

FRANCHISE DISCLOSURE DOCUMENT



FORTUSIS, LLC
A Utah Limited Liability Company
4256 West 8370 South
West Jordan, Utah 84088-5907
(888) 454-7328
www.fortusis.com

As a franchisee, you will operate a printing and business support services business offered through this Disclosure Document. We offer four different brands that provide the public with commercial and non-commercial digital print, finishing services, business marketing and promotional services and other related services under the names Kwik Kopy Printing, Kwik Kopy Business Center, and Franklin's Printing Center.

The total investment necessary to begin operation of any one of our Kwik Kopy Printing, Kwik Kopy Business Center, or a Franklin's Printing Center franchise is estimated between \$195,750 and \$226,000. This includes \$50,500 to \$118,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you, contact Nancy Arnold, at 4256 West 8370 South, West Jordan, Utah 84088-5907, (888) 454-7328 and narnold@fortusis.com.

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

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

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

Issuance Date: March 25, 2022

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state may also 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. **Mandatory minimum payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Spousal liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

TABLE OF CONTENTS

	PAGE
Item 1. The Franchisor and Any Parents, Predecessors and Affiliates	1
Item 2. Business Experience	2
Item 3. Litigation	3
Item 4. Bankruptcy	3
Item 5. Initial Fees	3
Item 6. Other Fees.....	5
Item 7. Estimated Initial Investment	8
Item 8. Restrictions on Sources of Products and Services.....	11
Item 9. Franchisee’s Obligations	13
Item 10. Financing.....	15
Item 11. Franchisor’s Assistance, Advertising, Computer Systems and Training	15
Item 12. Territory	21
Item 13. Trademarks	22
Item 14. Patents, Copyrights and Proprietary Information.....	24
Item 15. Obligation to Participate in the Actual Operation of the Franchise Business.....	25
Item 16. Restriction on What The Franchisee May Sell	25
Item 17. Renewal, Termination, Transfer and Dispute Resolution	25
Item 18. Public Figures	28
Item 19. Financial Performance Representations.....	28
Item 20. Outlets and Franchise Information	28
Item 21. Financial Statements.....	32
Item 22. Contracts.....	32
Item 23. Receipts	32

TABLE OF CONTENTS (CONTINUED)

EXHIBITS

A	Franchise Agreement and its Exhibits
B	List of Agents for Service of Process
C	Roster of US Brand Franchise Owners
D	Roster of Franchisees Having Left the System
E	Financial Statements of Fortusis, LLC
F	State Specific Addenda
G	Flex-Financing Addendum
H	New Center Purchase Affidavit
I	Option for Assignment of Lease
J	Certificate of Corporate Policy
K	Compliance Form
L	Electronic Funds Transfer Form
M	Prepayment Agreement
N	Transfer Addendum
O	Spousal Restriction Agreement
P	List of State Agencies Responsible for Franchise Disclosure and Registration Laws
Q	Deposit Agreement
R	Table of Contents for Operations Manual
S	Receipts

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

The Franchisor

In this Disclosure Document, “we,” “us,” “our,” or “Fortusis” means Fortusis, LLC, the franchisor. “You” or “your” means the person who buys the franchise and signs the Franchise Agreement, the franchisee. If you are a business entity, “you” or “your” means both the business entity and its owners. The “brand” refers to the name and system under which we will grant your franchise.

We are a Utah limited liability company, formed in February 2015. We do business under the names “Fortusis,” “Kwik Kopy Business Centers,” “Kwik Kopy Printing,” “Kwik Kopy,” “Franklin’s Printing,” and “Franklin’s.” Our principal business address is 4256 West 8370 South, West Jordan, Utah 84088-5907. Our agents for service of process are listed in an exhibit to this Disclosure Document.

As of the date of this Disclosure Document, we do not own or operate any of the brands being offered in this Disclosure Document. However, occasionally, we have operated a former franchisee’s business for a time while we look for other operators. We also do not conduct any other business activity other than franchising. We began offering franchises of the type of business you will conduct in October 2017.

Parents, Predecessors, and Affiliates

Our predecessor is International Center for Entrepreneurial Development, Incorporated, a Delaware corporation (ICED). Its principal business address was 12715 Telge Road, Cypress, Texas 77429. ICED is the parent company of various subsidiaries that previously acted as the franchisor companies for the brands. The names of the previous franchisor entities were Kwik Kopy Corporation, Kwik Kopy Business Centers, Inc., Franklin’s Systems, Inc., and American Wholesale Thermographers, Inc. Each of these franchisors offered franchises similar to the businesses offered in the Disclosure Document. Kwik Kopy Corporation offered franchises from 1969 to 2017; Franklin’s Systems, Inc. offered franchises from 1977 to 2017; American Wholesale Thermographers, Inc. offered franchises from 1982 to 2017; and Kwik Kopy Business Centers, Inc. offered franchises from 2001 to 2017.

On October 1, 2017, Fortusis purchased the franchise systems and the existing franchise contracts of the brands in the United States and all rights to continue operating the franchise systems from ICED. Fortusis determined not to continue to offer franchises for American Wholesale Thermographers and has combined the other four franchises under one offering. The franchisor also plans to combine the four franchise brands into one brand in the near future.

We have no other parents, predecessors or affiliates required to be disclosed in this item.

Information About our Business and Franchises Being Offered

Our franchise brands provide commercial and non-commercial printing, reproduction and related services as well as marketing assistance, marketing materials and other business support related services to businesses and individuals.

Unless otherwise disclosed, the disclosures for each brand are the same. We also allow business owners to convert their existing printing locations to one of our franchise brands, a “Rebrand Owner.” Unless otherwise described in this Disclosure Document, the disclosures for a conversion franchise are the same as a start-up franchise.

General Description of Market and Competition

The general market for printing, reproduction and business support services is well-developed, and you will be required to compete for potential customers in your principal business area. In addition, other businesses such as office supply stores, stationers and businesses offering business related products or services may offer some or all of these services. Potential customers may also possess the capabilities to perform certain printing and related functions internally. No studies or surveys have been done to determine a need for these services or products within your principal business area. You will typically compete with other established printing and reproduction businesses. There are many of these competitors from large national chains to small independent operators. You may also encounter competition from other outlets operated by us or other franchisees outside your principal business area.

Laws and Regulations

Government regulations pertaining to printing include OSHA and EPA regulations dealing with disposal of wastes and maintenance of clean air and water. In addition, copyright laws and other considerations related to handling proprietary and confidential information need to be observed in the handling of customer documents. We are not aware of any laws or regulations specific to the operation of digital print, finishing services, business marketing and promotional services and other related services. However, regardless of the type of franchise purchased, you are required to follow the Affordable Care Act, the Patriot Act, the Americans with Disabilities Act (“ADA”), as well as guidelines and other laws and regulations which apply to businesses generally. Individual state and local governments have other environmental laws and ordinances that may apply. We urge you to inquire about these laws and regulations.

ITEM 2. BUSINESS EXPERIENCE

Chief Executive Officer: Curtis D. Cheney

Mr. Cheney has served as CEO of Fortusis, LLC since February 2015. From February 2011 to October 2017, Mr. Cheney was General Manager of DLO Utah, d/b/a Kwik Kopy Business Solutions in West Jordan, Utah.

President: Daniel L. Oblad

Mr. Oblad has served as President of Fortusis, LLC since October 2017 and President and CEO of DLO Utah since October 2006. In January 2007, Mr. Oblad purchased Kwik Kopy Printing, originally in Salt Lake City, Utah, and in July 2012 relocated to West Jordan, Utah. DLO Utah rebranded to Kwik Business Solutions in November 2013, and its business address remains in West Jordan, Utah.

Vice President: Jay Groot

Mr. Groot has served as Vice President of Operations for Fortusis, LLC since October 2017 and served as President of Kwik Kopy Corporation, American Wholesale Thermographers, Inc., and Franklin’s Systems, Inc. since October 2009. Mr. Groot also served on the ICED, Inc. Board of Directors.

Director Franchise Development: Nancy Arnold

Ms. Arnold has served as Director of Franchise Development for Fortusis, LLC since October 2017. She served as Director of Center Development for ICED, Inc. from September 2005 to October 2017.

ITEM 3. LITIGATION

Fortusis, LLC d/b/a Kwik Kopy Printing vs. MRT Enterprises, Inc., Anthony S. Redington and Patrice M. Redington; in the 269th Judicial District, Harris County, Texas, Case Number 2019 - 56640. Filed August 15, 2019. Fortusis filed a suit against a franchisee for damages estimated in excess for \$250,000.00 for unpaid franchise service fees and royalties. Defendants filed an Answer on December 27, 2019 and as of April, 2022 the case is awaiting a trial date.

Other than these actions, no other litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

All franchisees pay a total of \$55,500 in initial fees for each franchise brand as follows:

FEE	AMOUNT	WHEN DUE	REFUND
Deposit Fee	\$5,000 (Note 1)	Upon signing the Deposit Agreement listed in Exhibit “Q” and is applied to the Initial Franchise Fee if you purchase a franchise	We will refund the deposit less any expenses we incur if you or we elect not to enter into a Franchise Agreement after signing the Deposit Agreement.
Initial Franchise Fee	\$25,000 (Note 2)	The \$5,000 Deposit Fee is applied to the initial franchise fee. The balance of the Initial Franchise Fee is due when the Franchise Agreement is signed. You receive a 10% discount if you pay the full amount upfront in cash.	Balance returned after we deduct our expenses if we decide to rescind due to your failure to successfully complete one or more pre-training assignments or classroom/lab training classes. You must also sign a general release in exchange for the refund. There are no other circumstances when the initial fees are refundable.
Start-Up Costs Fee	\$15,500 (Note 3)	10 business days before beginning classroom/lab training	Same circumstances as the initial franchise fee
Pre-Paid Operating Fee	\$15,000 (Note 4)	10 business days before beginning classroom/lab training	Same circumstances as the initial franchise fee
TOTAL (Notes 5, 6)	\$55,500		

Note 1: If you or we are not ready to move forward with signing the franchise agreement after you have had the FDD for the requisite 14-day waiting period, and you want to reserve a principal business area, then you must sign the Deposit Agreement listed in Exhibit “Q.” The deposit agreement will allow you to reserve a designated franchise area for your location while both parties continue to do their due diligence. The \$5,000 deposit, which will count towards the Initial Franchise Fee, is due upon signing the Deposit

Agreement. The area listed on Exhibit “Q” will remain reserved for 45 days. If you sign a Deposit Agreement, during that 45 days, you will be allowed to search for a business premises location and submit the location to us for our approval. Either we or you may elect not to enter into a franchise agreement at any time during the 45-day period. We will refund the deposit less any expenses we incur if you or we elect not to sign the Franchise Agreement during the 45-day period.

Note 2: The remaining balance of the Initial Franchise Fee after the \$5,000 Deposit Fee is applied is payable as a lump sum. However, we offer to finance \$20,000 of the Initial Franchise Fee through a no-interest Flex-Financing program described in Item 10. Additionally, if you are an honorably discharged veteran who meets our qualifications for purchasing a franchise, we will discount the Initial Franchise Fee by 15%. You will also receive a 10% discount if you pay the full Initial Franchise Fee amount upfront in cash. If you qualify for the VetFran discount and decide to pay the Initial Franchise Fee in cash, the VetFran discount of 15% is first applied, and the 10% cash discount is next applied to the balance. Additionally, if you are converting your existing business to one of our brands, your Initial Franchise Fee will be \$10,000. This amount shall be fully earned and nonrefundable when paid, in consideration of the administrative and other expenses incurred by us in entering into a Franchise Agreement with the Rebrand Owners, and for our lost or deferred opportunity to enter into a Franchise Agreement with others.

Note 3: The Initial Franchise Fee is the amount paid to us for market analysis, site search guidance, premises lease assistance, space planning of the site, pre-training materials, classroom/lab training & lodging (double occupancy) costs for two people, breakfast and lunch during training days, sales training and lodging during training, lease costs of our manuals, specialist visit to coordinate installation at your center, and other costs we will incur in helping you set up your business.

Note 4: The Pre-Paid Operating Fee is the amount paid to us for your start-up marketing program, sales coaching program, field training visits from our staff and peer consultants, and reimbursement of travel costs. This fee is payable as a lump sum.

Note 5: Initial fees are not refundable except as described above and are uniform as among franchisees.

Note 6: In addition to the required fees described above, you may purchase any equipment, furniture, fixtures software and supplies package from us (see the table below). If you choose to buy some items from other sources, these purchases must be approved by us before the purchase is made. You must pay for this package while attending classroom/lab training at Fortusis headquarters or designated facility and no later than 10 business days after you complete classroom/lab training. See Item 7 for details of all initial fees and payments for services or goods received from us before your business opens.

INVESTMENT	AMOUNT	WHEN DUE	REFUND
Required Initial Equipment, Furniture, Fixtures, Software and Supplies Inventory (Initial Equipment Package)	\$57,000 - \$60,000 (Note 7)	Before the end of classroom/lab training	Under extraordinary circumstances, we may elect, in our sole discretion, to refund a portion of the fees paid. A refund will only be available if none of the products have been shipped and cancellation is allowed by the supplier. Any restocking or cancellation fees will be applied against any available refund.
Freight & Set-up of Equipment	\$2,500 - \$7,500 (Note 8)	Before the end of classroom/lab training or within 10 days after	Same as above.

		completion of training if financed	
--	--	------------------------------------	--

Note 7: Initial Equipment Package. Our estimate for purchasing the production and office equipment, furniture and fixtures (including primary customer service area and office space). Costs for computer systems, including hardware and software, and initial hardware maintenance agreements are included.

A specific configuration of equipment, furniture, fixtures, software and supplies representing this investment is purchased from us. Prices are subject to change by vendors without notice. You will pay the cost of the required package and freight while attending classroom/lab training at our designated training facility and no later than upon completion of this training. See Item 7 for more details.

Note 8: Our estimate for shipping, delivery and installation charges associated with the required Initial Equipment Package. Sales tax has not been included and depending on the state where you reside, you may need to pay it.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Franchise Service Fee (Note 1)	7% of gross sales, subject to a monthly minimum of \$875 (Note 2)	Report and pay via EFT on the 5 th day of the month following the month for which Franchise Service Fees accrue	See section 5 of Franchise Agreement
Repeat or Additional Classroom/Lab Initial Training (Note 1)	Currently \$1,100 per person, plus expenses	Before commencement of the training class/session	See paragraph 3.01 of Franchise Agreement
Training After Initial Training (Note 1)	\$300 per day, plus reimbursement of trainer's expenses, estimated to be \$100 to \$150 per day	Immediately upon invoice	Expense is optional
Other Business Authorized or Not Authorized and Engaged in at the Franchisee's Print Center (Note 1)	Same as and included with Franchise Service Fee described above	5 th day of the month following the month for which Franchise Service Fees accrue	See paragraph 4.10 of Franchise Agreement
Cost of Audit (Note 1)	All expenses we incur if you fail to submit a sales report within 45 days from the date it is due; or if an audit is required to be re-scheduled due to your lack of preparation or poor condition of your records; or if the audit establishes your failure to report sales or pay any Franchise Service Fees by at least 2% of that which should have been reported or paid.	Immediately upon invoice	See paragraph 4.17 of Franchise Agreement

Type of Fee	Amount	Due Date	Remarks
Late Sales Report (Note 1)	Up to 5% of the Franchise Service Fees for each month the sales report is late	Immediately upon invoice	See paragraph 5.06 of Franchise Agreement
Late Payment of Franchise Service Fee (Note 1)	Up to 5% of the Franchise Service Fees for each month the Franchise Service Fees are late	Immediately upon invoice	See paragraph 5.07 of Franchise Agreement
Non-Sufficient Funds or Related Bank Charges and Fees (Note 1)	All expenses we incur related to such occurrence	Immediately upon invoice	See paragraph 5.07 of Franchise Agreement
Renewal of Franchise Agreement (Note 1)	No additional initial franchise fees will be paid by you; however, you will be obligated to pay Franchise Service Fees and other payments and fees as provided for in the standard Franchise Agreement in effect at the time of renewal	In accordance with the terms of the standard Franchise Agreement in effect at the time of renewal	See paragraph 6.02 of Franchise Agreement
Insurance Reimbursement (Note 1)	All costs of premiums paid by us to secure insurance for you if you fail to obtain the required insurance	Immediately upon invoice	See paragraph 7.03 of Franchise Agreement
Transfer Fee (Note 1)	We charge to administer the transfer and training of the transferee. The current transfer fee is \$17,900	Before signing the transfer-related documents with the transferee and providing training to the transferee	See paragraph 9.03(g) of Franchise Agreement
Transfer Fee for Assigning Your Interest in the Franchise Agreement to an Entity Owned by You (Note 1)	Currently, we do not charge a fee	Before signing transfer related documents with the transferor and transferee	See paragraph 9.06(b) of Franchise Agreement
Costs of Indemnification (Note 1)	All our costs and expenses for claims, liabilities, attorney's fees and other costs for which you indemnified us	Immediately upon invoice	See paragraphs 4.09 and 15.01 and 15.06 of Franchise Agreement
Image Enhancement Review (Note 1)	All expenses incurred to maintain the appearance of your center pursuant to an image enhancement review. An image enhancement review will occur whenever necessary or appropriate. We estimate you will spend \$0 to \$5,000 to comply with a review	As we deem necessary or appropriate	See paragraph 3.25 of the Franchise Agreement
Center Advertising	Not less than 2.5% of gross sales annually	As incurred	See paragraph 3.26 of the Franchise Agreement
Fees and Costs on Default	Attorney's fees, costs, interest and audit costs	On demand, as incurred	Paid in addition to other payments to us

Type of Fee	Amount	Due Date	Remarks
(Note 1)			
Indemnification (Note 1)	Varies	As incurred or on demand	You must indemnify us from and against any and all claims or damages regarding the conduct and operation of your franchise business.
Conference or Seminar Fee (Note 1)	\$175 to \$500 per person	Upon invoice or as otherwise specified by us	Payment of the registration fee we may charge is required whether or not you actually attend. You will also be required to pay all travel, lodging, food, and other expenses for each of your attendees. See paragraph 2.13 of Franchise Agreement.
Interim Management Fee (Note 3)	\$250 per day, per representative	Time of service	See Note 3. See paragraph 4.19 of the Franchise Agreement.

