\$ 81,167,101
Parent Company advances - net	\$ -	\$ (612,930)
Right-of-use assets recorded upon adoption of ASC 842	\$ 42,546,655	\$ -
Right-of-use liabilities recorded upon adoption of ASC 842	\$ 41,754,431	\$ -
Operating right-of-use assets obtained in exchange for right-of-us liabilities	\$ 1,183,320	\$ -
Non-cash impact of lease modifications	\$ 4,987,904	\$ -

*See accompanying notes to consolidated financial statements.*

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### 1. Organization and Basis of Presentation

Propelled Brands Franchising, LLC (the “Company”), a Delaware limited liability company, was formed on December 28, 2021 and directly or indirectly wholly owns all of the outstanding stock of FASTSIGNS International, Inc. (“FII”), Suite Management Franchising, LLC (“SMF”), SMF Corporate Stores, LLC (“SMC”), GTN Capital Group, LLC (“GTN”), and More Than IT LLC (doing business as NerdsToGo “NTG”).

FII sells franchises for the operation of B2B business establishments known as FASTSIGNS Centers. FII franchises directly in the United States, Canada, the United Kingdom and Grand Cayman. The franchises operate primarily in the United States. In addition, FII sells and supports master or area franchises in Australia, Chile, France, Malta and Spain. The FASTSIGNS franchise business specializes in selling, marketing, producing and installing visual communications including signs (both non-electrical and electrical), graphics, banners, flags, vehicle graphics, vehicle wraps, wayfinding signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, exhibits and displays, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format and grand format), advertising and promotional products (including wearables), electronic or digital signage, logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services. As of December 31, 2022 and 2021, there were 765 and 761, respectively, franchised locations in operation, both nationally and internationally.

SMF operates a franchising business that provides others with the opportunity to operate a salon suite business, serving as a property owner and business consultant to health and beauty professionals, renting private individualized space to the professionals. SMC operates company-owned salon suite properties. As of December 31, 2022, there were 231 franchised locations and 31 corporate locations in operation. As of December 31, 2021, there were 192 franchised locations and 31 corporate locations in operation.

GTN operates a franchising business that provides others with the opportunity to operate a technology sales, repair and service business under the service mark “NerdsToGo” and provide a wide variety of Information Technology solutions for small to medium sized businesses and homes through mobile service vans and service centers. NTG operates a single company center in Guilford, CT. As of December 31, 2022, there were 32 franchised locations and 1 corporate location in operation. As of December 31, 2021, there were 30 franchised locations and 1 corporate location in operation.

On March 13, 2019, Fastsigns Holdings Inc. (“Holdings” or “Parent”) acquired all of the outstanding shares of Display Holding Company Inc., which indirectly wholly owns all of the outstanding stock of FII. On September 9, 2020, Saldon Holdings, Inc. (“Saldon”), an indirect wholly owned subsidiary of Holdings and immediate parent of the Company, acquired all of the outstanding shares of NTG and on June 25, 2021, Suite Management Holdings, LLC (“Suite Management”), a direct wholly owned subsidiary of Saldon, acquired all of the outstanding shares of SMF. On December 28, 2021, the Company issued shares to Saldon in exchange for Saldon’s direct and indirect ownership interest in FII, NTG and SMF (the “Reorganization Transaction”). This Reorganization Transaction was accounted for as a transfer among entities under common control, as reflected in the accounts of Holdings, Saldon or Suite Management, as applicable. All prior period financial information has been recast to reflect the Reorganization Transaction.



# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

### ***Acquisition of Dream Team Suites***

On December 30, 2021, the Company executed an asset purchase agreement for two corporate salon suite locations owned by Dream Team Suites, LLC, a third party. The cash consideration paid of \$1,745,946 was allocated to the assets acquired and liabilities assumed by the Company based on management estimates of their fair value in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 805, Business Combinations, on the date of acquisition.

*The total purchase price was allocated as follows:*

Property and equipment	\$	1,672,010
Member security deposits		(33,834)
Goodwill		107,770
<hr/>		
Total consideration	\$	1,745,946

## **2. Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies followed in the preparation of these consolidated financial statements.

### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company maintains cash in financial institutions, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk on such accounts. As of December 31, 2022 and 2021, cash and cash equivalents includes \$240,814 and \$504,489, respectively, held in foreign bank accounts.

The Company maintains some of its cash in U.S. transaction accounts which are insured by the Federal Deposit Insurance Corporation up to a maximum of \$250,000 per depositor. As of December 31, 2022, the Company’s uninsured deposits in its deposit accounts with a U.S. bank totaled approximately \$11,391,217. The Company does not believe the unsecured funds are at risk.

### ***Financial Instruments***

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of accounts and notes receivable related to royalties owed by franchisees. Credit risks with respect to royalty receivables are limited due to the large number of franchisees comprising the Company’s franchisee base. The Company performs ongoing evaluations of the franchisees’ financial condition and maintains allowances for potential credit losses which, when incurred, have been within the range of management expectations.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### *Accounts Receivable*

Accounts receivable consist primarily of royalty billings to franchisees and are due within 30 days. Accounts receivables are stated at amounts net of an allowance for doubtful accounts. In order to estimate and assess the collectability of accounts receivable, the Company monitors the current creditworthiness of each franchisee and analyzes the aging of related past due balances. The allowance requirements are based on current facts, and the estimates are reevaluated and adjusted as additional information is obtained. Accounts receivable are written off through the allowance account when it is determined the receivable will not be collected. Accounts receivable may also be converted to notes receivable due from franchisees at the discretion of the Company.

Changes in the Company's allowance for doubtful accounts, including accounts and notes receivable, for the years ended December 31 are as follows:

	2022	2021
Beginning balance	\$ 778,691	\$ 786,928
Bad debt expense, net of recoveries	58,670	89,627
Write-offs	(42,951)	(97,864)
Ending balance	\$ 794,410	\$ 778,691

### *Notes Receivable*

FII has notes receivable that are due from franchisees and bear interest at rates per annum ranging from 6% to 10%. The notes are generally secured by the assets of the related FASTSIGNS stores. The notes receivable balance as of December 31, 2022 and 2021 were \$294,403, and \$329,582, respectively. The allowance for doubtful accounts balance related to notes receivable was \$91,806 and \$121,733 as of December 31, 2022 and 2021, respectively.

FII has a Master Franchising Agreement with Ideal Signs Pty Ltd ("Ideal Signs"). Ideal Signs serves as the Master Franchisor in Australia and incurs all expenses and liabilities associated with franchises located in Australia. Ideal Signs pays the Company a 2% royalty percentage in accordance with the Master Franchising Agreement and has a note with FII with a balance of \$110,151 as of December 31, 2022, and \$137,126 as of December 31, 2021. The allowance for doubtful accounts balance for the Master Franchisor notes receivable was \$88,121, and \$79,233 as of December 31, 2022 and 2021, respectively.

### *Fixed Assets*

Fixed assets associated with an acquisition are recorded at fair value at the date of acquisition and subsequent purchases are recorded at cost. Depreciation is determined using the straight-line method over the estimated useful lives of the assets for financial reporting purposes. Furniture, equipment and internally developed software have an estimated useful life of three to five years, and leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the assets. Maintenance and repairs are charged to expense as incurred.

The Company reviews the carrying value of fixed assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as other economic factors. No impairment was recognized in 2022 or 2021.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### *Goodwill and Other Intangible Assets*

Goodwill represents the excess of consideration transferred over the fair value of the tangible and intangible net assets acquired. Intangible assets are recorded at their fair value at the date of acquisition.

Under FASB ASC 350, Intangibles, Goodwill and Other (“ASC 350”), the Company does not amortize goodwill and determines if intangibles have a finite future life and should be amortized or an indefinite life not subject to amortization. Finite and indefinite lived intangibles are evaluated for impairment when current facts or circumstances indicate that the carrying value of the assets may not be recoverable and/or if there is a change in the useful life of the finite intangible. Amortization is recorded using the straight-line method over the following estimated useful lives of the asset:

Trade names	10 years to indefinite
Program materials	3 years
Internally developed software	3 years
Favorable lease	1-12 years
Unfavorable lease	3-9 years
Franchise agreements	1-20 years

Due to the adoption of ASC 842, favorable and unfavorable lease intangible assets and liabilities have been derecognized and are part of the ROU asset balances effective January 1, 2022.

In accordance with ASC 350, the Company evaluates goodwill for impairment whenever events or changes in circumstances indicate that the fair value of the entity may be below its carrying amount. When necessary, a goodwill impairment loss is measured as the amount by which the carrying amount of the Company, including goodwill, exceeds its fair value. Any goodwill impairment loss determined shall not exceed the carrying amount of goodwill.

The Company determined that there were no indications of impairment in 2022 or 2021 related to goodwill or other intangibles.

### *Income Taxes*

The Company is a single member limited liability company that is disregarded for federal tax reporting purposes. The Company is included in a consolidated Federal tax return with Holdings. FII is a regarded corporate taxpayer. SMF, SMC, GTN, and NTG are all single member limited liability companies that are disregarded for federal tax reporting. The consolidated financial statements for the Company have been prepared as if the Company was a stand-alone taxpayer for the regarded corporate entity (FII) only.

Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company accounts for uncertain tax provisions using a two-step process. The Company first determines whether it is more-likely-than-not that a tax position will be sustained upon examination. If a tax position meets the more-likely-than-not threshold it is then measured to determine the amount of expense to record in the consolidated financial statements. The tax position is measured as the largest amount of expense with a greater than 50 percent likelihood of being realized upon ultimate settlement. Penalties and interest incurred are recognized in income tax expense.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### *Revenue Recognition*

The Company's revenues consist of franchise sales including initial franchise and sub-franchise fees, franchise re-sale transfer fees, and renewal franchise fees, royalties based on a percent of franchisee sales, salon suite rental income, and other revenue including general contracting construction sales, and sales of equipment, services, supplies and inventory. Some franchises are master franchise arrangements with development rights across a defined territory or multiple territories. Typical agreements governing the franchise relationship range from 10 to 20 years in length, whereby the initial franchise and transfer fees are typically collected upon agreement execution and prior to the start of the Company's performance obligations.

The Company recognizes revenue in accordance with FASB ASC Topic 606 (which addresses revenue from contracts with customers) and Topic 842 (which addresses lease revenue with the adoption of ASC 842 as of January 1, 2022).

The Company has defined its distinct and non-distinct performance obligations required under the terms of the various contracts. For its franchise agreements, the Company believes that portions of certain Pre-Opening Services; the initial training, site selection and development services, benefit the Franchisee without its use of the license and are therefore considered distinct performance obligations separable from the franchise right. Performance obligations for initial training, site selection and development services are generally satisfied as of the opening date for a franchise center. To allocate the initial franchise and transfer fees to the associated performance obligations, the Company used an expected cost plus a margin approach to determine the amount of the initial franchise or transfer fee identified with the distinct portion of the initial training, site selection and development services. This total distinct amount is recognized upfront, and the remaining non-distinct portion of the total franchise fee is allocated to symbolic intellectual property and recognized over the agreement term starting from the opening date of the franchise center. Due to the immaterial nature of renewal franchise fees, they are recognized upon agreement execution. Certain franchise agreements may also include a financing component, but the Company has determined that the total interest amount related to these franchise agreements is immaterial to its consolidated financial statements

Royalties are generally based on a percent of franchisee sales differing by brand ranging from 2% to 8% and are recognized at the time the underlying franchisee's sales occur.

To secure new franchises, the Company uses its sales force, and in certain instances, third party brokers to obtain leads for new franchise arrangements. The costs for internal sales commissions and third-party broker fees are amortized over the agreement term of each respective contract starting from the opening date of the franchise center.

Balance sheet balances related to ASC 606 consists of the following on December 31:

	2022	2021
Deferred Revenue:		
Current deferred revenue	\$ 3,619,688	\$ 3,511,196
Non-current deferred revenue	9,831,490	11,448,858
<b>Total deferred revenue</b>	<b>\$ 13,451,178</b>	<b>\$ 14,960,054</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### Deferred Expense:

Current deferred expense (included in prepaid expenses)	\$ 973,726	\$ 882,884
Non-current deferred expense (included in other assets)	2,255,600	2,105,312
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Total deferred expense	\$ 3,229,326	\$ 2,988,196

Under ASC 842, Leases, the Company sublets compartmentalized spaces to non-related parties at a weekly rate for periods of generally one year (lessor). Lessor accounting in ASC 842 remains largely unchanged from ASC 840. These lessor transactions do not transfer ownership to the lessee and with lease terms substantially shorter than the life of the underlying asset, the Company continues to characterize these as operating leases under ASC 842. Therefore, there is no impact to revenue recognition of the lessor transactions at adoption. The Company continues to recognize rental income on a weekly basis over the life of the lease as collectability is probable.

Other revenue earned was \$5,952,703 and \$6,940,342 for the years ending December 31, 2022 and 2021, respectively. Other revenue is comprised of three major categories: franchisee new center openings which includes the sale of equipment and location finishings, vendor rebates, and other services related to opening a new franchise center; the sale of goods and services by all brands including the Company's NerdsToGo Corporate Store; and ongoing franchisee support services provided by the franchisor. Revenue earned for new center openings, sale of goods and services, and franchisee support was \$3,102,827, \$1,292,642, and \$1,557,234; and \$4,940,899, \$1,196,036, \$803,407, respectively for the years ending December 31, 2022 and 2021, respectively. Under ASC 606 the revenue is recognized when the goods or services are transferred to the customer for the total consideration anticipated to be received.

### ***Equity-based Compensation***

The Company accounts for equity-based compensation under FASB ASC Topic 718, *Compensation-Stock Compensation*. The Company recognizes all share-based payments to employees, including grants of employee stock options, as compensation expense based on their estimated fair values over the requisite service period, which is generally the vesting period of the awards. The Company currently estimates stock option forfeitures at the inception of the stock option agreement. The Company adjusts its estimates when the actual forfeitures are likely to change or differ from estimates. The Company estimates the fair value of each stock option award on the date of grant using the Black-Scholes option valuation model. The expected life of each award granted is determined using the average of the weighted-average vesting term and contractual term. Expected volatility is based on the historical volatility of similar entities whose share or option price is publicly available with a similar vesting and contractual term. The risk-free interest rate is based on the implied yield currently available on U.S. Treasury issues with terms approximately equal to the expected life of the option. The Company has never paid any cash dividends and, accordingly, the Company uses an expected dividend yield of zero.

### ***Advertising Costs***

The Company expenses the costs of advertising when incurred. Advertising expense was \$2,187,286 and \$932,561 for the years ended December 31, 2022 and 2021, respectively.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### *Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States (“US GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

### *Contingencies*

Various legal actions and claims, which have arisen in the normal course of business, may be pending against the Company from time to time. It is the opinion of management, based on consultation with counsel, that the ultimate resolution of these contingencies will not have a material effect on the financial condition, results of operations or liquidity of the Company.

### *Fair Value of Financial Instruments*

In accordance with FASB ASC 820 *Fair Value Measurements*, certain assets and liabilities are carried at fair value and are categorized based on the level of judgment associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

*Level 1* - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

*Level 2* - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument’s anticipated life.

*Level 3* - Inputs are unobservable and therefore reflect management’s best estimate of the assumptions that market participants would use in pricing the asset or liability.

The Company believes the carrying amounts of financial instruments as of December 31, 2022 and 2021 including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to their short maturities. The Company’s notes receivable bear interest at market rates and management does not believe there has been a change in the franchisees’ credit quality from the date of issuance. Thus, management believes their carrying amounts approximate fair value.

### *Recent Accounting Pronouncements Not Yet Adopted*

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments”. ASU 2016-13 amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses (“ASU 2018-19”), which clarifies that receivables arising from operating leases are accounted for using lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments (“ASU 2019-04”), which clarifies the treatment of certain credit losses. In May 2019, the FASB issued ASU No. 2019-

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief (“ASU 2019-05”), which provides an option to irrevocably elect to measure certain individual financial assets at fair value instead of amortized cost. In November 2019, the FASB issued ASU No. 2019-11, Codification Improvements to Topic 326, Financial Instruments - Credit Losses (“ASU 2019-11”), which provides guidance around how to report expected recoveries. ASU 2016-13, ASU 2018-19, ASU 2019-04, ASU 2019-05 and ASU 2019-11 (collectively, “ASC 326”) are effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

### ***Recent Accounting Pronouncements Adopted***

In January 2017, the FASB issued ASU 2017-04, “Intangibles - Goodwill and Other”, which simplifies the test for goodwill impairment by removing the second step of the two-step impairment test. An entity will no longer determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. Instead, an entity should perform its goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. All other goodwill impairment guidance will remain largely unchanged. For nonpublic entities, the standard is effective for annual periods beginning after December 15, 2022 with early application permitted for tests performed after January 1, 2017. The Company adopted this standard on January 1, 2021 and the adoption had no impact on the Company’s financial position or results of operations.

In December 2019, the FASB released ASU 2019-12, “Income Tax (Topic 740): Simplifying the Accounting for Income Taxes”, which affects general principles within Topic 740, Income Taxes. The amendments of ASU 2019-12 are meant to simplify and reduce the cost of accounting for income taxes. The FASB has stated that the ASU is being issued as part of its Simplification Initiative, which is meant to reduce complexity in accounting standards by improving certain areas of GAAP without compromising information provided to users of consolidated financial statements. The standard is effective for annual periods beginning after December 15, 2021 with early adoption permitted. The Company adopted this standard on January 1, 2022 and the adoption had no impact on the Company’s financial position.

The FASB previously issued six ASU’s related to leases. The ASUs issued were: (1) in February 2016, ASU 2016-02, “Leases (Topic 842)”, (2) in January 2018, ASU 2018-01, “Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842”, (3) in July 2018, ASU 2018-10, “Codification Improvements to Topic 842, Leases”, (4) in July 2018, ASU 2018-11, “Targeted Improvements”, (5) in December 2018, ASU 2018-20, “Leases (Topic 842): Narrow-Scope Improvements for Lessors” and (6) in March 2019, ASU 2019-01, “Leases (Topic 842): Codification Improvements.” ASU 2016-02 requires lessees to recognize most leases on the balance sheet as liabilities, with corresponding right-of-use assets. For income statement recognition purposes, leases will be classified as either a finance or operating lease in a manner similar to the requirements under the previous lease accounting literature, but without relying upon the bright-line tests. The amendments in ASU 2018-01 specify how land easements are within the scope of ASC 842 and permit a practical expedient to not assess whether expired or existing land easements that were not previously accounted for as leases are leases under ASC 842. The amendments in ASU 2018-10 affect narrow aspects of the guidance issued in the amendments in ASU 2016-02. The amendments in ASU 2018-11 provide an optional method for adopting the new leasing guidance and provide lessors with a practical expedient to combine lease and associated non-lease components by class of underlying asset in contracts that meet certain criteria. The amendments in ASU 2018-

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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20 provide an accounting policy election permitting lessors to treat certain sales and other similar taxes incurred as lessee costs, guidance on the treatment of certain lessor costs and guidance on recognizing variable payments for contracts with a lease and non-lease component. The amendments in ASU 2019-01 affect narrow aspects of the guidance issued in the amendments in ASU 2016-02. These ASUs are effective for annual periods in fiscal years beginning after December 15, 2021.

The Company adopted these ASUs in the annual reporting period ended December 31, 2022. The transitional guidance for adopting the requirements of ASU 2016-02 calls for a modified retrospective approach that includes a number of optional practical expedients that entities may elect to apply. In addition, ASU 2018-11 provides for an additional (and optional) transition method by which entities may elect to initially apply the transition requirements in Topic 842 at that Topic's effective date of January 1, 2022 with the effects of initially applying Topic 842 recognized as a cumulative effect adjustment to the opening balance of member's deficit in the period of adoption and without retrospective application to any comparative prior periods presented. The company elected certain additional practical expedients, including the package of transition practical expedients which does not require the Company to (i) reassess whether any expired or existing contracts are or contain leases, (ii) reassess the lease classification for any expired or existing leases, and (iii) reassess initial direct costs for any existing leases. The Company also elected to not separate lease and non-lease components when calculating the lease obligation and associated ROU asset for its equipment leases. The company made another election to use treasury bond rates with maturity dates that are closest to the life of the lease as the discount rate for calculating the present value of future cash flows. The Company also made an accounting policy election to exempt short-term leases of 12 months or less from balance sheet recognition requirements associated with the new standard; fixed rental payments for short-term leases will be recognized as a straight-line expense over the lease term.

As a result of the adoption of the leasing guidance, the consolidated balance sheet as of January 1, 2022 reflected \$41.7 million of operating and \$0.1 million of financing lease liabilities, along with corresponding right-of-use operating assets of \$42.4 million and right-of-use financing assets of \$0.1 million, reflecting adjustments for items such as deferred rent, prepaid rent, unamortized lease incentives, and unamortized favorable and unfavorable lease intangibles.

### 3. Related Party Transactions

The Company performs certain bookkeeping and administrative services for and allocates facility and supply resources to an advertising cooperative. Amounts reimbursed at cost related to these services were \$1,043,579 and \$944,363 in 2022 and 2021, respectively. For 2022 and 2021, the Company earned royalty revenue of 6% of the advertising cooperative's sales to parties other than FASTSIGNS franchises. Royalty revenue earned from the cooperative under the National Accounts was \$971,709 and \$644,458 in 2022 and 2021, respectively. This advertising cooperative is for the sole benefit of the FASTSIGNS franchisees. Accounts receivable from the advertising cooperative and national accounts were \$410,425 and \$844,519 at December 31, 2022 and 2021, respectively. See Note 10 - Receivable from Parent Company for additional related party disclosure.



# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### 4. Fixed Assets

Fixed assets consist of the following at December 31:

	2022	2021
Furniture, equipment and internally developed software	\$ 5,569,044	\$ 5,791,504
Leasehold improvements	8,058,589	7,523,823
Total fixed assets	13,627,633	13,315,327
Less: accumulated depreciation	(3,630,800)	(4,443,979)
Fixed assets, net	\$ 9,996,833	\$ 8,871,348

The furniture, equipment and developed software have an expected life of three to five years, and leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the assets. Depreciation expense was \$1,957,467 and \$1,133,232 for the years ended December 31, 2022 and 2021, respectively.

### 5. Leases

The Company primarily leases commercial retail space associated with its MY SALON Suite and Salon Plaza brands and subleases compartmentalized suites to beauty professionals at a weekly rate for periods of generally one year. The lessee arrangements account for the significant portion of the lease liabilities and right-of-use assets on the consolidated balance sheet. The lessor arrangements and the applicable accounting guidance are more fully explained in this report under *Revenue Recognition*.

The base terms for most of our lease arrangements typically do not extend beyond 10 years. We commonly have renewal options in our leases in 5-year increments that are generally included in the calculated lease liabilities and associated right-of-use assets. All of the renewal options considered for future lease liabilities are associated with the MY SALON Suite and Salon Plaza brands, which can have significant construction costs due to their highly compartmentalized footprint with generally semi-permanent fixtures that are not easily moved into a new space. Due to these factors, it is almost always more economically feasible to stay in the leased space and make cosmetic updates versus moving to a new space.

As an accounting policy election, any short-term leases with an initial term of 12 months or less are not recognized as lease liabilities and right-of-use assets in the consolidated balance sheets. The rent expense associated with short term leases is generally recognized on a straight-line basis over the lease term. The company is also electing the practical expedient to not separate lease components from non-lease components for all of its equipment leases and therefore the non-lease components are factored into the calculation of lease liabilities and associated right-of-use assets. The company is choosing to separate lease and non-lease components for all its building leases, and the associated non-lease components, such as Common Area Maintenance and Real Estate Taxes, are expensed as incurred.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

Due to the implicit rate not being readily available or determined in most leases, the company has elected the practical expedient for all lease payments to be discounted at a risk-free rate based on the treasury bond rates with maturity dates that most closely match the remainder of the lease either at adoption or commencement if post-adoption.

Finance leases with a right-of-use asset value of \$36,360 and a current portion lease liability value of \$31,525 are included in the values reported on the Consolidated Balance Sheet as of December 31, 2022.

Supplemental balance sheet information related to leases as of December 31, 2022 is as follows:

### Weighted Average Remaining Lease Term (Years)

Operating leases	13 years
Finance leases	1 year

### Weighted Average Discount Rate

Operating leases	1.9%
Finance leases	0.8%

The components of lease costs are as follows:

Operating lease cost	\$	4,422,097
Finance lease cost:		
Amortization of right-of-use assets	\$	48,480
Interest on lease liabilities		496
<b>Total finance lease costs</b>	<b>\$</b>	<b>48,976</b>

Operating lease costs are recorded in selling, general, and administrative costs and expenses on the Consolidated Statements of Income. For financing leases, the amortization of right-of-use assets are recorded in depreciation and amortization expense, and interest on lease liabilities are netted with Interest income on the Consolidated Statements of Income. Total operating lease cash payments of \$4,410,805 and \$2,582,996 were made in 2022 and 2021, respectively.

Maturities of lease liabilities by fiscal year as of December 31, 2022 are as follows:

Years ending December 31:	Operating Leases	Financing Leases
2023	\$ 3,719,792	\$ 31,647
2024	4,320,931	-
2025	4,148,916	-
2026	4,162,576	-
2027	4,013,157	-
Thereafter	30,589,799	-
<b>Total remaining lease payments at December 31, 2022</b>	<b>\$ 50,955,171</b>	<b>\$ 31,647</b>
<b>Less: portion representing imputed interest</b>	<b>(6,731,752)</b>	<b>(122)</b>
<b>Present value of lease liabilities at December 31, 2022</b>	<b>\$ 44,223,419</b>	<b>\$ 31,525</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

As previously disclosed in the Company's 2021 Audited Financial Statements and under the previous lease accounting, the minimum lease payments required under operating leases were as follows as of December 31, 2021:

Years ending December 31:	
2022	\$ 4,268,294
2023	3,786,475
2024	3,533,483
2025	3,050,370
2026	2,744,689
Thereafter	7,689,334
<hr/>	
Total future minimum payments	\$ 25,072,645

The Company evaluated its leasing transactions during adoption of ASC 842 and concluded that option periods associated with its operating leases in the MY SALON Suite and Salon Plaza brands were reasonably certain to be exercised due to several factors previously mentioned. Prior to adoption, the Company did not include option periods when disclosing future lease obligations, which explains the large difference between future obligations reported as of December 31, 2021 compared to December 31, 2022.