Note 1: In the past, exceptions for the above fees were made. Currently, all fees are uniformly imposed and collected by, and payable only to Fortusis. All fees are non-refundable.

Note 2: “Gross sales” of your business means:

- a. all amounts invoiced or otherwise charged for services; and
- b. all amounts invoiced or otherwise charged for goods or merchandise sold; and
- c. the value of all goods or merchandise sold, services performed and business dealings whatsoever which are unpaid and/or not invoiced including goods, services or merchandise bartered or traded; and
- d. all amounts invoiced or otherwise charged for services, goods or merchandise purchased or made or furnished to you for resale by you.

Gross sales include both cash and credit sales but does not include sales or use taxes. You must pay Franchise Service Fees for all services, goods, or merchandise you sell. We will agree to credit or return to you 1% of the sales reported by you in any month that your gross sales exceed \$30,000, provided that the Monthly Sales Summary is submitted to us within five days following the close of the calendar month for which the Monthly Sales Summary is due and provided further that all your debts to us are paid and current and you are otherwise in total compliance with all the terms and conditions of the Franchise Agreement.

If you fail to timely report gross sales, we may sweep an estimated amount of Franchise Service Fees and other fees due to us. You will be responsible to pay us any amount owing if we underestimate your payment to us, and we will credit you with any overage that we charge.

You shall not engage in any other business at your center other than the printing, reproduction and related services business as herein defined unless we agree in writing to the conduct of any such business. Our consent shall be effective only so long as any such other business does not interfere with the effective operation and maintenance of your brand franchise, and you do not in any way neglect the business of your brand franchise. In any event and whether or not you obtain the consent from us, the sales of such other business shall be included in the gross sales and subject to Franchise Service Fees.

If you are a Rebrand Owner, your Franchise Service Fees will be 7% of gross sales over an agreed upon base amount described in an addendum to your Franchise Agreement.

Note 3: Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or if you are not in compliance, or if we elect to operate your franchise at a time allowed under the Franchise Agreement to prevent harmful interruption of business. You must also pay the travel, lodging, food, and other expenses for our representative(s) and other expenses which may be incurred by us to perform such services, plus Franchise Service Fees, advertising fees, and other applicable fees.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Investment	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$25,000 (Note 1)	Lump sum or as financed. See cash discount in Item 5 and Flex Financing option in Item 10	\$5,000 deposit is due upon the signing of the Deposit Agreement; balance of the Initial Franchise Fee is due when the Franchise Agreement is signed	Us
Start-Up Fees (training expenses)	\$15,500 (Note 1)	Lump Sum	10 business days before classroom/lab training begins	Us
Pre-Paid Operating Fee	\$15,000 (Note 1)	Lump Sum	10 business days before classroom/lab training begins	Us

YOUR ESTIMATED INITIAL INVESTMENT				
Investment	Amount	Method of Payment	When Due	To Whom Payment is Made
Classroom/Field-Related Expenses	\$1,500 – \$2,000 (Note 2)	As incurred	Before and as incurred throughout classroom/lab training	Airline, restaurant, employees, etc.
Required Initial Equipment, Furniture, Fixtures, Software and Supplies Inventory (Initial Equipment Package)	\$57,000 - \$60,000 (Note 3)	Lump sum for those items purchased for you by us	Before the end of classroom/lab training	Us or approved suppliers
Freight & Set-up of Equipment	\$2,500 - \$7,500 (Note 4)	As incurred	Before the end of classroom/lab training or within 10 days after completion of training if financed	Us if you purchase the Initial Equipment Package from us
Copier/Lease Payments	\$2,000 - \$3,000 (Note 5)	As incurred	Monthly, beginning when the lease is signed	Equipment lessors
Real Property (Premises Lease)	\$3,500 - \$6,000 (Note 6)	As incurred	Monthly, beginning when the lease is signed	Landlord
Security Deposit/ Fees for Premises Lease	\$5,000 - \$6,500 (Note 7)	As incurred	As per the premises lease agreement	Landlord
Security Deposit/ Fees for Copier Leases	\$2,000 - \$3,000 (Note 7)	As incurred	As per the copier lease agreement	Equipment lessors
Miscellaneous Opening Costs	\$1,750 – \$2,500 (Note 8)	As incurred	Before opening	Local suppliers, utility companies, carriers, insurance company, etc.
Additional Funds – 12 months Working Capital	\$65,000 – \$80,000 (Note 9)	As incurred	As incurred	Suppliers, lessors, employee wages, utilities, etc.
TOTALS: \$195,750 to \$226,000				
*All amounts paid to us are non-refundable except for the franchise fee deposit under the terms and conditions described in Item 5.				

NOTES:

***OTHER THAN FEES PAID TO US, ALL COSTS AND EXPENSES RELATED TO YOUR INITIAL INVESTMENT ARE ESTIMATES ONLY. All fees are non-refundable unless otherwise provided herein or negotiated with third parties.** There are many factors which will influence your

total project costs such as location, amount of leased space, finish-out allowance, and so forth. Your initial investment will also vary considerably depending upon the method and amount of financing. The following notes are intended to summarize and clarify assumptions we have used to estimate costs and expenses needed to begin operations. You should fully investigate each cost item, discuss with your business advisor and modify the amount accordingly in your individual business plan.

1. You must pay us the Deposit Fee, the balance of the Initial Franchise Fee, Start-Up Fee and Pre-Paid Operating Fee. See Item 5 for information on the Deposit Fee and the Initial Franchise Fee. The Start-Up Fee is the amount paid to us for site search assistance, mailing lists, training and training related costs and other costs incurred in helping you set up your business. The Pre-Paid Operating Fee is the amount paid to us for marketing assistance and materials, trainer visits and initial supplies and inventory. We offer a Flex-Financing program to new franchisees which provides for the payment of \$20,000 of the \$25,000 Initial Franchise Fee. Under the Flex-Financing program, you make monthly payments based on gross sales in addition to your Franchise Service Fee. Payments are due on the 10th day of the following month by electronic funds transfer (EFT) or as otherwise described in an amount equal to 2% of your monthly gross sales (see Section 1 of the Flex-Financing Addendum). We do not apply an interest rate to the amount being flex-financed so long as you make timely payments, but we will charge 10% interest, or the maximum rate permitted by law on past due amounts if you are late making a payment. Payments continue until the entire balance is paid off. Additionally, you may pay the entire balance at any time. For additional terms and conditions, refer to Item 10 of this FDD and to the Flex Financing addendum to the Franchise Agreement.

2. Classroom/Lab Training Related Expense. Our estimate of the costs you will incur for two persons to attend classroom/lab training. It includes estimated airfare to our training facility, miscellaneous living expenses and some shipping costs.

3. Initial Equipment Package. Our estimate for purchasing the production and office equipment, furniture and fixtures (including primary customer service area, and office space). Costs for computer systems, including hardware and software, and initial hardware maintenance agreements are included.

A specific configuration of equipment, furniture, fixtures, software and supplies representing this investment is purchased from us. Prices are subject to change by vendors without notice. You will pay the cost of the required package and freight while attending classroom/lab training at our headquarters and no later than upon completion of this training.

If you obtain financing from a non-affiliated third party, payment to us for the required package may be delayed up to 10 business days after completion of classroom/lab instruction training at our headquarters. In order to qualify for this delay of payment, adequate documentation to evidence your loan commitment with a third party must be presented to us prior to attending training. It shall be in our sole discretion as to what constitutes adequate proof of the third party's commitment. However, any commitment should specify the total amount of the loan without contingencies.

4. This is our estimate for shipping, delivery and installation charges associated with the required Initial Equipment Package. Sales tax has not been included and depending on the state where you reside, you may need to pay it. If you acquire the equipment elsewhere, you will be responsible for setting up and connecting the equipment on your own.

5. Copier Lease Payments. In addition to the Initial Equipment Package referred to in Footnote 3 above, you will need to lease copier equipment from local sources. Included in the cost are the first month's payment, delivery, installation, networking/engineering fees and training where applicable. The estimate

is based on one digital color copier and one black-and-white digital copier with 36-month lease agreements providing for buy-out at fair market value.

6. Premises Lease. We estimate that you will lease a minimum of 1,500 square feet of space at \$24 to \$30 per square foot per annum, most typically in a business or office park type location. This is an estimate of your first month's rent that is paid at the beginning of the month. If you locate your center to a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space.

7. Security Deposit Fees. The security deposit paid for the premises lease is based on paying first and last months' payments. The security deposits for your copier leases are based on paying first and last months' payments.

8. Miscellaneous Opening Costs. Our estimate for security deposits for utilities, extra supply items, personal expenses during classroom/lab training, business licenses in order to commence business, premiums for first-year business insurance, and miscellaneous hospitality and cleaning supplies.

9. Additional Funds. Our estimate of the minimum additional working capital you will need during the initial 12-month period of the business in addition to cash flows. You may require additional amounts. Our estimate is based on these factors, our experience, and the resulting experience of other franchisees.

** No provision is made in the total initial investment for your personal living expenses. In addition to making provisions for your total initial investment, we require that you have sufficient funds to meet your living expenses for at least 12 months. No provision is made for the costs of financing your investment. If you elect to finance your investment, financing, including packaging, SBA guaranty and closing costs, are estimated to be approximately \$5,000 to \$10,000 in addition to the estimates in the table. Your lender may require term life insurance on the borrowers for the amount borrowed. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products and Required Purchases

When you establish your franchise business, we require that you acquire the necessary leasehold improvements, furniture, fixtures, decor, signage, equipment and inventory to meet the concept of the brand, both as to image and functionality. To accomplish this, we provide a list as to all items required or optional. For certain build-out and start-up work and materials, we may suggest that you find and use local vendors.

Except for goods and services that are included in the initial fees paid to us when you acquire a franchise, there are no items which you must purchase from us. We strongly recommend that you purchase your Initial Equipment Package from us (see Item 7). In addition to competitive pricing, the package offers the advantage of purchasing numerous items through a single source. If you acquire the equipment elsewhere, you will be responsible for setting up and connecting the equipment on your own. Additionally, certain start-up services and assistance provided by us in connection with opening your franchised business will not be made available to you until your equipment and computer network are completely operable. Should you purchase the Initial Equipment Package from us, the purchase will represent approximately 40% to 57% of your overall initial investment as presented in Item 7 depending on the franchise brand purchased. The Initial Equipment Package will vary due to product availability of certain required items, brand availability, technological improvements and freight charges. While certain software required by us is

included in the Initial Equipment Package, that software may also otherwise be purchased as described in Item 11. Information in detail concerning the Initial Equipment Package is available through our franchise development department. We are not the sole recommended supplier for each brand or for any item.

In addition to the Initial Equipment Package, we offer equipment and supplies for your ongoing operations. For example, we offer various printed materials, advertising specialty items, miscellaneous business-related goods and direct mail services for the ongoing operation, administration and marketing of your franchise business.

Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent 25% to 35% of your overall purchases in opening your franchise business and 5% to 15% of your overall purchases while operating your franchise business.

Standards and Specifications

We formulate and modify specifications of equipment, including computer systems, based on reported performance/service experience in the field by our franchisees, through rating publications in our industry and testing done at our headquarters. Specifications and equipment suppliers known to meet those specifications are disclosed in the Initial Equipment Package for new franchisees and are accessible to our franchisees through our website and otherwise upon request. Your equipment must conform to our specifications, although suppliers of the equipment may vary for each brand.

Non-Approved Suppliers

If you decide to purchase any of the items in the Initial Equipment Package from a source other than us, prior approval from us is required before making the purchase. In approving suppliers of products and services, we consider a number of criteria including the quality of the product or service, its pricing, the organizational structure of the supplier, the supplier's distribution system and its customer service policy and programs and other related criteria. We can change this criteria and revoke approval of suppliers at any time by providing you with notice.

The Franchise Agreement provides that your equipment must conform to our specifications. If there is a supplier you wish to use, or a product or service you wish to offer, is not on our approved list, you may contact us and provide us with the necessary information to evaluate the supplier, product or service for approval. Once all required information is received, which may include a test of the equipment, the evaluation for approval will typically take 30 days or less. There is no fee for supplier approval. The benefit to using approved suppliers is that we are aware of the quality, specifications and capabilities of the suppliers in meeting our requirements. We may revoke approval of alternative suppliers if we determine that the alternative suppliers' products fail to satisfy our specifications, as it may be periodically updated.

Negotiated Arrangements

We negotiate favorable terms with our approved suppliers, which may include, but not be limited to, advantageous pricing arrangements. Some negotiated pricing is only available to franchisees if they purchase through us. We are considered an approved supplier for each brand. Some products and services are sold to franchisees by us at no additional costs above that charged by the supplier. For other products and services an additional charge may be added ranging from 4% to 26% to cover administrative costs and certain value-added services sometimes supplied in association with the purchase. While all these purchases

are optional, franchisees may find it advantageous to purchase these goods from us due to factors such as cost, convenience and conformity with use.

Officers with an Interest in Approved Suppliers

Fortusis, LLC is also an approved supplier in which some of our officers have an ownership interest. Additionally, our president, Daniel Oblad, is an owner of Kwik Kopy Business Center 145 which is an approved supplier.

Revenue to Us and Our Affiliates from Suppliers

We may receive up to 5% rebate from certain vendors. These monies will be included with our general revenue and may be used for a variety of ongoing programs for each brand such as education, marketing, advertising, seminars and conferences. We may utilize the money to benefit each brand in our sole discretion. In our fiscal year ending December 31, 2021, there was no revenue to be reported in this Item 8, but we anticipate revenue in the future.

Insurance

You must carry, at your own expense, insurance policies required by us. The policies must include a commercial comprehensive general liability policy, products liability coverage, blanket contracts coverage and auto liability, including hired and non-owned liability. The policies must carry a minimum combined single limit of \$1,000,000. In addition, you are required to carry extended coverage in an amount equal to the market value of your inventory and equipment for your center, workers' compensation insurance and any other insurance required by law or contractual agreement. We have the right to change minimum limit requirements at our discretion. We may identify and recommend insurance companies and agents for obtaining coverage for your center, but you have the option to determine your source for insurance.

Benefits Provided to You for Purchases

Material benefits by us to the franchisee, such as renewal and the granting of additional franchises, are not conditioned upon the franchisee's use of designated or approved sources. There are presently no purchasing or distribution cooperatives associated with the brands.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Section 1	Items 7, 8, 11, 12
b. Pre-opening purchase/leases	Sections 2, 3	Items 5, 7, 8
c. Site development and other pre-opening requirements	Sections 1, 2, 3, 4	Items 5, 7, 8, 11
d. Initial and ongoing training	Sections 2, 3	Items 5, 7, 11

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
e. Opening	Sections 2, 3	Items 5, 7, 11
f. Fees	Section 5	Items 5, 6, 7
g. Compliances with standards and policies/operating manual	Sections 3, 4	Items 8, 11, 16
h. Trademarks and proprietary information	Sections 1, 3, 4, 8, 13	Items 13, 14
i. Restrictions on products/services offered	Sections 1, 2, 3, 4	Items 8, 16
j. Warranty and customer service requirements	Sections 3, 4	Items 8, 15, 16
k. Territorial development and sales quotas	Sections 1, 2, 3, and Certificate of Corporate Policy for Franchise Site Location	Items 11, 12
l. Ongoing product/service purchases	Sections 3, 4	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 2, 3, 4, 6, 9	Items 7, 8, 17
n. Insurance	Sections 3, 7	Items 6, 8
o. Advertising	Sections 2, 3, 4, 8	Items 5, 7, 11
p. Indemnification	Sections 3, 4, 7, 13, 14, 15	Item 6
q. Owner's participation/management/staffing	Sections 3, 4, 9	Items 11, 15
r. Records and reports	Sections 3, 4, 5	Item 6
s. Inspections and audits	Sections 3, 4	Items 6, 11
t. Transfer	Section 9	Items 6, 17
u. Renewal	Section 6	Item 6, 17
v. Post-termination obligations	Sections 11, 13	Item 17
w. Non-competition covenants	Section 11	Item 17
x. Dispute resolution	Section 14	Item 17

ITEM 10. FINANCING

Flex Financing

We offer a Flex-Financing program to new franchisees. The Flex-Financing provides for the payment of \$20,000 of the \$25,000 Initial Franchise Fee. The terms of the program are contained in a “Flex-Financing” addendum to the Franchise Agreement. A copy of the Flex-Financing addendum is included in this Disclosure Document. Under the Flex-Financing program, you make monthly payments based on gross sales in addition to your Franchise Service Fee. Payments are due on the 10th day of the following month by electronic funds transfer (EFT) or as otherwise described in an amount equal to 2% of your monthly gross sales (see Section 1 of the Flex-Financing Addendum). We do not apply an interest rate to the amount being flex-financed so long as you make timely payments. Payments continue until the entire balance is paid off. Additionally, you may pay the entire balance at any time.

No security interest is taken for the extension of Flex-Financing, but personal guaranties are required of all principals of corporate franchisees and partnerships. If you do not make timely payments, we may charge the lesser of 10% interest or the maximum rate of interest then permitted by law on all unpaid and past due amounts. A default in payment under the Flex-Financing Addendum is a default of the Franchise Agreement. Any remaining balance becomes immediately due upon your default, transfer or termination of the franchise.

	Flex Financing Program
Amount Financed	\$20,000
Down Payment	\$0
Term	Until paid in full
APR %	0%
Monthly Payment	2% of gross sales
Pre-pay Penalty	None
Security Required	Personal guarantee
Liability Upon Default	Loss of franchise, repayment of amount due plus interest
Loss of Legal Right on Default	Waive notice
Default Interest Rate	10% or the maximum interest allowed under law, whichever is less

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

Except as listed below, Fortusis, LLC is not required to provide you with any assistance:

Our Pre-Opening Obligations to You

Before you open your franchise, we will:

1. Designate your principal business area (Franchise Agreement – Paragraph 1.01 and Certificate of Corporate Policy for Franchise Site Location, Exhibit J).
2. Provide you with assistance and information for site evaluation, premises lease analysis and contract negotiation (Franchise Agreement – Paragraph 1.06).

We do not currently own sites to lease to franchisees. You must select the site for your center in your principal business area. We approve or disapprove the site you select. Our approval or disapproval of a site you propose will typically be made within 30 days. There is no specified time limit for you to have a site approved, but you may not attend classroom/lab training until your premises lease is signed.

In addition to the general territorial criteria discussed in Item 12, we consider other factors to determine whether the business premises site is acceptable. These factors include square footage, rent and other lease terms, accessibility, profile of neighboring businesses and the ability to build out the site in accordance with the brand image.

3. Provide layout design for your franchise (Franchise Agreement – Paragraph 2.06). We do not, however, provide architectural drawings that are sometimes required for buildouts or remodeling.
4. Provide reasonable assistance in obtaining equipment, furniture, and fixtures (Franchise Agreement – Paragraph 2.08).
5. Provide initial assistance and advice deemed necessary by us for the initial operation of your center (Franchise Agreement – Paragraph 2.09).
6. Loan you a copy or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. The manuals are confidential, will remain our property, and may be used by you only in association with the Fortusis brand franchise business and only during the term of the Franchise Agreement. You must keep the contents of all manuals confidential. The table of contents of the operations manual is included as Exhibit R to this disclosure document. Our manual is approximately 638 pages (Franchise Agreement – Paragraph 2.11).
8. Train you, typically within 90 to 120 days of your signing the Franchise Agreement (Franchise Agreement – Paragraph 2.01). The content of this training is discussed in a later section of this Item 11.
9. Other than initial management training, we do not assist you with the training, hiring, managing or firing of your employees. You are solely responsible for the hiring of all employees, along with the management, supervision and oversight of your employees, and for the terms and conditions of their employment and compensation (Franchise Agreement 2.10).

Time to Open

You should expect to open your center 2 to 8 months after signing a Franchise Agreement. The factors that affect this time include the ability to obtain a premises lease, financing, building permits, zoning and local ordinances, weather conditions, shortages and delayed installation of equipment, furniture, fixtures, signage and completion of classroom/lab training.

Our Obligations To You After Opening

During the operation of your franchises business, we will:

1. License you our trademarks related to the brand to operate your franchise business and receive our advice and assistance (Franchise Agreement – Paragraph 1.01).
2. If you use our trademarks in accordance with the franchise agreement and our manuals, pay for your legal defense if someone makes an infringement claim against you because of your use of our trademarks (Franchise Agreement – Paragraph 8.06).
3. Prepare, print and mail promotional materials to your prospects and potential customers, if requested, as part of our start-up services (Franchise Agreement – Paragraph 2.12a).
4. Provide you with additional promotional materials, if requested, as part of our start-up services. These materials are for display at your franchise and for use while making personal calls and in other ways to help you promote and market your franchise (Franchise Agreement – Paragraph 2.12b).

Note: The start-up advertising program provided by us primarily relies on personal calls made by you, direct mail and the print media for dissemination. In addition, you may use your own additional advertising material and choice of media through the term of the franchise, subject to obtaining our prior written approval as stated in the Franchise Agreement. We recommend that most media be local in coverage.

5. Provide you with assistance programs that we determine necessary to assist you in operating your franchise. We are not obligated to perform these services to your satisfaction and can develop, modify or cancel the programs as we think is in your or our best interests (Franchise Agreement – Paragraph 2.13). As of the date of this Disclosure Document, we provide the following assistance programs:
 - a. Advice by phone, email or video conferencing (Franchise Agreement – Paragraph 2.13a).
 - b. Seminars and workshops at various locations across the country and at our corporate headquarters (Franchise Agreement – Paragraph 2.13b). A registration fee may be charged for seminars and workshops and is currently \$175 to \$500 per person.
 - c. A periodic conference (Franchise Agreement – Paragraph 2.13c). A registration fee may be charged and is currently \$275 to \$500 per person. Payment of the registration fee we may charge is required whether or not you actually attend.

Note: You are not required to attend the additional training which may be provided from time to time as part of any seminar, workshop or through programming, but we recommend it. You are required to attend the Fortusis Conference as we may schedule and conduct periodically.

- d. Periodic telephone calls to you to offer assistance (Franchise Agreement – Paragraph 2.13d).
- e. Programming and facilities whereby existing franchisees may review and discuss their business operations and develop strategies for improvement (Franchise Agreement – Paragraph 2.13e).
- f. Research and analyze equipment and other products to improve business operations (Franchise Agreement – Paragraph 2.13f).

- g. An intranet system for communication with the franchise system and affiliated entities. You must acquire the necessary hardware and software to use the program (Franchise Agreement – Paragraph 2.13g).

We do not require that advertising cooperatives be formed, changed, dissolved or merged. There is no advertising fund to which either franchisees or company-owned centers must contribute. Neither is there an advertising council composed of franchisees; however, we encourage comments and suggestions of all our franchisees on advertising policies. We have the power to form, change, or dissolve an advertising council. At present, the only fees required to be paid to us for advertising are the Initial Franchise Fees described in Item 5 and Item 7. A portion of these fees is applied to advertising related costs. An itemized accounting is not made available for these amounts, but details relating to the start-up advertising program, such as mailing list, advertising pieces used and scheduled time for distribution are available to you. We are not required to spend any amount on advertising, whether inside or outside your particular principal business area, and we may use any media venue in which to advertise that we desire. Our media coverage may be local, regional, or national, and we may use our internal resources or a third party to develop our advertising.

Advertising by You – Individual Center Advertising

You must pay for local advertising and promotion. You must spend a minimum of 2.5% of your annual gross sales on local advertising and promotion (Franchise Agreement – Paragraph 3.26).

To protect the integrity of our marks and system, we must approve all advertising and promotion that you use (including type, format, and media used). You must conduct the activities in a dignified manner, and they must conform to our standards. You may not use any advertising or promotional plans or materials until you have received our written approval, according to the procedures and terms described in the Franchise Agreement. You will submit samples of all marketing and promotional plans and materials to us for our approval (except with respect to prices you charge) within two weeks prior to use, if we have not prepared or previously approved them. If you do not receive written approval or disapproval within two weeks of the date we received your submission, the materials submitted are deemed unapproved (Franchise Agreement – Paragraph 3.12; 3.26).

All websites (as defined below) and other internet marketing efforts are to comply with our standards and be approved by us in writing. We may modify the current internet marketing guidelines at our discretion. Any website will be deemed “advertising” under the Franchise Agreement and will be subject to our approval. As used in the Franchise Agreement, the term “website” means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate, and that refers to your business, the marks, and/or the system. The term website includes, among other things, the internet and social media. In connection with any website:

1. Before establishing a website (other than the one we host), you are to submit to us a sample of the website format and information in the form and manner we may reasonably require.
2. You may not establish or use the website without our prior written approval.
3. In addition to any other applicable requirements, you are to comply with our standards and specifications for websites as prescribed by us from time to time. If required by us, you must establish your website as part of any website that we may establish and/or establish electronic links to any website that we may establish.

4. If you propose any material revision to the website, or any of the information contained in the website, you are to submit each such revision to us for our prior written approval as provided.
5. You will need to distinguish yourself from us in any use of the internet by sufficient means including the use of your center number in your domain name, website and electronic bulletin board. You shall include a notice as to your independent contractor status and of the fact that you are a franchisee within the franchise system. Before going online, you shall obtain written approval of your website, bulletin board and domain name from us. We reserve the right at our sole discretion to require you to alter your website, bulletin board, domain name or any information or communication at your sole cost. You are required to give us administrative access to all your websites, and we can require you to assign the domain name to us. All of your internet marketing must be approved in writing and conform to any existing or future guidelines that may be adopted (Franchise Agreement – Paragraph 4.04).

You must provide us with an annual business and marketing plan for your franchise. This report will be due by the 10th business day of each new year. Default on this requirement may result in loss of any rebates, rewards, contest prizes and other monetary recognition (Franchise Agreement – Paragraph 4.16).

There are currently no existing advertising programs for which you must make regular contributions.

Computer System You Will Need

You must acquire the specific computer equipment for your Brand Franchise as determined by us. New models or upgrades of computer products are introduced frequently by the manufacturers, so a current and detailed list of required hardware and software will be provided to you at the time you purchase your Brand Franchise.

Your computer system will be comprised of:

- Point-of-Sale Computer and Software
- Laptop Computer and Software
- FTP/Ordering Software
- Graphics Computer and Software
- Complete Antivirus and Malware Protection Programs

All of the hardware and software may be purchased through us, or you may purchase the hardware and software independently, but only after submitting an itemized list to us for prior approval.

We require independent access to computer information and data in your system.. There are no contractual limits on our rights to do so. The obligation to provide hardware and software support, maintenance, repairs, upgrades and updates is that of the manufacturer or third-party reseller and not us, and it is discretionary on your part whether to procure maintenance and support agreements for the various products.

We require that you upgrade or update the computer hardware or software to remain efficient and competitive in the marketplace, and we believe you will need to integrate upgrades and updates as they become available by the manufacturer within a reasonable time after release at your own cost. We will not require you to update your software or hardware more than every 2 years (Franchise Agreement – Paragraph - 3.23).

You must purchase the Initial Equipment Package (which includes computer hardware and software) from us or an approved supplier. Initial Equipment Package(Franchise Agreement – Paragraph 2.08).

Your Training

Pre-training may include books, CDs and DVDs, online videos and courses, and exercises. Classroom/lab training at our designated training facility within the United States is approximately 10 days for you and one other person. Following training, staff or experienced franchise representatives will provide to you on-site installation, start-up, sales and operations field assistance at pre-scheduled time intervals. This additional training at your own location will total approximately 10 to 18 collective days depending on your franchise brand. As shown in the table below, training includes instruction in marketing, center operations, business administration, financial subjects, and computer applications.

At least one owner and a fulltime manager is required to attend the entire classroom/lab training course at our campus or designated location. If the owner attending the training will be a full-time staff member, then you do not need to have another manager attend the training. Each attendee must successfully complete the training program to our satisfaction. Otherwise, we have the option to require that you repeat the training until successful completion, which shall be at your cost (currently, \$1,100 per person, plus expenses), or we have the option to rescind the Franchise Agreement (Franchise Agreement – Paragraph 2.01).

If, during the term of the Franchise Agreement, you want us to train additional employees, you must pay us a training fee of \$300 per day, plus reimbursement of any cost incurred by trainer for transportation, meals and lodging (Franchise Agreement – Paragraph 3.02).

TRAINING PROGRAM			
Subject	Hours of Classroom Training*	Hours of On-The-Job Training*	Location
Marketing and Sales	22	22	Our designated training facility within the United States
Products and Services	21	21	
Business Administration	21	21	
Total Hours	64	64	

*Approximate hours of training

You will begin training after you have signed the Franchise Agreement and paid us all fees due at that time. Prior to training, you must also sign your premises lease and obtain a commitment letter from your lender if you are financing part of your investment or pay us all fees then due. Build-out on your lease space and sign installation should begin before you attend training and is to be completed by the time you complete your training session. Prior to attending classroom/lab training, you will also need to select personnel to staff your center and fulfill all pre-training requirements and those determined necessary by us, including telephone number, fax number, map of the location, competitive shopping reports, and signed and returned brand printing Initial Equipment Package document.

Training classes are scheduled as needed. However, there are usually no training classes during the month of December. Our training program includes sessions with our employees and franchisee vendor representatives. Some classroom training may be conducted with trainees/franchisees from other brand-affiliated printing franchise programs. The following chart lists the training instructors and their years of experience in the field and with the franchisor.

Name	Years of Experience With Franchisor or Predecessor	Years of Experience in Field
Jay Groot	Since 1990	Since 1990 (Printing Industry)
Nancy Arnold	Since 1980	Since 1980 (Printing Industry)
Daniel Oblad	Since 2018	Since 1990 (Printing Industry)
Curtis Cheney	Since 2018	Since 2011 (Printing Industry)

Other than the fees referenced in Item 5 and Item 7, there is no additional cost to you for training, but you will pay the travel and living expenses for you and your employees to travel to and from the training along with any wages that you may agree to pay your employees while they are attending training. However, the cost for the lodging while attending the training at our headquarters or designated facility is included in the fees you pay to us (Franchise Agreement – Paragraph 2.04).

You will attend, at your sole cost, the Fortusis Conference we may schedule and conduct periodically. The focus of the conference generally is networking with fellow franchisees, celebrating achievements, and discussion and review of the new business and marketing ideas and concepts as well as changes in technology.

ITEM 12. TERRITORY

Grant of Territory

You will receive a principal business area consisting of one or more ZIP codes, the area of which is determined in part by business count and other demographic criteria. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Once a new franchise is assigned a principal business area, we will not develop another franchise or establish other channels of distribution for similar services under the same trademark in that area for five years from the date the new center opens for business. This five-year right to a principal business area in which to establish a franchise is not dependent upon achievement of a certain sales volume, market penetration or any other contingency.

Our Reservation of Rights

We may develop company-owned or franchise centers in the area under different trademarks offering different or similar products or services at any time. While trademarks used to identify the business may be different, certain ancillary marks may be used in common among all franchise systems.

Your Right of First Refusal

After the first five years, we will only develop additional franchises in your assigned area after giving you and other franchisees the first opportunity to acquire those additional centers according to seniority and subject to qualification. (See the Certificate of Corporate Policy for franchise site location attached as Exhibit “J” to this FDD). Determining whether you qualify is at our sole discretion. Qualification requires that you are current and in good standing in all your obligations under the Franchise Agreement and that

you demonstrate the financial ability to establish an additional center. If you decline or fail to qualify for acquiring the additional center(s), then our policy is to permit other qualified prospects to acquire that additional center(s) according to seniority in the area. This policy is written in more detail in a document that you receive called “Certificate of Corporate Policy” attached as an Exhibit “J” to this Disclosure Document. As noted above, we or our affiliates may develop businesses in the area under different trademarks that may compete with established franchises without giving other franchisees the first opportunity to acquire these centers.

Territory Restrictions and Relocation

You may only operate from a single location, and you may only relocate after obtaining our written permission. Our criteria for relocation approval is similar to our approval of your initial location. You also have to demonstrate to us that you have the financial ability to relocate. Also, the proposed relocation must not interfere with the principal business area of other Brand Franchisees.

Advertising Within and Outside the Territory

We do not restrict you from geographic areas where you may go to solicit or accept business, including soliciting or accepting orders from consumers outside of your principal business area with the use of channels of distribution such as the internet, catalog sales, or other direct marketing, to make sales outside of your principal business area; nor are other franchisees or company units so restricted, and no additional compensation is owed to you for sales made to customers within your principal business area. However, all solicitations and use of the internet must comply with our policies (see item 11). Additionally, we expect that you will devote your best efforts to fully develop the market contained within your assigned principal business area. We will attempt to resolve any disputes related to principal business area informally as among the parties in dispute. If unresolved, the dispute resolution section of the Franchise Agreement will be applied.

We reserve the right to use other channels of distribution such as the internet, catalog sales, or other direct marketing sales within your principal business area using our principal trademarks, and to make sales within your principal business area of products or services under trademarks different from the ones you will use under the Franchise Agreement. We are not required to pay any compensation for soliciting or accepting orders from inside your principal business area.

Option to Acquire Additional Franchises

You do not have an option or right to acquire additional franchises unless allowed by us.

Minimum Sales Quotas

There is no minimum annual gross sales quota. Continuation of your principal business area does not depend on you achieving a certain sales volume, market penetration, or other contingency. We cannot modify your principal business area for any reason.

ITEM 13. TRADEMARKS

Non-Exclusive Grant

We grant you the non-exclusive right to operate a business under one of our brand names together with the associated trademarks as developed. The marks referred to herein mean trade names, trademarks, service marks and logos of the specific brand, and you are authorized to use the marks to identify your center and



with the products and services we designate. We may request you, at a later date and at our own discretion, modify or discontinue use of one or more of the marks. If we make this request, then you must modify or discontinue the usage as requested.