### 6. Other Intangibles and Goodwill

#### *Other Intangibles*

Other intangibles consist of the following at December 31, 2022:

	Gross Carrying Amount	Accumulated Amortization	Net
Program materials	\$ 2,100,000	\$ (1,860,614)	\$ 239,386
Trade name ( <i>indefinite-lived</i> )	71,400,000	-	71,400,000
Trade name	13,640,000	(2,177,114)	11,462,886
Internally developed software	490,000	(247,723)	242,277
Market franchise agreements	810,762	(314,140)	496,622
<hr/>			
Total	\$ 88,440,762	\$ (4,599,591)	\$ 83,841,171

Due to the adoption of ASC 842, favorable and unfavorable lease intangible assets and liabilities have been derecognized and are part of the ROU asset balances effective January 1, 2022.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

Other intangibles consist of the following at December 31, 2021:

	Gross Carrying Amount	Accumulated Amortization	Net
Program materials	\$ 2,100,000	\$ (1,501,090)	\$ 598,910
Trade name ( <i>indefinite-lived</i> )	71,400,000	-	71,400,000
Trade name	13,660,000	(813,806)	12,846,194
Internally developed software	490,000	(84,389)	405,611
Favorable lease	2,489,584	(500,286)	1,989,298
Unfavorable lease	(569,926)	54,326	(515,600)
Market franchise agreements	810,762	(115,721)	695,041
<b>Total</b>	<b>\$ 90,380,420</b>	<b>\$ (2,960,966)</b>	<b>\$ 87,419,454</b>

Amortization expense was \$2,086,290 and \$2,082,119 for the years ended December 31, 2022 and 2021, respectively.

Estimated amortization expense for finite-lived intangibles for the subsequent five years and thereafter is as follows:

*Years ending December 31,*

2023	\$ 1,930,035
2024	1,677,149
2025	1,464,126
2026	1,364,342
2027	1,364,342
Thereafter	4,641,178
<b>Total</b>	<b>\$ 12,441,172</b>

### **Goodwill**

The changes in the carrying amount of goodwill as of December 31, 2022 and 2021 are as follows:

	2022	2021
Balance at beginning of year	\$ 296,824,386	\$ 228,741,548
Effect of Reorganization Transaction	-	67,975,068
Goodwill recorded from acquisitions	72,861	107,770
<b>Balance at end of year</b>	<b>\$ 296,897,247</b>	<b>\$ 296,824,386</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### 7. Accrued Liabilities

Accrued liabilities consist of the following at December 31:

	2022	2021
Employee benefits and compensation	\$ 2,032,793	\$ 2,235,730
Accrued payables to franchisees	1,892,352	1,824,637
Event related accruals	1,271,359	756,166
Customer deposits	965,028	724,859
Other	1,618,360	754,637
<b>Total accrued liabilities</b>	<b>\$ 7,779,892</b>	<b>\$ 6,296,029</b>

### 8. Commitments and Contingencies

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, *Contingencies*. Accordingly, no liabilities have been accrued for these matters at December 31, 2022 and 2021. Management believes that the outcome of such matters will not have a material effect on the Company's consolidated financial statements.

### 9. Income Taxes

The expense (benefit) for income taxes consists of the following for the years ended December 31:

	2022	2021
Current		
Federal	\$ 4,819,044	\$ 4,430,952
State	410,927	1,410,044
Foreign	221,329	208,334
<b>Total current</b>	<b>5,451,300</b>	<b>6,049,330</b>
Deferred:		
Federal	(425,487)	(113,373)
State	(100,699)	(26,840)
<b>Total deferred</b>	<b>(526,186)</b>	<b>(140,213)</b>
<b>Income tax expense</b>	<b>\$ 4,925,114</b>	<b>\$ 5,909,117</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

The tax effect of temporary differences that gave rise to deferred tax assets and liabilities consist of the following as of December 31:

	2022	2021
Deferred tax assets		
Allowance for doubtful accounts	\$ 195,298	\$ 138,603
Accrued compensation	374,196	399,321
Share-based compensation	653,599	453,702
Accrued professional fees	39,850	43,502
Deferred rent	-	16,768
Deferred revenue	697,767	345,537
ASC 842 lease liability	432,842	-
ASC 606 adjustments	237,417	259,466
<b>Total deferred tax assets</b>	<b>2,630,969</b>	<b>1,656,899</b>
Deferred tax liabilities:		
Sign Me Up Goodwill	-	7,814
Intangible assets	(18,646,677)	(18,789,516)
Prepaid expenses	(14,125)	(8,394)
ASC 842 Right of Use Asset	(438,823)	-
Depreciation	(569,303)	(430,950)
<b>Total deferred tax liabilities</b>	<b>(19,668,928)</b>	<b>(19,221,046)</b>
<b>Net deferred tax assets</b>	<b>\$ (17,037,959)</b>	<b>\$ (17,564,147)</b>

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before taxes primarily due to state tax obligations, permanently non-deductible expenses, provision for uncertain tax positions and true ups to prior period estimates. The Company files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. As of December 31, 2022, and 2021, the Company has accrued approximately \$1,058,000, and \$895,000, respectively, to reserve for uncertain tax positions. As of December 31, 2022, and 2021, the reserve for uncertain tax positions is inclusive of penalties and interest of approximately \$496,000 and \$415,000, respectively.

### 10. Receivable From Parent Company

The receivable from the parent company is unsecured, bears no interest and is due on demand. The receivable is presented as a component of additional paid in capital on the Consolidated Statement of Members Equity. The increase in net receivable from parent company as of December 31, 2022 and 2021 was \$11,618,027, and \$19,984,602, respectively.

### 11. Share-Based Compensation

In 2019, the Company created share-based payment plan (“2019 Stock Option Plan”) established August 1, 2019, for the benefit of employees of the Company. The Company originally allotted a total of 23,281 shares to be issued under the 2019 Stock Option Plan and increased the allotment by 2,741 shares in 2021. Option grants have a contractual life of ten years, subject to certain conditions, and typically vest over 5 years with half based upon service and half based upon financial thresholds. 20% of the service-based options typically vest each year over a five-year period, and the financial performance-based options are subject to vesting upon a change of control.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

Information with respect to options under these plans is as follows:

	Outstanding Options		Weighted Average Exercise Price
Total options outstanding, December 31, 2020	20,811	\$	1,000.00
Options vested and exercisable, December 31, 2020	1,930		1,000.00
Issued	-		-
Exercised	-		-
Forfeited	232		1,000.00
Total options outstanding, December 31, 2021	20,579	\$	1,000.00
Options vested and exercisable, December 31, 2021	3,913		1,000.00
Issued	4,147		1,000.00
Exercised	-		-
Forfeited	2,114		-
Total options outstanding, December 31, 2022	22,612	\$	1,169.50
Options vested and exercisable, December 31, 2022	6,305		1,000.00

The weighted-average exercise price and average remaining contractual life of the 22,612 options outstanding at December 31, 2022 was \$1,169.50 and 7.1 years. The weighted-average exercise price and average remaining contractual life of the 20,579 options outstanding at December 31, 2021 was \$1,000.00 and 7.6 years. As of December 31, 2022, 6,305 options were vested and at December 31, 2021, 3,913 options were vested.

The estimated fair value of options is amortized to compensation expense on the straight-line basis over the options' vesting period. The compensation cost for share-based employee compensation was \$955,911 and \$737,560 for the years ended December 31, 2022 and 2021, respectively.

Expected amortization for the subsequent years ending December 31 is as follows:

Years ending December 31,		
2023	\$	1,000,169
2024		747,372
2025		350,632
2026		340,077
2027		112,852
Total amortization	\$	2,551,102

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### 12. Employee Benefit Plan

FII has a defined contribution plan structured under Section 401(k) of the Internal Revenue Code. Under the plan, contributions are made by eligible employees. The employees can elect to contribute up to 20% of their salary or \$20,500 in 2022 and \$19,500 in 2021. FII matches 25% of the first 6% of contributions in the amount of \$208,357 in 2022 and \$145,027 in 2021. The Company match is discretionary and was temporarily discontinued between April 3, 2020 and March 1, 2021.

The Company currently offers no other postretirement or postemployment benefits to its employees.

### 13. Subsequent Events

The Company evaluated subsequent events through April 28, 2022, the date the consolidated financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.





## **Propelled Brands Franchising, LLC and Subsidiaries**

### **Consolidated Financial Statements**

As of December 31, 2021, 2020 and 2019 (Successor) and  
for the years ended December 31, 2021 and 2020  
(Successor), the period from March 13, 2019 to December  
31, 2019 (Successor) and the period from January 1, 2019  
to March 12, 2019 (Predecessor)

## **Propelled Brands Franchising, LLC and Subsidiaries**

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### **Consolidated Financial Statements**

As of December 31, 2021, 2020 and 2019 (Successor) and for the years ended December 31, 2021 and 2020 (Successor), the period from March 13, 2019 to December 31, 2019 (Successor) and the period from January 1, 2019 to March 12, 2019 (Predecessor)

# Propelled Brands Franchising, LLC and Subsidiaries

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## **Independent Auditor's Report**

Board of Directors  
Propelled Brands Franchising, LLC and Subsidiaries  
Carrollton, Texas

### ***Opinion***

We have audited the consolidated financial statements of Propelled Brands Franchising, LLC (the "Company"), which comprise the consolidated balance sheets as of December 31, 2021, 2020 and 2019 (Successor), and the related consolidated statements of operations, changes in member's equity, and cash flows for the years ended December 31, 2021 and 2020 (Successor), the period from March 13, 2019 to December 31, 2019 (Successor) and the period from January 1, 2019 to March 12, 2019 (Predecessor), and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, 2020 and 2019 (Successor), and the results of its operations and its cash flows for the years ended December 31, 2021 and 2020 (Successor), the period from March 13, 2019 to December 31, 2019 (Successor) and the period from January 1, 2019 to March 12, 2019 (Predecessor) 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 Audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

As discussed in Note 1 to the consolidated financial statements, the Company accounted for the Reorganization Transaction on December 28, 2021, as a transaction among entities under common control and all prior financial information has been recast to reflect the Reorganization Transaction as of the earliest period presented under common control, March 13, 2019. Prior to March 13, 2019, the consolidated financial statements reflect the historical financial information of FASTSIGNS International, Inc. and, therefore, is not comparable. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA LLP

Dallas, Texas  
May 1, 2022

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Balance Sheets

<i>As of December 31,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	(Successor)	(Successor)	(Successor)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 5,842,325	\$ 7,226,753	\$ 6,756,983
Accounts receivable - net	3,934,585	3,821,732	3,105,568
Current portion of notes receivable - net	132,084	144,861	147,806
Amounts due from affiliates	844,519	1,153,238	331,417
Prepaid expenses	2,658,939	2,146,609	1,723,543
Other current assets	825,033	212,853	432,368
<b>Total current assets</b>	<b>14,237,485</b>	<b>14,706,046</b>	<b>12,497,685</b>
Fixed assets - net	8,871,348	1,329,274	985,398
Other intangible assets - net	87,935,054	73,761,153	72,356,944
Goodwill	296,824,386	228,741,548	226,795,558
Notes receivable, less current portion - net	75,765	103,582	155,175
Other assets	2,600,564	2,156,135	2,443,039
<b>Total Assets</b>	<b>\$ 410,544,602</b>	<b>\$ 320,797,738</b>	<b>\$ 315,233,799</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Balance Sheets (continued)

<i>As of December 31,</i>	2021	2020	2019
	(Successor)	(Successor)	(Successor)
<b>Liabilities and Member's Equity</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 1,231,129	\$ 1,067,317	\$ 1,165,277
Accrued liabilities	6,296,029	2,944,417	3,184,120
Deferred revenue	3,511,196	890,944	526,154
Income tax payable	2,658,989	2,740,179	2,148,349
<b>Total current liabilities</b>	<b>13,697,343</b>	<b>7,642,857</b>	<b>7,023,900</b>
Deferred revenue - less current portion	11,448,858	4,355,537	4,074,532
Unfavorable leases - net	515,600	-	-
Other long-term liabilities	1,520,269	-	-
Deferred tax liabilities	17,564,146	17,633,048	17,852,867
<b>Total liabilities</b>	<b>44,746,216</b>	<b>29,631,442</b>	<b>28,951,299</b>
<b>Commitments and Contingencies (Note 7)</b>			
<b>Member's equity</b>			
Common stock, \$1.00 par value; authorized shares - 100,000; issued and outstanding shares - 1,000	1,000	1,000	1,000
Additional paid-in capital	326,062,998	264,142,939	272,756,285
Retained earnings	39,734,388	27,022,357	13,525,215
<b>Total member's equity</b>	<b>365,798,386</b>	<b>291,166,296</b>	<b>286,282,500</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$ 410,544,602</b>	<b>\$ 320,797,738</b>	<b>\$ 315,233,799</b>

*See accompanying notes to consolidated financial statements.*

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Statements of Operations

	Year ended December 31, 2021	Year ended December 31, 2020	March 13, 2019 through December 31, 2019	January 1, 2019 through March 12, 2019
	(Successor)	(Successor)	(Successor)	(Predecessor)
<b>Revenues</b>				
Franchise sales	\$ 2,242,187	\$ 1,198,958	\$ 1,109,073	\$ 149,966
Royalties	36,660,610	29,425,842	24,817,589	5,128,003
Rental income	5,669,980	-	-	-
Other revenue	6,940,342	2,482,925	1,653,293	126,230
<b>Total revenues</b>	<b>51,513,119</b>	<b>33,107,725</b>	<b>27,579,955</b>	<b>5,404,199</b>
<b>Costs and expenses</b>				
Cost of goods sold	4,376,987	1,215,329	899,171	59,853
Selling, general, and administrative	25,296,487	14,049,613	11,033,285	12,565,688
Depreciation and amortization	3,215,353	900,962	588,035	48,261
<b>Total costs and expenses</b>	<b>32,888,827</b>	<b>16,165,904</b>	<b>12,520,491</b>	<b>12,673,802</b>
<b>Operating income (loss)</b>	<b>18,624,292</b>	<b>16,941,821</b>	<b>15,059,464</b>	<b>(7,269,603 )</b>
<b>Other income (expenses)</b>				
Interest income (expense)	(279)	(890)	(16,026)	21,126
Foreign currency exchange	(10,027)	15,410	(22,194)	5,381
Gain on disposal of fixed assets	-	100	4,000	-
Other income	7,162	3,555	-	-
<b>Total other income (expense), net</b>	<b>(3,144)</b>	<b>18,175</b>	<b>(34,220)</b>	<b>26,507</b>
<b>Income (loss) before taxes</b>	<b>18,621,148</b>	<b>16,959,996</b>	<b>15,025,244</b>	<b>(7,243,096 )</b>
<b>Income tax expense</b>	<b>5,909,117</b>	<b>3,462,854</b>	<b>1,500,029</b>	<b>508,330</b>
<b>Net income (loss)</b>	<b>\$ 12,712,031</b>	<b>\$ 13,497,142</b>	<b>\$ 13,525,215</b>	<b>\$ (7,751,426 )</b>

*See accompanying notes to consolidated financial statements.*



## Propelled Brands Franchising, LLC and Subsidiaries

### Consolidated Statements of Changes in Member's Equity

	Common stock			Additional Paid-in Capital	Retained Earnings	Due (from) to Parent Company	Total
	Shares	Amount					
<b>Balance - December 31, 2018 (Predecessor)</b>	1,000	\$ 1,000	\$	25,600,264	\$ 68,104,521	\$ (74,763,496)	\$ 18,942,289
Parent Company advances - net	-	-		-	-	(8,625,921)	(8,625,921)
Share-based compensation	-	-		9,999,388	-	-	9,999,388
Net loss	-	-		-	(7,751,426)	-	(7,751,426)
<b>Balance - March 12, 2019 (Predecessor)</b>	1,000	\$ 1,000	\$	35,599,652	\$ 60,353,095	\$ (83,389,417)	\$ 12,564,330
<b>Balance - March 13, 2019, Effect of Reorganization Transaction (Successor)</b>	1,000	\$ 1,000	\$	285,999,904	-	-	\$ 286,000,904
Parent Company advances - net	-	-		(13,540,650)	-	-	(13,540,650)
Share-based compensation	-	-		297,031	-	-	297,031
Net income	-	-		-	13,525,215	-	13,525,215
<b>Balance - December 31, 2019 (Successor)</b>	1,000	1,000		272,756,285	13,525,215	-	286,282,500
Effect of Reorganization Transaction	-	-		3,350,711	-	-	3,350,711
Parent Company advances - net	-	-		(12,690,789)	-	-	(12,690,789)
Share-based compensation	-	-		726,732	-	-	726,732
Net income	-	-		-	13,497,142	-	13,497,142
<b>Balance - December 31, 2020 (Successor)</b>	1,000	1,000		264,142,939	27,022,357	-	291,166,296
Effect of Reorganization Transaction	-	-		81,167,101	-	-	81,167,101
Parent Company advances - net	-	-		(19,984,602)	-	-	(19,984,602)
Share-based compensation	-	-		737,560	-	-	737,560
Net income	-	-		-	12,712,031	-	12,712,031
<b>Balance - December 31, 2021 (Successor)</b>	1,000	\$ 1,000	\$	326,062,998	\$ 39,734,388	-	\$ 365,798,386

*See accompanying notes to consolidated financial statements.*

# Propelled Brands Franchising, LLC and Subsidiaries

## Consolidated Statements of Cash Flows

	Year ended December 31, 2021 (Successor)	Year ended December 31, 2020 (Successor)	March 13, 2019 through December 31, 2019 (Successor)	January 1, 2019 through March 12, 2019 (Predecessor)
<b>Operating activities</b>				
Net income (loss)	\$ 12,712,031	\$ 13,497,142	\$ 13,525,215	\$ (7,751,426)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Bad debt expense	89,627	366,531	17,147	262,659
Depreciation & amortization	3,215,353	900,962	588,035	48,261
Share-based compensation expense	737,560	726,732	297,031	9,999,388
Gain on disposal of fixed assets	-	(100)	(4,000)	-
Deferred income taxes	(68,902)	(219,820)	-	(4,168,048)
Changes in operating assets and liabilities, net of businesses acquired:				
Accounts and notes receivable, trade	(161,887)	(1,028,157)	877,454	(1,087,978)
Amount due to affiliate	308,720	(821,821)	104,090	(92,687)
Prepaid expenses	(512,331)	(423,066)	(1,273,520)	373,312
Other assets	(1,056,611)	506,425	(148,508)	-
Income taxes payable	(81,189)	591,829	(578,813)	(1,207,501)
Accounts payable	129,978	(97,959)	434,708	(6,287)
Accrued liabilities	3,351,612	(239,703)	1,840,823	5,682,942
Intangible liabilities - unfavorable leases	569,926	-	-	-
Other long-term liabilities	1,520,269	-	-	-
Deferred revenue	713,572	645,795	392,183	211,118
<b>Net cash provided by operating activities</b>	<b>21,467,728</b>	<b>14,404,790</b>	<b>16,071,845</b>	<b>2,263,753</b>
<b>Investing activities</b>				
Capital expenditures	(1,734,538)	(708,948)	(393,824)	(54,041)
Acquisition of a business	(1,745,946)	-	-	-
<b>Net cash used in investing activities</b>	<b>(3,480,484)</b>	<b>(708,948)</b>	<b>(393,824)</b>	<b>(54,041)</b>
<b>Financing activities</b>				
Net advances (to) from Parent	(19,371,672)	(13,226,072)	(9,453,678)	(3,218,671)
<b>Cash and cash equivalents (decrease) increase, net</b>	<b>(1,384,428)</b>	<b>469,770</b>	<b>6,224,343</b>	<b>(1,008,959)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>7,226,753</b>	<b>6,756,983</b>	<b>532,640</b>	<b>1,541,599</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 5,842,325</b>	<b>\$ 7,226,753</b>	<b>\$ 6,756,983</b>	<b>532,640</b>
Supplemental disclosure:				
Cash paid for income taxes	\$ 3,223,390	\$ 3,419,499	\$ 605,402	-
Supplemental noncash disclosures:				
Effect of the Reorganization Transaction	81,167,101	3,350,711	286,000,904	-
Parent Company advances - net	(612,930)	535,282	(4,086,972)	(5,407,250)

See accompanying notes to consolidated financial statements.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### 1. Organization and Basis of Presentation

Propelled Brands Franchising, LLC (the “Company”), a Delaware limited liability company, was formed on December 28, 2021 to effectuate a legal reorganization involving the following entities: FASTSIGNS International, Inc. (“FII”), Suite Management Franchising, LLC (“SMF”), SMF Corporate Stores, LLC (“SMC”), GTN Capital Group, LLC (“GTN”), and More Than IT LLC (doing business as NerdsToGo “NTG”).

FII sells franchises for the operation of B2B business establishments known as FASTSIGNS Centers. FII franchises directly in the United States, Canada, the United Kingdom and Grand Cayman. The franchises operate primarily in the United States. In addition, FII sells and supports master or area franchises in Australia, Chile, France, Malta and Spain. The FASTSIGNS franchise business specializes in selling, marketing, producing and installing visual communications including signs (both non-electrical and electrical), graphics, banners, flags, vehicle graphics, vehicle wraps, wayfinding signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, exhibits and displays, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format and grand format), advertising and promotional products (including wearables), electronic or digital signage, logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services. As of December 31, 2021, 2020, and 2019 there were 761, 749, and 726, respectively, franchised locations in operation, both nationally and internationally.

SMF operates a franchising business that provides others with the opportunity to operate a salon suite business, serving as a property owner and business consultant to health and beauty professionals, renting private individualized space to the professionals. SMC operates company-owned salon suite properties. As of December 31, 2021, there were 192 franchised locations and 31 corporate locations in operation.

GTN operates a franchising business that provides others with the opportunity to operate a technology sales, repair and service business under the service mark “NerdsToGo” and provide a wide variety of Information Technology solutions for small to medium sized businesses and homes through mobile service vans and service centers. NTG operates a single company center in Guilford, CT. As of December 31, 2021, there were 30 franchised locations and 1 corporate location in operation. As of December 31, 2020 there were 24 franchised locations and 1 corporate location in operation.

On March 13, 2019, Fastsigns Holdings Inc. (“Holdings” or “Parent Company”) acquired all of the outstanding shares of Display Holding Company Inc., which indirectly wholly owns all of the outstanding stock of FII. On September 9, 2020, Saldon Holdings, Inc. (“Saldon”), an indirect wholly owned subsidiary of Holdings and immediate parent of the Company, acquired all of the outstanding shares of NTG and on June 25, 2021, Suite Management Holdings, LLC (“Suite Management”), a direct wholly owned subsidiary of Saldon, acquired all of the outstanding shares of SMF. On December 28, 2021, the Company issued shares to Saldon in exchange for Saldon’s direct and indirect ownership interests in FII, NTG and SMF (the “Reorganization Transaction”). This Reorganization Transaction was accounted for as a transfer among entities under common control, and the Company recognized the assets and liabilities received at their historical carrying amounts as reflected in the accounts of Holdings, Saldon or Suite Management, as applicable. All prior financial information has been recast to reflect the Reorganization Transaction as of the earliest period presented under common control, March 13, 2019, and labeled “Successor”. Prior to March 13, 2019, the consolidated financial statements reflect the historical financial information of FII and are labeled “Predecessor”. The consolidated financial statements and footnotes include a black-

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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line division, which appears between the columns titled Predecessor and Successor, and signifies that the amounts shown for the periods prior to and following March 13, 2019 are not comparable.

### ***Acquisition of Dream Team Suites***

On December 30, 2021, the Company executed an asset purchase agreement for two corporate salon suite locations owned by Dream Team Suites, LLC, a third party. The cash consideration paid of \$1,745,946 was allocated to the assets acquired and liabilities assumed by the Company based on management estimates of their fair value in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 805, Business Combinations, on the date of acquisition.

*The total purchase price was allocated as follows:*

Property and equipment	\$	1,672,010
Member security deposits		(33,834)
Goodwill		107,770
<hr/>		
Total consideration	\$	1,745,946

The Company expects to deduct the resulting goodwill for tax purposes.

## **2. Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies followed in the preparation of these consolidated financial statements.

### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company maintains cash in financial institutions, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk on such accounts. At December 31, 2021, 2020 and 2019 (Successor), cash and cash equivalents includes \$504,489, \$804,050 and \$126,960, respectively, held in foreign bank accounts.

### ***Financial Instruments***

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of accounts and notes receivable related to royalties owed by franchisees. Credit risks with respect to royalty receivables are limited due to the large number of franchisees comprising the Company’s franchisee base. The Company performs ongoing evaluations of the franchisees’ financial condition and maintains allowances for potential credit losses which, when incurred, have been within the range of management expectations.

### ***Accounts Receivable***

Accounts receivable consist primarily of royalty billings to franchisees and are due within 30 days. Accounts receivable are stated at amounts net of an allowance for doubtful accounts. In order to estimate and assess the collectability of accounts receivable, the Company monitors the current creditworthiness of each franchisee and analyzes the aging of related past due balances. The allowance requirements are based on current facts, and the estimates are reevaluated and adjusted as additional information is obtained. Accounts receivable are written off through the allowance

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

account when it is determined the receivable will not be collected. Accounts receivable may also be converted to notes receivable due from franchisees at the discretion of the Company.

Changes in the Company's allowance for doubtful accounts are as follows:

	Year ended December 31, 2021	Year ended December 31, 2020	March 13, 2019 through December 31, 2019	January 1, 2019 through March 12, 2019
	(Successor)	(Successor)	(Successor)	(Predecessor)
Beginning balance	\$ 786,928	\$ 453,461	\$ 532,728	\$ 270,087
Bad debt expense, net of recoveries	89,627	366,531	17,147	262,659
Write-offs	(97,864)	(33,064)	(96,414)	(18)
Ending balance	\$ 778,691	\$ 786,928	\$ 453,461	\$ 532,728

### Notes Receivable

FII has notes receivable that are due from franchisees and bear interest at rates per annum ranging from 6% to 10%. The notes are generally secured by the assets of the related FASTSIGNS stores. The allowance included above for notes receivable was \$79,233, \$73,347 and \$10,214 as of December 31, 2021, 2020 and 2019 (Successor), respectively.

FII has a Master Franchising Agreement with Ideal Signs Pty Ltd ("Ideal Signs"). Ideal Signs serves as the Master Franchisor in Australia and incurs all expenses and liabilities associated with franchises located in Australia. Ideal Signs pays the Company a 2% royalty percentage in accordance with the Master Franchising Agreement and has a note receivable with FII with a balance of \$137,126 as of December 31, 2021, and \$175,100 as of December 31, 2020 and 2019 (Successor), respectively. The allowance included above for the Master Franchisor note receivable was \$79,233, \$70,040, and \$0 as of December 31, 2021, 2020, and 2019 (Successor), respectively.

### Fixed Assets

Fixed assets associated with an acquisition are recorded at fair value at the date of acquisition and subsequent purchases are recorded at cost. Depreciation is determined using the straight-line method over the estimated useful lives of the assets for financial reporting purposes. Furniture, equipment and internally developed software have an estimated useful life of three to five years, and leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the assets. Maintenance and repairs are charged to expense as incurred.

The Company reviews the carrying value of fixed assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as other economic factors. No impairment was recognized for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 through December 31, 2019 (Successor) or the period from January 1, 2019 through March 12, 2019 (Predecessor).

# Propelled Brands Franchising, LLC and Subsidiaries

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### *Goodwill and Other Intangible Assets*

Goodwill represents the excess of consideration transferred over the fair value of the tangible and intangible net assets acquired. Intangible assets are recorded at their fair value at the date of acquisition.

Under FASB ASC 350, Intangibles, Goodwill and Other (“ASC 350”), the Company does not amortize goodwill and determines if intangibles have a finite future life and should be amortized or have an indefinite life not subject to amortization. Finite-lived intangibles are evaluated for impairment when current facts or circumstances indicate that the carrying value of the assets may not be recoverable and/or if there is a change in the useful life. Amortization is recorded using the straight-line method over the following estimated useful lives:

Trade names	10 years to indefinite
Program materials	3 years
Internally developed software	3 years
Favorable lease adjustments	1-12 years
Unfavorable lease adjustments	3-9 years
Franchise agreements	1-20 years

In accordance with ASC 350, the Company assesses goodwill and indefinite-lived intangibles for impairment whenever events or changes in circumstances indicate that the fair value of the entity may be below its carrying amount. The Company first considers qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. When necessary, a goodwill impairment loss is measured as the amount by which the carrying amount of the reporting unit, including goodwill, exceeds its fair value. Any goodwill impairment loss determined shall not exceed the carrying amount of goodwill. The Company determined that there were no indications of impairment for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 through December 31, 2019 (Successor) or the period from January 1, 2019 through March 12, 2019 (Predecessor).

The Company reviews the carrying value of definite-lived intangibles for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable. No impairment was recognized for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 through December 31, 2019 (Successor) or the period from January 1, 2019 through March 12, 2019 (Predecessor).

### *Income Taxes*

The Company is a single member limited liability company that is disregarded for federal tax reporting purposes. The Company is included in a consolidated Federal tax return with Holdings. FII is a regarded corporate taxpayer. SMF, SMC, GTN, and NTG are all single member limited liability companies that are disregarded for federal tax reporting. The consolidated financial statements for the Company have been prepared as if the Company was a stand-alone taxpayer for the regarded corporate entity (FII) only.

Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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The Company accounts for uncertain tax provisions using a two-step process. The Company first determines whether it is more-likely-than-not that a tax position will be sustained upon examination. If a tax position meets the more-likely-than-not threshold it is then measured to determine the amount of expense to record in the consolidated financial statements. The tax position is measured as the largest amount of expense with a greater than 50 percent likelihood of being realized upon ultimate settlement. Penalties and interest incurred are recognized in income tax expense.

### ***Revenue Recognition***

The Company's revenues consist of franchise sales including initial franchise and sub-franchise fees, franchise re-sale transfer fees, and renewal franchise fees; royalties based on a percent of franchisee sales; salon suite rental income; and other revenue including general contracting construction sales, and sales of equipment, services, supplies and inventory. Some franchises are master franchise arrangements with development rights across a defined territory or multiple territories. Typical agreements governing the franchise relationship range from 10 to 20 years in length, whereby the initial franchise and transfer fees are typically collected upon agreement execution and prior to the start of the Company's performance obligations.

The Company recognizes revenue in accordance with FASB ASC Topic 606 (which addresses revenue from contracts with customers) and Topic 840 (which addresses lease revenue).

The Company adopted Topic 606 and all subsequent ASUs that modified Topic 606 on January 1, 2019. The new guidance clarifies the principles used to recognize revenue for all entities and requires companies to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled.

The Company has defined its distinct and non-distinct performance obligations required under the terms of the various contracts. For its franchise agreements, the Company believes that portions of certain Pre-Opening Services, the initial training, site selection and development services, benefit the franchisee without its use of the license and are therefore considered distinct performance obligations separable from the franchise right. Performance obligations for initial training, site selection and development services are generally satisfied as of the opening date for a franchise center. To allocate the initial franchise and transfer fees to the associated performance obligations, the Company used an expected cost plus a margin approach to determine the amount of the initial franchise or transfer fee identified with the distinct portion of the initial training, site selection and development services. This total distinct amount is recognized upfront, and the remaining non-distinct portion of the total franchise fee is allocated to symbolic intellectual property and recognized over the agreement term starting from the opening date of the franchise center. Due to the immaterial nature of renewal franchise fees, they are recognized upon agreement execution. Certain franchise agreements may also include a financing component, but the Company has determined that the total interest amount related to these franchise agreements is immaterial to its consolidated financial statements. Other revenues from equipment package sales, supplies, services and inventory are recognized based on the gross sales price upon delivery.

Royalties are generally based on a percent of franchisee sales differing by brand ranging from 2% to 8% and are recognized at the time the underlying franchisee's sales occur.

To secure new franchises, the Company uses its sales force, and in certain instances, third-party brokers to obtain leads for new franchise arrangements. The costs for internal sales commissions

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

and third-party broker fees are amortized over the agreement term of each respective contract starting from the opening date of the franchise center.

General contracting construction revenue for contracts that satisfy the criteria for over time recognition is recognized as the work progresses. The Company measures transfer of control of the performance obligation utilizing the cost-to-cost measure of progress, with cost of revenue including direct costs, such as material, labor, and subcontract costs, and indirect costs that are attributable to contract activity. Under the cost-to-cost approach, the use of estimated costs to complete each performance obligation is a significant variable in the process of determining recognized revenue and is a significant factor in the accounting for such performance obligations. Significant estimates that affect the cost to complete each performance obligation are materials, components, equipment, labor and subcontracts; labor productivity; and schedule durations, including subcontractor or supplier progress. The cumulative impact of revisions in total cost estimates during the progress of work is reflected in the period in which these changes become known. Due to the various estimates inherent in contract accounting, actual results could differ from the original estimates.

Under Topic 840, *Leases*, the Company accounts for salon suite rental contracts as operating leases. The Company recognizes revenue from rentals in the period earned. The Company's rental contract is for the right to use a salon suite for a stated period of time, typically a non-cancellable term of one year.

Balance sheet amounts related to ASC 606 consist of the following at December 31:

	2021	2020	2019
	(Successor)	(Successor)	(Successor)
Deferred Revenue:			
Current deferred revenue	\$ 3,511,196	\$ 890,944	\$ 526,154
Non-current deferred revenue	11,448,858	4,355,537	4,074,532
<b>Total deferred revenue</b>	<b>\$ 14,960,054</b>	<b>\$ 5,246,481</b>	<b>\$ 4,600,686</b>
Prepaid commissions & brokerage fees:			
Current prepaid commissions & brokerage fees (included in prepaid expenses)	\$ 882,884	\$ 712,868	\$ 231,626
Non-current prepaid commissions & brokerage fees (included in other assets)	2,105,312	1,873,066	2,284,114
<b>Total prepaid commissions &amp; brokerage fees</b>	<b>\$ 2,988,196</b>	<b>\$ 2,585,934</b>	<b>\$ 2,515,740</b>

### ***Equity-based Compensation***

The Company accounts for equity-based compensation under FASB ASC Topic 718, *Compensation-Stock Compensation*. The Company recognizes all share-based payments to employees, including grants of employee stock options, as compensation expense based on their estimated fair values over the requisite service period, which is generally the vesting period of the awards. The Company



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## Notes to Consolidated Financial Statements

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currently estimates stock option forfeitures at the inception of the stock option agreement. The Company adjusts its estimates when the actual forfeitures are likely to change or differ from estimates. The Company estimates the fair value of each stock option award on the date of grant using the Black-Scholes option valuation model. The expected life of each award granted is determined using the average of the weighted-average vesting term and contractual term. Expected volatility is based on the historical volatility of similar entities whose share or option price is publicly available with a similar vesting and contractual term. The risk-free interest rate is based on the implied yield currently available on U.S. Treasury issues with terms approximately equal to the expected life of the option. The Company has never paid any cash dividends and, accordingly, the Company uses an expected dividend yield of zero.

### ***Advertising Costs***

The Company expenses the costs of advertising when incurred. Advertising expense was \$932,561, \$576,996, \$164,503 and \$556,235 for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 through December 31, 2019 (Successor) and the period from January 1, 2019 through March 12, 2019 (Predecessor), respectively.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("US GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

### ***Contingencies***

Various legal actions and claims, which have arisen in the normal course of business, may be pending against the Company from time to time. It is the opinion of management, based on consultation with counsel, that the ultimate resolution of these contingencies will not have a material effect on the financial condition, results of operations or liquidity of the Company.

### ***Fair Value of Financial Instruments***

In accordance with FASB ASC 820 *Fair Value Measurements*, certain assets and liabilities are carried at fair value and are categorized based on the level of judgment associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

*Level 1* - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

*Level 2* - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

*Level 3* - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

The Company believes the carrying amounts of financial instruments as of December 31, 2021, 2020 and 2019 (Successor), including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to their short maturities. The Company's

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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notes receivable bear interest at market rates, and management does not believe there has been a change in the franchisees' credit quality from the date of issuance. Thus, management believes the notes receivable carrying amounts approximate fair value.

### ***Recent Accounting Pronouncements***

In January 2017, the FASB issued ASU 2017-04, "Intangibles - Goodwill and Other", which simplifies the test for goodwill impairment by removing the second step of the two-step impairment test. An entity will no longer determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. Instead, an entity should perform its goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.. All other goodwill impairment guidance will remain largely unchanged. For nonpublic entities, the standard is effective for annual periods beginning after December 15, 2022 with early application permitted for tests performed after January 1, 2017. The Company adopted this standard on January 1, 2021 and the adoption had no impact on the Company's financial position or results of operations.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)". The guidance in ASU 2016-02 (as subsequently amended by ASU 2018-01, ASU 2018-10, ASU 2018-11 and ASU 2018-20) requires that a lessee recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. As with previous guidance, there continues to be a differentiation between finance leases and operating leases, however this distinction now primarily relates to differences in the manner of expense recognition over time and in the classification of lease payments in the statement of cash flows. Lease assets and liabilities arising from both finance and operating leases will be recognized in the statement of financial position. ASU 2016-02 leaves the accounting for leases by lessors largely unchanged from previous GAAP. The transitional guidance for adopting the requirements of ASU 2016-02 calls for a modified retrospective approach that includes a number of optional practical expedients that entities may elect to apply. In addition, ASU 2018-11 provides for an additional (and optional) transition method by which entities may elect to initially apply the transition requirements in Topic 842 at that Topic's effective date with the effects of initially applying Topic 842 recognized as a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption and without retrospective application to any comparative prior periods presented. Also, ASU 2018-20 provides certain narrow-scope improvements to Topic 842 as it relates to lessors. The ASU is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

In December 2019, the FASB released ASU 2019-12, "Income Tax (Topic 740): Simplifying the Accounting for Income Taxes", which affects general principles within Topic 740, Income Taxes. The amendments of ASU 2019-12 are meant to simplify and reduce the cost of accounting for income taxes. The FASB has stated that the ASU is being issued as part of its Simplification Initiative, which is meant to reduce complexity in accounting standards by improving certain areas of GAAP without compromising information provided to users of consolidated financial statements. The standard is effective for annual periods beginning after December 15, 2021 with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

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In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". ASU 2016-13 amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses ("ASU 2018-19"), which clarifies that receivables arising from operating leases are accounted for using lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments ("ASU 2019-04"), which clarifies the treatment of certain credit losses. In May 2019, the FASB issued ASU No. 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief ("ASU 2019-05"), which provides an option to irrevocably elect to measure certain individual financial assets at fair value instead of amortized cost. In November 2019, the FASB issued ASU No. 2019-11, Codification Improvements to Topic 326, Financial Instruments - Credit Losses ("ASU 2019-11"), which provides guidance around how to report expected recoveries. ASU 2016-13, ASU 2018-19, ASU 2019-04, ASU 2019-05 and ASU 2019-11 (collectively, "ASC 326") are effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

In October 2021, the FASB issues ASU No. 2021-08, Business Combinations - Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805) which amends Topic 805 to require acquiring entities to apply Topic 606 to recognize and measure contract assets and liabilities in a business combination. ASU 2021-08 is effective for fiscal years beginning after December 15, 2023 and interim periods within those fiscal years. Early adoption is permitted. The Company adopted the provisions of ASU 2021-08 on January 1, 2021.

### 3. Related Party Transactions

The Company performs certain bookkeeping and administrative services for and allocates facility and supply resources to an advertising cooperative. Amounts reimbursed at cost related to these services were \$944,363, \$938,196, \$749,707 and \$142,965 for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 through December 31, 2019 (Successor) and the period from January 1, 2019 through March 12, 2019 (Predecessor), respectively. For 2021, 2020 and 2019, the Company earned royalty revenue of 6% of the advertising cooperative's sales to parties other than FASTSIGNS franchises. Royalty revenue earned from the cooperative under the National Accounts was \$644,458, \$527,847, \$468,350 and \$69,690 for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 through December 31, 2019 (Successor) and the period from January 1, 2019 through March 12, 2019 (Predecessor), respectively. This advertising cooperative is for the sole benefit of the FASTSIGNS franchisees. Amounts receivable from the advertising cooperative and national accounts were \$844,519, \$1,153,238 and \$331,417 at December 31, 2021, 2020, and 2019 (Successor), respectively. See Note 9 - Receivable from Parent Company for additional related party disclosure.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### 4. Fixed Assets

Fixed assets consist of the following at December 31:

	2021 (Successor)	2020 (Successor)	2019 (Successor)
Furniture, equipment and internally developed software	\$ 5,791,504	\$ 4,997,251	\$ 4,318,569
Leasehold improvements	7,523,823	1,321,694	1,291,328
Total fixed assets	13,315,327	6,318,945	5,609,897
Less: accumulated depreciation	(4,443,979)	(4,989,671)	(4,624,499)
Fixed assets, net	\$ 8,871,348	\$ 1,329,274	\$ 985,398

The furniture, equipment and developed software have an expected life of three to five years, and leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the assets. Depreciation expense was \$1,133,232 and \$365,172 for the years ended December 31, 2021 and 2020 (Successor), respectively, \$244,980 for the period from March 13, 2019 through December 31, 2019 (Successor), and \$48,261 for the period from January 1, 2019 through March 12, 2019 (Predecessor).

### 5. Goodwill and Other Intangible Assets

#### *Other Intangible Assets*

Other intangibles consist of the following at December 31, 2021 (Successor):

	Gross Carrying Amount	Accumulated Amortization	Net
Program materials	\$ 2,100,000	\$ (1,501,090)	\$ 598,910
Trade name ( <i>indefinite-lived</i> )	71,400,000	-	71,400,000
Trade name	13,660,000	(813,806)	12,846,194
Internally developed software	490,000	(84,389)	405,611
Favorable lease	2,489,584	(500,286)	1,989,298
Unfavorable lease	(569,926)	54,326	(515,600)
Market franchise agreements	810,762	(115,721)	695,041
Total	\$ 90,380,420	\$ (2,960,966)	\$ 87,419,454

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

Other intangibles consist of the following at December 31, 2020 (Successor):

	Gross Carrying Amount	Accumulated Amortization	Net
Program materials	\$ 1,880,000	\$ (836,537)	\$ 1,043,463
Trade name ( <i>indefinite-lived</i> )	71,400,000	-	71,400,000
Trade name	1,360,000	(42,310)	1,317,690
<b>Total</b>	<b>\$ 74,640,000</b>	<b>\$ (878,845)</b>	<b>\$ 73,761,153</b>

Other intangibles consist of the following at December 31, 2019 (Successor):

	Gross Carrying Amount	Accumulated Amortization	Net
Program materials	\$ 1,300,000	\$ (343,056)	\$ 956,944
Trade name ( <i>indefinite-lived</i> )	71,400,000	-	71,400,000
<b>Total</b>	<b>\$ 72,700,000</b>	<b>\$ (343,056)</b>	<b>\$ 72,356,944</b>

Amortization expense was \$2,082,119 and \$535,791 for the years ended December 31, 2021 and 2020, respectively, \$343,056 for the period from March 13, 2019 through December 31, 2019 (Successor), and \$0 for the period from January 1, 2019 through March 12, 2019 (Predecessor).

Estimated amortization expense for definite-lived intangibles for the subsequent five years and thereafter is as follows:

*Years ending December 31,*

2022	\$ 2,630,353
2023	2,630,353
2024	2,630,353
2025	2,630,353
2026	2,630,353
Thereafter	2,867,691
	<b>\$ 16,019,454</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### Goodwill

The changes in the carrying amounts of goodwill are as follows:

	For the year ended December 31, 2021 (Successor)	For the year ended December 31, 2020 (Successor)	Period from March 13, 2019 to December 31, 2019 (Successor)	Period from January 1, 2019 to March 12, 2019 (Predecessor)
Balance at beginning of period	\$ 228,741,548	\$ 226,795,558	\$ -	\$ 17,832,876
Effect of Reorganization Transaction	67,975,068	1,945,990	226,555,558	-
Goodwill recorded from acquisition	107,770	-	-	-
Other	-	-	240,000	-
<b>Balance at end of period</b>	<b>\$ 296,824,386</b>	<b>\$ 228,741,548</b>	<b>\$ 226,795,558</b>	<b>\$ 17,832,876</b>

### 6. Accrued Liabilities

Accrued liabilities consist of the following at December 31:

	2021 (Successor)	2020 (Successor)	2019 (Successor)
Accrued payables to franchisees	\$ 1,824,637	\$ 1,365,287	\$ 1,058,382
Employee benefits and compensation	2,235,730	1,013,180	778,433
Event related accruals	756,166	146,791	984,868
Customer deposits	724,859	83,108	141,007
Other	754,637	336,051	221,430
<b>Total accrued liabilities</b>	<b>\$ 6,296,029</b>	<b>\$ 2,944,417</b>	<b>\$ 3,184,120</b>

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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### 7. Commitments and Contingencies

#### Operating Leases and Service Contracts:

The Company leases office space, training facilities and salon facilities under various non-cancelable operating lease agreements. Rent expense under these and other leases was \$3,020,973, \$339,098, \$256,818 and \$63,567 for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 to December 31, 2019 (Successor), and the period from January 1, 2019 to March 12, 2019 (Predecessor), respectively.

The future minimum payments under these agreements are as follows:

#### Years ending December 31:

2022	\$	4,268,294
2023		3,786,475
2024		3,533,483
2025		3,050,370
2026		2,744,689
Thereafter		7,689,334
<u>Total future minimum payments</u>		<u>\$ 25,072,645</u>

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, *Contingencies*. Accordingly, no liabilities have been accrued for these matters at December 31, 2021, 2020 and 2019 (Successor). Management believes that the outcome of such matters will not have a material effect on the Company's consolidated financial statements.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### 8. Income Taxes

The expense (benefit) for income taxes consists of the following:

	For the year ended December 31, 2021 (Successor)	For the year ended December 31, 2020 (Successor)	Period from March 13, 2019 to December 31, 2019 (Successor)	Period from January 1, 2019 to March 12, 2019 (Predecessor)
<b>Current</b>				
Federal	\$ 4,430,952	\$ 3,489,308	\$ 1,154,148	\$ 680,773
State	1,410,044	(49,735)	376,266	(100,068)
Foreign	208,334	171,796	148,131	24,793
<b>Total current</b>	<b>6,049,330</b>	<b>3,611,369</b>	<b>1,678,545</b>	<b>605,498</b>
<b>Deferred</b>				
Federal	(113,373)	(120,086)	(144,344)	(78,568)
State	(26,840)	(28,429)	(34,172)	(18,600)
<b>Total deferred</b>	<b>(140,213)</b>	<b>(148,515)</b>	<b>(178,516)</b>	<b>(97,168)</b>
<b>Income tax expense</b>	<b>\$ 5,909,117</b>	<b>\$ 3,462,854</b>	<b>\$ 1,500,029</b>	<b>\$ 508,330</b>

The tax effect of temporary differences that gave rise to deferred tax assets and liabilities consist of the following at December 31:

	2021 (Successor)	2020 (Successor)	2019 (Successor)
<b>Deferred tax assets</b>			
Allowance for doubtful accounts	\$ 138,603	\$ 139,685	\$ 49,559
Accrued compensation	399,321	156,818	162,113
Share-based compensation	453,702	265,887	77,143
Accrued professional fees	43,502	-	-
Deferred rent	16,769	29,273	41,768
Deferred revenue	345,537	459,355	424,766
Charitable contributions	-	-	104
ASC 606 adjustments	259,466	281,531	339,376
<b>Total deferred tax assets</b>	<b>1,656,900</b>	<b>1,332,549</b>	<b>1,094,829</b>
<b>Deferred tax liabilities:</b>			
Goodwill tax amortization	7,814	(4,502)	(346)
Intangible assets	-	2,002	6,007
Prepaid expenses	(8,394)	-	(525)
Depreciation	(430,950)	(244,893)	(160,656)
Intangibles - book basis	(18,789,516)	(18,718,204)	(18,792,176)
<b>Total deferred tax liabilities</b>	<b>(19,221,046)</b>	<b>(18,965,597)</b>	<b>(18,947,696)</b>
<b>Net deferred tax liabilities</b>	<b>\$ (17,564,146)</b>	<b>\$ (17,633,048)</b>	<b>\$ (17,852,867)</b>



# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before taxes primarily due to state tax obligations, permanently non-deductible expenses, provision for uncertain tax positions and true ups to prior period estimates. The Company files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. As of December 31, 2021, 2020 and 2019 (Successor), the Company has accrued approximately \$895,000, \$773,000 and \$911,000, respectively, to reserve for uncertain tax positions. As of December 31, 2021, 2020, and 2019 (Successor) the reserve for uncertain tax positions is inclusive of penalties and interest of approximately \$415,000, \$350,000 and \$417,000, respectively.

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed into law on March 27, 2020 to address the economic fallout to businesses and individuals of the 2020 coronavirus pandemic. The CARES Act allows taxpayers to carry back NOLs arising in tax years beginning after December 31, 2017, and before January 1, 2021, to the five tax years preceding the taxable year of such loss. The CARES Act temporarily removes the 80% limitation for NOLs arising in tax years beginning after December 31, 2017 and before January 1, 2021. The CARES Act also allows for corporations to claim refunds for all remaining alternative minimum tax credits in 2018 and 2019.

### 9. Receivable From Parent Company

The receivable from the Parent Company is unsecured, bears no interest and is due on demand. The receivable is included as a reduction of member’s equity.

### 10. Share-Based Compensation

The former parent maintained a share-based payment plan (“Stock Option Plan”) established October 14, 2014, for the benefit of employees of the Company. The former parent allotted a total of 8,376 shares to be issued under the Stock Option Plan. Option grants had a contractual life of ten years, subject to certain conditions, and typically vested over five years based upon service and financial-based thresholds. 20% of the service-based options typically vest each year over a five-year period, and of the financial performance-based options, 20% were subject to vesting each year.