Registered Trademarks

The marks are registered with the United States Patent and Trademark Office, under the ownership of Fortusis. We will license the right to you and other franchisees to use the marks. We have the right to adopt a new trademark and/or combine all brands into one brand. You will be responsible to cover the cost associated with rebranding for your franchise.

The following is a table of the principal trademarks registered with the United States Patent and Trademark Office that we will license to you for your specific Brand Franchise:

Registration Number	Description of Mark	Principal or Supplemental Register of the United States Patent and Trademark Office	Registration Date
0963828	Kwik Kopy (design mark)	Principal	July 10, 1973
3099592	Kwik Kopy	Principal	June 6, 2006
3099594	Kwik Kopy	Principal	June 6, 2006
3099595	Kwik Kopy	Principal	June 6, 2006
3099604	Kwik Kopy Printing (design mark)	Principal	June 6, 2006
3960403	Kwik Kopy (design mark)	Principal	May 17, 2011
4414251	Kwik Kopy	Principal	October 8, 2013
4417993	Kwik Kopy Printing (design mark)	Principal	October 15, 2013
1152354	Franklin's	Principal	April 28, 1981
2525070	Franklin's	Principal	January 1, 2002
4392330	Franklin's	Principal	August 27, 2013
5726819	Fortusis	Principal	April 16, 2019

All required affidavits have been filed for the principal trademarks.

Our Kwik Kopy mark is also registered with the Texas Secretary of State, under registration number 802513174 issued December 8, 1966 and renewed in 1976, 1986, 1996, 2006 and 2016. Because of the existing federal registrations, no other state trademark registrations are maintained.

Use of the Trademark

You must follow our rules and standards when you use these marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

Government Determinations Regarding the Trademarks

Currently, there are no effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrators of the states, or any courts, nor are there any pending

infringements, opposition or cancellation proceedings or any pending material litigation affecting the marks which are relevant to their ownership or use.

Superior Prior Rights and Infringing Uses

We are not aware of either superior rights or infringing uses that could materially affect your use of the marks in the state where your business will be located. There are no agreements currently effective that significantly limit our rights to use or license the use of the trademarks listed in this section in a manner material to the franchise.

You are obligated to inform us of any infringing use of our marks of which you become aware. So long as you are using our marks in accordance with the franchise agreement and manuals, we are obligated to protect your right to use the marks and must protect you against claims of infringement or unfair competition arising out of your authorized use of the marks, provided that you promptly give written notice to use of any such claim or suit and you tender the complete defense of the claim and suit to us. We have sole and complete control and discretion of any legal or administrative action involving any use of or claim of right to the marks, or any claim of infringement or unfair competition arising out of your authorized use of the marks, including the settlement, without providing notice, and will bear all costs of defense of any such claim or suit. You may be required to modify or discontinue using one or all of our marks at your expense.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

At present, there are no patents material to the franchise. Copyrighted materials are not registered with the U.S. Copyright Office. However, we claim proprietary rights and copyright in the materials we develop and make available to you including our manuals, training material, technical reports, databases, promotional materials and communication pieces.

Our right to use or license these materials is not materially limited by any agreement or known infringing use.

Proprietary and Confidential Information

The proprietary information may not be copied and must be returned to us or permanently deleted by you upon termination of your Franchise Agreement. As mentioned above, portions of the “system” are a trade secret or confidential and proprietary to us. You must also promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. If applicable, we have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from a proceeding based on copyright. You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, in our reasonable discretion.

With regards to our proprietary information, the Franchise Agreement also provides that you will: (a) strictly follow all confidential security procedures required by us, (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Improvements to the System

If you conceive or develop any improvements to the system, you must fully disclose the improvements to us, without disclosure the improvements to others and will obtain our written approval before using or implementing the improvements. All improvements you make to the system will be owned by us and considered a “work-made-for-hire.”

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

The Franchise Agreement provides that you will use your best efforts to develop and operate a successful business. We recommend you maintain on-premises supervision and participation. You are free to determine your own management and personnel requirements so long as you remain in compliance under the Franchise Agreement. These requirements include ensuring that you and your staff maintain the confidentiality of our proprietary information and only use this information in connection with the operation of your center.

At least one owner and a fulltime manager is required to attend the entire classroom/lab training course at our campus or designated location. If the owner attending the training will be a full-time staff member, then you do not need to have another manager attend the training. It is at your discretion and expense whether to have management personnel or other staff attend the training program. Any of your staff who participates in our training will be required to sign a written confidentiality and non-competition agreement. The manager of your printing center need not have an ownership interest in a corporate or partnership franchise.

Each individual who owns any interest in the franchise must guaranty all obligations of the “franchise” under the Franchise Agreement.

ITEM 16. RESTRICTION ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement provides that you may not engage in any other business at your center other than what we allow under your franchise brand unless we consent in writing in advance. You must offer all core products and services which are a part of your Brand Franchise. Our consent shall be effective only so long as any other business does not interfere with the effective operation and maintenance of your franchise, and you do not in any way neglect the business of your franchise.

We have the right to change the types of authorized goods and services and there are no limits on our right to make changes. The equipment you acquire to perform your services and produce your goods must meet our specifications. We do not restrict your choice of customers geographically or in any other way.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	Paragraph 6.01	Ends on the 15-year anniversary of the date your first Franchise Service Fee payment is due
b. Renewal or extension of the term	Paragraph 6.02	Option to renew for 15 years
c. Requirements for franchisee to renew or extend	Paragraph 6.02	Compliance, 6 months' prior written notice, sign new Franchise Agreement then in effect, upgrade your business in accordance with the requirements then in effect of new start-up. The standard Franchise Agreement then in effect may contain materially different terms and conditions than your original contract. However, you will not pay any additional franchise fee.
d. Termination by franchisee	Paragraphs 12.01	No right provided for in Franchise Agreement
e. Termination by franchisor without cause	Paragraphs 10.01-10.04	No right provided for in Franchise Agreement
f. Termination by franchisor with cause	Paragraphs 10.01-10.04	Our right to terminate after giving you notice
g. "Cause" defined – curable defaults	Paragraphs 10.01, 10.02	Failure to pay amounts due, report sales or comply with Franchise Agreement; etc.
h. "Cause" defined – non-curable defaults	Paragraphs 10.03, 10.04	Default on premises lease; failure to keep business open; insolvency; non-authorized transfer of business, interest in Franchise Agreement or marks or assets; misuse of marks; obstruct retrieval of information; etc.
i. Franchisee's obligations on termination/ non-renewal	Paragraphs 13.01-13.09	Report and pay all amounts due; de-identification; assign telephone number, business premises; customer and business information; franchise materials; comply with non-compete covenants; etc.
j. Assignment of contract by franchisor	Paragraph 9.01	Our right to assign
k. "Transfer" by franchisee – defined	Paragraphs 9.02-9.10	Sale or transfer of business, incorporation and change of corporate ownership
l. Franchisor's approval of transfer by franchisee	Paragraphs 9.03, 9.06, 9.08	We must approve all transfers but will not unreasonably withhold consent.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	Paragraphs 9.03, 9.04, 9.06-9.10	<u>Sale of Business:</u> Notice, first option to buy, qualify transferee, releases, new Franchise Agreement and other documents, fees, satisfaction of debts, training, lease transferred, business upgrade <u>Incorporation or Change in Ownership:</u> Notice, fees, personal obligations, assumption of liabilities, stock restrictions
n. Franchisor's right of first refusal to acquire franchisee's business	Paragraph 9.04	Offers to be first made to us under same terms and conditions. We have 30 days to accept.
o. Franchisor's option to purchase franchisee's business	Paragraph 9.04	Offers to be first made to us under same terms and conditions. We have 30 days to accept.
p. Death or disability of franchisee	Paragraph 9.05	Applies to death only. Heirs may operate for 6 months before acquiring or selling under transfer provisions.
q. Non-competition covenants during the term of the franchise	Paragraph 11.01	No association with another similar business in the United States without our approval
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 11.02	No association with another similar business for 2 years and within 3 miles of your or another franchise for any of our brands
s. Modification of the agreement	Paragraph 15.14	Only in writing signed by all parties
t. Integration/merger clause	Paragraph 15.12	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Paragraphs 14.01-14.08	You must notify us of any dispute or claim. After 14 days, we have right to require arbitration.
v. Choice of forum	Paragraph 15.05	State and federal courts in Harris County, Texas. These provisions may be subject to applicable state law. See Exhibit F for state addenda to the Franchise Agreement and Disclosure Document, if applicable.
w. Choice of law	Paragraph 15.05	Texas law applies. These provisions may be subject to applicable state law. See Exhibit F for state addenda to the Franchise Agreement and Disclosure Document, if applicable.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Curtis Cheney at Fortusis, LLC, at 4256 West 8370 South, West Jordan, Utah 84088-5907 and at (888) 454-7328, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2019 to 2021

Outlet Type	Year	Outlets at the Beginning of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	45	36	-9
	2020	36	35	-1
	2021	35	30	-5
Company-Owned	2019	2	1	-1
	2020	1	1	0
	2021	1	3	+2
Total Outlets	2019	47	37	-10
	2020	37	36	-1
	2021	36	33	-3

Table No. 2
Transfers of Franchised Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2019 to 2021

	Year	Number of Transfers
Total	2019	1

	2020	0
	2021	0

Table No. 3
Status of Franchised Outlets
For Years 2019 to 2021

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Arizona	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Arkansas	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
California	2019	2	0	0	1	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Colorado	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Florida	2019	1	0	0	0	0	0	1
	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
Illinois	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Indiana	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
Kentucky	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Louisiana	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
Missouri	2019	3	0	0	0	0	1	2
	2020	2	0	0	0	0	0	2

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2021	2	0	0	0	0	1	1
North Carolina	2019	2	0	1	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Ohio	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
South Carolina	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	1	0	0
Tennessee	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Texas	2019	18	0	1	0	0	1	16
	2020	16	0	0	0	0	0	16
	2021	16	0	0	0	0	0	16
Virginia	2019	4	0	3	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Washington DC	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	1	0	0
Total	2019	45	0	6	1	0	2	36
	2020	36	0	1	0	0	0	35
	2021	35	0	0	0	2	3	30

Table No. 4
Status of Company-Owned Outlets
For Years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
South Carolina	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	1	0	0	1
Washington D.C	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	1	0	0	1

Texas	2019	1	0	0		1	0	0
	2020	0	0	0		0	0	0
	2021	0	0	0		0	0	0
Utah	2019	1	0	0		0	0	1
	2020	1	0	0		0	0	1
	2021	1	0	0		0	0	1
Total	2019	2	0	0		1	0	1
	2020	1	0	0		0	0	1
	2021	1	0	2		0	0	3

Table No. 5
Projected Openings as of December 31, 2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Texas	0	1	0
Utah	0	1	0
Total	0	2	0

List of Franchisees

The names, addresses and telephone number of the United States franchisees are located in Exhibit “C” to this Disclosure Document. The names, addresses and telephone numbers of franchisees who were terminated, cancelled, not renewed or who have not communicated with us within 10 weeks of the application date or have otherwise ceased to do business under the Franchise Agreement during the last fiscal year are located in Exhibit “D” to this Disclosure Document.

Disclosure of Franchisee Information

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

Confidentiality Agreements

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with this franchise system which have been created, sponsored or endorsed by us. There are also no trademark-specific franchisee organizations associated with this franchise system which have been incorporated or otherwise organized under state law and which ask us to be included in its Disclosure Document.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit “E” are our audited financial statements dated December 31, 2021, December 31, 2020, and December 31, 2019. Our fiscal year ends December 31. We have also included our unaudited interim financials dated April 19, 2022.

ITEM 22. CONTRACTS

We have attached the following contracts: as Exhibit “A,” the Franchise Agreement and its Exhibits; as Exhibit “G,” the Flex-Financing Addendum; as Exhibit “H,” the New Center Purchase Affidavit; as Exhibit “I,” the Option for Assignment of Lease; as Exhibit “J,” the Certificate of Corporate Policy; as Exhibit “K,” the Compliance Form; as Exhibit “L,” the Electronic Funds Transfer Form; as Exhibit “M,” the Prepayment Agreement; as Exhibit “N,” the Transfer Addendum; as Exhibit “O,” the Spousal Restriction Agreement; and as Exhibit “Q,” the Deposit Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23. RECEIPTS

The last two pages of this Disclosure Document contain a receipt, in duplicate. The receipt is a detachable acknowledgement that you have received this Franchise Disclosure Document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. You may return the signed and dated receipt either by mailing it to Franchise Development at 4256 West 8370 South, West Jordan, Utah 84088-5907, or by emailing it to us at narnold@fortusis.com.

EXHIBIT A
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

ENTER **BRAND AND CENTER NUMBER** _____ HERE

ENTER **FRANCHISEE NAME AND CITY/STATE** HERE

**FRANCHISE AGREEMENT
TABLE OF CONTENTS**

	PAGE
1.0 GRANT OF FRANCHISE.	1
2.0 OBLIGATIONS OF FORTUSIS UNDER THE AGREEMENT.	3
3.0 YOUR OBLIGATIONS.	6
4.0 OPERATION OF BRAND PRINTING CENTER.	9
5.0 FEES AND CHARGES.	13
6.0 TERM AND RENEWAL OF AGREEMENT.	15
7.0 INSURANCE.	16
8.0 GOODWILL & MARKS.	16
9.0 ASSIGNMENT, TRANSFER, INCORPORATION AND CHANGE IN CORPORATE OWNERSHIP.	17
10.0 TERMINATION BY FORTUSIS, LLC.	20
11.0 YOUR RESTRICTIONS.	21
12.0 TERMINATION BY YOU.	23
13.0 RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.	23
14.0 ARBITRATION.	24
15.0 MISCELLANEOUS CLAUSES.	27

Schedules and Exhibits

Schedule A-1 Franchise Information

Schedule A-2 Rebranding of an Existing Business

Schedule A-3 Digital and Social Media Authorization for Assignment

FRANCHISE AGREEMENT

This Agreement is made by and between Fortusis, LLC, a Utah limited liability company, having an office and principal place of business at 4256 West 8370 South, West Jordan, Utah 84088, with its operations office located at 4256 West 8370 South, West Jordan, Utah 84088-5907, referred to in this Agreement as “Fortusis,” and the persons and legal entities set forth in the Schedule “A-1” to this Agreement as Franchisees and referred to in this Agreement individually or collectively as “you” or “your” to evidence the agreements and understanding between the parties as follows:

A. Acknowledgment of Facts and the Parties’ Intentions

1. Fortusis owns certain trade names, trademarks, service marks, logos, insignia and the like in the United States, including the names and marks “Kwik Kopy,” “Kwik Kopy Business Center,” “Franklin’s,” and “Franklin’s Printing Center.” (the “Brands” and individually as a “Brand”) and associated logos (“Marks”).

2. Fortusis has developed and is the owner of certain trade secrets, knowledge, training, confidential information and information related to conducting and operating a printing, reproduction and related services business using one or more of the Marks.

3. Fortusis has developed a network of brands operating under the Marks and utilizing the knowledge and training to operate a printing and service center business (collectively the “Brand Franchises” and individually a “Brand Franchise”).

4. Fortusis provides certain assistance and advice utilizing the knowledge and training to operate a Brand Franchise.

5. Fortusis has promoted the Marks in connection with the knowledge and training to operate a Brand Franchise operating under the Marks.

6. You desire to obtain a franchise from Fortusis for the right to use the Marks and to receive and use the knowledge and training to operate a Brand Franchise and to receive and use assistance and advice for the operation of a Brand Franchise.

B. Consideration, Terms and Conditions

In consideration of the mutual agreements, covenants and undertakings in this Agreement and the mutual benefits to be derived from the relationship authorized by this Agreement, and other valuable consideration, the receipt and adequacy of which is acknowledged by the parties, it is agreed as follows:

1.0 GRANT OF FRANCHISE.

1.01 **Franchise Grant.** Fortusis grants to you and you accept a franchise under the terms and conditions of this Agreement for the right to operate a Brand Franchise at the location designated in Schedule “A-1” to this Agreement with the right also to use the Marks associated with your Brand Franchise and to receive and use the knowledge and training to operate a Brand Franchise and to receive and use assistance and advice for the operation of a Brand Franchise. You shall not engage in any other business at your center other than what Fortusis will allow under your franchise brand unless Fortusis consents in writing in advance. This grant is also subject to the terms “Certificate of Corporate Policy” identified in Exhibit “J.” You also may only operate from a single location. Fortusis also reserves the right to use other

channels of distribution such as the internet, catalog sales, or other direct marketing sales within your principal business area using its principal trademarks, and to make sales within your principal business area of products or services under trademarks different from the ones you will use under the Franchise Agreement. Fortusis also reserves the right to develop company-owned or franchise centers in the area under different trademarks offering different or similar products at any time. Fortusis is not required to pay any compensation for soliciting or accepting orders from inside your principal business area.

1.02 Definition of “Printing, Reproduction and Related Services Business.” As used throughout this Agreement, including specifically in Paragraphs 11.01, 11.02 & 11.03, “printing, reproduction and related services business” means any business engaged in whole or in part in any of the following: printing of all types or manners whatsoever (including so-called “instant printing,” “quick printing,” “quick commercial printing,” “small commercial printing,” and “commercial printing”), black and white and color copying, high speed duplicating, as well as all pre-press services including, but not limited to, layout, typesetting, word processing, desktop publishing (sometimes called electronic publishing) electronic imaging, graphic design, keylining, color separations, paste-up, making metal plates, shooting negatives, positives, veloxes, half-tones, and stats, and all post-press services including, but not limited to, all types of binding, folding, cutting, scoring, perforating, stapling, stitching, drilling and numbering. The term, “printing, reproduction and services business” includes both work done in-house and work jobbed out and is not limited by the equipment or technology utilized or the market segment targeted or serviced.