In 2019, the Stock Option Plan was terminated when Holdings acquired Display Holding Company Inc. Upon the change of control, all issued and outstanding options vested resulting in \$9,999,388 of expense being recognized in the accompanying consolidated statement of operations during the period from January 1, 2019 to March 12, 2019 (Predecessor). Holdings created a replacement share-based payment plan (“2019 Stock Option Plan”) established August 1, 2019, for the benefit of employees of the Company. The Company originally allotted a total of 23,281 shares to be issued under the 2019 Stock Option Plan and increased the allotment by 2,741 shares in 2021. Option grants have a contractual life of ten years, subject to certain conditions, and typically vest over five years with half based upon service and half based upon financial thresholds. 20% of the service-based options typically vest each year over a five-year period, and the financial performance-based options are subject to vesting upon a change of control.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

Information with respect to options under these plans is as follows:

	Outstanding Options		Weighted Average Exercise Price
Total options outstanding, January 1, 2019 (Predecessor)	7,732	\$	613.10
Issued	-		-
Exercised	7,732		-
Forfeited	-		613.10
Total options outstanding, March 12, 2019 (Predecessor)	-		-
Total options outstanding, March 13, 2019 (Successor)	-		-
Issued	20,273		1,000.00
Exercised	-		-
Forfeited	-		-
Total options outstanding, December 31, 2019 (Successor)	20,273	\$	1,000.00
Issued	538		1,000.00
Exercised	-		-
Forfeited	-		-
Total options outstanding, December 31, 2020 (Successor)	20,811	\$	1,000.00
Options vested and exercisable, December 31, 2020 (Successor)	1,930		1,000.00
Issued	-		-
Exercised	-		-
Forfeited	232		1,000.00
Total options outstanding, December 31, 2021	20,579	\$	1,000.00
Options vested and exercisable, December 31, 2021	3,913	\$	1,000.00

The weighted-average exercise price and average remaining contractual life of the 20,579 options outstanding at December 31, 2021 (Successor) was \$1,000.00 and 7.6 years. The weighted-average exercise price and average remaining contractual life of the 20,811 options outstanding at December 31, 2020 (Successor) was \$1,000.00 and 8.6 years. The weighted-average exercise price and average remaining contractual life of the 20,273 options outstanding at December 31, 2019 (Successor) was \$1,000.00 and 9.6 years. As of December 31, 2021 (Successor), 3,913 options were vested, at December 31, 2020 (Successor), 1,930 options were vested, and at December 31, 2019 (Successor), no options had vested.

# Propelled Brands Franchising, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

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The estimated fair value of options is amortized to compensation expense on the straight-line basis over the options' vesting period. The compensation cost for share-based employee compensation was \$737,560, \$726,732, \$297,031, and \$9,999,388 for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 to December 31, 2019 (Successor), and the period from January 1, 2019 to March 12, 2019 (Predecessor), respectively.

Expected amortization for the subsequent years ending December 31 is as follows:

Years ending December 31	
2022	\$ 728,686
2023	728,686
2024	432,282
2025	10,556
<hr/>	
Total amortization	\$ 1,900,210

### 11. Employee Benefit Plan

FII has a defined contribution plan structured under Section 401(k) of the Internal Revenue Code. Under the plan, contributions are made by eligible employees. The employees can elect to contribute up to 20% of their salary or \$19,500 in both 2021 and 2020, and \$19,000 in 2019. FII matches 25% of the first 6% of contributions in the amount of \$145,027, \$20,108, \$57,043 and \$12,335 for the year ended December 31, 2021, the year ended December 31, 2020, the period from March 13, 2019 to December 31, 2019 (Successor), and the period from January 1, 2019 to March 12, 2019 (Predecessor), respectively. The Company match is discretionary and was temporarily discontinued between April 3, 2020 and March 1, 2021.

The Company currently offers no other postretirement or postemployment benefits to its employees.

### 12. Subsequent Events

The Company evaluated subsequent events through May 1, 2022, the date the consolidated financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.

## GUARANTY OF PERFORMANCE

For value received, Propelled Brands Franchising, LLC, a Delaware limited liability company (the "Guarantor"), located at 2542 Highlander Way, Carrollton, Texas 75006, absolutely and unconditionally guarantees to assume the duties of FASTSIGNS International, Inc., located at 2542 Highlander Way, Carrollton, Texas 75006 (the "Franchisor") under its franchise registration in each state where its franchise is registered or exempt from registration, as applicable, and under its Franchise Agreement as identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended, from time to time. This guaranty continues until all such obligations of the Franchisor under the franchise registration or franchise exemption (as applicable) and Franchise Agreement are satisfied or until liability of the Franchisor under the Franchise Agreement has been completely discharged, whichever first occurs. Guarantor is not discharged from liability if a claim by the franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guaranty is binding on the Guarantor and on its successors and assigns.

The Guarantor signs this guaranty at Carrollton, Texas on the 27<sup>th</sup> day of April, 2023.

Guarantor:

PROPELLED BRANDS FRANCHISING, LLC



By: Catherine Monson

Title: Chief Executive Officer & President

**FASTSIGNS INTERNATIONAL, INC**

**LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, 2022**

**EXHIBIT “F”**

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Keith Maddox	Think Positive, Inc.	3321 Lorna Rd Suite 8, Birmingham, AL 35216	205-823-4045
Margie and Thomas George	T&MG, LLC	4245 1st Ave N, Birmingham, AL 35222	205-322-7446
Pauline McKean	FS Mobile, LLC	2101 US Highway 98, Suite G, Daphne, AL 36526	251-621-7446
Shane and Kristi Jeter	Jeter Ventures, LLC	3160 W Main St Suite 6, Dothan, AL 36305	334-226-5716
Tanveer Ziaur-Rehman		4294 University Dr., NW Suite A, Huntsville, AL 35816-3006	256-722-5227
Pauline McKean	FS Mobile, LLC	4668 Airport Blvd., Mobile, AL 36608	251-410-7446
Jeff and Susan Ezell & Chad Norman	SignPros, LLC	115 Brown Springs Rd., Montgomery, AL 36117	334-245-1135
Milton Chancellor	Sign Design and Services, Inc.	6201 McFarland Blvd. E, Tuscaloosa, AL 35405-3842	205-758-7446
Tom Calvert	AZCAL Enterprises, LLC	3205 N Arizona Ave., Suite 6, Chandler, AZ 85225	480-782-8800
Emily Staples	EJS Promotional Products, LLC	1981 E Pecos Rd, Suite 104, Gilbert, AZ 85295	480-248-7466
Joseph and Lisa Lutz	LJL Visual Solutions, LLC	6020 W Bell Rd., Suite E101, Glendale, AZ 85308	602-439-4242
Jerry Hoyler	Debmar SW Family Enterprises, LLC	600 N Bullard Ave., Suite 7, Goodyear, AZ 85338-2517	623-536-0575
Sam and Amy Goodman	Samata Signs, LLC	7415 E Southern Ave., Unit 104, Mesa, AZ 85209	480-854-7400
Scott Koehler, Julie Vargo and John & Ginger White	Power & Sign Graphics, Inc.	2517 N Central Ave., Phoenix, AZ 85004	602-266-7446
Dorena Mello	RAM Signs, Inc.	2924 N 30th St., Phoenix, AZ 85016-8008	602-955-8508
Dan Zemel	Zemedegon Productions, LLC	4731 E Union Hills Dr., Suite 112, Phoenix, AZ 85050-3319	602-715-2222
Sue and Clark Mutschler	Mutschler Signage, Inc.	7650 E Redfield Rd., Suite C-2, Scottsdale, AZ 85260-6906	480-991-1268
David and Rachel Duffus	Kachet, LLC	1921 N Scottsdale Rd., Scottsdale, AZ 85257-2118	480-681-8761
Jeffrey, Dave and Kathleen Thomas	Design Ruhls, LLC	15332 W Bell Rd., Suite 118, Surprise, AZ 85374-2464	623-232-2844
Dave Vandervort	Vandervort, Inc.	1320 Priest Dr., Suite 104, Tempe, AZ 85281-6959	480-894-6490
Byron Patton and Barbara McNichol	Encore Signs, LLC	3461 E Speedway Blvd., Tucson, AZ 85716	520-881-4050
David Aviles, Jeff Parsons and Wes Snyder	APS Signs, Inc.	3988 N Oracle Rd., Tucson, AZ 85705	520-293-6280
Tony and Michael Bartz	Bartz Enterprises LLC	7955 E. Broadway Blvd., Suite 157, Tucson, AZ 85710	520-495-5900
Tara Eggers	Laser Graphics Publications, Inc.	240 S Shackleford, Little Rock, AR 72211	501-224-8686
Kara Newman & Scott Horton	KSB Leasing Company, LLC	300 West 5 <sup>th</sup> , North Little Rock, AR 72114	501-244-9280

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Sam Merchant and Salima Surani	Samaya Investments, LLC	9831 Maumelle Blvd., North Little Rock, AR 72113	501-483-4342
Joe and Brenda Waugh	COMP-U-SIGN, Inc.	1916 W Sunset Ave., Springdale, AR 72762	479-872-2500
Walt and Karen Perlic, Warren Krasman & Lisa Brown	W2KL Incorporated	100 W American Canyon Rd. K-8, American Canyon, CA 94503	707-552-0110
Jens Erickson	JP SIGNS INC.	1388 Sunset Dr., Antioch, CA 94509	925-755-7446
Nathan Tuoch and Jean-Marc Touch	The Kreative Roots LLC	11938 South Street, Artesia, CA 90703	562-822-4145
Gaby and Bob Mullinax	Joy Lane Company, Inc.	420 La Crescenta Dr., Brea, CA 92823	714-257-0733
Larry and Jennifer Oliver	Northstar Family Corporation	1877 E. Daily Dr., Suite E, Camarillo, CA 93010	805-586-3928
Robert, Kim, Ryan & Tyler Craigo	Craigo Investments, Inc.	1541 Railroad Ave., Clovis, CA 93612	559-765-4513
Nancy Sinsel and Greg Dennison	Red Dog Graphics, Inc.	5153 Commercial Circle, Suite C, Concord, CA 94520-8598	925-317-1000
John Park, Ronald Yong and Bernice Lam	Step One Media, Inc.	5554 Sepulveda Blvd., Culver City, CA 90230	310-390-8104
Brett and Michele Howell & Anthony and Jennifer Esparza	SIGNFAST, Inc.	7660 Amador Valley Blvd., Dublin, CA 94568	925-828-4561
Sonny and Eeven Hanish	HANISH INC.	1286 Pioneer Way, El Cajon, CA 92020	619-363-7446
Paul Maynes	Pacific Coast Signs, Inc.	9632 Emerald Oak Dr., Suite A, Elk Grove, CA 95624-2258	916-686-3111
Henry Tran	Milano Trophy, LLC	1441 Encinitas Blvd., Suite 120-122, Encinitas, CA 92024	760-230-8701
Jonathan Schwartz	Indo Signs, Inc.	945 W Valley Pkwy Suite A, Escondido, CA 92025	760-737-9550
Paul Maynes	Pacific Coast Signs, Inc.	420 E Bidwell St., Folsom, CA 95630-3117	916-608-4455
Rick and Thelma Martin	Sign Solutions, LLC	44755 S Grimmer Blvd., Suite G, Fremont, CA 94538	510-651-7446
Robert, Kim, Ryan and Tyler Craigo	Craigo Investments, Inc.	2745 W Shaw Ave Suite 120, Fresno, CA 93711	559-222-9293
Gaby Mullinax	RGMZBK, LLC	1133 S Placentia Ave., Fullerton, CA 92831	714-853-1441
Linda Fong	Justipher, Inc.	1248 W Winton Ave., Hayward, CA 94545	510-780-2984
Robert and Patricia Riley	Morea, Inc.	18356 Beach Blvd., Huntington Beach, CA 92648	714-375-4466
Eric Baines	E&D Sign Solutions	403 S La Brea Ave., Inglewood, CA 90301-2321	310-957-3333
Ray Chang	Ambassador Ventures, LLC	18021 Sky Park Circle, Suite J, Irvine, CA 92614	949-398-6500
Roger Toung	RDK Signs & Graphics, Inc.	24282 Swartz Dr., Lake Forest, CA 92630	949-707-5232
Cheryl and Jayson Aurelio	Makai Signs	6961 Broadway, Lemon Grove, CA 91945	619-734-7744
Stan and Virginia Gray	The James Workshop	2335 Long Beach Blvd., Long Beach, CA 90806	562-704-6444
David Haroonian	9ine, Inc.	335 N. La Cienega Blvd., Los Angeles, CA 90048	323-465-4500

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
John Park, Ronald Yong & Bernice Lam	Step One Media, Inc.	333 South Spring S., Suite F2, Los Angeles, CA 90013	213-437-9288
Ron St. Onge	Rapid Signs, Inc.	23209 Sunnymead Blvd., Moreno Valley, CA 92553	951-243-1494
James Edwards	Signed On Inc.	1469 E Plaza Blvd., National City, CA 91950	619-474-1111
Robert Blumenfeld		5120 Lankershim Blvd., North Hollywood, CA 91601	818-506-8600
Linda Fong	Justipher, Inc.	325 5th St., Oakland, CA 94607	510-465-7788
Anies and Nahid Khan	NAK Graphic Signs, Inc.	1351 S Grove Ave., Suite 107, Ontario, CA 91761	909-923-4800
Darren Tow and Lynn Yin	Almaco Holdings, LLC	1108 E. Katella Ave., Suite C-1, Orange, CA 92867	714-922-3360
Jill Bonilla	Covell Graphics	2339 N Oxnard Blvd., Oxnard, CA 93036	805-278-7800
Francisco Sabio	9FM6S Inc.	540 S Vella Rd., Palm Springs, CA 92264	760-548-0343
Kevin Jones	Civic Proud Enterprises, Inc.	1372 N McDowell Blvd., Suite B, Petaluma, CA 94954	707-981-7350
Tom Wise		3381 Vincent Rd., Suite J, Pleasant Hill, CA 94523-4310	925-476-5163
Farid and Suki Khansarinia	K7 Enterprises	3503 W Temple Ave., Suite E, Pomona, CA 91768-3264	909-598-9111
Jay Fuchs	Tri R Signs, Inc.	2246 Sunrise Blvd., Suite 8, Rancho Cordova, CA 95670	916-631-7375
Fredric and Rosa Royce	FC Royce Enterprises, Inc.	9253 Hermosa Ave., Suite E, Rancho Cucamonga, CA 91730	909-552-6218
Paul Maynes	Pacific Coast Signs, Inc.	1476 Oddstad Dr., Redwood City, CA 94063-2607	650-368-7446
Ron and Donna Stokesbary		1900 Douglas Blvd., Suite E, Roseville, CA 95661	916-782-1584
Robert and Ann Ricks	Lantana, Inc.	1720 Fulton Ave., Sacramento, CA 95825-2416	916-488-4222
Ribina Sidhu	Sabika Group, Inc.	2580 Arena Blvd., Suite B110, Sacramento, CA 95834-7942	916-562-2200
Nick and Cyndi Fiello	The Fiello Groups, LLC	1650 South E St., Suite D, San Bernardino, CA 92408-2752	909-889-0002
Sean and Michelle Cox	SMC Signs, Inc.	3166 Midway Dr., Suite 107, San Diego, CA 92110	619-523-2211
Shane Beard	Coast West Graphics, Inc.	8134 Miramar Road, San Diego, CA 92126	856-693-7446
James Edwards	Signed On, Inc.	7373 Clairemont Mesa Blvd., San Diego, CA 92111	858-560-2010
Cindy Ren and Ray Yau	XMvisuals, LLC	12285 World Trade Dr., Suite H, San Diego, CA 92128	858-705-6038
Norma Ochoa and Andre Richardson	NORAND Corporation	675 Saturn Blvd., Suite E, San Diego, CA 92154	619-877-2907
Marc and Olivia Harris	ColorBox Graphics, Inc.	705 Capitol Expressway Auto Mall, Suite 10, San Jose, CA 95136	408-629-5514
Abe and Jessica Salas	Eternal Sign Design, Inc.	1228 S Bascom Ave Suite A, San Jose, CA 95128-3513	408-289-1700
Abe Salas	Eternal Sign Design, Inc.	1630 Oakland Rd., Suite A111, San Jose, CA 95131-2461	408-899-6933



Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
David and Linda Skromme	DL Graphics Solutions	2130 S El Camino Real, San Mateo, CA 94403	650-345-0900
Jason Moline	Gigabyte Graphics, Inc.	625-C Du Bois St., San Rafael, CA 94901	415-507-0878
Wade and Ruby Luckhardt		2551 San Ramon Valley Blvd., Suite 110, San Ramon, CA 94583-1661	925-820-2202
Robert and Patricia Riley	Morea, Inc.	3011 S Harbor Blvd., Santa Ana, CA 92704	714-434-7446
Kevin Jones	Civic Proud Enterprises, Inc.	3768 Santa Rosa Ave., Santa Rosa, CA 95407	707-571-8911
David Haroonian	9ine, Inc.	14308 Ventura Blvd., Sherman Oaks, CA 91423-2753	818-784-2510
Edward Yang and Susan Kiang	Everstar Signs, Inc.	546-2 Lawrence Expy., Sunnyvale, CA 94085	408-245-8000
Meni Mageni	VERTESH CORPORATION	19229 Ventura Blvd., Tarzana, CA 91356	818-776-0107
Sheri Bercaw	MS3 Visual Communications	28165 Jefferson Ave., Suite A, Temecula, CA 92590	951-695-3278
Stan and Virginia Gray	Orange Box Productions, Inc.	1103 Sartori Ave., Torrance, CA 90501	310-542-3636
Johnny and Danielle Miranda	M4 Designs, Inc.	1418 Mariani Ct., Suite 110, Tracy, CA 95376-2855	209-290-0100
Saurabh and Madhu Bajaj	Chakra Investments, Inc.	3959 E Main St., Suite A, Ventura, CA 93003-5248	805-658-1001
Garrett and Kathy Casey	Cornerstone Creativity Group, Inc.	10725 W Goshen Ave., Visalia, CA 93291	559-571-2600
Dylan and Catherine Framness	Eco Sign Design	2070 Hacienda Dr., Suite F, Vista, CA 92081	760-724-7071
Shawn Nichols	Nichols Business Enterprise	228 Windsor River Rd., Windsor, CA 95492	707-838-3728
Garret and Kim Gifford	Signs for Success, Inc.	7320 W 52nd Ave., Unit A, Arvada, CO 80002	303-422-7440
Jesse Wooten	Wooten Limited	1690 S Abilene St., Suite 103, Aurora, CO 80012	303-396-9423
Mike and Valerie Carlson	M&V Carlson, LLC	4800 Baseline Rd., Suite D102, Boulder, CO 80303	303-543-7907
Hayley Luepke and Andrew Luepke	Maverick Designs, Inc.	799 US Highway 287, Suite F, Broomfield, CO 80020	303-410-1122
Buddy Williams	On Wings, Inc.	10697 E Briarwood Cir., Centennial, CO 80112-1147	303-792-0878
Pete and Nicole Cassara	Juniper Holdings, Inc.	937 N Academy Blvd., Colorado Springs, CO 80909	719-574-5333
Tim Crow	TC Corp.	5125 N Union Blvd., Suite 150, Colorado Springs, CO 80918-2066	719-260-6601
Vipan and Anju Seth	Trinity Enterprises, Inc.	1650 Champa St., Denver, CO 80202	303-446-0898
Jerry and Andrea Hair	R Signs of Colorado, Inc.	1485 S Colorado Blvd., Suite 150, Denver, CO 80222	303-399-7446
Laurie Sigillito	STEVEN SCOTT, LLC	67 Suttle St., Suite B, Durango, CO 81303	970-247-8000
Daniel & Larissa Croll and Matt & Barbara Metcalf	MBM Business Services, Inc.	110 E. Centennial Ave., Englewood, CO 80113-6717	303-761-7212
Randy and Kimberly Greathouse	Greathouse Properties, LLC	615 Colorado Ave., Grand Junction, CO 81501	970-644-5154

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
David and Jennifer Owens	Hilclymber, Inc.	2601 W 28th St., Greeley, CO 80634	970-352-7446
Rick and Lisa Abercrombie	Abercrombie Business Services, Inc.	10790 W Alameda Ave., Lakewood, CO 80226	303-922-4444
Buddy Williams and Carmen Rentzios	On Wings, Inc.	203 S Main St., Suite B, Longmont, CO 80501	720-684-6098
Rakesh and Urvashi Bhoola	X-Wing, Inc.	1480 W 104th Ave., Northglenn, CO 80234	303-255-9177
Nelson and Kim Brugh	Anew Comtech	18921 Plaza Dr., Suite 102, Parker, CO 80134	303-841-3278
Charlie Mascola	NEW VISIONS LLC	10 W. Main St., Clinton, CT 06413	860-552-4796
Sandeep and Neelu Warikoo	Palak Ventures, Inc.	942 Main St., Hartford, CT 06103-1214	860-969-3030
Joel Miller	STech of Manchester, LLC	101 Hale Rd., Suite B, Manchester, CT 06042	860-644-5700
Dan Litwin and Georgia Chu	Young's Communications, Inc.	182 Court St., Middletown, CT 06457	860-347-8569
Steve Selby	Oasis Capital Holdings, LLC	1015 Bridgeport Ave., Milford, CT 06460	203-298-4075
Joel Miller	JTech of Avon, LLC	2434 Berlin Turnpike, Unit #5, Newington, CT 06111	860-969-3030
Chip and Linda Caney	L & D Signs and Graphics, LLC	310 Washington Ave., Unit 1, North Haven, CT 06473	203-239-9090
Chris Pikounis	XN2K, LLC	95 Atlantic St., Stamford, CT 06901	203-348-0222
Tony Sabilia, III, Kristina Fors, and Tony Sabilia, Jr.	Whaling City Graphics, LLC	217 Boston Post Rd, Waterford, CT 06385	860-437-7446
Mike Levitsky	Jenner Enterprises, Inc.	1300 First State Blvd., Suite G, Wilmington, DE 19804	302-998-6755
Mike Levitsky	Jenner Enterprises, Inc.	3203 Concord Pike, Wilmington, DE 19803	302-479-5686
Howard James, Jr. and Dana James	XzoTech Sign & Display, LLC	2859 V Street NE, Washington, DC 20018	202-635-3732
Rod Quick	Quick Advertising, Inc.	3030 E Semoran Blvd., Suite 156, Apopka, FL 32703-5909	407-774-0003
Chris Kirby	Fancydressme, Inc.	2401 N Federal Hwy., Suite E, Boca Raton, FL 33431	561-465-2325
Robert Haller, Jr. and Marilyn Haller	Monarch Graphics, Inc.	28440 Old US 41, Suite 6, Bonita Springs, FL 34135	239-455-6200
Eric Martin	E. Martin Ventures, Inc.	12550 S Military Trl., Bay 9, Boynton Beach, FL 33436	561-877-1821
Annette and Bryant Bojewski	Suncoast Graphics, LLC	3615 14th St W, Bradenton, FL 34205	941-243-3947
Jack Codron and Rod Thompson, Sr.	L&A Sign Enterprises Inc.	2020 W Brandon Blvd., Suite 170, Brandon, FL 33511-4706	813-655-9036
Steve Sicard and Tracy Baon	GKI Media, Inc.	290 Nicholas Parkway NW, Suite 9, Cape Coral, FL 33991	239-599-2395
Aaron and Mike Godby	Godby Ventures, Inc.	915 SR 436, Casselberry, FL 32707	407-831-6334
Michael Lucke	Lucke Enterprises, Inc.	2781 Gulf To Bay Blvd., Clearwater, FL 33759	727-797-1177
Matt Blank		7565 W Sample Rd., Coral Springs, FL 33065-4701	754-529-8442

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Roger and Susan Chai-Onn	BDNZ Associates, Inc.	19740 S Dixie Hwy., Cutler Bay, FL 33157	305-232-0259
Omar Rahaman	Signco USA, LLC	3328 Griffin Rd., Dania, FL 33312	954-404-8341
Alberto Reyes and Reinaldo Dorado	DR Signs Express, LLC	7080 W State Rd 84, Suite 7, Davie, FL 33317	954-370-7201
Isabel Vilas-Fraga	Hermes 7 Communications, LLC	430 W Hillsboro Blvd., Deerfield Beach, FL 33441	954-426-1998
Eric Webb	Island Life Graphics, Inc.	1410 E Oak St., Fernandina Beach, FL 32034	904-261-0340
Shane Weddle	WEDDLE ENTERPRISES, LLC	903 N Beal Pkwy., Suite A, Fort Walton Beach, FL 32547-3404	850-314-7446
Jason Dalitz, Wes Snyder, and Jeff Parsons	JJW SIGNS, LLC	12211 S. Cleveland Ave., Fort Myers, FL 33907	239-274-0744
Rod Quick and Carmen Ruiz	Q & R Creative, LLC	1027 N Nova Rd., Suite 109, Holly Hill, FL 32117	386-256-4784
Edson and Evren Brandao	EB Shopping & Trading Company	2841 Hollywood Blvd., Hollywood, FL 33020	954-416-3434
John and Deborah Ansel	Easy Rent, Inc.	8535 Baymeadows Rd., Suite 7, Jacksonville, FL 32256	904-443-7446
Todd Helfer	Ash Signs, Inc.	2141 St Johns Bluff Rd. S, Jacksonville, FL 32246	904-724-7446
Lonnie and Alon LaRoche	LaRoche Enterprises Corp.	8102 Blanding Blvd., Suite 14, Jacksonville, FL 32244	904-771-7446
Vincent and Kalayakit Tan	Jax Visuals, LLC	1389 Cassat Ave., Jacksonville, FL 32205	904-683-9569
Paul and Laura DiPasquale	Ice Griffin Investments Co.	250 West Indiantown Rd., Suite 105, Jupiter, FL 33458	561-677-3903
Teresa Oliva	Jujomauz Internacional, LLC	1902 West Vine St., Kissimmee, FL 34741	407-287-6840
Gilberto Colorni	GC Branding, LLC	228 N Florida Ave., Lakeland, FL 33801	863-333-5100
Ken and Jill Baxter	Baxter Adventures, Inc.	2001 10th Ave N, Suite 2, Lake Worth, FL 33461	561-439-4700
Mike Lucke	Lucke Enterprises, Inc.	7713 Ulmerton Rd., Largo, FL 33771	727-275-7775
Kurt and Sandi Sims	Sims Holdings, LLC	1812 S. Highway 77, Suite 102, Lynn Haven, FL 32444	850-730-1414
Jeremy McCord	McCord Holdings, Inc.	7640 N Wickham Rd., Suite 115, Melbourne, FL 32940-8147	321-307-2400
Roger Chai-Onn	FOB Designs, LLC	8227 S Dixie Hwy., Miami, FL 33143	305-669-9944
Walter Prio	Signs 2 U, Inc.	8355 NW 36th St., Doral, FL 33166	305-227-6250
Alvaro Smith, Jose Smith, and Jose Collie	All Commercial Sign & Graphics, Inc.	12942 SW 120th St., Miami, FL 33186	305-254-2220
Alberto Reyes and Reinaldo Dorado	DR Signs Express, LLC	40 NW 3rd St., Miami, FL 33128	305-423-2332
Lizbett Peraza and Maria, Romulo, and Lily Herrera	Herrera Communications, LLC	6621 Biscayne Blvd., Miami, FL 33138-6216	786-216-7509
Sergio and Janice Smith	Sign & Graphic Solutions, Inc	15925 NW 57th Ave., Miami Lakes, FL 33014	305-628-3278
Rudi and Marivic Bauer	Starsigns, LLC	15405 W Dixie Hwy., North Miami Beach, FL 33181	305-945-4700

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Sebastian Spada	Sebco Industries, Inc.	211 E Oakland Park Blvd., Oakland Park, FL 33334	954-566-8500
Dave, Steve and Rob Hunt	RDS Hunt, Inc.	3898 Tampa Rd., Oldsmar, FL 34677	813-249-7551
Jose Marin and Frank Adam Mendoza	MGM Cargo, LLC	7154 W Colonial Dr., Orlando, FL 32818	407-770-1500
Renee Friedman Goldstein and Richard Goldstein	R & A Power Graphics, Inc.	4835 E Colonial Dr., Orlando, FL 32803	407-898-5770
David Hemphill, Jr. and Jennifer Codron	C & H Sign Enterprises, Inc.	9900 Universal Blvd., Suite 114, Orlando, FL 32819-8716	407-526-0155
Rodney Thompson, Sr	The Sign Guys Orlando, LLC	6192 Edgewater Dr., Orlando, FL 32810	407-815-2300
Constance Montalvo De Giammattei and Francisco Giammattei	Giamon, LLC	326 E Michigan St., Orlando, FL 32806	407-796-9800
Liz Allen	Faster, LLC	2200 Winter Springs Blvd., Suite 118, Oviedo, FL 32765-9475	407-542-1234
Al and Cindy Cothorn and Greg Elliott	Cothorn Marketing NPB, Inc.	8371 N Military Trl., Palm Beach Gardens, FL 33410	
Luke Maidhoff	Majere, Inc.	35863 US Highway 19 N, Palm Harbor, FL 34684	727-474-3772
Mike Ruckdeschel	MWR Sign Enterprises, Inc.	9909 Pines Blvd., Pembroke Pines, FL 33024	954-438-7979
Scott and Mary Thomas	SGT Signs, Inc.	6060 Tippin Ave., Pensacola, FL 32504	850-477-9744
Chris Kirby		3151 W Atlantic Blvd., Pompano Beach, FL 33069	954-890-2325
Tushar and Trupti Patel	Pixel Up, Inc.	6484 Ridge Rd., Port Richey, FL 34668-6748	727-339-3339
Gus Hernandez and Lilian Zerpa	AMERISIGNAGE, LLC	10000 S. US Highway 1, Port St. Lucie, FL 34952	772-837-9779
Josh Kimmel	JK SIGNS AND PRINTS LLC	2303 N Ponce de Leon Blvd., Suite A, Saint Augustine, FL 32084-2606	904-800-1776
Gary Lucke	Lucke Group, Inc.	408 33rd Ave N, Suite A, Saint Petersburg, FL 33704-1384	727-525-4949
Michael and Angela Norris	Tightrope, Inc.	4058 Park Street, Saint Petersburg, FL 33709	727-341-0084
Tara Christensen	Vizcom Enterprises, LLC	1265 Upsala Rd., Suite 1133, Sanford, FL 32771	407-324-8338
Peter Tunberg	Sarasota Signs and Visuals, Inc.	4070 N Washington Blvd., Sarasota, FL 34234	941-355-5746
Ross Cartwright	SIGNS OF MOR LLC	5164 Mariner Blvd., Spring Hill, FL 34609-1802	352-616-1301
Chris and Nikki Wynter	Elements Wyn, LLC	10131 W Commercial Blvd., Sunrise, FL 33351-4327	954-633-9494
John and Marilyn Buck	The Bucks Corporation, Inc.	1920 N Monroe St., Tallahassee, FL 32303	850-894-2400
Stacey and Ernest Alexander	East Enterprises, Inc.	14618 N Dale Mabry Hwy., Tampa, FL 33618	813-999-4981
Clark Craig	Clark Craig Enterprises, Inc.	3901 W Kennedy Blvd., Tampa, FL 33609	813-287-0110
Andy and Theresa Keaton	Bay Sign and Graphics, Inc.	1827 E Fowler Ave., Tampa, FL 33612	813-971-8700

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Brad Bruner, Gary Lucke, Christina Armsden, Amy Lucke and Derek Mills	FSWC TRIPLE, LLC	19651 Bruce B Downs Blvd., Suite C1, Tampa, FL 33647-2479	813-575-3838
Gordon Sellers	Pincheck Corporation	1925 14th Ave., Vero Beach, FL 32960	772-774-7554
Al and Cindy Cothorn and Greg Elliott	Cothorn Marketing, Inc.	4275 Okeechobee Blvd., Suite H, West Palm Beach, FL 33409	561-616-3590
Steve Sicard and Tracy Baon	GKI Media, Inc.	290 Nicholas Parkway NW, Suite 9, Cape Coral, FL 33991	239-599-2395
Dan Conger	Diversified Capital Group, Inc.	2565 Atlanta Hwy., Athens, GA 30606	706-433-0350
Melissa and Ben Wilson	Landjack, LLC	141 North Ave., Atlanta, GA 30308	404-724-0700
Brian Matura	Midtown Signs & Graphics, Inc.	3872 Roswell Rd NE, Suite D2, Atlanta, GA 30342	404-231-9777
Brian Matura	Midtown Signs & Graphics, Inc.	528 Plasters Ave., Atlanta, GA 30324	404-400-2526
Brian Matura	Midtown Signs & Graphics, Inc.	87 Walton St NW, Atlanta, GA 30303	404-474-2217
Marjorie and Melvin LaPan	LaPan Family, Inc.	1206 Greene St., Augusta, GA 30901	706-736-1596
Bart Dorough	R&M Innovations, LLC	1961 Buford Hwy NE, Suite A/B, Buford, GA 30518	678-889-3900
Dan Fruhling	Spring Sign & Graphics of Canton, Inc.	1750 Marietta Hwy., Suite 180, Canton, GA 30114	770-720-6085
Taki Momin	AMAN LLC	875 Flat Shoals Road SE, Conyers, GA 30094	770-648-8597
Bart Dorough	Artistic Innovation, LLC	907 Buford Rd Suite 700, Cumming, GA 30041	770-889-7750
Jay Johnson	Jaylane Enterprises, Inc.	7421 Douglas Blvd., Suite E, Douglasville, GA 30135-1564	470-648-0090
Ryan Anderson	Johannes Holding, LLC	2148 Duluth Hwy., Suite 107, Duluth, GA 30097	770-923-3646
Sunshine and Thomas Murray	Sign Solutions and Graphics, Inc.	235 Pearl Nix Pkwy., Suite 1-A, Gainesville, GA 30501	770-532-1200
Ben and Melissa Wilson		10900 Medlock Bridge Rd., Suite 302, Johns Creek, GA 30097-1505	404-382-5625
Rida and Ken West	West Heritage, LLC	440 Ernest W Barrett Pkwy. NW, Suite 33, Kennesaw, GA 30144	678-663-7744
Timothy McCord	Graftek of Macon, Inc.	2356 Pio Nono Ave., Macon, GA 31206	478-788-2225
Steven McIntosh	New Horizon, LLC	1581 Cobb Parkway South, Suite 100, Marietta, GA 30060	770-984-0001
David and Lauretta Nester		2710 East Highway 34, Suite D, Newnan, GA 30265	770-683-9900
Ben and Melissa Wilson and Barbara Nolan		6760 Jimmy Carter Blvd., Suite 135, Norcross, GA 30071	770-448-7724
Joseph and Yi Lu	Fa Venture, LLC	11660 Alpharetta Hwy., Suite 355 Roswell, GA 30076	770-993-3400
William Madison, Jr. and Kristen Madison	Madison Ventures Group, LLC	220 Hammond Dr NE, Suite 304, Sandy Springs, GA 30328-5009	404-255-3278
Sean Brooks and Kelly Shiley	KELSE Signs, LLC	11136 Abercorn St., Suite A, Savannah, GA 31419-1822	912-927-4018

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Edward and Kareen MacFarlane	2e Graphics, Inc.	2180 Scenic Hwy N, Snellville, GA 30078	678-395-5559
Ambrose, Carina and Tim Aston	ASCO Communications, LLC	4135 LaVista Rd., Suite 300, Tucker, GA 30084	770-934-2200
Brent and Charlotte Wolford	B2C2, LLC	555 North King St., Suite 109/110, Honolulu, HI 96817-4649	808-533-4128
Max Holmes	Visual Concepts, Inc.	1791 Northwest 86th St., Clive, IA 50325	515-224-1210
Joe Marshall	Visual Communication Solutions, LLC	4082 Chinden Blvd., Garden City, ID 83714	208-377-1101
Nathan and Kimberly Smith	Sure Signs, LLC	340 E Elva, Idaho Falls, ID 83401	208-522-1355
Andrew, Barbara, Tyler, and Emily Craigie	Vertical 1, LLC	826 21st St., Lewiston, ID83501	208-798-7979
Bart Balaz		520 W. Lake St., Unit E, Addison, IL 60101	630-478-0110
Ravi Bagri	RB MULTIMEDIA INC.	1814 N Arlington Heights Rd., Arlington Heights, IL 60004	847-577-8200
Ken Davenport	SKIP ROCK, LLC	2908 Gill St., Unit 1, Bloomington, IL 61704	309-661-1300
Eric and Deb Christiansen	ELEVEN ELEVEN SIGNS, INC.	188 S Western Ave., Carpentersville, IL 60110	847-551-3033
Brent and Melissa Richards	Kylethan Enterprises, Inc.	313 N Mattis, Suite 114, Champaign, IL 61821	217-398-6600
Kent Watkins and Joseph Linhart	Walhart, LLC	447 E Ohio St., Chicago, IL 60611	312-464-1800
David Hull	Chicago Sign Source, Inc.	1820 W Webster Ave., Chicago, IL 60614	773-248-4441
Todd Fisher	Lakeview Sign Company	1101 W. Belmont Ave., Chicago, IL 60657	773-698-8115
John Rebapis	Rebapis, LLC	118 N Halsted St., Suite 1, Chicago, IL 60661	312-344-1765
Tony McHale	Shamrock Design Group, LLC	1315 S Michigan Ave., Chicago, IL 60605	312-934-2001
David and Gerald Becker	D & J Signs of Arlington Heights, Inc.	5346 N. Cumberland Ave., Chicago, IL 60656-1435	224-585-7600
Jody and Jeremy Kemp	McHenry County Visual Communications, Inc.	580 E Terra Cotta Ave., Suite A, Crystal Lake, IL 60014-3658	779-220-4053
Jason Walbert	JC DUB, INC.	408 75th St., Downers Grove, IL 60516-4454	630-984-0101
David and Gerald Becker	D & J Signs of Arlington Heights, Inc.	911 Busse Rd., Elk Grove Village, IL 60007	847-981-1965
Jason Scharrer	SIGNCENTRIC, LLC	1115 Randall Ct., Geneva, IL 60134	630-326-7020
David and Sonya Comer	More Than, LLC	601 N Fifth Ave., Suite A, Kankakee, IL 60901	815-937-1855
Larry Kilpatrick	Eyebox Imagery, Inc.	1350 S Milwaukee Ave., Libertyville, IL 60048	847-680-7446
Elizabeth O'Connor	MKC Enterprises Corp.	3514 W Devon Ave., Lincolnwood, IL 60712-1306	847-675-1600

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Chad McGinn	CJDC Holdings, Inc.	7911 Golf Rd., Morton Grove, IL 60053	847-967-7222
Debbie Castino and Joshua Sacchetti	Castino & Associates, Inc.	3065 Dundee Rd., Northbrook, IL 60062	847-291-7446
Robert and Maureen O'Hearn	RMKC, Inc.	17W608 14th St., Oakbrook Terrace, IL 60181-3717	630-932-0001
Frank Smith	Geebees, Inc.	2430 N. Main St., East Peoria, IL 61611-1742	309-682-5300
Zach Kneubuehl	Next Adventure Enterprise, LLC	7310 Walton St., Suite C, Rockford, IL 61108-4614	815-516-1276
Tony and Donna De Luca	De Luca Visual Solutions, Inc.	1084 National Parkway, Schaumburg, IL 60173	847-884-6300
Craig and Kim Hackl	CKS Signs, Inc.	3437 Dempster St., Skokie, IL 60076-2441	847-423-3456
Kevin and Patricia Leamon	Leading Signs and Graphics, Inc.	2112 S MacArthur Blvd., Suite A, Springfield, IL 62704-4552	217-606-0101
Ron and Kelly Bishop	HAC DESIGNS, LLC	7038 W 183 <sup>rd</sup> St., Tinley Park, IL 60477	708-840-3070
Bob Wagner	Suncrest Capital Solutions, LLC	3420 Grand Ave., Waukegan, IL 60085	847-336-4515
Michael and Maranda Richardson	Richardson Enterprises of Bloomington, LLC	2454 S Walnut St., Bloomington, IN 47401-7735	812-287-8179
Donna Booth	Booth Signs, Inc.	1307 12th St., Columbus, IN 47201	812-372-7446
David and Susan Nufer	ENS Enterprises, LLC	1846 Cassopolis, Elkhart, IN 46514	574-266-5115
Dean Szczepkowski	Sign and Graphic Solutions, Inc.	3014 N Clinton St., Fort Wayne, IN 46805	260-373-0911
Russ and Sarah Fleegeer	Sarus Enterprises, LLC	6646 W. Jefferson Blvd., Fort Wayne, IN 46804	260-399-6434
John and Marilyn Hubbard	Hubbard Services, Inc.	1280 US Highway 31 N, Greenwood, IN 46142	317-881-2828
Gus and Catherine Ciresi	GC Solutions, Inc.	3702 W 86th St Suite B, Indianapolis, IN 46268-1903	317-334-1149
Todd Finnell	TFP Unlimited, LLC	9433 E Washington St., Indianapolis, IN, 46229	317-898-6118
Justin Taylor, Duane Jebbett, Wes Snyder, Gregory Allen, Ronald Burns, Douglas Huffman, Ford Mengel, John Schult, and Thomas Reineke	Signs of Progress, LLC	9668 Allisonville Rd., Indianapolis, IN 46250	317-845-5051
Aaron, Gerald, and Alan Dupre	Dupre Capital, LLC	215 Quartermaster Ct., Jeffersonville, IN 47130-3669	812-291-1141
David and Susan Nufer	ENS Enterprises, LLC	2411 Mishawaka Ave., South Bend, IN, 46615	574-254-0545
Teresa and Steve McKinzie	Blue Valley Signs, LLC	16012 Metcalf Ave., Suite 100, Blue Valley, KS 66085	913-912-5536
Matt Herynk	Herynk Communications, LLC	1830 W. 6 <sup>th</sup> St., Suite 2, Lawrence, KS 66044	785-727-4848
David White	Olathe Signs, Inc.	13511 Mur Len Rd., Suite 134, Olathe, KS 66062	913-768-8900
Scott Reynolds and Brad Miller	Reynolds & Miller Holdings, Inc.	8844 W 95th St., Overland Park, KS 66212	913-649-3600
Steven and Terri Gee	Crest Corporation	5999 SW 22nd Park St., Topeka, KS 66614	785-271-8899

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Chris and Nina Davis	Signs of Business, Inc.	150 S Rock Rd., Wichita, KS 67207	316-683-5700
Chris and Nina Davis and Robert Drennan	Signs of Business, Inc.	232 S West St., Wichita, KS 67213	316-942-0055
Terry and Patty Dolin	Dolin Investments, Inc.	1613 Greenup Ave., Ashland, KY 41101-7615	606-471-3100
Karel Divilbiss	JWillBiss, SP	704 16 <sup>th</sup> Ave., Bowling Green, KY 42101-2981	270-392-3200
Phil Warden	Charis & Doxa Creative Inc.	8158 Mall Rd., Florence, KY 41042	859-525-1199
Don and Conda Marcum	Tri-Marc, Inc.	3080 Richmond Rd., Suite 110, Lexington, KY 40509	859-263-7511
Sam and Susan Cilone	CIMARC, Inc.	6005 A Fern Valley Rd., Louisville, KY 40228	502-969-7002
Sam and Susan Cilone	CIMARC, Inc.	600 E Main St., Suite 102, Louisville, KY 40202-1011	502-495-0504
Kevin Hebert and Charlie Brown	Hebert & Brown, LLC	11135 Industriplex Blvd., Suite 800, Baton Rouge, LA 70809	225-757-7446
Gene Moore	PAMA Signage, LLC	8350 Florida Blvd., Suite A-1, Baton Rouge, LA 70806	225-924-7446
Kevin and Debbie Hebert	St. Charles Printing Company, Inc.	13413 Highway 90, Boutte, LA 70039-3007	985-785-0122
Kevin Hebert and Charlie Brown	Hebert & Brown, LLC	610 N Burnside Ave., Gonzales, LA 70737	225-647-7446
Peter Romero and Matthew Romero	Romo Signs, LLC	1721 W Sale Rd., Suite B, Lake Charles, LA 70605-2521	337-478-5232
Tim and Katherine Randolph	TKRANDOLPH, LLC	5421 Johnston St., Suite B, Lafayette, LA 70503	337-989-0030
Richard Acton, Jr. and Charles Hellbach IV	ALH ENTERPRISES, LLC	6601 Veterans Memorial Blvd., Metairie, LA 70003	504-455-1281
Susan Guidry	SPG Investments, LLC	3508 21st St., Metairie, LA 70002	504-323-5767
Doug and Debora Collins	Collins Visual Communications, Inc.	3001 Tulane Ave., Unit 1-B, New Orleans, LA 70119	504-324-9703
Bret McCoy	McCoy Enterprises, Inc.	1914 E 70th St., Suite A, Shreveport, LA 71105	318-798-2515
David and Leigh Rand	Rand Management Group, LLC	1812 Margaret Ave., Annapolis, MD 21401-4108	410-263-7446
Leigh and David Rand	Rand Communications Group, LLC	1589 Sulphur Springs Rd., Suite 107, Baltimore, MD 21227	410-242-7661
Jim Bartucca	JMT Global, Inc.	4950 North Point Blvd., Baltimore, MD 21219	410-288-9200
Tony Amador and Mari Fernandez	Maca Group, LLC	312 W Lombard St., Baltimore, MD 21201	410-468-3278
Tony Amador	Sign & Graphics of Columbia, LLC	6935 Oakland Mills Rd., Suite K, Columbia, MD 21045	410-312-7446
Bobby Jordan, Jr., Kristina Sparks-Jordan, and Bobby Jordan, Sr.	Graphic Production Systems, Inc.	413 Pulaski Hwy., Joppa, MD 21085-3610	443-313-3008
Jim Miller		1701 Midway Rd., Odenton, MD 21113	443-688-6077
Joe Schonfeld	Blue Crab Development, LLC	1 Easter Ct., Suite F, Owings Mills, MD 21117	410-902-9480
Hank Amara Bharmal	Danzo, LLC	7634 Standish Pl., Rockville, MD 20855	301-251-0555



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Glenn Gealy	Signum, Inc.	1518 York Rd., Timonium, MD 21093	410-825-1212
Keith Bond, Jr.	K ALLEN CORP.	115 Airport Drive, Westminster, MD 21157	443-289-8627
Steve Duffy	Duffy Signs, LLC	1271 Washington St., Hanover, MA 02339	781-924-1576
Steve Schwede and Maria HG de Schwede	Far Reach Graphics, Inc.	15 Kearney Rd., Needham, MA 02494	781-444-4889
Frank and Nicole Meroney	FNSJ, Inc.	70 Quincy Ave., Quincy, MA 02169-6714	617-302-2882
Karen and Gary Martins	Back Street, Inc.	128 Highland Ave., Seekonk, MA 02771	508-336-6333
Shishir Mehta and Amishi Gathani	Mehta Signs & Graphics, Inc.	922 Main St., Waltham, MA 02451	781-642-7446
Steve Lang	Paper Plus, Inc.	91 Union St., West Springfield, MA 01089	413-731-0736
Sean and Darshan Shah	Business Signs, LLC	155A New Boston St., Woburn, MA 01801-6201	781-938-7700
Charles King IV	GIANTS, Inc.	120 Stafford St., Worcester, MA 01603	508-841-5800
Andrew and Mary Smith	ArborMetric, LLC	3500 Washtenaw Ave., Suite J, Ann Arbor, MI 48104	734-677-1500
Lourd Younis and Fadi Gulla		3957 Baldwin Rd., Auburn Hills, MI 48326-1220	248-602-3702
Allen Chika and Maher Alsafar	Jaden's Inc.	33322 Woodward Ave., Birmingham, MI 48009	248-642-9911
Kevin Berry and Eric Tomkiewicz	KBE INVESTMENTS, LLC	533 W Grand River Ave., Brighton, MI 48116-1143	810-224-5700
Suhas Prabhu	Prabhu Company, LLC	24636 W Warren St., Dearborn Heights, MI 48127	313-561-7446
Brent Walker and John Michael Brunetti	Detroit Signs, LLC	2431 4 <sup>th</sup> St., Detroit, MI 48201-2507	313-345-5858
Jay Newby	Signs of Prosperity, LLC	27615 Halsted Rd., Farmington Hills, MI 48331	248-488-9010
Mike and Erin Gilpin	JKG, Inc.	3582 29th St SE, Suite 101, Grand Rapids, MI 49512	616-949-7446
Matt and Steve Trottier	Digital Impact Design, Inc.	403 Balch St., Kalamazoo, MI 49001	269-337-7491
Andy Smith	Capital Graphics, LLC	406 E. Elm St., Lansing, MI 48912	517-253-7823
Andrew and Mary Smith	ArborMetric, LLC	37148 Six Mile Rd., Livonia, MI 48152	248-449-6500
J.R. Hoppenjans II	Hoppenjans, Inc.	15521 S. Dixie Highway, Monroe, MI 48161	734-344-5304
Allen & Nivin Chika		22554 Telegraph Rd., Southfield, MI 48033-4107	248-372-9554
Allen Chika and Andy Batti	Sterling Creative Team, Inc.	38120 Van Dyke Ave., Sterling Heights, MI 48312	586-978-0100
Rob Harlow	F/S of Northern Michigan, LLC	1420 Trade Centre Dr., Traverse City, MI 49696	231-941-0300
Cindy Lunsford, Janine and Michael Mitchell	MJMI SIGNS, LLC	3962 Dix Highway, Lincoln Park, MI 48146	248-965-8602
Ken and Charlette Grandell	Char-Dell Sign Co.	1017 109th Ave NE, Blaine, MN 55434	763-784-8252

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Dennis Campbell	Campbell Acquisition Company, LLC	720 W 94th St., Bloomington, MN 55420	952-888-4058
Tom and Bev Weber and Michael Hannon	FSBVLL, Inc.	3270 W County Road 42, Burnsville, MN 55337	952-892-6060
Tom and Bev Weber and Michael Hannon	Performance Acquisitions, Inc.	10340 Viking Dr., Suite 140, Eden Prairie, MN 55344	952-914-9860
Dennis and Buck Campbell	St. Paul Sign Co., LLC	5440 S Robert Trl., Inver Grove Heights, MN 55077-1406	651-455-4559
Ron Rosenzweig	Patron Holdings, LLC	110 S 8th St., Suite 101, Minneapolis, MN 55402-5786	612-338-2629
Joelene and Christopher Calvert	Jaycal, LLC	300 Central Ave., Osseo, MN 55369-1187	763-503-1503
Tom Weber and Michael Hannon	Performance Acquisitions, Inc.	2455 Xenium Ln. N, Plymouth, MN 55441-3625	952-541-1944
Michelle Messich	G&A Signs, LLC	3717 Commercial Dr. SW, Rochester, MN 55902-1290	507-405-3232
Joe and Marcia Kopp	Signs for Tomorrow, Inc.	2727 Lincoln Dr., Roseville, MN 55113	651-631-1631
Joelene and Christopher Calvert	Ursidae Enterprises, LLC	2911 Clearwater Rd., St Cloud, MN 56301	320-252-1667
Tom and Bev Weber		5708 W 36th St., St Louis Park, MN 55416	763-453-7444
Dennis Campbell	Capitol City Signs and Graphics, LLC	221 East 7th St., St. Paul, MN 55101-2379	651-330-1507
Ryan and Dennis Campbell	Campbell Graphics, Inc.	3590 Hoffman Road East, White Bear Lake, MN 55110	651-578-0527
Amanda and Justin Blackburn	Hub City Graphix, LLC	2902 Hardy St., Suite 60, Hattiesburg, MS 39401-7031	601-602-5413
B.J. and Marie Hunter	CAVU, LLC	1001 Fay St., Suite 101, Columbia, MO 65201	573-886-7446
Barry Roufa	Gold N' Rouf, Inc.	3783 Rider Trail South, Earth City, MO 63045	314-429-8854
Stanley and Jill Hoffman	MOL-LIL, LLC	17331 E US Hwy 40, Suite 104, Independence, MO 64055	816-252-0909
John Bodnar	Bodnar Graphics Corp	5714 NE Antioch, Kansas City, MO 64119	816-459-7999
Marcus Carson	Nonstop Sign Shop, Inc.	905 Westport Rd., Suite F, Kansas City, MO 64111	816-753-0500
Greg and Monica Ehlers	GPE Holdings, LLC	6293 Ronald Reagan Drive, Lake St. Louis, MO 63367	636-614-0358
Eric and Jeff Journagan	JEJ Signage, LLC	1163 SE Oldham Pkwy., Lee's Summit, MO 64081	816-600-0264
John Durbin	All Mine Enterprises, Inc.	650 East Battlefield, Suite A, Springfield, MO 65807-4806	417-881-3700
Mark and Julie Dittmer	M and J Dittmer, Inc.	2616 N Belt, St Joseph, MO 64506	816-273-0613
Jeff and Pam Collier	J.P. Collier, Inc.	3150 S Brentwood Blvd., St Louis, MO 63119-1743	314-963-9830
Jeff and Pam Collier	J. P. Collier, Inc.	12325 Olive Blvd., Saint Louis, MO 63141	314-878-0066
Steven and Denise Hill	RRRD Incorporation	3949 Lindell Blvd., Suite 2A, Saint Louis, MO 63108-3251	314-499-7446
Russ and Jan Mason	Finish Strong, Inc.	4101 Mexico Rd., Saint Peters, MO 63376-6414	636-875-7337