1.03 Use of Marks. Fortusis grants you the non-exclusive right to operate a business under one of Fortusis’ brand names together with the associated trademarks as developed. The marks referred to herein mean trade names, trademarks, service marks and logos of the specific brand, and you are authorized to use the marks to identify your center and with the products and services designated by Fortusis. Fortusis reserves the express right to control all uses of the Marks by you for the purpose of obtaining proper use of the Marks as approved by Fortusis upon your submission of the intended use. You shall comply with all instructions for the use of the Marks including but not limited to instructions contained in the Fortusis manuals and any updates and revisions to the manuals. You are not permitted to use any of the Marks in the name of a corporation or other legal entity.

1.04 Factors Affecting Business. You have been informed and acknowledge your understanding of the fact that, because of the competitive nature of the business involved, successful operations of the franchise will depend upon your best efforts, capabilities, management, and efficient operation of the franchised business, as well as the general economic and industry trends and other local marketing conditions.

1.05 Limitation of Grant. Fortusis hereby limits the grant of this franchise to be subject to any lawfully promulgated governmental rules or enacted laws relative to the operation or ownership of your Brand Franchise, including but not limited to EPA, OSHA, and ADA requirement, and you shall comply with this limitation. Fortusis shall not be liable to you for any change in the scope or grant of the franchise due to governmental rules or laws.

1.06 Location of Brand Franchise.

- a. **Review of Location and Lease.** The location of your Brand Franchise and the terms of the premises lease are determined by you with the assistance of Fortusis. Fortusis will furnish a package of information regarding site and lease analysis to you, which may be used by you in evaluating the site of your Brand Franchise, analyzing your premises lease and negotiating your lease agreement. The information gathered by you will be reviewed by a

Fortusis representative, and this review will determine whether the location is acceptable to you and Fortusis.

- b. **Relocation.** If, during the term of this Agreement, you desire to relocate the center for your Brand Franchise, you shall obtain written consent from Fortusis regarding relocation, the site for relocation and the premises lease of the site for relocation in advance. Incident to obtaining written consent from Fortusis, you agree to submit all documentation reasonably requested by Fortusis, including, but not limited to, the proposed premises lease of the site for relocation and your personal and corporate financial statements and other information. The consent of Fortusis for your proposed relocation shall depend on such factors as evidence of your financial ability and the location of and possible interference of other Brand(s) outlets and affiliated franchisees. You acknowledge and agree that Fortusis has no obligation to analyze and assess the market, economics or any other conditions or circumstances or the area to which you desire to relocate. Fortusis shall not be responsible for any of your expenses or losses incident to or arising out of a relocation of a Brand Franchise, including lost profits. Should you relocate without obtaining the consent of Fortusis, Fortusis may require you to relocate from an unacceptable to an acceptable location, at your expense. This remedy shall be in addition to all other remedies provided for in this Agreement.
- c. **Lease of Premises from Fortusis.** If the location of your Brand Franchise is on premises owned by Fortusis, you shall execute and be bound by the terms and conditions of a lease agreement. The form and substance of that lease agreement must be acceptable to Fortusis. If Fortusis determines that you are ever in default of a lease agreement with Fortusis, Fortusis may also consider you to be in material default of this Agreement.
- d. **Lease of Premises from Third Party.** If the location of your Brand Franchise is on premises owned by a third-party, either you or Fortusis shall lease the premises from the third-party. In the event Fortusis is lessee, you shall execute a sub-lease with Fortusis. In the event you are lessee, you shall execute an assignment of the lease to Fortusis, the assignment being exercisable at the option of Fortusis and being conditioned upon default by you under the terms of the lease or under the terms of this Agreement or termination of this Agreement by either party (see Exhibit I Option for Assignment of Lease). Any lease renewals or new leases obtained during the term of this Agreement shall be subject to the terms of this paragraph. You are required to provide a copy of your original and signed lease and all subsequent leases, including renewals, to Fortusis.

2.0 OBLIGATIONS OF FORTUSIS UNDER THE AGREEMENT.

2.01 **Initial Training.** Fortusis shall provide initial training to operate a Brand Franchise, for a maximum of two (2) persons. Training includes classroom, lab, and in-store instruction intended to prepare you for typical management and operation of a Brand Franchise. Fortusis may also provide online pre-training courses and videos. Prior to attending training, you will need to select personnel to staff your Brand Franchise premises and fulfill pre-training requirements determined necessary by Fortusis, including having a telephone, fax number, map of location, competitive shopping reports, and signed and returned the brand printing Initial Equipment Package document. At least one owner and a fulltime manager is required to attend the entire classroom/lab training course. Any of your staff who participates in the initial training must sign a written confidentiality and non-competition agreement. The manager of your printing center does not need to have an ownership interest in a corporate or partnership franchise. If the owner attending the training will be a full-time staff member, then you do not need to have another manager attend the training. It is at your discretion and expense whether to have management personnel or other staff attend

the training program. You shall begin training after you have signed this Agreement and paid all fees due at that time. You must also sign your premises lease and obtain a commitment letter if you are financing part of your Brand Franchise. Following training, Fortusis' staff or experienced franchise representatives will provide to you on-site installation, start-up, sales and operations field assistance at pre-scheduled time intervals. Each attendee must successfully complete the training program to Fortusis' satisfaction. You shall successfully complete all initial training required by Fortusis before opening and operating your Brand Franchise.

2.02 Eligibility for Training. You and your employees shall be eligible to receive training by Fortusis under the terms of this Agreement. This may include in-person, video conferencing, and/or online training videos and courses. Any employee who is not a signatory on this Agreement shall sign a Restriction and Confidentiality Agreement in a form acceptable to Fortusis prior to taking training. You will be required to show proof of the execution of the Restriction and Confidentiality Agreement prior to any training received by an employee.

2.03 Training Location. Fortusis will provide initial classroom/lab training to you at the Fortusis headquarters, and some training may be online or provided digitally. Fortusis shall also select the lodging facilities for you during the initial classroom and lab training.

2.04 Expenses for Training. You are responsible for all expenses incurred for transportation and lodging in transit to a location selected by Fortusis for your attendance at the initial training provided by Fortusis. The expenses of lodging (excluding meals) at the location of initial classroom and lab training shall be covered by the start-up costs paid by you to Fortusis. You will be responsible for all other costs. If Fortusis requires you to take additional training classes in order to successfully complete training, all fees (currently, \$1,100 per person, plus expenses) and expenses for the training are your responsibility and shall be paid by you in advance of the additional class or classes. The fees for all additional training classes that you are required to take after the first class in order to successfully complete the training shall be paid to Fortusis in advance of each class and are nonrefundable.

2.05 Time of Training. Initial training shall be made available to you after execution of this Agreement and prior to you operating a business as a Brand Franchise. The initial training provided for in Paragraphs 2.01 through 2.04 shall be completed within ninety (90) days of the effective date of this Agreement or as soon thereafter as Fortusis determines that your site selection and leasehold improvement requirements have been accomplished and your financing, if any, secured.

2.06 Design. Fortusis will provide you with layout design for equipment, furniture, fixtures and decor for your Brand Franchise. The leasehold improvement costs for finishing out a location are your responsibility. No change by you of layout design shall be made without the written consent of Fortusis.

2.07 Financing. If you qualify, Fortusis will provide you with Flex-Financing as set forth in Exhibit "G" to this Agreement.

2.08 Equipment, Furniture & Fixtures. Fortusis agrees to provide you with reasonable assistance in obtaining equipment, furniture and fixtures (hereafter "equipment") as set forth in the Initial Equipment Package for operation of your Brand Franchise. The equipment you acquire must conform to specifications established by Fortusis. The cost, financing and payment for equipment, furniture and fixtures are your responsibility.

2.09 Initial Assistance & Advice. Fortusis shall initially provide you with assistance and advice, as it deems necessary, for installation of equipment and for guidance with the initial operations of your Brand Franchise.

2.10 Employee Training. Other than initial management training, Fortusis is not required to assist you with the training, hiring, managing or firing of your employees. You are solely responsible for the hiring and discharge of all employees, along with the management, supervision and oversight of your employees, and for the terms and conditions of their employment and compensation. Fortusis may agree to provide additional training for a fee (see Section 3.02 below).

2.11 Manuals. Fortusis shall lend you its manuals as may be developed and issued by Fortusis and revised from time to time for marketing, operations, administration and other matters related to the business of your Brand Franchise. Manuals may be in any medium: paper or accessed electronically. Ownership of all manuals shall remain in Fortusis, and no right of reproduction of manuals is granted to you other than as may be required in the course of regular business. You agree to use any manuals of Fortusis only in the operation of your Brand Franchise under this Agreement and not reveal or disclose any material from the manuals other than for a legitimate business purpose under this Agreement. Should this Agreement terminate, expire without renewal or your Brand Franchise transferred, all manuals shall be returned to Fortusis in satisfactory condition.

2.12 Additional Start-Up Services. Fortusis, at your request, agrees to provide the following additional start-up services as Fortusis deems is necessary to promote your new business and train you further in operating the business:

- a. Fortusis will prepare, print and mail promotional material to your potential customers to assist in the initial promotion of your business; and
- b. Fortusis will provide you with additional promotional materials to assist you in promoting and marketing your business.

2.13 Assistance Programs. Fortusis provides assistance programs as Fortusis deems is necessary to assist you to operate your Brand Franchise. These programs or services are developed, substituted, modified and canceled as Fortusis determines is in the best interest of Fortusis and you. Furthermore, fees may or may not be assessed by Fortusis in connection with registration or use of these programs and services. The registration fees will range between \$175 and \$500 per attendee. You agree that Fortusis is not obligated to provide these programs or services to your satisfaction. You also agree that Fortusis shall not be in default of this Agreement because you are not satisfied with these programs or services. As of the date of this Agreement, Fortusis offers the following assistance programs:

- a. Provide advice by phone, email or video conferencing;
- b. Provide seminars and workshops in the field and at the training facilities of Fortusis and for which Fortusis may charge a registration fee to help defray costs;
- c. Hold periodic conferences for which Fortusis may charge a registration fee to help defray costs;
- d. Make periodic telephone calls to you to offer general assistance;
- e. Provide programming and make available facilities where existing franchisees may review and discuss their business operations and strategies for improvement;
- f. Research and analyze equipment and other products and services to improve business operations; and

- g. Provide an intranet system for communication with the franchise system and affiliated entities. You are responsible for acquiring the necessary hardware and software to use the program.

3.0 YOUR OBLIGATIONS.

3.01 **Initial Training.** You shall take the initial training provided by Fortusis within ninety (90) days of the effective date of this Agreement or as otherwise provided in Paragraphs 2.01 to 2.05 of this Agreement. You shall successfully complete all initial training required by Fortusis before opening and operating your Brand Franchise. You and at least one manager, who will work full-time for your Brand Franchise, shall successfully complete the pre-training materials and the entire classroom/lab training. If you do not successfully complete required initial training, Fortusis shall have the option to either require you to enroll and attend each successive initial training class scheduled (currently \$1,100 per person) or rescind this Agreement by refunding the initial fees that you have paid, less actual costs incurred by Fortusis, including any sales commissions paid, in exchange for your written, signed general release in form and substance that is acceptable to Fortusis. In the event of rescission of this Agreement, your obligations upon termination of this Agreement shall apply and specifically include compliance with all non-compete provisions of this Agreement. The fees for all additional training classes that you are required to take after the first class in order to successfully complete the training shall be paid to Fortusis in advance of each class and are nonrefundable.

3.02 **Additional Training of Personnel.** You agree to provide training for your management, in-store staff and outside sales staff as may be required in the operation of your Brand Franchise. If, at any time during the term of this Agreement and after initial training, you wish Fortusis to train your management employees and Fortusis consents to do so, you shall pay Fortusis a fee of \$300 per day plus reimbursement of any cost incurred by trainer for transportation, meals and lodging. All your personnel who receive training from Fortusis shall sign a written agreement to maintain confidentiality of information they will receive in training and to restrict their competition after termination of their employment. That agreement must be signed by your personnel before they attend training at Fortusis.

3.03 **Best Efforts.** You agree to use your best efforts to develop a successful business and to provide the best possible service to customers of your Brand Franchise.

3.04 **Management.** You shall supervise and manage the operation of your Brand Franchise. This supervision and management need not be conducted on-premises provided your manager successfully completes all training required by Fortusis and conducts supervision and management on-premises as you direct subject to the terms, conditions and restrictions of the Fortusis' manuals and this Agreement.

3.05 **Financial, Federal and State Reports.** You shall make the reports and keep the records concerning the financial operation of your Brand Franchise as may be reasonably specified by Fortusis from time to time. You agree to use forms or software programs designated by Fortusis for reporting and to complete those reports in a manner satisfactory to Fortusis, and to provide Fortusis with copies of the completed reports at the time and with the frequency as may be reasonably designated by Fortusis from time to time. You further agree to furnish copies of any federal and state reports, returns and filings to Fortusis when and as requested by Fortusis from time to time.

3.06 **Payment of Fees and Obligations.** You shall duly and punctually pay any and all sums or amounts due to Fortusis including, without limitation, rent on business premises, rental on equipment leases, note payments, payment of invoices for inventory and supplies, and Franchise Service Fees as more fully described in Paragraphs 5.01 through 5.08 below.

3.07 **Payment of Debts Guaranteed by Fortusis.** You shall duly and punctually pay any and all sums or amounts owed by you, the payment of which has been guaranteed in any manner by Fortusis.

3.08 **Payment of Trade Accounts.** You shall duly and punctually pay all your obligations and trade accounts and maintain a good credit rating. You shall notify Fortusis immediately of your inability to honor your obligations and/or maintain a good credit rating.

3.09 **Payment of Rent.** You shall duly and punctually pay lease or rental payments for the business premises of your Brand Franchise as those payments become due. You shall not breach the lease agreement for the business premises or default on any of its terms.

3.10 **Trade Secrets and Other Confidential Information.** You agree to keep confidential the trade secrets of Fortusis, including information contained in the manuals of Fortusis, the knowledge and training to operate a Brand Franchise and other technical or business information, including but not limited to, customer names, addresses and requirements, confidential information concerning pricing methodology and structures, advertising formats, sales promotion formats, accounting systems, business methods and procedures, equipment or product studies and evaluations, and maintenance and systems of operation provided for or resulting from operation under this Agreement. All this information shall remain the property of Fortusis and as such, all copies in any form shall be returned to Fortusis within seven (7) days after termination of this Agreement. You shall only divulge this information to your employees who have a need to know the information in order to perform their duties at your Brand Franchise and who have signed confidentiality agreements with Fortusis. Your obligations relating to maintaining the confidentiality of this information shall remain in effect during the term of this Agreement and shall continue afterward.

3.11 **Protection of the Marks.** You shall operate your Brand Franchise so as to protect the integrity and goodwill of the Marks by maintaining a high standard of quality and reputation with respect to the goods, services and business on or in connection with which the Marks are used, in accordance with the standards which Fortusis may from time to time prescribe in its training, manuals and as provided for in this Agreement.

3.12 **Prior Approval on Advertising.** You shall obtain the prior written approval from Fortusis as to the form and content of all advertising developed or obtained by you for promoting your Brand Franchise. You shall submit samples of all marketing and promotional plans and materials to Fortusis for approval (except with respect to prices you charge) within two weeks prior to use, if Fortusis has not prepared or previously approved them. If you do not receive written approval or disapproval within two weeks of the date Fortusis received your submission, the materials submitted are deemed unapproved.

3.13 **Insurance and Hold Harmless.** You shall maintain the insurance set forth in Paragraphs 7.01 through 7.03 of this Agreement. In addition, you agree to defend, indemnify and save Fortusis harmless from and against any and all claims, demands, losses, damages, costs, liabilities and expenses (including, but not limited to attorney's fees and costs of suit) of whatever kind or character, on account of any actual or alleged loss, injury or damage to any person, firm, or corporation or to any property arising out of or in connection with your Brand Franchise or the exercise or purported exercise by you of your franchise hereunder. This covenant shall continue and be enforceable notwithstanding the expiration or other termination of this Agreement for any reason.

3.14 **Notification to Fortusis.** You shall promptly notify Fortusis of any and all demands, claims and suits asserted against Fortusis or you in connection with this franchise or the operation of your Brand Franchise.

3.15 **Cooperation.** You shall cooperate with Fortusis regarding any demands, claims or suits asserted against Fortusis or you in regard to this franchise, the Marks and your Brand Franchise operation.

3.16 **Notification to Public.** You shall provide notice to the public by signage and other designation so that you clearly indicate that you are operating an independent business and are not a partner or agent of Fortusis.

3.17 **Further Obligations.** You acknowledge that further obligations are contained in subsequent paragraphs of this Agreement and include your obligations in the event of default, termination, or expiration of this Agreement, restrictions upon your other business activities, indemnification of Fortusis, and other covenants by you as to prohibited actions. Upon the event of default, termination or expiration of this Agreement, you agree that your interest in all signage bearing any of the Marks of Fortusis is hereby assigned to Fortusis.

3.18 **Employee Relations.** You agree to comply with all employment related laws and to be fair and courteous to employees and to establish and maintain standards of performance which will provide the best possible service to customers of your Brand Franchise.

3.19 **Promote Goodwill.** You shall exercise every effort to promote the goodwill of the Marks and your Brand Franchise, including displaying all signage required by Fortusis, in compliance with the standards of Fortusis and maintaining that signage in clean and good working condition.

3.20 **Your Employees.** You shall have the sole responsibility and control for recruiting, hiring, firing, compensating and training of your employees as well as any liability for acts or omissions of the employees.

3.21 **Conduct.** You and your employees are required to conduct yourselves in a manner so as to not discredit or denigrate the reputation or goodwill of Fortusis or any Brand Franchise or the Marks to the public. Any misconduct, if not promptly abated, shall be cause for termination of this Agreement.

3.22 **Security of Customers and Employees.** You shall use your best efforts to secure the safety of your customers and employees from any hazards or criminals on or about your Brand Franchise premises. You agree that you control all aspects of your environment relating to security and Fortusis cannot provide this security for you.

3.23 **Required Software and Equipment.** You shall acquire and maintain any software required by Fortusis throughout the term of this Agreement and any renewals together with the necessary computer hardware with which to operate it. The obligation to provide hardware and software support, maintenance, repairs, upgrades and updates is that of the manufacturer or third-party reseller and not Fortusis, and it is discretionary on your part whether to procure maintenance and support agreements for the various products. At your sole cost, Fortusis requires that you upgrade or update the computer hardware or software to remain efficient and competitive in the marketplace. However, Fortusis will not require you to update your software or hardware more than every two years.

3.24 **Attendance at Conference/Seminar.** Each year, you will attend, at your sole cost, a national conference/seminar Fortusis may schedule and conduct. We may charge a registration fee for each attendee, and payment of the registration fee is due whether or not your attendees actually attend the conference/seminar.

3.25 **Image Enhancement.** You shall maintain the appearance of your Brand Franchise to the standards provided by Fortusis from time to time and in the manuals. The standards provided by Fortusis

may be changed by Fortusis at the sole discretion of Fortusis. You are responsible for all costs when complying with the standards of Fortusis for the appearance of your Brand Franchise. Fortusis may audit or require you to provide a self-audit of the appearance of your Brand Franchise whenever Fortusis deems necessary or appropriate.

3.26 Advertising. You shall adequately advertise, market and promote your Brand Franchise during the term of this Agreement. You shall spend a minimum of 2.5% of your Gross Sales to advertise, market and promote your individual center in a manner consistent with this Agreement and any requirements in the manuals. You will submit all reports detailing your advertising as requested by Fortusis. Fortusis does not restrict you from geographic areas where you may go to solicit or accept business, including soliciting or accepting orders from consumers outside of your principal business area with the use of channels of distribution such as the internet, catalog sales, or other direct marketing, to make sales outside of your principal business area; nor are other franchisees or company units so restricted, and no additional compensation is owed to you for sales made to customers within your principal business area. However, all solicitations and use of the internet must comply with Fortusis' policies.

3.27 Core Products and Services. You must offer all core products and services which are a part of your Brand Franchise that Fortusis requires. Fortusis' consent is effective only so long as any other business does not interfere with the effective operation and maintenance of your Brand Franchise, and you do not in any way neglect the business of your Brand Franchise. Fortusis has the right to change the types of authorized goods and services and there are no limits on our right to make changes. The equipment you acquire to perform your services and produce your goods must meet Fortusis' specifications. Fortusis does not restrict your choice of customers geographically or in any other way. Fortusis has the right to change the types of authorized goods and services and there are no limits on our right to make changes.

4.0 OPERATION OF BRAND FRANCHISE.

4.01 Your Center Number. Your center number shall be designated at the beginning of this Agreement.

4.02 Independent Contractor & Business.

- a. You are and shall in all events be an independent contractor and nothing in this Agreement shall be construed as constituting you as the agent, partner, employee or legal representative of Fortusis for any purpose.
- b. You acknowledge that your operation of your Brand Franchise is for your sole profit or loss less required payments to Fortusis and that you shall be solely responsible for the employment, direction, control and management of agents and employees.
- c. You acknowledge that there is no authority granted to you under this Agreement, or otherwise to incur any obligations or responsibilities on behalf of Fortusis or bind Fortusis by any representations or warranties, and you agree not to lead anyone to believe that you have this authority.

4.03 Use of Legal and Assumed Business Name. Within 30 days of signing this Agreement, you shall forthwith register at the office of the county clerk or the county or parish in which your Brand Franchise is located, or other public office as provided for by the laws of the state in which you shall operate, the fact that you will be doing business under an authorized assumed business name. You are authorized to use only the following authorized assumed business names: the name of the Brand followed by your center number, or any other assumed business name for which Fortusis has given prior written approval, which

approval shall be in the sole discretion of Fortusis. You shall provide Fortusis with a copy of or proof of registration of the assumed name and any subsequent revisions or renewals of that registration. In your transactions and other acts in connection with the operation of your Brand Franchise, you shall use only the authorized assumed business names provided by this section.

4.04 Internet/World Wide Web. All websites (as defined below) and other internet marketing efforts are to comply with Fortusis' standards and be approved by Fortusis in writing. Fortusis may modify the current internet marketing guidelines at Fortusis' discretion. Any website will be deemed "advertising" under the Franchise Agreement and will be subject to (among other things) Fortusis' approval. As used in the Franchise Agreement, the term "website" means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate, and that refers to your business, the Marks, and/or the system. The term website includes, among other things, the internet and social media. In connection with any website:

- a. Before establishing a website (other than the one Fortusis hosts), you are to submit to Fortusis a sample of the website format and information in the form and manner Fortusis may reasonably require.
- b. You may not establish or use the website without Fortusis' prior written approval.
- c. In addition to any other applicable requirements, you are to comply with Fortusis' standards and specifications for websites as prescribed by Fortusis from time to time. If required by Fortusis, you must establish your website as part of any website that Fortusis may establish and/or establish electronic links to any website that Fortusis may establish.
- d. If you propose any material revision to the website, or any of the information contained in the website, you are to submit each such revision to Fortusis for Fortusis' prior written approval as provided.
- e. You shall include a notice on your website as to your independent contractor status and of the fact that you are a franchisee within the franchise system. Before going online, you shall obtain written approval of your website, bulletin board and domain name from Fortusis. Fortusis reserves the right at Fortusis' sole discretion to require you to alter your website, bulletin board, domain name or any information or communication at your sole cost. You are required to give Fortusis administrative access to all your websites, and Fortusis can require you to assign the domain name to Fortusis. Additionally, you must sign the Digital and Social Media Authorization for Assignment attached hereto as Schedule A-3. All of your internet marketing must be approved in writing and conform to any existing or future guidelines that may be adopted.

4.05 Conduct of Business. You shall establish and maintain at your Brand Franchise location and at your sole expense a sufficient space for the operation of a Brand Franchise and maintain the same in a safe and orderly manner, presenting a neat and business-like appearance to the public, and shall not permit the premises of your Brand Franchise to be used for any illegal activity.

4.06 Specific Details of Operation. Fortusis reserves the right to mandate certain details of the operation of your Brand Franchise (with the sole exception of securing the safety of the customers and employees). You shall comply with all instructions for the methods and procedures of operation contained in the manuals of Fortusis and any updates and revisions to the manuals. If Fortusis determines that you are not complying with its manuals, Fortusis may consider you to be in material default under this Agreement.

4.07 **Prices.** You are free to establish prices for your goods or services at your sole discretion.

4.08 **Prohibited Practices.** You agree not to engage in any unlawful reproducing or duplicating or distribute any materials which are immoral, illicit, offensive, or which would discredit or denigrate the reputation or goodwill of Fortusis, any Brand Franchise or the Marks. Furthermore, goods or services shall not be offered for sale or distributed by you which, in any way, would cast, or are likely to cast aspersions or bring disrepute to your Brand Franchise, the Marks or Fortusis. If any such goods or services are offered for sale or are distributed, Fortusis shall have the right to demand that you discontinue the sale and distribution of those goods or services, and that you agree to promptly discontinue any sale or distribution of those goods or services.

4.09 **Copyright Control.** You shall use your best efforts to comply with applicable copyright laws. You shall perform printing, reproduction and related services only after you have the prior written consent of the owner of the copyright of the materials to be reproduced. If you are unable to obtain the prior written consent of the owner of the copyright, you must politely decline the customer's order. You shall indemnify and hold Fortusis harmless from any claim, demand, suit, judgment, appeal and satisfaction of judgment by any person or legal entity that alleges that an infringement of their copyright(s) occurred at your Brand Franchise location. Your duty of indemnity requires you to reimburse Fortusis for all expenses incurred by Fortusis, including internal costs to investigate claims and suits, all attorneys' fees (whether working inside or retained outside) and other professional fees, all amounts which Fortusis agrees to pay to settle claims and suits, the full amount of any judgment against Fortusis, the full amount of any bond Fortusis agrees to obtain for purposes of attacks or appeals of judgments and all consequential expenses, fees and costs. Your indemnity shall be due upon demand by Fortusis.

4.10 **Other Business at Brand Franchise.** You shall not engage in any other business at your Brand Franchise business location other than the printing, reproduction and related services business as herein defined, unless Fortusis agrees in writing to the conduct of any such business. Such consent of Fortusis shall be effective only so long as any such other business does not interfere with the effective operation and maintenance of your Brand Franchise, and you do not in any way neglect the business of your Brand Franchise. In any event and whether or not you obtain the consent from Fortusis, the sales from such other business shall be included in the Gross Sales provided for under Paragraph 5.03 of this Agreement, and you shall pay a Franchise Service Fee on such sales under Paragraph 5.02 of this Agreement. Fortusis reserves the discretionary right, at any time, to withdraw or limit consent to any extent deemed necessary by Fortusis. Consent given to one Franchisee for any such other business shall not be precedent requiring consent to Franchisee.

4.11 **Business Records.** You shall maintain true and accurate accounts and records of all sales of goods and services in the operation of your Brand Franchise in a form satisfactory to Fortusis. Fortusis may, at its discretion, specify the form or software program in which the business records are to be maintained or provide a uniform set of business records to be used by you. Should Fortusis specify the software program or form of the business records or provide a set of business records or software program, you agree to maintain a true and correct record of your financial transactions upon the software, business forms or set of business records.

4.12 **Maintaining Financial Records.** You shall maintain financial records of your Brand Franchise in accordance either with the accounting system designed by Fortusis or with an accounting system prepared by your certified public accountant which conforms to generally accepted accounting principles and incorporates the accounting system as designated by Fortusis. You shall be responsible for the expense of maintaining your accounting system. Your computer shall have the ability to transmit any and all information maintained in the recommended software to Fortusis by electronic means.

4.13 Sales Report. A sales report showing Gross Sales of your Brand Franchise as defined in Paragraph 5.03, together with other related information as specified by Fortusis in its training and manuals shall be submitted to Fortusis on a regular basis accurately reflecting the Gross Sales and other information of your Brand Franchise operations. Fortusis requires that this information be reported electronically or by mail, fax or telephonically and may change the required method with thirty (30) days' written notice. You agree to allow Fortusis to directly access your computer remotely in order to pull the Gross Sales information and other data and information from your computer system, and you agree that there are no limits on Fortusis' rights as to what information or data Fortusis can access or as to the frequency of accessing that information and data. Fortusis shall have the further discretion to establish the date such sales reports are due and the periods of operation to be covered by these reports, provided that sales reports shall be required no more frequently than every seven (7) days and no less frequently than every calendar month. Fortusis shall provide the form or forms to be used for such reporting, and the procedures for reporting may be further detailed in the training and manuals.

4.14 Financial Statements. You agree to provide Fortusis with complete financial statements relating to your Brand Franchise on a monthly basis for the first twelve (12) month period of your Brand Franchise's operations and on a quarterly basis thereafter. Default on this requirement may result in loss of any rebates, rewards, contest prizes and other monetary recognition. Said financial statements shall include but not be limited to profit and loss statements and balance sheets. Fortusis reserves the right to approve or reject the form by which you supply the financial information and reserves the right to prescribe forms to be used. You agree to deliver or deposit the financial statements to Fortusis by fax, electronic transmission or mail to the address specified by Fortusis, whichever method of transmission that Fortusis requires, within thirty-five (35) days following the close of each calendar month for the first twelve (12) months of your Brand Franchise's operation and within sixty (60) days following the close of each fiscal quarter thereafter.

4.15 Federal & State Reports. You shall file all state and federal reports and returns as may be required by law relative to operating your Brand Franchise. You shall furnish copies of the federal and state reports, returns and filings to Fortusis when and as requested by Fortusis from time to time.

4.16 Business and Marketing Plan. You agree to provide Fortusis with a business and marketing plan for your Brand Franchise annually. It shall be in the format prepared by you and accepted by Fortusis when you began operating your Brand Franchise. You agree to deliver an updated plan to Fortusis by fax, electronic transmission or mail to the address specified by Fortusis, whichever method of transmission that Fortusis requires, by the tenth (10th) business day of each new year. Default on this requirement may result in loss of any rebates, rewards, contest prizes and other monetary recognition.

4.17 Audit. You grant to Fortusis the right, at all reasonable times, to make an examination and audit of your financial books and records (together with the right to make copies) which can be made either by an employee of Fortusis or an independent contractor employed by Fortusis for these purposes, the examination and audit to be at sole expense of Fortusis with the exception of those circumstances provided for below. The right of Fortusis to audit your financial books and records includes the right to retrieve any and all information from your computer through electronic transmission. Should you fail to make a sales report to Fortusis within forty-five (45) days from the date a Sales Report is due, Fortusis may examine and audit your Brand Franchise to determine Gross Sales and any Franchise Service Fee or other fee due and may charge you the expenses of the examination and audit. Further, should an audit be required to be rescheduled, due to your lack of preparation and/or poor condition of your records, Fortusis shall charge you the expenses of any follow-up visit or visits. Additionally, should any examination or audit by Fortusis of your Brand Franchise business establish your failure to report sales or pay any Franchise Service Fee or fee by at least 2% of that which should have been reported or paid, Fortusis may charge you the expense of said examination and audit in addition to all other payment or charges which may be due. If any expenses

are charged, Fortusis shall invoice you for the expenses and your payment of these expenses shall be due and payable immediately when invoiced.

4.18 **Credit Sales.** Extension of credit is your sole responsibility and risk. Franchise Service Fees shall be due and payable on credit sales to the same extent as if the business had been by cash sale.

4.19 **Interim Management.** Fortusis may require, based on your defaults or poor performance or death or incapacitation that Fortusis step in to manage your Brand Franchise business for a period of time, as Fortusis deems advisable for a fee of \$250 per day, per representative. You will continue to pay and remain responsible for all fees required by this Agreement during the interim management period.

4.20 **Improvements.** If you conceive or develop any improvements to the system, you must fully disclose the improvements to Fortusis, without disclosure the improvements to others and will obtain Fortusis' written approval before using or implementing the improvements. All improvements you make to the system will be owned by Fortusis and considered a "work for hire." If all or part of any improvement that you create is for any reason deemed not to be a work-for-hire, then you hereby irrevocably transfer and assign to Fortusis all right, title, interest and ownership, including license rights, in the improvement, and you agree to execute any document necessary to effectuate the transfer and assignment. No compensation is due to you for any improvement. To the extent you have any moral or similar rights in an improvement or derivative thereof, you expressly waive those rights. Any improvement may be used by Fortusis and other franchisees without any obligation to compensate you.

5.0 FEES AND CHARGES.

5.01 **Initial Payment.** You shall pay to Fortusis, upon execution of this Agreement, the "Initial Franchise Fee," and "Start-Up Fee," and "Pre-Paid Operating Fee," as listed on Schedule A-1. These fees are non-refundable unless otherwise designated herein.

5.02 **Franchise Service Fee.** During the term of this Agreement, you agree to pay to Fortusis as consideration under this Agreement a Franchise Service Fee of seven percent (7%) of Gross Sales of the business conducted by you ("Franchise Service Fee"). The fee is subject to a monthly minimum of \$875 for the term of this Agreement.

The sale of U.S. postage stamps at cost shall be deducted from your Gross Sales as long as those sales are properly documented and provided further that all your debts to Fortusis are paid current, and you are otherwise in total compliance with all terms and conditions of this Agreement.

Fortusis agrees to credit or return to you one percent (1%) of the sales reported by you in any month that your Gross Sales exceed \$30,000, provided that the Monthly Sales Summary is submitted to Fortusis within five (5) days following the close of the calendar month for which the Monthly Sales Summary is due, as provided for below; and provided further that all your debts to Fortusis are paid current and you are otherwise in total compliance with all terms and conditions of this Franchise Agreement.

5.03 **Gross Sales.** With respect to business conducted by you, "Gross Sales" shall mean and include the total sum of:

- a. all amounts invoiced or otherwise charged for services;
- b. all amounts invoiced or otherwise charged for goods or merchandise sold;

- c. the value of all goods or merchandise sold, services performed and business dealings whatsoever which are unpaid and/or not invoiced, including goods, services or merchandise bartered or traded; and
- d. all amounts invoiced or otherwise charged for services, goods or merchandise purchased or made or furnished to you for resale by you.