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Jesse Copenhaver	Graphix Boss, LLC	2701 16th St. NE, Black Eagle, MT 59414	406-315-2700
Bill and Christina Fraser	WCF LLC	10 Innovation Lane, Unit B, Bozeman, MT 59718	406-404-2764
Greg and Janelle Painter		2800 N Montana Ave., Helena, MT 59601	406-442-6545
Todd Taylor	360 Montana Corporation	2825 Stockyard Rd., Suite F-5, Missoula, MT 59808	406-541-2499
Scott Blodgett	Rocky Mountain Signs, Inc.	803 Spokane Ave., Whitefish, MT 59937	406-863-9655
Riley and Manuela Heller	SIGN GENIE HMH, LLC	9620 M St., Omaha, NE 68127	402-597-9999
Max Holmes	Omaha Sign Group, Inc.	751 N 114th St., Omaha, NE 68154	402-493-7960
Jean Carson	Carson's Corner, Inc.	1331 W Warm Springs Rd., Suite 140, Henderson, NV 89014	702-251-7446
Dane and Jvon Danforth	Golden Rule Marketing, Inc.	3973 S Maryland Pkwy., Suite B-109, Las Vegas, NV 89119	702-792-9225
Cheryl Sligar and Christopher Clunan	Jerod, Inc.	6431 W Charleston Blvd., Suite 110, Las Vegas, NV 89146	702-878-3838
John and Michelle Phillips	AB OVO Holdings, LLC	2152 Quartz Cliff St., Unit 202, Las Vegas, NV 89117	702-867-5458
John and Christine Noellert	Momentum Consulting, Inc.	4750 Longley Ln., Suite 103, Reno, NV 89502-5988	775-827-8899
Scott Fitzgerald	Currier Graphics, Inc.	1875 S Willow St., Manchester, NH 03103-2363	603-626-7012
Bob Michaud	FS of Plaistow, LLC	160 Plaistow Rd., Unit 15, Plaistow, NH 03865	603-894-7446
Nikki Taheri and Brendan Duane	Multi Impressions, LLC	810 Broadway, Bayonne, NJ 07002	201-823-3344
Lincoln and Tamara O'Hare	TLO Enterprises, Inc.	1743 Route 88 West, Brick, NJ 08724	732-836-3278
Clint and Christina Ehlers	C&C Cherry Hill, LLC	1006 Haddonfield Rd., Cherry Hill, NJ 08002	856-320-4723
Greg Sternig	Jacksigns, Inc.	285 State Route 18, East Brunswick, NJ 08816-1900	732-765-2166
Matt LoBello	LoBello Arts Corporation	50 Route 10 W, East Hanover, NJ 07936	973-887-6700
Sharad and Bela Patel	Pujay & Jay LLC	485 Route 1, Edison, NJ 08817	732-985-1166
Charles King IV	2 GIANTS LLC	1 State Highway 12, Suite 104, Flemington, NJ 08822	908-782-1100
Greg Belmont	GB SIGNS, LLC	2901 Brunswick Pike, Lawrenceville, NJ 08648	609-912-0500
Jackie Surgen	Surg Ink LLC	187 US Highway 46 W, Lodi, NJ 07644	201-266-0071
Jeffrey Chudoff		3121 Rt. 73 South, Maple Shade, NJ 08052-1063	800-600-1412
Kevin Rose	KAR Industries Inc.	12 E Stow Rd., Suite 130, Marlton, NJ 08053-3163	856-985-8730
Art, Gail, and William Levitt	ABG SIGNS LLC	480 Route 33 West, Units #5-6, Millstone Township, NJ 08535	732-671-2888
Robert and Denise Acquaye	Robden Enterprises, Inc.	210 Market St., Newark, NJ 07102	973-273-1200

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Charles King IV	2 GIANTS LLC	9 State Hwy 206 S, Raritan, NJ 08869	908-231-0306
Alok and Bhavna Sharma	ISHSVAR LLC	476 Route 35, Red Bank, NJ 07701	732-842-0015
Matt Galgano	Retailored Solutions LLC	346 State Route 17 North, Saddle River, NJ 07458	201-825-0011
Eric Fox	Sign of the Times, LLC	255 State Route 3 E, Secaucus, NJ 07094	201-902-8640
David Ichkitidze	DG GRAPHICS & DESIGN, LLC	2290 US Highway 22 E, Union, NJ 07083-9942	908-810-1400
Rodolfo and Christine Garcia	ROC Business Enterprises, LLC	407 Second St SW, Albuquerque, NM 87102	505-265-7001
David and Kristine Peabody	Peabody, LLC	1529 Eubank Blvd NE, Suite F, Albuquerque, NM 87112	505-292-4444
Kyle Bruhn	Bryko Corp.	5150 College Blvd., Suite 204, Farmington, NM 87402-4608	505-675-4000
Rahul Vanderzande	VdZigns LLC	720 Saint Michaels Dr., Unit 2-I, Santa Fe, NM 87505	505-474-3551
Shimon Osibel		3917 15th Ave., Brooklyn, NY 11218	718-972-0033
Sam Rivera	Samsigno, Inc.	1454 Middle Country Road, Centereach, NY 11724	631-230-4500
Robert Haller, Jr. and Marilyn Hall	Monarch Graphics, Inc.	1065 Islip Ave., Central Islip, NY 11722	631-485-5600
Nick Tangelder	NET Enterprises, Inc.	4913 Genesee St., Cheektowaga, NY 14225-2411	716-837-7446
Shawn White	New York Signs and Graphics, LLC	1593 Central Ave., Colonie, NY 12205	518-456-7446
Mohamed and Shehnaz Kazi	Displays and Beyond, Inc.	88-16 77th Ave., Glendale, NY 11385	718-850-4110
Lynn and Ronald Kosmider	Kosmider, Inc.	2761 E Henrietta Rd., Suite 4, Henrietta, NY 14469	585-397-3700
Todd, Shawn, Glenn and Elaine Fitzgerald	Fitzgerald Studio and Camera, Inc.	520 Albany Ave., Kingston, NY 12401	845-331-5800
Jason Grippo	Sign Me Up Lindenhurst Corp.	196 West Sunrise Highway, Lindenhurst, NY 11757	631-226-3838
Wendell Haynes, Jr.	WOHJ Enterprises, LLC	6 E 30th St., New York, NY 10016	212-779-1027
Swapna and Manish Shah		260 W 35th St., Suite 300, New York, NY 10001-2526	646-649-4951
Andy Ramgoolie and Candy Grush	Caandco Construction, Inc.	504 LaGuardia Place, New York, NY 10012	212-933-1274
Kyle Scalley	Krystal Clear Sounds, LLC	2939 Long Beach Rd., Oceanside, NY 11572	516-453-0400
Rick Bult	Printing and Sign Solutions, Inc.	30 Gick Rd., Plaza 15, Saratoga Springs, NY 12866	518-306-4449
Candy and Graydon Grush	Caandco, Inc.	11109 Rockaway Blvd., South Ozone Park, NY 11420	718-322-6365
Richard Vezzuto	VEZ, Inc.	3801 Victory Blvd., Suite E, Staten Island, NY 10314	718-273-7002
Russell Hall	R.V. Hall Enterprises, LLC	1401 Erie Blvd. E Suite 3, Syracuse, NY 13210	315-473-0444
Arthur Frischman	Frischman Enterprises, Inc.	3044 Merrick Rd., Wantagh, NY 11793	516-308-7700

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Glenn, Elaine, Shawn, and Todd Fitzgerald	Fitzgerald Studio & Camera Center, Inc.	1839 South Rd., Suite 2B, Wappingers Falls, NY 12590	845-298-5600
Bryan Schwartz		46A Kean Street, West Babylon, NY 11704	833-879-7446
Joe Cellucci	JDC Visuals, Inc.	400 Hempstead Turnpike, West Hempstead, NY 11552	516-636-3278
Robert Banta	CPAL Corporation	77 Lafayette Ave., White Plains, NY 10603-1064	914-401-0404
Ric Davenport	Playrace, Inc.	1202 Patton Ave., Asheville, NC 28806	828-251-2211
Cliff Cabral	Dynamic Marking Corp.	501 James Jackson Ave., Cary, NC 27513	919-460-3300
Keith Beaty	Beaty Corporation	7407 N. Tryon St., Charlotte, NC 28262	704-599-4949
Robert Miklosko	RLM Group South Charlotte, LLC	7510 Pineville Matthews Rd., Charlotte, NC 28226	704-841-4033
Robert Miklosko	RLM Group Charlotte, LLC	3400 South Tryon St., Suite A, Charlotte, NC 28217-1314	704-527-9102
Yazan Alhakim	QASIOUN, LLC	4845-B E Independence Blvd., Charlotte, NC 28212	704-531-8000
Jason Ramsey	JR Signs, LLC	147 Union St. S, Concord, NC 28025	980-255-3083
Steven and Jennifer Meredith	Meredith Media Co.	4015 University Dr., Suite D2, Durham, NC 27707-2548	919-748-4808
Vic Cannon	FNC Signs, Inc.	2807 Raeford Rd., Fayetteville, NC 28303	910-678-8111
Steve and Maria Kouroupas	Greenville Ventures, Inc.	2294 County Home Rd., Suite A, Greenville, NC 27858-7932	252-364-8745
Angela Riddle	Elite Graphics, Inc.	1305 N Main St., High Point, NC 27262	336-887-2923
Jeff and Judith Stuebs	Classic Sign Services, LLC	2242 W Roosevelt Blvd., Suite F, Monroe, NC 28110	704-401-1466
Div Bhingradia	Aditi 108, Inc.	119 Midnight Lane, Mooresville, NC 28117	704-360-3805
Wes Snyder, Jeff Parsons, and Burke Huddleston	BWJ SIGNS, LLC	2621 Spring Forest Rd., Raleigh, NC 27616	919-872-9522
Douglas and Melissa McKnight	McKnight15, Inc.	1432 Garner Station Blvd., Raleigh, NC 27603-3600	919-326-6488
Pete Spadafora	Creative Signs, Inc.	4305 Oleander Dr., Wilmington, NC 28403-5007	910-395-0100
Robert and Kimberly Brandt	R & K Interests, LLC	656 Hanes Mall Blvd., Winston Salem, NC 27103	336-760-3100
Todd Evans	Visual Creations, Inc.	1783 Brittain Rd., Akron, OH 44310	330-630-3500
Joyce and Charles Ballard	Solid Gold Dreams, LLC	3979 Indian Ripple Rd., Unit H, Beavercreek, OH 45440-5107	937-705-6014
Earl and Nicole DiMalanta	DiMalanta Sign & Design, LLC	5221 Northfield Rd., Suite 1, Bedford Heights, OH 44146	216-581-4141
Jim McLindon	Shamrock Sign Solutions, Inc.	11109 Kenwood Rd., Blue Ash, OH 45242	513-792-5555
Kevin and Marc Sikora	SDMK, LLC	7340 Market Street, Boardman, OH 44512	330-965-0970
Robert and Natalie Bottomley	NRKA Corp.	1100 W Royalton Rd., Suite A, Broadview Heights, OH 44147-3947	440-817-0700

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Patrick and Latassha Daugherty	FHL Group, Inc.	2417 Tuscarawas St. W, Canton, OH 44708-4739	330-991-8070
Jeff Scroggie	J & S Graphics, LLC	3111 W Galbraith Rd., Cincinnati, OH 45239	513-931-3000
Lane Pence	Pence Visual Communications, Inc.	3248 Highland Ave., Cincinnati, OH 45213	513-396-7446
Jon Blum	Jonathan Winston Blum Ent., LLC	12125 Montgomery Rd., Cincinnati, OH 45249	513-489-8989
Barbara and Ray Goff	SignIt Online, Inc.	120 W. 7th St., Cincinnati, OH 45202	513-723-4800
Jeff Best	J. Best, Inc.	4476 Glen Este-Withamsville Rd., Suite 135, Cincinnati, OH 45245	513-943-7000
Kay and Bernie Doyle	Bernard R. Doyle, Inc.	2102 St Clair Ave., Cleveland, OH 44114	216-523-2288
Michael and Lynn Thatcher	Thatcher Enterprises Company Ltd.	111 W Nationwide Blvd., Suite 3, Columbus, OH 43215-2547	614-228-2013
Larry Miller	Ham Signs, LLC	6212 Executive Blvd., Dayton, OH 45424	937-237-8433
Larry Miller	Ham Signs, LLC	6020 N Dixie Dr., Dayton, OH 45414	937-890-6770
Tom Conte	JSST, Inc.	978 Miamisburg Centerville Rd., Dayton, OH 45424	937-438-5730
Scott and Paula Kern	Limelight Graphics Solutions, Inc.	2829 Festival Ln., Dublin, OH 43017	614-793-1996
Rick Roderer, Jr., and Steven Roderer	Roderer Enterprises, Inc.	6560 Dixie Hwy., Suite E, Fairfield, OH 45014	513-942-3000
Josette Brinkman	Signed By Josette, LLC	303 E Sandusky St., Findlay, OH 45840	567-208-4227
Michael Smith	Golden Bear Visuals, LLC	4469 Cemetery Rd., Hilliard, OH 43026-1120	614-710-1312
Justin Taylor, Duane Jebbett, Wes Snyder, Gregory Allen, Ronald Burns, Douglass Huffman, Ford Mengel, John Schult, and Thomas Reineke	Signs of Progress	2155 Elida Rd., Lima, OH 45805	419-222-7446
Paul and Sheila Gallagher Timothy and Kelly O'Toole	Brahma Sign Company, LLC	5369 Mayfield Rd., Lyndhurst, OH 44124	440-461-4445
Karrie Brock	Beyond Business, LLC	314 W. Dussel Dr., Maumee, OH 43537-1671	419-740-1258
Ed Gonzales	Apex Signs, Inc.	2755 Medina Road, Medina, OH 44256	330-952-2626
Kimberly Hoffmann	Vista Creations, LLC	7896 Tyler Blvd., Mentor, OH 44060	440-954-9191
Frank O'Neill	O'Neill Enterprises, Inc.	7219 Whipple Ave. NW, North Canton, OH 44720	330-493-7566
Kay, John, and Redmond Doyle	Shadow Creek Sign Company	24181 Lorain Rd., North Olmsted, OH 44070	440-979-0025
Rob Zalewski	Jonick Signs, Inc.	201 Clint Dr., Suite 500, Pickerington, OH 43147-7876	614-965-6470
Jim and Tyler Ratliff	TKR Design, LLC	12245 Pearl Rd., Strongsville, OH 44136-3410	440-638-5222
Karrie Brock	Toledo Signs & Designs, Ltd.	1012 N McCord Rd., Toledo, OH 43615	419-843-1073

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Gil Macias	GMSN Enterprises, Inc.	8900 Darrow Rd. H101, Twinsburg, OH 44087	330-269-4000
John and Danell McGinley	DJMC Partners, Inc.	654A Brooksedge Blvd., Westerville, OH 43081	614-890-3821
Jay Matlock	Matlock Holdings Series, LLC	927 N Elm Pl., Broken Arrow, OK 74012	918-893-1240
Michael and Shelly Graves	Oklahoma Visual Graphics,, LLC	1609 S Broadway, Edmond, OK 73013	405-844-8844
Mathew Feil	Pro-Feil Marketing Solutions, LLC	301 SE Wallock St., Lawton, OK 73501	580-595-9101
Michael Myers	SPUDNIK 67 INC.	2990 SE 19 <sup>th</sup> Street, Suite 7, Moore, OK 73160	405-237-3810
Jeff and Kay Ahl	Eyecatching Images, LLC	900 24th Ave NW, Suite 2, Norman, OK 73069	405-701-2890
Michael and Shelly Graves	Oklahoma Visual Graphics, LLC	7927 N. May Ave., Oklahoma City, OK 73120-4540	405-848-7446
Michael and Shelly Graves	Oklahoma Visual Graphics, LLC	1401 S Meridian, Oklahoma City, OK 73108	405-943-3278
Sherri Menefee	Sign A Moose, LLC	8751 N 117th East Ave., Suite D, Owasso, OK 74055	918-376-7870
Alda and Al Blankenship	Blankenship Brothers, Inc.	4735-A S Memorial Dr., Tulsa, OK 74145	918-627-3278
Andy Sisavic	WAKK, LLC	12700 SW Canyon Rd., Beaverton, OR 97005	503-526-0216
Peter Knight-Sheen	PKS Enterprises, LLC	475 W. 5 <sup>th</sup> , Eugene, OR 97401-2507	541-844-7746
Mike Williamson	Boost Consulting, LLC	10309 SE 82nd Ave., Suite C, Happy Valley, OR 97086-2309	503-777-2300
Tonya and Gary Tomono	T & G, Inc.	3259 NW 29th Ave., Portland, OR 97210-1711	503-221-3917
Mark Smith	Graymerson, Inc.	2290 Commercial St. SE, Suite 101, Salem, OR 97302	503-588-3278
Steve Brennock	Brennock, Inc.	12176 SW Garden Pl., Tigard, OR 97223-2333	503-244-8813
Kevin Wenck	JES Enterprises, Inc.	700 N 13th St., Allentown, PA 18102	610-434-7353
Ernest Wright	E. A. Wright, Inc.	1940 Main Ave., Conshohocken, PA 19428	610-834-8403
Steve, Lauren, and Lindsay Nave	Laurelind Corp.	826 N Easton Rd., Doylestown, PA 18902	215-230-4737
Kevin Harayda and Michael Woodland	DCC Group, LLC	3769 Nicholas St., Easton, PA 18045	610-829-7123
Naomi and Dan Stutzman	Sign Here, Inc.	436 W 12th St., Erie, PA 16501-1506	814-453-6711
Kevin and Chris Mengel	K. Mengel Enterprises, Inc.	307 E Lincoln Hwy., Exton, PA 19341	610-280-6100
Pete Sepe	PLS Signs, LLC	463 S Oxford Valley Rd., Fairless Hills, PA 19030-4202	215-269-1400
Jim and Annette Jubert	ATM Jubert Corporation	6150 Route 30 W, Suite 500, Greensburg, PA 15601	724-691-0779
Jay and Lois Sensenig	Decals and More, Inc.	20 Commerce Ave., Greencastle, PA 17225	717-593-0668
Jessica Kelly and Steven Schreffler	J & S Signco, Inc.	500 Colonial Rd., Harrisburg, PA 17112	717-657-3800

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Kevin and Chris Mengel	K. Mengel Enterprises, Inc.	257 Schuylkill Rd., Phoenixville, PA 19460-1879	610-290-0400
Wes Kauffman and Daniel Jolly	LancoSign, LLC	1811 Rohrerstown Rd., Suite 2, Lancaster, PA 17601-2362	717-569-7606
Barb Belle-Plutko	BEAD ENTERPRISES LLC	110 W McMurray Rd., McMurray, PA 15317-2496	724-655-3300
Ryan Bowman and Brad Bruner	B & B Signs & Graphics, LLC	4713 Carlisle Pike, Mechanicsburg, PA 17050	717-737-4467
Corey Smith, Rob Jackson, and Richard Smith	Starr Spangled Signs, LLC	4051 William Penn Hwy., Monroeville, PA 15146	412-374-7240
Steve, Lauren, and Lindsay Nave	Laurelind Corp.	724 Bethlehem Pike, Montgomeryville, PA 18936	215-368-5800
Lou Silverblank	Silverhill, Inc.	921 Montgomery Ave., Narberth, PA 19072	610-642-7446
Sang Lee	Creato Signs, Inc.	200 N 16th Street, Philadelphia, PA 19102	215-563-5254
Margo Scavone and Anthony Floyd	Exhibit G LLC	1701 Welsh Rd., Unit 3, Philadelphia, PA 19115-3172	215-302-2260
Barb Belle-Plutko and Norm and Sylvia Belle	NMB Signs, Inc.	2831 Banksville Rd., Pittsburgh, PA 15216	412-344-5700
Robert, Patricia, Michael, and Bradley Krohmaly	RMB, LLC	7425 Washington Ave., Pittsburgh, PA 15218	412-271-4234
Bill Wellen	Wellen Corporation	180 Shoemaker Rd., Unit B, Pottstown, PA 19464	484-624-4874
Alvaro, Mary Jo, and Andy Arnal	Koroteo Investments, Inc.	205 Scranton Carbondale Hwy., Scranton, PA 18508	570-342-4422
Greg Kerr	Kerr Creative, LLC	164 Baltimore Pike, Springfield, PA 19064	610-543-7446
Brenda and Ron Stipanovich	Smart Signs and Graphics, Inc.	140 Morgantown St., Uniontown, PA 15401	724-430-7446
Kris Anderson	ROPE Marketing Company	12029 Perry Hwy., Wexford, PA 15090	724-933-6999
Michelle Levine	GR8 Signs, Inc.	677 Kidder St., Suite B, Wilkes Barre, PA 18702	570-824-7446
Lou and Rosemarie Miele	L & M Music Company, Inc.	535 E Third St., Williamsport, PA 17701	570-567-7131
Clint and Christina Ehlers	100 Acre Ranch, LLC	707 Easton Rd., Willow Grove, PA 19090-2003	215-830-9960
Jon and Crystal Toy	Toys, Inc.	2801 East Market St., York, PA 17402	717-840-6400
Jose Corujo, Teresa Caballero, and Juan Rivera	P.O.P.@ Your Needs, Corp.	Ave Degetau D-8, Caguas, PR00725	787-961-6446
Jose Corujo, Teresa Caballero, and Juan Rivera	P.O.P.@ Your Needs, Corp.	2 Carretera 136 Edificio, Guaynabo, PR00966	787-966-7446
Jose Corujo, Teresa Caballero, and Juan Rivera	P.O.P.@ Your Needs, Corp.	3000 Ave Roberto Sanchez Vilella, Suite 2, Carolina, PR00983	787-946-4465
Jose Corujo, Teresa Caballero, Juan Rivera, Juan Rodriguez, and Gisendra Velazquez	AURORA INVESTMENTS GROUP LLC	PR-183 Km. 20.60 Intersection PR-917, Bo. Montes GF-4, Las Piedras, PR 00771	787-266-7257
Rhonda and Jack Pullis	Modern Sign Concepts, LLC	2569 Whiskey Rd., Aiken, SC 29803	803-761-9200
Wes Snyder, Jeff Parsons, and Rick Davis	DPS Signs, LLC	2467 Savannah Hwy., Suite 540, Charleston, SC 29414	843-763-9400



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Milton Guerrero and Woody Poole	United Military Marketing, LLC	2080 Northbrook Blvd., Unit A, Charleston, SC 29406	843-718-3317
Jim Bonnaville	Bonnaville Management Group, Inc.	7124 Two Notch Rd., Columbia, SC 29223	803-736-7446
Matt Harris	WVSC Enterprises, LLC	252A Harbison Blvd., Columbia, SC 29212	803-781-2229
Rick and Marie Lenz	RAME Investments, Inc.	717 Airport Rd., Greenville, SC 29607-2618	864-292-5000
Chuck and Marianne Lobaugh	Curry Printing HHI, Inc.	157 William Hilton Pkwy., Hilton Head Island, SC 29926	843-689-7446
Scottie and Jennel Mahl	Mount Pleasant Business Enterprises, Inc.	1110 Clarity Rd., Mt. Pleasant, SC 29464	843-654-9778
Mike and JJ Snyder	Synder Enterprise Group, LLC	685 Robert M Grissom Pkwy., Myrtle Beach, SC 29577	843-916-4116
Robert Miklosko	RLM Group Rock Hill, LLC	2177 Farlow St., Rock Hill, SC 29732-3171	803-980-7446
Peter and Constance Brushaber	JMS Signs Co., Inc.	220 E Henry St., Spartanburg, SC 29306	864-585-7777
Sam Ryman	Ash Grove Holdings, Inc.	700 N Western Ave., Sioux Falls, SD 57104-2031	605-357-0018
Phil and Cindy Bacon	Bacon Enterprises, Inc.	3763 Powers Ct., Chattanooga, TN 37416	423-499-2227
Alan Grayson	Grayson, Inc.	119 West Dunbar Cave Road, Clarksville, TN 37040	931-919-2200
Terry Schneider, Ronnie Smith, and Dave Bowes	Tri-Star Graphics, LLC	220-B Rotary Centennial Drive, Cookeville, TN 38501	931-854-9007
Jeff McCall	McCall Visual Concepts, Inc.	1945 Mallory Ln., Suite 165, Franklin, TN 37067-2839	615-628-7593
Larry Taylor	TaylorMade Signs, Inc.	112 Saundersville Rd., Suite C-302, Hendersonville, TN37075	615-590-7526
Ric Davenport	Playrace, Inc.	2708 N Roan St., Johnson City, TN 37601	423-282-4229
Daniel and Mary Maw	D and M of Knoxville, LLC	8333 Gleason Dr., Knoxville, TN 37919-5440	865-558-0180
Chip and Ingrid Fullerton	IC3 Enterprises, Inc.	834 Mount Moriah Rd., Memphis, TN 38117	901-682-3366
Chip and Ingrid Fullerton	IC3 Enterprises	1604 Union Av., Memphis, TN 38104	901-725-7446
Terry Schneider	Look South Graphics, LLC	410 W Burton St., Murfreesboro, TN 37130-3605	615-893-2888
Jim and Michelle Hall	SixtySix, Inc.	2010 Glen Echo Rd., Nashville, TN 37215	615-385-3278
Les Sabler	LS Enterprises, LLC	604 Gallatin Ave., Suite 104, Nashville, TN 37206-3237	615-647-8500
Fred and Miranda Frische		250 Middle Creek Rd., Suite 1, Sevierville, TN 37862	865-366-1447
Shelly Kendall	Regal Lane Productions, LLC	604A N Central Expy., Allen, TX 75013-1559	469-706-9290
Michael Goff	Jerry Walker Corp.	2921 I-40 W, Suite 500, Amarillo, TX 79109	806-354-8788
Jody Lamb	BP&D Consulting Company	1140 W Bardin Rd., Suite 100, Arlington, TX 76017	817-557-1191