Gross Sales shall include both cash and credit sales but shall not include sales or use taxes. There are no sales of services, goods, or merchandise whatsoever which are permitted by this Agreement that are not subject to the payment of Franchise Service Fees. Any customer refunds you make to honor your guaranty of services may be deducted from Gross Sales so long as you maintain copies of all invoices for the services for which refunds were issued. The invoices must describe the services performed and the amount of all refunds. Any refunds that you deduct from Gross Sales without a record of the supporting invoices shall be charged to your Franchise Service Fee account as unreported Gross Sales, and you shall pay any additional Franchise Service Fees for those Gross Sales upon the request or demand of Fortusis.

5.04 Payment of Franchise Service Fee. The Franchise Service Fee is due and payable in U.S. currency immediately at the close of each calendar month's business. You shall make arrangements with the financial institution where your Brand Franchise's bank accounts are maintained to pay your Franchise Service Fee by electronic funds transfer ("EFT") directly to the designated bank account of Fortusis on or after the fifth (5th) day of each calendar month. In the event circumstances beyond your control make it impossible for payment by EFT, and with the prior written consent of Fortusis, you may deliver to Fortusis or deposit postage-paid into the U.S. Postal Service, payment of the Franchise Service Fee. Payment by EFT shall be made to the bank, account number and routing number furnished to you. Manual delivery or deposit, when necessary, shall be made at:

Fortusis, LLC
4256 West 8370 South
West Jordan, Utah 84088-5907

or at an address Fortusis may designate from time to time. Sales reports shall be provided to Fortusis as required by Paragraph 4.13.

5.05 Place and Time of Payment. Payments transmitted by EFT will be credited as of the day the deposit in the bank account of Fortusis is acknowledged by the bank.

5.06 Penalty for Late Sales Report. If Fortusis is unable to pull the sales report from your computer and requests a written sales report, and you fail to deliver the sales report to Fortusis by the time Fortusis requests delivery, then the sales report shall be deemed late, and Fortusis, at its discretion, may charge a penalty in an amount determined solely by Fortusis, but in any event not to exceed 5% of the Franchise Service Fees which are calculated by the late sales report for each month the sales report is late.

If a penalty is charged, Fortusis shall invoice you for the penalty amounts and the penalty amounts shall be due and payable immediately when invoiced. In the event the penalty violates any applicable usury laws, you agree that the penalty shall then be the maximum rate permitted by these laws and any amount of penalties charged or collected from you shall be applied as a credit to any existing other debts or future Franchise Service Fees you owe Fortusis.

Additionally, if you fail to timely report gross sales, Fortusis may sweep an estimated amount of Franchise Service Fees and other fees due. You will be responsible to pay Fortusis any amount owing if Fortusis underestimates your payment due and Fortusis will credit you with any overage charged.

5.07 Penalty for Late Payment of Franchise Service Fee. If Fortusis does not receive from you payment for Franchise Service Fee by EFT, then the payment shall be deemed late, and Fortusis, at its discretion, may charge a penalty in an amount determined solely by Fortusis, but in any event not to exceed 5% of the Franchise Service Fees that are late for each month they are late. You shall also pay Fortusis any non-sufficient fund or related bank generated charges or fees which are assessed or incurred by Fortusis because there are insufficient funds in your bank account for transfer of Franchise Service Fees, or because your bank account is closed.

If a penalty is charged, Fortusis shall invoice you for the penalty amounts and the penalty amounts shall be due and payable immediately when invoiced. In the event the penalty violates any applicable usury laws, you agree that the penalty shall then be the maximum rate permitted by these laws and any amount of penalties charged or collected from you shall be applied as a credit to any existing other debts or future Franchise Service Fees you owe Fortusis.

5.08 Termination of Agreement. Failure to comply with the provisions of Paragraphs 5.01 through 5.07 above in a substantial and diligent way will justify termination of this Agreement by Fortusis as provided for in Paragraphs 10.01 and 10.02.

5.09 Application of Payments. Fortusis may in its discretion:

- a. Apply any payments received to any current indebtedness of any kind, no matter how payment is designated by you;
- b. Set off from any amounts that may be owed by Fortusis any amount owed to Fortusis; and
- c. Retain any amounts received for your account (and/or that of any affiliate of yours), whether rebates owing to you from suppliers or otherwise, as a payment against any amounts owed to Fortusis.

Fortusis can exercise any of the foregoing rights in connection with amounts owed to or from Fortusis and/or any affiliate of Fortusis to or from you and/or any of your affiliates.

6.0 TERM AND RENEWAL OF AGREEMENT.

6.01 Term of Franchise. This Agreement and the franchise granted by this Agreement shall end on the fifteen (15th) year anniversary of the date your first Franchise Service Fee is due, subject to earlier termination as provided elsewhere in this Agreement. At the end of the stated term of this Agreement, or upon an earlier termination, your post-termination obligations shall apply and specifically shall include compliance with the non-compete provisions contained in this Agreement. If We are required by law or otherwise to give You notice before the expiration or termination of this Agreement and fail to do so, this Agreement will remain in effect from month to month until we have given notice.

6.02 Renewal. At the end of this Agreement, provided that you shall have complied with all the terms of this Agreement, you shall have an option to renew the Franchise for a period of fifteen (15) years by giving Fortusis written notice of your election to renew the franchise at least six (6) months prior to the end of the term of this Agreement. The renewal shall be effected by the execution of the standard Franchise Agreement in effect for the sale of new franchises at the time the renewal is effected, provided however that no additional initial franchise fees shall be paid by you. However, Franchise Service Fee payments and other payments and fees as provided for in the standard Franchise Agreement then in effect shall be paid

during the renewal term, and expenses related to upgrading your business in accordance with the requirements of Fortusis for new start-ups may be required by Fortusis.

7.0 INSURANCE.

7.01 Protection of Fortusis. You shall, at all times during the term of this Agreement and at your own expense, carry all forms of insurance required by Fortusis and as may be required by law. You must carry, at your own expense, insurance policies required by Fortusis. The policies must include a commercial comprehensive general liability policy, products liability coverage, blanket contracts coverage and auto liability, including hired and non-owned liability. The policies must carry a minimum combined single limit of \$1,000,000. In addition, you must carry extended coverage insurance in an amount equal to the market value of your stock and equipment. You must also carry Workers' Compensation Insurance and any other insurance as required by the state of the franchise location. Fortusis shall be listed by you as additional insured and you shall forward certificates of coverage of said parties and a copy of the insurance policy to Fortusis along with proof of subsequent renewals. Insurance limits herein may be changed by Fortusis if deemed advisable in the sole discretion of Fortusis.

7.02 Protection For You. You shall carry property and extended coverage insurance with minimum coverage in excess of the value of all your property in or around your Brand Franchise to protect you against loss due to fire, other perils, vandalism, malicious mischief and theft.

7.03 Failure to Obtain Insurance. If you fail to comply with the requirements of Paragraphs 7.01 or 7.02, Fortusis may obtain the insurance and keep the same in force and effect, and you shall pay Fortusis, on demand, all premiums charged for the policies. Failure to obtain insurance may be considered a default of this Agreement.

8.0 GOODWILL & MARKS.

8.01 Your Agreement as to the Marks. You acknowledge the validity of the Marks and the rights and interest of Fortusis in the Marks. You shall not, in any way, do anything to infringe upon, harm, challenge or contest the rights of Fortusis or the validity of the Marks or any other mark or name which incorporates one of the Marks or any of the Marks' registrations. You shall not use any of the Marks other than as permitted by this Agreement. You shall not place any name, mark, logo, insignia or the like other than the names, marks, logos, insignias and the like originally appearing on any products or packages or other materials which you obtain from Fortusis or with Fortusis written permission from third parties.

8.02 Use of the Marks. You agree not to add any name, mark, logo, insignia or the like to the Marks or to make any variations in the use of the Marks unless first approved in writing by Fortusis. It is understood and agreed that Fortusis may, from time to time, introduce new and different Marks, change or make variations in the Marks or the use of the Marks. You agree to use only the Marks which are authorized by Fortusis, and only the manner of use authorized by Fortusis. You agree that it will be your responsibility to cover the cost to comply with this provision. Fortusis reserves the right to request you, at a later date to modify or discontinue use of one or more of the marks. If Fortusis makes this request, then you shall modify or discontinue the usage as requested, at your expense.

8.03 Corporate Use of Marks. You shall not use any of the Marks in your corporate name.

8.04 Goodwill. You recognize and agree that the use of the Marks or of any approved name, mark, logo, insignia or the like incorporating the Marks by you inures to the benefit of Fortusis and that any goodwill arising from this use remains the property of Fortusis should this Agreement expire or be

terminated for any reason. You agree the goodwill includes, but is not limited to, the current customers, customer lists, customer files, website, telephone number and fax number of your Brand Franchise.

8.05 Infringement. You acknowledge that certain of the Marks have been registered with the United States Patent and Trademark Office. Fortusis only retains the discretionary right to assert infringement of the Marks and registrations against any person or concern who may use the Marks without permission, license or authority of Fortusis. You are obligated to inform Fortusis of any infringing use of its marks of which you become aware.

8.06 Defense. If you use the Marks in accordance with this Agreement, Fortusis shall defend you from any and all claims of trademark infringement or unfair competition arising out of your authorized use of the marks and hold you free and harmless for any of the claims, provided that you promptly give written notice to Fortusis of the claims or suits and tender the full defense to Fortusis. Fortusis has sole and complete control and discretion of any legal or administrative action involving any use of or claim of right to the marks, or any claim of infringement or unfair competition arising out of your authorized use of the marks, including the settlement, without providing notice, and will bear all costs of defense of any such claim or suit.

9.0 ASSIGNMENT, TRANSFER, INCORPORATION AND CHANGE IN CORPORATE OWNERSHIP.

9.01 Assignment of Fortusis. Fortusis may assign all or any part of its rights and interest in this Agreement to another person or legal entity without your consent. Fortusis will require this other person or legal entity to assume all of the obligations of Fortusis to you under this Agreement. By its assignment, Fortusis is discharged from any further obligations to you under this Agreement.

9.02 Assignment by You. You shall not assign any of your rights, interest or obligations under this Agreement, with the sole exception of assignment to your corporate entity, as provided in Paragraph 9.06 of this Agreement.

9.03 Sale or Transfer of Your Brand Franchise Business. You may sell or transfer your interest in your Brand Franchise business to another person or legal entity (prospect) only after all the following conditions have occurred or been performed:

- a. You and your prospect make application for the consent of Fortusis to the sale or transfer with all the information and within the time periods required by Fortusis;
- b. You have made the written offer for the purchase of your Brand Franchise to Fortusis as provided by Paragraph 9.04 of this Agreement, and Fortusis has declined in writing to accept that offer;
- c. Your prospect supplies adequate evidence of being financially capable for assumption of your Brand Franchise operation;
- d. You and each of your partners, shareholders, officers and directors shall have executed a general release, in a form satisfactory to Fortusis, of any and all claims against Fortusis and its officers, directors, shareholders and employees in their corporate and individual capacities, including without limitation, claims arising under federal, state and local laws, rules and ordinances.

- e. Your prospect agrees to be bound by the terms and conditions of the standard Franchise Agreement in effect for the sale of new Brand Franchise franchises at the time the transfer takes place by signing and delivering that agreement to Fortusis when required by Fortusis;
- f. You and your prospect sign any other agreement or document required by Fortusis at the time the transfer takes place;
- g. A nonrefundable transfer fee of \$17,900 is paid at the time of the transfer and received by Fortusis when required by Fortusis;
- h. All your debts and other obligations to Fortusis have been paid or performed to the satisfaction of Fortusis;
- i. Your prospect has negotiated a new lease or an assumption or assignment of your lease with your landlord for lease of your Brand Franchise premises and written proof of this has been submitted to Fortusis when required by Fortusis;
- j. Fortusis determines that your prospect has successfully completed all training required by Fortusis at the time of the transfer;
- k. You and your prospect have satisfied any other requirements for the consent of Fortusis to the transfer at the time of the transfer including prospect's visit at Fortusis offices and personal interview with the designated personnel of Fortusis;
- l. Fortusis consents to the transfer in writing; and
- m. You or the prospect has upgraded your Brand Franchise to meet current standards for new franchises.

If all the conditions have occurred or been performed, Fortusis will not unreasonably withhold, delay or condition its consent to any proposed transfer by you permitted by this Paragraph 9.03, which requires the consent of Fortusis under this Agreement. You agree that the new Franchise Agreement your prospect will be required to sign may contain substantially different terms, including a higher amount of Franchise Service Fees and other payments. You also agree that Fortusis may require you to sign the "Addendum to Franchise Agreement" identified in our Exhibit "N" attached before the transfer. Your sale or transfer without the consent of Fortusis of your Brand Franchise shall operate as a termination of this Agreement with you for purposes of Paragraphs 11.02, 11.03 and 11.04 of this Agreement and those same restriction covenants shall apply to you.

9.04 First Option of Fortusis to Purchase Your Brand Franchise Business. If you wish to sell your interest in your Brand Franchise to another, you shall first offer your interest in the business to Fortusis in writing upon the same terms and conditions as offered to your prospect. Fortusis shall have a period of thirty (30) days from receipt of your offer in which to accept. If Fortusis refuses or fails to accept your offer, you may make the same offer to your prospect. You shall not make another offer to your prospect with terms different than the offer made to Fortusis without offering those different terms first to Fortusis and providing Fortusis another thirty (30) days to accept the new offer. If Fortusis refuses or fails to accept the new offer, you may make the same new offer to your prospect, but any transfer will be subject to the approval of Fortusis and provisions of Section 9.03.

9.05 Transfer of Brand Franchise Business to Heirs or Beneficiaries upon Death. If you should die during the term of this Agreement, your heirs or beneficiaries may operate your Brand Franchise

under the terms of this Agreement for a period of up to six (6) months from the date of your death. After six (6) months, your heirs or beneficiaries shall have the option of either taking any training required by Fortusis and executing the then-current standard Franchise Agreement to assume your Brand Franchise or sell or transfer your Brand Franchise to another subject to Paragraph 9.03 of this Agreement.

9.06 Incorporation. You may assign your rights under this Agreement to an entity owned by you after the following conditions have occurred or have been performed:

- a. You make application for the consent of Fortusis to assignment of this Agreement to your entity and provide Fortusis with a copy of your certificate of incorporation, articles of incorporation and disclose the names and addresses of all owners, officers, directors and other parties to the entity and the percentages of ownership in the entity each owner will hold;
- b. You execute and deliver to Fortusis an assignment agreement which includes the following terms:
 - i. You remain personally liable for all terms, conditions and obligations under this Agreement;
 - ii. Your entity assumes liability with you for all terms, conditions, and obligations under this Agreement;
 - iii. You shall continue to supervise and manage the operation of your Brand Franchise;
 - iv. You shall own, hold and maintain not less than 75% of all voting ownership in your entity;
 - v. All ownership in your entity shall be subject to the restrictions provided in the assignment agreement; and
 - vi. All owners, officers and directors shall guaranty all your obligations to Fortusis under this Agreement subject only to the extent allowed under applicable law.

9.07 Ownership by Corporation or Other Legal Entity. If you sign this Agreement as a corporate franchisee or other legal entity such as a limited liability company as well as personally, you shall deliver to Fortusis a written list of the names and addresses of all owners or interest holders and the amount and percentage of ownership or other interest to be owned by each. All owners and interest holders shall be bound individually to all the terms, conditions and obligations of this Agreement. You shall also provide a list of all owners, officers and directors and copies of the signed confidentiality and non-compete agreements.

9.08 Change of Corporate Ownership. If, during the term of this Agreement, any owner or interest holder of the franchisee entity proposes to sell his ownership or if the franchisee entity proposes to issue or transfer shares to a third party, the proposed purchaser or third-party shall be first approved by Fortusis, in writing, before same becomes effective. This approval shall not be unreasonably withheld by Fortusis and the owner or interest holder shall agree to guaranty the obligations of the franchisee under this Agreement and be bound by this Agreement as if they individually executed it. If the sale or transfer of ownership involves twenty-five percent (25%) or more of the ownership, the requirements of Paragraph 9.04 shall apply.

9.09 Share Certificates. All stock certificates of any corporation or other legal entity which executes this Agreement shall make reference to the restrictions as found in Paragraphs 9.06, 9.07 and 9.08 herein so as to make same a binding restriction on transferability in accordance with the corporate laws of the state in which the entity is formed.

9.10 Invalid Transfer of Business. No transfer of your interest in your Brand Franchise or other entity owning the franchise shall be effective until your proposed transferee has been approved by Fortusis and has executed all Agreements with Fortusis that Fortusis currently requires of a new franchisee. Except as provided for in this Agreement, your Brand Franchise may not be transferred, sold, assigned, pledged, hypothecated, or encumbered in any way, by operation of law or otherwise. Any attempt to do so shall immediately affect the termination of this Agreement.

10.0 TERMINATION BY FORTUSIS.

10.01 Right of Termination for Cause with Opportunity to Cure. Upon the occurrence of any event of default specified in Paragraph 10.02 below, Fortusis shall have the right to terminate this Agreement. Such termination shall be effective thirty (30) days after written notice is given by Fortusis to you of the event of default, and of the fact that termination shall occur if all the defaults specified in such notice are not cured within such thirty (30) day period.