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Chris and Sean Allen	THEAG North Arlington, LLC	803 E Lamar Blvd., Arlington, TX 76011	817-261-3027
Wes Snyder, Jeff Parsons, and Jose Estrada	PS Signs, LLC	2101 W Ben White Blvd., Suite 103, Austin, TX 78704	512-445-4220
Jolie and Jordan Cypert	Phoenix Works, LLC	8820 Burnet Rd., Suite 504, Austin, TX 78757	512-454-9956
Jolie and Jordan Cypert	Phoenix Works, LLC	13497 N Hwy 183, Suite 301, Austin, TX 78750	512-258-5523
Lucas Fernandez	Imagraphics, LLC	1213 W 5th St., Suite A, Austin, TX 78703	512-469-5969
Naseem Khatri and Ayaz Khan		4806 A I-10 East Fwy., Baytown, TX 77521	281-839-7776
Russell Fontana	DBT, Inc.	4108 N. Dowlen, Beaumont, TX 77706	409-892-2300
Mark and Shawn Glenn	The Glenn Group, LLC	2717 E Belt Line Rd., Suite 113, Carrollton, TX 75006	972-418-6779
Kevin and Kristi Brightwell	KB & KB Enterprises, Inc.	404 University Dr. E, Suite C, College Station, TX 77840	979-764-7446
Chris and Lisa Farr	Farrz, Inc.	206 S Loop 336 W, Suite H, Conroe, TX 77304-3300	936-539-3278
Wes Snyder and Jeff Parsons		1220 Airline Rd., Suite 170, Corpus Christi, TX 78412	361-991-7991
Faisal Hassan		22220 Northwest Fwy., Suite B, Cypress, TX 77429-5767	832-604-7387
Mark and Shawn Glenn	The Glenn Group, LLC	2629 Oak Lawn Ave., Dallas, TX 75219	214-526-7446
Mark and Shawn Glenn	The Glenn Group, LLC	701 Commerce St., Suite 100B, Dallas, TX 75202	214-880-7446
Mark and Shawn Glenn	The Glenn Group, LLC	1555 Prudential Dr., Dallas, TX 75235-4111	214-267-0600
Dustin and David Eshelbrenner	Eshel, Inc.	6940 Marvin D Love Fwy., Dallas, TX 75237	214-467-8200
Charles & Kristen Perillo and Dustin Eshelbrenner	EP Group, Inc.	1417 N Cockrell Hill Rd., Suite 104, Dallas, TX 75211-1308	469-941-4124
Hakim and Wasay Rasul	Texas Signs, LLC	10225 N Central Expy., Dallas, TX 75231	214-890-4444
Sarosh Nayar	Janus Signs, Inc.	9742 Skillman, Dallas, TX 75243	214-503-1333
Mark and Shawn Glenn	Glenn Enterprises LLC	5920 Belt Line Rd., Suite 300, Dallas, TX 75254	972-239-7446
Jason Myers	J. Myers Enterprises, Inc.	5616 E Mockingbird Ln., Dallas, TX 75206	469-206-3488
Muder and Salma Saiger	Saiger Signs and Graphics, LLC	5409 N Jim Miller Rd., Suite 201, Dallas, TX 75227-1500	972-454-4440
Mike Miller	MSM SIGNS, LLC	2119 Sadau Ct., Denton, TX 76210	940-383-1785
Anna and Steve Duchene	Sands Signs, Inc.	4224 N Mesa, Suite F, El Paso, TX 79902	915-532-2211
Monica Velasco and Robert & Marie Hein	Love Ewe, Inc.	1201 Airway, Suite D3, El Paso, TX 79925	915-772-5700
Monica Velasco and Robert & Marie Hein	Love Ewe, Inc.	1355 George Dieter Dr., Bldg. A, Suite 103, El Paso, TX 79936-7410	915-229-8000
Dan Boykin	Signit, Inc.	5925 Camp Bowie Blvd., Fort Worth, TX 76107	817-732-3278

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Dan Boykin	Signit, Inc.	4901 S Hulen St., Fort Worth, TX 76132	817-361-7997
Dan Boykin	Signit, Inc.	2400 Westport Parkway, Suite 900, Fort Worth, TX 76177	817-439-1170
Dan Boykin	Signit, Inc.	2603 8th Ave., Suite 109, Fort Worth, TX 76110	817-769-2287
Brian Camp	MB Camp Ventures, Inc.	9411 Preston Rd., Suite 105, Frisco, TX 75033	469-213-6436
Kinsey Droege and Sammi Sanders	SKD Signs Inc.	1021 61st St., Suite 600-B, Galveston, TX 77551	409-220-3326
Navid Razi	Razi Signage & Consulting, LLC	5255 N President George Bush Hwy., Suite 300, Garland, TX 75040	972-543-4323
Jody & Vicki Lamb and Tawni Gonzalez	Ninety Five & Five Holdings, Inc.	2116 E US Highway 377, Granbury, TX 76049-5917	682-205-3084
Jorge Rodriguez	ICUCME, LLC	524 I-20, Suite 370, Grand Prairie, TX 75052-6939	469-480-7576
Rose and Rod Snell		1611 S 77 Sunshine Strip, Harlingen, TX 78550	956-428-0007
Richard Helmeay	RMH Asset Management, LLC	9020 Kirby Dr., Houston, TX 77054	713-747-4867
Joey Schrodi	J Twin, Inc.	12817-D Gulf Fwy., Houston, TX 77034	281-484-7007
Philip & Martha Dodd and Helen Kutach	Dodd Signs, Ltd.	10622 Northwest Fwy., Houston, TX 77092	713-680-1000
Helen & Scott Kutach and Glenn, Martha and Philip Dodd	Signmart, Ltd.	6115 Westheimer, Houston, TX 77057	713-914-9999
Bobby, Bob and Brandey Heckeroth	BTB Signs, L.P.	2535 Blue Willow Dr., Houston, TX 77042	713-784-7446
Rajesh and Romola Parikh	Graphic Signs, Inc.	3895 Southwest Fwy., Suite A, Houston, TX 77027-7515	713-942-9420
Rajesh & Romola Parikh and Nayana Bhakta	Just Designs, Inc.	2929A Milam St., Houston, TX 77006	713-228-7446
Kevin and Erum Khan	Southwestern Signs, Inc.	335 Cypress Creek Pkwy., Houston, TX 77090-3517	281-440-7446
David Tait		8373 Southwest Fwy., Houston, TX 77074	713-771-5586
Syed Yunus and Mobin Siddiqui	SSID Investements, LLC	9919 North Freeway, Houston, TX 77037	281-272-1616
Farooq Patel and Jimmy Jasani	Jubilee Heights, LLC	946 N Shepherd Dr., Suite C, Houston, TX 77008	713-804-7446
Aman and Uzma Khan	HRMR, LLC	258 FM 1960 E, Suite A, Humble, TX 77338	281-446-8500
Cory Merchant	Outstanding Graphic Solutions, Inc.	4070 N Belt Line Rd., Suite 118, Irving, TX 75038	972-255-2022
Uzma Khan		11430 East Fwy., Suite 304, Jacinto City, TX 77029	832-925-7168
Bob and Bobby Heckeroth	BTB Signs, LP	22511 Katy Fwy., Katy, TX 77450	281-599-1111
Levi Noguess	Noguess Enterprises, LLC	507 Priest Dr., Killeen, TX 76541	254-290-5756
Jolie and Jordan Cypert	Phoenix Works, LLC	15441 Ronald Reagan Blvd., Bldg. 2, Leander, TX 78641	512-335-7446

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Fred Tuggle	Trinity Hawk Investments, Inc.	1306 W. Main St., Lewisville, TX 75067	972-420-8770
Kent and Susan Bilnoski	Gregg Sign Company	128 Beechwood Dr., Longview, TX 75605-0011	903-291-8888
Mike & Jerry Walker and Ben Leser	Walker and Walker Enterprises, Inc.	4825 50th #B, Lubbock, TX 79414	806-793-9796
Rose and Rod Snell	Huntington Sky Production, Ltd.	3900 N.23 <sup>rd</sup> St., McAllen, TX 78501-6053	956-618-1800
Greg Bass	Festivus Enterprises, Inc.	401 S Central Expy., Suite 101, McKinney, TX 75070	469-742-0425
Navid Razi	Texas National Signs, LLC	1765 N Town East Blvd., Suite 153, Mesquite, TX 75150	972-613-1111
Cole and Catherine Brabham and Jason Hogue	B17 Ventures, LLC	4410 North Midkiff Road C9, Midland, TX 79705	432-520-0491
Russell and Valmarie Vannoy	Fast Saenz, Inc.	9612 Highway 6, Suite 130, Missouri City, TX 77459-5153	832-532-1344
Altaf and Salma Panjwani	Aman Graphic & Sign, LLC	1415 S Highway 69, Nederland, TX 77627	409-344-8440
Robert and Patti Ragsdale	RPCC Signs, LLC	1671 S IH35, Suite 306, New Braunfels, TX 78130-6823	830-730-4142
Imran Khan	I.K. Enterprises, Inc.	6823 Spencer Hwy., Suite B, Pasadena, TX 77505-1770	281-487-9000
Jeff and Patty Fusaro	Rialto Graphic Solutions, Inc.	15424 FM 1825, Suite 117, Pflugerville, TX 78660-3142	512-953-6333
Gemma and Nolan Descoteaux	NJD Signs, Inc.	1915 N Central Expy., Suite 900, Plano, TX 75075	972-881-7446
Gemma and Nolan Descoteaux	NJD Signs, Inc.	8100 Dallas Pkwy. 109, Plano, TX 75024-4010	972-712-7500
Darrin Lawrence	JDL Designs, Inc.	743 Brick Row Dr., Suite 300, Richardson, TX 75081-4947	214-499-9724
Dan Boykin	Signit, Inc.	3100 Handley-Ederville Rd., Suite C, Richland Hills, TX 76118	817-589-9988
Sid, Shashi, and Harish Jajoo	Expert Signs, Inc.	28000 Southwest Fwy., Suite H-1, Rosenberg, TX 77471-7155	281-318-5600
John, Janette, and David StClair	JJD Enterprises, LLC	105 E Old Settlers Blvd., Suite 104, Round Rock, TX 78664-2208	512-967-1888
Rosalinda and Mario Martinez	Horizon Branding, LLC	720 Knickerbocker Rd., San Angelo, TX 76903	325-227-4826
Christine Knight	Knight Ventures, Inc.	10118 San Pedro Ave., San Antonio, TX 78216	210-348-5629
Matt West	Ronvac Corporation	2897 NE Loop 410, Suite 109, San Antonio, TX 78218	210-655-3278
Matt West	Ronvac Corporation	612 Broadway St., San Antonio, TX 78215	210-298-8990
Stephanie and Chuck Drileck	Drileck Enterprises, Inc.	8714 Fredericksburg Rd., San Antonio, TX 78240-1223	210-697-7446
Fabian Borrego and Korinne Duke	Ainsley Paul Printing, LLC	1714 SW Military Dr., Suite 106, San Antonio, TX 78221-1418	212-468-6849
Stephanie and Chuck Drileck	Signs and Marketing Fast, LLC	11923 Culebra Rd., San Antonio, TX 78253	210-413-1676
Bob and Arantza Garcia	Bravo Visual Solutions, LLC	209 N Edward Gary St., San Marcos, TX 78666	737-266-5077
Todd Bass	THYKE, Inc.	1920 N Grand Ave., Sherman, TX 75090-2610	903-893-7446

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Steve Miller	Southlake Signs, LLC	2300 Dean Way, Suite 120, Southlake, TX 76092	817-329-5544
David Tait		13444 Southwest Fwy., Suite 3, Sugar Land, TX 77478	281-491-7446
Dennis, Elwood, & Douglas Smith	EDD SIGNS, LLC	904 S 31st St., Temple, TX 76504	254-231-3332
Keith and Sharon Maynard		3735 Mall Dr., Texarkana, TX 75501	903-831-7446
Daniel and Charles Nichols	CDSigns of the Woodlands, Inc.	26311 Interstate 45, The Woodlands, TX 77380	281-292-6059
Gazmend and Edon Veliu	Veliu-T-2, Inc.	715 E Main St., Suite 300, Tomball, TX 77375-6720	281-378-2700
Robert and Kerry Cinti	KR Enterprises Signs, LLC	1813 Capital Dr., Suite 400, Tyler, TX 75701	903-561-5300
Brent and Michelle Huse	Red Bird Digital Media, LLC	307 Lake Air Dr., Waco, TX 76710-5835	254-751-7446
Joe and Peggy Schrodi	Dominion Signs, Inc.	16840 Highway 3, Webster, TX 77598	281-338-6800
Steve Hall and Monica Dennison	S & M Ventures LLC	656 East 11400 South, Suite L, Draper, UT 84020	801-999-0898
David and Kristine Peabody	Peabody Utah, LLC	6570 S State St., Murray, UT 84107	801-261-3000
Asher and Hayley Henrie	Hayash, LLC	231 W 1230 N, Provo, UT 84604	801-373-0600
Mike and Stephanie Bennion		5758 S. 1900 W, Roy, UT 84067	801-776-4719
Geoff Poulin and Dan Emmons	Wide Gamut Graphics, Inc.	1335 Shelburne Rd., South Burlington, VT 05403-7714	802-391-8980
Kirby Newman	Positive Signs, LLC	7611 Richmond Hwy., Suite A, Alexandria, VA 22306-2847	703-768-7446
Hank and Amera Bharmal	Danzo, LLC	5852 Washington Blvd., Suite 4, Arlington, VA 22205	703-532-8602
Rob White	TREXLO Enterprises, LLC	1217 Carmia Way, Bon Air, VA 23235	804-272-7446
Steve Kouroupas	Incremental Business Solutions, LLC	1424 N Battlefield Blvd., Chesapeake, VA 23320	757-366-0066
Cleopatra Burke	Today's Signs, Inc.	10341-A Democracy Ln., Fairfax, VA 22030	703-352-6200
Renae and Steve Adrian	Phase II, Inc.	14521 Forest Rd., Suite G, Forest, VA 24551	434-333-0808
Rob White and Ramon Minx	RRSIGNS LLC	3940 Plank Rd., Suite X, Fredericksburg, VA 22407	540-548-0028
Chuck Manns	Riverland, Inc.	13968 Park Center Rd., Herndon, VA 20171	703-435-8807
Michelle Messich	G&M Signs, LLC	934 Edwards Ferry Rd. NE, Leesburg, VA 20176-3324	571-510-0400
Noor Jarral and Asma Sultana	T.J. Business Solutions, Inc.	7612 Stream Walk Ln., Manassas, VA 20109	703-392-7446
Chuck Manns	Riverland, Inc.	1980 Chain Bridge Rd., McLean, VA 22102	703-760-9300
Steve Kouroupas	Incremental Business Solutions, LLC	2000 Colonial Ave., Suite 5, Norfolk, VA 23517	757-274-3344
Rob White	TREXLO Enterprises, LLC	10817 W Broad St., Richmond, VA 23058	804-270-7446

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Rob White	TREXLO Enterprises, LLC	532 E Main St., Richmond, VA 23219	804-644-7446
Don Smith	Tight Lines Holdings Groups, Inc.	3214 Electric Rd., Suite 102, Roanoke, VA 24018	540-989-7874
Don Smith	Tight Lines Holdings Groups, Inc.	146 W 4th St., Salem, VA 24153-5035	540-389-6691
Marissa Eyon	Swift Simple Solutions, LLC	6715-B Backlick Rd., Springfield, VA 22150	703-913-5300
Francisco Xaviar	Kirby Burbank, LLC	2769 Richmond Hwy., Suite 111, Stafford, VA 22554-8325	540-658-3500
Steve Kouroupas	Incremental Business Solutions, LLC	2714 Virginia Beach Blvd., Virginia Beach, VA 23452	757-498-7446
Bryan and Tracey Quick	Quick Designs, LLC	1720 Valley Ave., Winchester, VA 22601-3140	540-450-0750
John Wang and Jim & Lesley Hamer	Wang Sign Holding, LLC	1215 George Washington Mem Hwy., Suite H, Yorktown, VA 23693	757-595-3278
Patti and Frank Worley	HAFA ADAI Signs & Graphics, LLC	1835 Auburn Way N, Suite B, Auburn, WA 98002-3348	253-394-0600
Rochelle and Scott Juetten	SR Ventures, Inc.	13279 NE 20th St., Bellevue, WA 98005	425-746-4151
James Pike and Jessica Lee	Pike-Lee Investment Properties, LLC	922 SW 151st St., Burien, WA 98166	206-577-4077
Daniel, Christi, John & David Jolly	Jolly Family Corporation	2802 Colby Ave., Everett, WA 98201	425-438-9350
Carol and Dohn Johnson	Johnson Signs of Federal Way, Inc.	32610 Pacific Hwy S, Suite B-4, Federal Way, WA 98003	253-835-9450
Rochelle and Scott Juetten	SR Ventures, Inc.	60 NW Gilman Blvd., Suite C, Issaquah, WA 98027-2480	425-391-3010
Brad and Yvette Sanders	His Dime, LLC	1409 N Pittsburgh, Suite A, Kennewick, WA 99336	509-735-0708
Gina Spiller	Spiller Corporation	7825 S 180th St., Kent, WA 98032	206-575-2110
Greg Shugarts	Barking Dog, Inc.	12644 NE 85th St., Kirkland, WA 98033-8045	425-822-6542
Lisa Stone	Landd Ventures, Inc.	2921 Alderwood Mall Blvd., Suite 104, Lynnwood, WA 98036	425-775-9709
Grace Kendall	T”N”T Signs, Inc.	4609 Lacey Blvd. SE, Lacey, WA 98503	360-438-3800
Steven Birkliid	Birklor, LLC	12700 Aurora Ave., Suite A, Seattle, WA 98133	206-368-7331
Lance and Kristin Holmes	Holmes LKK, Inc.	1515 9th Ave., Suite 4, Seattle, WA 98101	206-682-2129
Jorge Villamil	Viar Visual Communications, Inc.	7100 Roosevelt Way NE, Suite B, Seattle, WA 98115-5652	206-886-3860
Mark and Jennifer Chisholm	Tollary, LLC	920 Dexter Ave N, Seattle, WA 98109-3514	206-407-3004
Jackie Jones	KJJ Enterprises, Inc.	9460 Silverdale Way NW, Silverdale, WA 98383-8343	360-692-1660
Brian and Pat Britton	Encore Ventures, LLC	11712 E Montgomery Dr., Suite C1, Spokane, WA 99206-6163	509-536-3278
Jackie Jones	KJJ Enterprises, Inc.	2528 S 38th Street, Suite A, Tacoma, WA 98409	253-474-6607
Bill Carter	WMC NEWCO, LLC	14415 SE Mill Plain Blvd., Suite 114B, Vancouver, WA 98684	360-567-3313

Franchisee Contact Name	Franchisee Name (if applicable)	Address	Phone Number
Billie and Joseph Jackson		107 Beckley Plaza, Beckley, WV 25801	304-712-3060
Tracey and Bryan Quick	Second Wind Signs, LLC	212 Viking Way, Suite 2, Martinsburg, WV 25401	304-264-0145
Kent and Rose Harwell	Harwell Properties, Inc.	5137 MacCorkle Ave. SW, South Charleston, WV 25309	304-766-9280
Lance Puccio and Roch Manchin	WV Signs, LLC	2600 Middletown Commons, Suite 225, White Hall, WV 26554	304-816-4727
Doug and Linda Brauer	Brauer, Inc.	135 South Casaloma Dr., Appleton, WI 54914	920-954-9778
Spencer, Bill, and Julie Eklund	Sharp Signs, LLC	3306 Mall Dr., Eau Claire, WI 54701	715-836-7446
Joe and Fran Socha	Socha, LLC	2665 S Oneida St., Suite C, Green Bay, WI 54304-5268	920-490-9800
Michael Gaines		7536 Pershing Blvd., Kenosha, WI 53142-4316	262-997-3850
Patrick Yates	Yates & Associates, LLC	W173N9170 Saint Francis Dr., Suite 1, Menomonee Falls, WI 53051-1995	262-253-0799
Dave Dushek	Design Wizards, LLC	6101 Odana Rd., Madison, WI 53719	608-276-7446
Scott Miller	Tosamillers, Inc.	7444 W Holmes Ave., Milwaukee, WI 53220	414-281-2553
David Sun and Miao Yu	SY VISUAL SOLUTIONS LLC	5318 N Port Washington, Milwaukee, WI 53217	414-963-4980
Jason Roetz	Racine Signs, LLC	1122 S Airline Rd., Suite 103, Mount Pleasant, WI 53406-3889	262-977-7900
Josh Cisewski	JC Creations 2, LLC	2326 Post Road, Stevens Point, WI 54481	715-345-7077
Lori and Andrew Dominiak	Leading Advertising Design, Inc.	1560 E Moreland Blvd., Suite F, Waukesha, WI 53186-3913	262-288-1196
Josh Cisewski	JC Creations 2, Inc.	152501 Morning Glory Lane, Wausau, WI 54401	715-298-6438
Ginger Evenson	Evenson Sign Corp.	861 N Mayfair, Wauwatosa, WI 53226	414-475-7446

**EXHIBIT G-1**

**LIST OF FRANCHISEES THAT  
HAVE SIGNED FRANCHISE  
AGREEMENT BUT HAVE NOT  
YET OPENED AS OF  
DECEMBER 31, 2022**

<b>STATE</b>	<b>FRANCHISEE NAME</b>	<b>ENTITY</b>	<b>ADDRESS</b>	<b>PHONE NUMBER</b>
<b>CALIFORNIA</b>	Punit and Laxmi Suthar		*755 Rim Road, Pasadena, CA 91107	*626-710-8224
	Austin Mowoe	Premier Ventures International Inc.	*3602 Tavera Circle, San Diego, CA 92117	*619-452-6835
	Brian Greenberg		21515 Centre Pointe Parkway, Santa Clarita, CA 91350	213-422-1489
<b>COLORADO</b>	Patrick and Nicol Muncy		*1744 Hogan Ct., Castle Rock, CO 80109	*719-947-5764
<b>FLORIDA</b>	Gladys Ribeiro and Rolando Martinez		*8427 Milano Dr., Orlando, FL 32810	*407-617-0624
	Jason Ott	THE BLUE SIGN GROUP, LLC	*6011 E Peach St., Inverness, FL 34452	*239-872-2772
	Ellen Bilello	Jetta Ventures, Inc.	1649 Bonaventure Blvd., Weston, FL 33326	954-302-9001
<b>IOWA</b>	Janae Chochon	JC Management LLC	*381 Riviera Circle, Dakota Dunes, SD 57049	*402-910-4745
<b>KENTUCKY</b>	Don and Michelle Wallis		*1024 Mitchell Lane, Versailles, KY 40383	*603-732-7765
<b>MARYLAND</b>	Mercedes Colon	ALPHA IMAGE LLC	*4601 N Park Ave., Apt. 917, Chevy Chase, MD 20815	*570-614-9491
<b>MASSACHUSETTS</b>	Son Tranduc and Quechi Huynh		*116 Grampian Way, Dorchester, MA 02125	*617-633-7323
<b>NEW JERSEY</b>	Brian and Rosemarie Lach		*15 Wright St., Edison, NJ 08820	*908-227-9090
<b>NEW MEXICO</b>	Al and Cindy Cothorn	Cothorn Signs NM LLC	9664 Eagle Ranch Rd. NW, Suite 6, Albuquerque, NM 87114	505-532-1001
<b>NEW YORK</b>	Damian Dixon		*8602 208 <sup>th</sup> St., Apt. 1H, Queens Village, NY 11427	*347-481-2198
<b>NORTH CAROLINA</b>	Shawn and Salome Blackwood	Signed with "S" Inc.	1409 E Franklin Blvd., Gastonia, NC 28054	*857-334-7033
	Nirav Desai		*112 Enclave Meadows Ln., Weddington, NC 28104	*678-517-1844
<b>TENNESSEE</b>	Tim Young		*1112 Teal Court, Brentwood, TN 94513	*925-719-4057
<b>TEXAS</b>	Jolie and Jordan Cypert	Phoenix Works, LLC	*10432 Ember Glen Dr., Austin, TX 78726	*512-788-3262
	Sarosh Nayar	Janus Ventures LLC	*6304 Trailwood Dr., Plano, TX 75024	*212-355-0686
<b>UTAH</b>	David and		*5037 W Dock St., South	*505-332-2890



	Kristine Peabody	Italics LLC	Jordan, UT 84009	
<b>VIRGINIA</b>	Rob and Wanda White	RWW Enterprises, LLC	*14404 Twickenham Place, Chesterfield, VA 23832	*804-638-0103

## EXHIBIT G-2

### LIST OF FRANCHISEES THAT HAVE CEASED TO DO BUSINESS UNDER THEIR AGREEMENTS OR THAT HAVE OTHERWISE LEFT THE SYSTEM AS OF DECEMBER, 31, 2022

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

STATE	FRANCHISEE NAME	ENTITY	CITY AND STATE	PHONE NUMBER	REASON
CALIFORNIA	Ron and Bette Johnson	Robejo, Inc.	San Clemente, CA	949-940-0150	Expiration of Franchise Agreement
ILLINOIS	Joel Barthel	JFB Holdings, Inc.	Chicago, IL	224-803-1383	Closure/ Termination
IOWA	Rebecca Crawford	Omega Marketing, L.C.	Ames, IA	515-451-5424	Closure/Termination
NEW YORK	Bryan Schwartz, John Garland, and Keysha Benedetto		Bethpage, NY	631-943-3460	Termination
	Bryan Schwartz and John Garland		West Babylon, NY	631-943-3460	Termination
	Kyle Scalley	Krystal Clear Sounds, LLC	Oceanside, NY	516-554-3694	Closure/Termination
PENNSYLVANIA	Wes Kauffman and Daniel Jolly	POP Graphics, LLC	East Petersburg, PA	427-327-1235	Consolidation with their other Center
WISCONSIN	Josh Cisewski	JC Creations 2, Inc.	Wausau, WI	715-340-7432	Closure/Termination

**EXHIBIT G-3**

**LIST OF FRANCHISEES AND DEVELOPERS THAT HAVE  
LEFT THE SYSTEM DUE TO RESELLING THEIR  
CENTERS AS OF DECEMBER 31, 2022**

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

<b>STATE</b>	<b>FRANCHISEE NAME</b>	<b>ENTITY</b>	<b>CITY AND STATE</b>	<b>PHONE NUMBER</b>
<b>CALIFORNIA</b>	Neal Kanoff		Tarzana, CA	818-760-4943
<b>COLORADO</b>	Matt Mersfelder	MIAM, LLC	Aurora, CO	720-273-5557
<b>FLORIDA</b>	Thiago De Araujo and Julie Fuller	FDA Signs, LLC	Saint Augustine, FL	904-434-2837
	Eamon and Elizabeth Flynn	TriLandFS, LLC	Spring Hill, FL	703-306-6880
<b>ILLINOIS</b>	Ed and Janet Calahan	JANDE Graphics, LLC	Downers Grove, IL	630-968-5229
	David Voigts	Heron Bay, Inc.	Bloomington, IL	309-726-1481
<b>INDIANA</b>	Gus, Catherine and Andrew Ciresi	AJC2, Inc.	Indianapolis, IN	317-370-9904
<b>KENTUCKY</b>	Rick and Maureen Schuler	EDJ, Inc.	Florence, KY	859-512-1985
<b>NEBRASKA</b>	Bob and Mary Beckwith	RLB Enterprises, LLC	Omaha, NE	402-651-2507
	Bob & Andrew Danielson and Mark Cullinane	Danielson Enterprises, Inc.	Omaha, NE	402-669-7350
<b>NEW YORK</b>	Lou Peragine	LPB Signs, Inc.	Wantagh, NY	631-220-1407
<b>NEW JERSEY</b>	Dan and Donna Haber	Dandon Enterprises, Inc.	Red Bank, NJ	732-580-8080
<b>NEW MEXICO</b>	Mark Engle and Josh Kimmel	MJ Signs, Inc.	Santa Fe, NM	937-313-9115
<b>NORTH CAROLINA</b>	Sonja Davis	DavCom Enterprises, Inc.	Raleigh, NC	919-844-9262
<b>OHIO</b>	Mike Langdon	Auld Lang Signs, Inc.	Blue Ash, OH	513-324-1324
<b>PENNSYLVANIA</b>	Monak Patel and Rohit Dutta	eGlobal Enterprise, LLC	McMurray, PA	412-758-9544
<b>TENNESSEE</b>	James and Katie Grosklaus	KJ Ventures, Inc.	Cookeville, TN	931-260-5601
<b>TEXAS</b>	Bill and Beth Stockley	BK-Stock, Inc.	Corpus Christi, TX	361-537-6221
	Chris and Sean Allen	THEAG North Dallas, LLC	Dallas, TX	817-516-5721
	Huma and Qayyum Rasul	3R's Printing & Signs, LLC	Dallas, TX	817-469-3899
	Edon and Gazmend Veliu	Veliu, Inc.	Galveston, TX	281-330-0599

**FASTSIGNS INTERNATIONAL, INC.**

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OPERATIONS MANUAL**

**EXHIBIT “H”**

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**FASTSIGNS INTERNATIONAL, INC. GENERAL RELEASE**

**EXHIBIT “I”**

**GENERAL RELEASE**

Franchisee releases and discharges Franchisor, all of its corporate affiliates and any and all of its predecessors and assigns from any and all claims, demands, actions and rights of action, suits, debts, covenants, contracts, controversies, promises, claims and demands whatsoever, Franchisee ever had, now has, or may hereafter have arising out of or resulting in any manner from the Franchise Agreement or the conduct of Franchisor or Franchisor's employees, agents or representatives.

Franchisee represents that execution hereof is free and voluntary; that no inducements, threats, representations or influences of any kind were made or exerted by or on behalf of the Franchisor.

This shall be binding upon Franchisee and the heirs, legal representatives, successors and assigns of Franchisee.

IN WITNESS WHEREOF, the parties hereto have duly executed this Release on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Franchisee:	
By:	
Title:	

**FASTSIGNS INTERNATIONAL, INC.**  
**CONVERSION AND CO-BRAND PROMISSORY NOTE (DIRECT FINANCING)**  
**EXHIBIT “J”**

**PROMISSORY NOTE**

**Payee:** FASTSIGNS International, Inc.

**Maker:** \_\_\_\_\_

**Principal Amount:** \$34,750

**Interest Rate:** 0% annually \_\_\_\_\_, 20

For value received, the undersigned (whether one or more, jointly and severally), individually and personally (the “Maker”), promises to pay to the order of FASTSIGNS International, Inc., a Texas corporation (“FII” or “Payee”) its transferees, successors or assigns, at c/o FASTSIGNS International, Inc., 2542 Highlander Way, Carrollton, Texas 75006-2333, or at such other address as the Payee hereof shall specify in writing to the undersigned, the sum of Thirty-Four Thousand Seven Hundred Fifty and no/100 Dollars (\$34,750), legal and lawful money of the United States of America from the date hereof until maturity.

The principal of Nine Hundred Sixty-Five Dollars and 28/100 (\$965.28) shall be due and payable in thirty-six (36) monthly installments on the twenty-fifth (25<sup>th</sup>) day of each month. The first payment is due thirty (30) days after commencement of operation as a FASTSIGNS Center by Maker.

Upon the occurrence of any of the following events of default, Payee, at its option and without notice to Maker, may declare the entire unpaid principal balance of this Note together with all other indebtedness of Maker to Payee, to be immediately due and payable: (a) Maker’s failure to pay any principal, or any other charge or expense payable hereunder, when due and payable hereunder; (b) any breach or default by Maker of any warranty, representation, covenant, term or condition stated herein, in the Agreement, or in any other security instrument, affidavit or other agreement or instrument between Maker and Payee; (c) if the Franchise Agreement is terminated for any reason by Maker or Payee, (d) if Maker is generally not paying its debts as such debts become due; (e) the commencement of any proceedings under any bankruptcy or insolvency laws by or against Maker; or (f) the sale, assignment, transfer or conveyance of all or substantially all of Maker’s assets. Upon any such event of default, Payee may (in addition to accelerating the debt) exercise all rights and remedies available to it under this Note, under any other security instrument, affidavit or other document instrument executed in connection with or pursuant to this Note, and otherwise at law and in equity, all such rights and remedies being cumulative, and not exclusive.

Upon the occurrence of any event of default, the entire indebtedness shall be matured, at the option of the Payee; and in the event default is made in the prompt payment of this Note

when due or declared due, and the same is placed in the hands of an attorney for collection or suit is brought on the same, or the same is collected through Probate, Bankruptcy or other judicial proceedings, then Maker agrees and promises to pay a reasonable attorneys' fee for collection, which in no event shall be less than ten percent (10%) of the principal then owing. Neither the failure, partial failure, nor any delay on the part of Payee to exercise any right, power or privilege hereunder shall operate as a waiver thereof.

This Note may be prepaid, in whole or in part, without premium or penalty, as of the date of any regularly scheduled payment hereunder.

Each Maker, surety and endorser of this Note expressly waives all notices, demands for payment, presentations for payment, notices of intention to accelerate the maturity, protest and notice of protest, as to this Note and as to each, every and all installments hereof, and each consent that the Payee or any other creditor under this Note may at any time, and from time to time, upon request of or by agreement with any of us, extend the maturity date hereof or change the time or method of payments without notice to any of the other makers, sureties or endorsers, who shall remain bound for the payment hereof.

No delay or failure of Payee in exercising any right, remedy, power or privilege hereunder shall operate as a waiver or otherwise affect such right, remedy, power or privilege, nor shall any single or partial exercise thereof preclude the exercise of any other right, remedy, power or privilege. No delay or failure of Payee at any time to demand strict adherence to the terms of this Note shall be deemed to constitute a waiver of any such rights or a course of conduct inconsistent with Payee's right at any time, before or after an event of default, to demand strict adherence to the terms of this Note. Payee shall not be deemed to have waived any of its rights hereunder unless the same shall be in writing signed by Payee, and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall not impair the rights of Payee or the obligations of Maker in any other respect.

Maker shall not assign or otherwise transfer this Note (in whole or in part), nor shall Maker delegate any or all its obligations hereunder without the prior written consent of Payee, which consent may be withheld for any reason or for no reason. No assignment or other transfer of this Note shall be construed to release Maker from any of its obligations or liabilities hereunder, whether accruing before or after such assignment or transfer.

This Note shall be binding upon Maker and its successors and permitted assigns and shall inure to the benefit of and be enforceable by Payee and its successors and assigns.

If any term or provision of this Note or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Note shall be valid and be enforced to the fullest extent permitted by law.

The liability of each Maker executing this Note shall be joint and several and the term "Maker" shall mean each and all such Makers.



To induce Payee to extend to the Maker the loan evidenced by this Note, Maker irrevocably agrees that, subject to Payee's sole and absolute election, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS NOTE WILL BE LITIGATED EXCLUSIVELY IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN DALLAS, TEXAS. MAKER AND PAYEE EACH WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS NOTE.

**IN WITNESS WHEREOF**, the undersigned have executed this Note as of the date and year first set forth above

MAKER:

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

This Note is personally guaranteed by (the “Guarantor”). Guarantor unconditionally guarantees payment to Payee of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Payee makes written demand upon Guarantor. Payee is not required to seek payment from any other source before demanding payment from Guarantor.

GUARANTOR:

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

**FASTSIGNS INTERNATIONAL, INC.**  
**STATE DISCLOSURE ADDENDA AND FRANCHISE AGREEMENT RIDERS**  
**EXHIBIT “K”**

**STATE ADDENDA TO DISCLOSURE DOCUMENT ADDITIONAL DISCLOSURES  
FOR THE  
MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF FASTSIGNS  
INTERNATIONAL, INC.**

The following are additional disclosures for the Franchise Disclosure Document of FASTSIGNS International, Inc. required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

**CALIFORNIA**

1. The following paragraph is added at the end of Item 3 of the Disclosure Document:

Except as disclosed above, neither we nor any person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15

U.S.C.A. Section 78a et seq., suspending or expelling such person from membership in such association or exchange.

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

3. OUR WEBSITE, [www.fastsigns.com](http://www.fastsigns.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT [www.dbo.ca.gov](http://www.dbo.ca.gov).

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

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

Material Modification. California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise.

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

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will occur at a suitable location in Dallas County, Texas with the costs being borne as the arbitrator determines. 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 provision of the Franchise Agreement restricting venue to a forum outside the State of California.

Releases. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

## **ILLINOIS**

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

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

### **MARYLAND**

1. The following language is added to the end of Item 5 of the Disclosure Document:

Pursuant to an order from the Maryland Office of the Attorney General, we have posted a surety bond and the surety bond is on file with the Maryland Securities Division.

2. The “Summary” sections of Items 17(c), entitled **Requirements for franchisee to renew or extend**, and 17(m), entitled **Conditions for franchisor approval of transfer**, of the Disclosure Document are amended by adding the following:

3. Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The “Summary” section of Item 17(h), entitled **“Cause” defined – non- curable defaults**, of the Disclosure Document, is amended by adding the following:

The agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 ET seq.), but we and you agree to enforce it to the extent the law allows.

5. The “Summary” section of Item 17(v), entitled **Choice of Forum**, of the Disclosure Document is amended by adding the following:

Subject to the Federal Arbitration Act and other federal laws, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The following language is added to the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

### **MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE**

**DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:**

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

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

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

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

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

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

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

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

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

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

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

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

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



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

**MINNESOTA**

1. The following language is added to the end of Item 13:

To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

2. The following is added at the end of the chart in Item 17:

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

Any limitations of claims must comply with Minnesota Statutes, Section 80C.17, and Subd.5.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum, or remedies that the laws of the jurisdiction provide.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by the Minnesota Franchises Law.

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

## NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND 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 paragraphs are added at the beginning of Item 3 of the Disclosure Document:

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

(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 held the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; 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 because 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 end of the “Summary” sections of Items 17(c), titled **Requirements for franchisee to renew or extend**, and Item 17(m), titled **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 “Summary” sections of Item 17(v), titled “Choice of forum”, and 17(w), titled “Choice of law”:

The foregoing choice of law and forum 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.

### **NORTH DAKOTA**

1. The “Summary” sections of Items 17(c), entitled **Requirements for the franchisee to renew or extend**, and 17(m), entitled **Conditions for franchisor approval of the transfer**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document, are amended by adding the following:

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

2. The “Summary” sections of Item 17(i), entitled **Franchisee’s obligations on termination/non-renewal**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document, is amended by adding the following:

The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

3. The “Summary” sections of Item 17(u), entitled **Dispute resolution by arbitration or mediation**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document, is amended by adding the following:

However, to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), the arbitration will be at a site to which we and you mutually agree.

4. The “Summary” sections of Item 17(v), entitled **Choice of Forum**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document is amended by adding the following:

Subject to arbitration requirements and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. To the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

6. The “Summary” sections of Item 17(w), entitled **Choice of law**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document is amended by adding the following:

Except for the Federal Arbitration Act and other federal law, North Dakota law governs.

### **RHODE ISLAND**

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the “Act”), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by FASTSIGNS International, Inc. for use in the State of Rhode Island is amended as follows:

1. Item 17 u.- Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act - Private civil actions - and be amended to read:

(a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1- 17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.

(b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise

of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.

2. Item 17 v. - Choice of forum and Item 17 w. - Choice of law shall comply with § 19-28.1-14 of the Act - Jurisdiction and venue - and be amended to read:

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

### **VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the “Summary” section of Item 17(h), entitled **“Cause” defined – non-curable defaults**, is amended by adding the following:

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.

### **WASHINGTON**

The following paragraph is added at the end of Item 17:

If any of the provisions in this disclosure document or the Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the “Act”), then (if the Act applies by its terms) the provisions of the Act will prevail over the inconsistent terms of the disclosure document and/or Franchise Agreement for any franchises sold in Washington. However, we and you agree to enforce the Franchise Agreement’s provisions to the extent the law allows.

**RIDER TO THE FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**This Rider** (the “**Rider**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between FASTSIGNS INTERNATIONAL, INC., a Texas corporation located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“**we,**” “**us**” “**our,**” or “**Franchisor**”), and \_\_\_\_\_ a \_\_\_\_\_ whose principal business address is?

\_\_\_\_\_ (“**you,**” “**your,**” or “**Franchisee**”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”). This Rider is part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the CENTER that you will operate under the Franchise Agreement was made in the State of Illinois and the CENTER will be in Illinois, and/or (b) you are a resident of Illinois.

2. The following language is added to the end of the Franchise Agreement:

The provisions of the Franchise Agreement concerning governing law, jurisdiction, venue and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. However, a Franchise Agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

3. **No Waiver of Disclaimer of Reliance.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.

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

Name: \_\_\_\_\_

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

Date Signed: \_\_\_\_\_

(Effective Date)

FRANCHISEE:

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

Name: \_\_\_\_\_

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

Date Signed: \_\_\_\_\_

**ADDENDUM TO FASTSIGNS INTERNATIONAL, INC.  
FRANCHISE AGREEMENT  
FOR THE STATE OF MARYLAND**

The FASTSIGNS International, Inc. Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and FASTSIGNS International, Inc. (“Franchisor”) (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Amendment (the “Effective Date”) (the “Amendment”):

**MARYLAND LAW MODIFICATIONS**

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Any representations requiring Franchisee to assent to a release, estoppels or waiver of any liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise and Disclosure Law.
- b. Franchisee may bring an arbitration action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- c. 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.
- d. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

2. Pursuant to an order from the Maryland Office of the Attorney General, we have posted a surety bond and the surety bond is on file with the Maryland Securities Division.

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

4. No Waiver of Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.



IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
(Effective Date)

FRANCHISEE:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

**AMENDMENT TO FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT  
FOR THE STATE OF MINNESOTA**

The FASTSIGNS International, Inc. Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and FASTSIGNS International, Inc. (“Franchisor”) \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Amendment (the “Amendment”):

**MINNESOTA LAW MODIFICATIONS**

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the Marks infringes trademark rights of the third party. Franchisor does not indemnify against the consequences of Franchisee’s use of the Marks except in accordance with the requirements of the Franchisor Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within ten (10) days after the earlier of (i) actual notice of the claim or (ii) receipt of written notice of the claim and must therein tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. If the Franchise Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- b. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement.
- c. If the Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims

arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.

- d. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor, except in certain specified cases, from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Each provision of this Franchise Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met. IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

3. No Waiver of Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FASTSIGNS INTERNATIONAL, INC.

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

Name: \_\_\_\_\_

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

Date Signed: \_\_\_\_\_

(Effective Date)

FRANCHISEE:

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

Name: \_\_\_\_\_

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

Date Signed: \_\_\_\_\_

## AMENDMENT TO FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT FOR THE STATE OF NEW YORK

The FASTSIGNS International, Inc. Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and FASTSIGNS International, Inc. (“Franchisor”) (“Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”) as of the date signed by us and set forth opposite our signature on this Amendment:

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the CENTER that you will operate under the Franchise Agreement was made in the State of New York, and/or (b) you are a resident of New York and will operate the CENTER in New York.

2. **Releases.** The following language is added to the end of Sections 12.C(8) and 13.C of the Franchise Agreement:

However, that to the extent required by Article 33 of the General Business Law of the State of New York, 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 the proviso that the non-waiver provisions of GBL 687 and 687.5 are satisfied.

3. **Transfer by Us.** The following language is added to the end of Section 12.A of the Franchise Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee that, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **Termination by You.** The following language is added to the end of Section 12.B of the Franchise Agreement:

You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **Governing Law and Consent to Jurisdiction.** The following language is added to the end of Sections 17.F and 17.G of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. **Limitation of Claims.** The following language is added to the end of Section 17.J of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, all rights 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 provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

7. **No Waiver of Disclaimer of Reliance**. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
(Effective Date)

FRANCHISEE:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

**AMENDMENT TO FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT  
FOR THE STATE OF NORTH DAKOTA**

The FASTSIGNS International, Inc. Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and FASTSIGNS International, Inc. (“Franchisor”) (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Amendment (the “Amendment”):

**NORTH DAKOTA LAW MODIFICATIONS**

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchises Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in this Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under North Dakota Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota Law. If this Franchise Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under North Dakota Law.
- d. If the Franchise Agreement requires that it be governed by a state’s law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

- f. If the Franchise Agreement requires payment of a termination penalty, the requirement may be unenforceable under North Dakota Law.
- g. If required by the North Dakota Franchise Investment Law, Section 17.H of the Franchise Agreement, Dispute Resolution, shall be deleted in its entirety.
- h. Section 17.J of the Franchise Agreement, Limitation of Claims, shall have the sentence “The statute of limitations under North Dakota law applies.” added to the end of the section as if it were an original part of the Franchise Agreement.

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

3. No Waiver of Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 (Effective Date)

FRANCHISEE:

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_



**AMENDMENT TO FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT  
FOR THE STATE OF RHODE ISLAND**

The FASTSIGNS International, Inc. Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and FASTSIGNS International, Inc. (“Franchisor”) (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Amendment (the “Amendment”):

**RHODE ISLAND LAW MODIFICATIONS**

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 - 19-28.1-

1. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.
- b. If this Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.

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

3. No Waiver of Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
(Effective Date)

FRANCHISEE:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

**AMENDMENT TO FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT  
FOR THE STATE OF WASHINGTON**

The FASTSIGNS International, Inc. Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and FASTSIGNS International, Inc. (“Franchisor”) dated (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Amendment (“Amendment”):

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the CENTER that you will operate under the Franchise Agreement will be in Washington; and/or (b) you are a resident of Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **Addition of Paragraphs.** The following is added to the end of the Franchise Agreement:

In recognition of the requirements by the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder (the “**Act**”), the Franchise Agreement shall be modified as follows:

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 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 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, 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.

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 or elsewhere that conflict with these limitations is 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 or elsewhere are void and unenforceable in Washington.

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

4. No Waiver of Disclaimer of Reliance. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read, and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
(Effective Date)

FRANCHISEE:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

**AMENDMENT TO FASTSIGNS INTERNATIONAL, INC. FRANCHISE AGREEMENT**  
**FOR USE IN CALIFORNIA, HAWAII, INDIANA, MICHIGAN, SOUTH DAKOTA,**  
**VIRGINIA AND WISCONSIN**

The FASTSIGNS International, Inc. Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and FASTSIGNS International, Inc. (“Franchisor”) dated (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Amendment (“Amendment”):

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is part of the Franchise Agreement.

2. **No Waiver of Disclaimer of Reliance.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read, and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the dates noted below, to be effective as of the Effective Date.

FASTSIGNS INTERNATIONAL, INC.

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

Name: \_\_\_\_\_

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

Date Signed: \_\_\_\_\_

(Effective Date)

FRANCHISEE:

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

Name: \_\_\_\_\_

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

Date Signed: \_\_\_\_\_

**EXHIBIT “L”**

**State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or are 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:

<b>State</b>	<b>Effective Date</b>
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.

**FASTSIGNS INTERNATIONAL, INC.**

**EXHIBIT “M”**

**RECEIPTS**



**ITEM 23 – RECEIPT (YOUR COPY)**

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

If FASTSIGNS offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with or make a payment to us or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give this disclosure document at the earlier of the first personal meeting or 10 business days before signing a binding agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before signing a binding agreement or the payment of any consideration, whichever occurs first.

If FASTSIGNS does not deliver this disclosure document on time or if it contains a false or misleading statement, or material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and your state agency identified on Exhibit “A”.

The name, principal business address and telephone number of each franchise seller offering the franchise: Mark Jameson and \_\_\_\_\_, FASTSIGNS International, Inc., 2542 Highlander Way, Carrollton, Texas 75006, (214) 346-5600.

Date of Issuance: May 1, 2023

See Exhibit “A” for our registered agents authorized to receive service of process. I have received a Disclosure Document dated May 1, 2023 that included the following Exhibits:

- Exhibit A State Agencies/Agents for Service of Process
- Exhibit B Franchise Agreement
- Exhibit C Co-Brand Franchise Agreement
- Exhibit D Development Agreement
- Exhibit E Financial Statements
- Exhibit F Current Franchisees as of 12/31/22
- Exhibit G-1 Franchisees who have signed Franchise Agreements for centers which were not yet operational as of 12/31/22
- Exhibit G-2 Former Franchisees
- Exhibit G-3 Franchisees that resold their centers
- Exhibit H Table of Contents for Operations Manual
- Exhibit I General Release
- Exhibit J Conversion Promissory Note (Direct Financing)
- Exhibit K State Disclosure Addenda and Franchise Agreement Riders
- Exhibit L State Effective Dates
- Exhibit M Receipts

Dated: \_\_\_\_\_ Signature \_\_\_\_\_ Printed Name \_\_\_\_\_

Dated: \_\_\_\_\_ Signature \_\_\_\_\_ Printed Name \_\_\_\_\_

**ITEM 23 – 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 FASTSIGNS offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with or make a payment to us or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give this disclosure document at the earlier of the first personal meeting or 10 business days before signing a binding agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before signing a binding agreement or the payment of any consideration, whichever occurs first.

If FASTSIGNS does not deliver this disclosure document on time or if it contains a false or misleading statement, or material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and your state agency listed on Exhibit “A”.

The name, principal business address and telephone number of each franchise seller offering the franchise: Mark Jameson and \_\_\_\_\_, FASTSIGNS International, Inc., 2542 Highlander Way, Carrollton, Texas 75006, (214) 346-5600.

Date of Issuance: May 1, 2023

See Exhibit “A” for our registered agents authorized to receive service of process. I have received a Disclosure Document dated May 1, 2023 that included the following Exhibits:

- |  |   |
|--|---|
| Exhibit A State Agencies/Agents for Service of Process   | Exhibit G-2 Former Franchisees                                    |
| Exhibit B Franchise Agreement  | Exhibit G-3 Franchisees that resold their centers                 |
| Exhibit C Co-Brand Franchise Agreement   | Exhibit H Table of Contents for Operations Manual                 |
| Exhibit D Development Agreement  | Exhibit I General Release   |
| Exhibit E Financial Statements   | Exhibit J Conversion Promissory Note (Direct Financing)           |
| Exhibit F Franchisees as of 12/31/22   | Exhibit K State Disclosure Addenda and Franchise Agreement Riders |
| Exhibit G-1 Franchisees who have signed Franchise Agreements for centers which were not yet operational as of 12/31/22 | Exhibit L State Effective Dates Exhibit                           |
|  | Exhibit M Receipts  |

Dated: _____	_____	_____
	Signature	Printed Name
Dated: _____	_____	_____
	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to the Chief Support and Development Officer, FASTSIGNS International, Inc., 2542 Highlander Way, Carrollton, Texas 75006-2333.