10.02 Defaults with Opportunity to Cure. The following shall each constitute default by you under this Agreement, for which Fortusis may terminate in accordance with Paragraph 10.01 above:

- a. failure to pay any sums due, or report Gross Sales to Fortusis pursuant to the terms of this Agreement; or
- b. failure to pay any of the sums due Fortusis, an affiliate of Fortusis, or third-party, pursuant to the terms of any lease (except premises lease or sub-lease, in that event Paragraph 10.04 applies), sub-lease, equipment lease, commercial note or other agreement between you and Fortusis, an affiliate of Fortusis, or a third-party, or failure to pay a creditor when the obligation is guaranteed by Fortusis; or
- c. failure to comply with any of your obligations under this Agreement other than those set out in Paragraph 10.04.

10.03 Right of Termination for Cause without Opportunity to Cure. Upon the occurrence of any event of default specified in Paragraph 10.04 below, Fortusis shall have the right to terminate this Agreement. Such termination shall be effective immediately upon Fortusis giving you notice and with no opportunity to cure required.

10.04 Defaults without Opportunity to Cure. The following shall each constitute default by you under this Agreement, for which Fortusis may terminate in accordance with Paragraph 10.03 above:

- a. Any default under any lease or sub-lease covering the premises where your Brand Franchise is located, which results in legal action being commenced to terminate said lease or sub-lease; or
- b. Failure to keep your Brand Franchise open for business for a continuous period of fifteen (15) days or more without the prior written consent of Fortusis, unless your Brand Franchise was closed by reason of governmental action not related to your breach of this Agreement, or other event of force majeure; or

- c. If you are insolvent (as revealed by your books and records or otherwise); if you shall be adjudicated as bankrupt, or a voluntary or involuntary Petition in Bankruptcy or any other arrangement under the bankruptcy laws shall be filed by or against you; or if you shall make an assignment for the benefit of creditors; or if a receiver or trustee in bankruptcy or similar officer, temporary or permanent, is appointed to take charge of your affairs or any of your property; or if dissolution be commenced by or against you; or if any judgment against you remains unsatisfied or unbonded of record for fifteen (15) days; or
- d. If you shall attempt to assign this Agreement or transfer your Brand Franchise to another, without the prior written consent of Fortusis, or if an assignment of this Agreement shall occur by operation of law, or by reason of the judicial process; or
- e. If you shall attempt to assign, transfer or convey any or all of the Marks or the goodwill attached thereto, or if you shall use, or permit the use of any or all of the Marks or the Marks' goodwill in derogation of the rights of Fortusis pursuant to this Agreement, or if you shall use any or all of the Marks, or permit the use of said trademarks, service marks, logo types or the goodwill, in a manner, or at a location not authorized by Fortusis pursuant to the terms of this Agreement; or
- f. If you block or obstruct in any way or attempt to block or obstruct in any way Fortusis' retrieval of financial information, including sales reports from your computer; or
- g. If you attempt to sell or otherwise transfer the assets of your Brand Franchise independent and separate from your interest in the franchise license.

10.05 State Law Provisions. To the extent that any provisions of this Agreement provide for periods of notice less than those provided by any applicable law or provide for termination other than in accordance with such applicable law, then such provisions hereof shall be modified to the extent necessary to comply with the provisions of such applicable law.

11.0 YOUR RESTRICTIONS.

11.01 Your Non-Compete Covenants - (During Term of Franchise Agreement). Fortusis and you agree that Fortusis would be irreparably damaged if you should operate a printing, reproduction and related services business or other business offering these services in whole or in part unauthorized by Fortusis during the existence of this Agreement. You agree, because of considerations, including the trade secrets, the knowledge and training to operate a Brand Franchise and other technical and business information provided by or resulting from operation under this Agreement, that, during the term of this Agreement, you shall not directly or indirectly, by virtue of being an employee, proprietor, a partner, stockholder, agent, through family relationships, or by financing or investing in same, be associated with a copying, reproduction, computer rental and related services business, or other business offering these services in whole or in part within anywhere in the United States, unless the association is approved by Fortusis in writing.

Because of the irreparable injury which will be caused by breach of this provision, you understand and agree to the issuance of a temporary injunction by a court of proper jurisdiction to protect Fortusis from the breach. "You" includes corporations, partnerships and individuals who are bound by this Agreement by virtue of execution of this Agreement, ownership of stock, or transfer of any interest hereunder. If any of the above noted restrictions are ever determined, as of the date of enforcement, to be unlawful or unreasonable under applicable state law, then in this event, the covenants here and above which purport to

restrict your activities are amended to provide that the restrictions shall apply for the maximum time and geographic scope permitted by applicable state law.

11.02 Your Non-Compete Covenants - (Expiration or Termination of this Agreement - Trade Area of This Franchise). Fortusis and you agree that Fortusis would be irreparably damaged in the event that you should operate a printing, reproduction and related services business or other business offering these services in whole or in part in the “trade area” served by your Brand Franchise for a period of time after the expiration or termination of this Agreement for any reason. You agree, because of considerations, including the trade secrets, the knowledge and training to operate a Brand Franchise and other technical and business information provided by or resulting from operation under this Agreement, that, for a period of two (2) years after expiration, transfer, or termination of this Agreement for any reason, you shall not:

- a. directly or indirectly, by virtue of being an employee, consultant, proprietor, a partner, owner, agent, through family relationship or by financing or investing in same, be associated with a printing, reproduction and related services business, or other business offering these services in whole or in part, within the “trade area” served by your Brand Franchise. For the purposes of this section only, “trade area” served by your Brand Franchise shall be encompassed within an area defined by a three-mile radius from the business location of your Brand Franchise; and
- b. solicit the business of or make contact with the customers of your Brand Franchise for any business purpose.

Because of the irreparable injury which will be caused by breach of this provision, you understand and agree to the issuance of a temporary injunction by a court of proper jurisdiction to protect Fortusis from the breach. “You” includes corporations, partnerships and individuals who are bound by this Agreement by virtue of execution of this Agreement, ownership of stock, or transfer of any interest under this Agreement. If you do not comply with the covenants as of the date they would go into force and under the terms of this Agreement, then the time the covenants begin to run shall commence on the later of either the date at which you do begin to comply with the covenants, or the date at which a court order compelling this compliance goes into effect. If any of the above-noted restrictions are ever determined, as of the date of enforcement, to be unlawful or unreasonable under applicable state law, then these covenants which purport to restrict your activities are amended to provide that the restrictions shall apply for the maximum time and geographic scope permitted by applicable state law.

11.03 Your Covenant Regarding Trade Secrets and Other Confidential Information. You agree, because of considerations, including the trade secrets and the knowledge and training to operate a Brand Franchise and other technical and business information provided by or resulting from operation of this Agreement, you shall not, during the term of this Agreement (except as is required in the operation of your Brand Franchise) nor at any time after termination for any reason or expiration, disclose or use the information contained in the manuals of Fortusis, trade secrets of Fortusis, the knowledge and training to operate a Brand Franchise or other technical or business information provided or resulting from operation under this Agreement, or to make copies of any Fortusis manuals or any documents containing the trade secrets, the knowledge and training to operate a Brand Franchise or other technical or business information provided or resulting from operation under this Agreement. This other “technical or business information” includes customer names, addresses and requirements, confidential information concerning pricing methodology and structures, advertising formats, sales promotion formats, accounting systems, business methods and procedures, equipment or product studies and evaluations, and maintenance and systems of operation.

Because of the irreparable injury which will be caused by breach of this provision, you understand and agree to the issuance of a temporary injunction by a court of proper jurisdiction to protect Fortusis from the breach. “You” includes corporations, partnerships and individuals who are bound by this Agreement by virtue of execution of this Agreement, ownership of stock, or transfer of any interest under this Agreement. If you do not comply with the aforesaid covenants as of the date they would go into force and under the terms of this Agreement, then the time the covenants begin to run shall commence on the later of either the date at which you do begin to comply with the covenants, or the date at which a court order compelling this compliance goes into effect. If any of the above-noted restrictions are ever determined, as of the date of enforcement, to be unlawful or unreasonable under applicable state law, then in that event, these covenants which purport to restrict your activities are amended to provide that the restrictions shall apply for the maximum time and geographic scope permitted by applicable state law.

11.04 Definition of the term “Expiration.” The term “expiration” as used in this section of the Agreement and elsewhere is defined to be an event of termination resulting from mere lapse of time.

12.0 TERMINATION BY YOU.

12.01 Termination by You. You are not, by any express provision of this Agreement, given any rights to terminate this Agreement prior to the expiration of the term, or any renewal period.

13.0 RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.

Upon expiration or termination of this Agreement for any reason:

13.01 You shall immediately report all sales to the date of termination or expiration.

13.02 You shall immediately pay Fortusis all sums or amounts due to Fortusis.

13.03 You shall immediately pay for any sums or amounts due to business accounts guaranteed by Fortusis.

13.04 You shall immediately cease to represent yourself as a franchise of Fortusis and discontinue the use of the Marks, trade secrets, the knowledge and training to operate a Brand Franchise, and any technical or business information provided or resulting from operation under this Agreement and the methods and techniques of Fortusis in any form or colorable imitation.

13.05 The business telephone number and any and all internet websites, listings and social media accounts for your Brand Franchise is, by this Agreement, assigned to Fortusis and you agree to execute any documents which may be necessary or desirable to affect the transfer. You appoint Fortusis as your agent to effect the transfer with the applicable service providers. You are liable for all charges incurred prior to the transfer and agree to hold the telephone service provider harmless from any and all liability or claims arising out of the transfer of the above.

13.06 You shall deliver up and surrender possession of the business premises to Fortusis at the option of Fortusis.

13.07 You shall promptly return to Fortusis at its corporate headquarters all documents, software, records and copies comprising, referring to or reflecting the trade secrets, the knowledge and training to operate a Brand Franchise or any technical or business information provided or resulting from operation under this Agreement, including the manuals of Fortusis, customer list, and any documents necessary to create a list of the names and addresses and requirements of the customers of your Brand Franchise.

13.08 You shall promptly dispose of all stationery, printed matter, signs and advertising materials containing any of the Marks as directed by Fortusis.

13.09 You shall comply with all non-compete provisions in this Agreement.

13.10 Fortusis shall have the right in its sole discretion, to purchase all or any part of Your inventory, equipment, signs and accessories and other personal property relating to Your Brand Franchise (“Operating Assets”) at the then-existing fair market value of such item or items as of the date of expiration or termination of this Agreement, less any amounts owed to Fortusis, or amounts Fortusis may withhold to pay taxing authorities or other debts or encumbrances that may continue with or be attached to the Operating Assets. You hereby grant Fortusis permission to speak directly with your landlord and other creditors, including suppliers, banks, the IRS and state agencies (and you will cooperate with Fortusis to facilitate such communication), regarding any loans and/or liens or obligations that would encumber your Operating Assets. If the fair market value is not agreed to by the parties, the fair market value will be established by an independent appraisal. The appraisal will be done at Fortusis’ expense by an appraiser selected by Fortusis. No goodwill will be considered associated with your Brand Franchise or said items. Fortusis must exercise this option within ninety (90) days of such expiration or termination (“Option Period”) by giving written notice to you of its intent to exercise its option to purchase. Unless otherwise agreed by you, the purchase price as determined hereunder will be paid within thirty (30) days of Fortusis providing notice of its intent to purchase. If Fortusis has not notified you of its election to exercise this option within the Option Period, it will be conclusively presumed that Fortusis has elected not to exercise its option, and you are then free to sell or transfer such assets to any person or entity on such terms as you may so choose, so long as the Operating Assets have been de-identified as set forth herein.

13.11 Fortusis has the right, but not the obligation, to use your Operating Assets and premises (if the lease is still in effect, and in such case, Fortusis will obtain this right from the landlord), and to hire your employees to operate its own Brand Franchise during the Option Period. You and Fortusis understand and agree that Fortusis will not be operating your Brand Franchise business during this time, but Fortusis will be using your Operating Assets and the premises to operate its own, separate Brand Franchise (“New Business”) in order to keep the business open during the Option Period. Fortusis will pay you the fair market rental value for such use of the Operating Assets as agreed, but not exceed fair market rental value, and Fortusis will pay rent directly to the landlord for its use of the premises. You will be required to cooperate to provide Fortusis with all pertinent information regarding your Brand Franchise, as Fortusis deems necessary. Fortusis will establish its own bank accounts and other accounts for the New Business during the Option Period. During the Option Period, Fortusis will pay all costs and expense of the New Business, and all proceeds of the New Business will belong to Fortusis. Fortusis will not assume any of your debts or obligations and will not be responsible to pay any debts or expenses incurred by your Brand Franchise. You will indemnify and hold Fortusis harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs, including attorney’s fees, of the Brand Franchise prior to Fortusis operating the New Business at the premises, and Fortusis will indemnify and hold you harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs arising solely from the New Business. If necessary, Fortusis has the right to change the locks and exclude you from the premises during this Option Period. Fortusis’ rights under this Section 13.11 are assignable by Fortusis in its discretion.

14.0 ARBITRATION.

14.01 **Notice of Dispute from You to Fortusis.** Any dispute, controversy, or claim asserted by you arising out of or relating to this Agreement or any alleged breach thereof, including, without limitation, any claim that this Agreement or any part of it is invalid, illegal, or otherwise voidable or void, shall be submitted to the management of Fortusis for attempted resolution before the institution of any other

procedures or the seeking of any other remedies. You shall give Fortusis written notice by personal service or certified mail to the chief executive officer of Fortusis of any such claim or controversy and shall allow Fortusis fourteen (14) days from the date of personal service or certified mailing to resolve the dispute before undertaking any other procedures or seeking any other remedies. Notwithstanding anything to the contrary in this Paragraph 14.01, you may seek temporary injunctive relief without notice to Fortusis.

14.02 Your Obligation to Arbitrate. After the notice of dispute referenced in Paragraph 14.01 has been received and the fourteen (14) days have passed without a resolution of the dispute, Fortusis, at its sole option, shall have the right to require you to arbitrate any and all claims, disputes, and other matters in question arising out of or relating to this Agreement or the alleged breach thereof. If Fortusis, within ten (10) days of the time that the fourteen (14) days has passed without a resolution, does not require arbitration, you may proceed with any procedure or remedy which you deem necessary. If you attempt to pre-empt the option of Fortusis to arbitrate by filing suit, then you agree to an abatement of such lawsuit so that your obligation to arbitrate can be performed. Further, you agree to pay all of your attorney fees and costs and not to seek or accept any indemnification for attorney fees and costs, including filing fees, expert witness fees, investigative fees, expenses related to appeals, post judgment enforcement, expenses of depositions, trial expenses, travel, lodging, food, and any other expense associated with any procedure or remedy undertaken by you in an attempt to pre-empt the option of Fortusis to arbitrate. The provision stated in the preceding sentence regarding attorney's fees and costs does not apply to a procedure or remedy initiated by you after Fortusis elects, by action or inaction, not to exercise its option to arbitrate during the period of time prescribed in this Paragraph 14.02. This paragraph is subject to the provisions of Paragraph 14.05 below.

14.03 Notice of Dispute from Fortusis to You. Any dispute, controversy, or claim asserted by Fortusis arising out of or relating to this Agreement or any alleged breach thereof shall be submitted to you for attempted resolution before the institution of any other procedures or the seeking of any other remedies. Fortusis shall give you written notice by personal service or certified mail of any such claim or controversy and shall allow you fourteen (14) days from the date of personal service or certified mailing to resolve the dispute before undertaking any other procedures or seeking any other remedies. Notwithstanding anything to the contrary in this Paragraph 14.03, Fortusis may seek temporary injunctive relief without notice to you.

14.04. Obligation of Fortusis to Arbitrate. After the notice of dispute referenced in Paragraph 14.03 has been received and the fourteen (14) days have passed without a resolution of the dispute, you, at your sole option, shall have the right to require Fortusis to arbitrate any and all claims, disputes, and other matters in question arising out of or relating to this Agreement or the alleged breach thereof. If you, within ten (10) days of the time that the fourteen (14) days has passed without a resolution, do not require arbitration, Fortusis may proceed with any procedure or remedy which it deems necessary. If Fortusis attempts to pre-empt your option to arbitrate by filing suit, then Fortusis agrees to an abatement of such lawsuit so that the obligation of Fortusis to arbitrate can be performed. Further, Fortusis agrees to pay all of its attorney fees and costs and not to seek or accept any indemnification for attorney fees and costs, including filing fees, expert witness fees, investigative fees, expenses related to appeals, post judgment enforcement, expenses of depositions, trial expenses, travel, lodging, food, and any other expense associated with any procedure or remedy undertaken by Fortusis in an attempt to pre-empt your option to arbitrate. The provision stated in the preceding sentence regarding attorney's fees and costs does not apply to a procedure or remedy initiated by Fortusis after you elect, by action or inaction, not to exercise its option to arbitrate during the period of time prescribed in this Paragraph 14.04. This paragraph is subject to the provisions of Paragraph 14.05 below.

14.05 Dual Remedies for Injunctive Relief and Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, AND BY THIS BOLD AND CONSPICUOUS LANGUAGE, THE PARTIES HERETO AGREE THAT, WITH RESPECT

TO ANY DISPUTE ARISING HEREUNDER OR RELATING TO THIS AGREEMENT CONCERNING WHICH BOTH INJUNCTIVE RELIEF AND DAMAGES ARE COLORABLY APPLICABLE, EITHER PARTY IS EXPRESSLY PERMITTED TO SEEK INJUNCTIVE RELIEF THROUGH THE FILING OF A LAWSUIT AND, CONTEMPORANEOUSLY, TO SEEK DAMAGES THROUGH THE ARBITRAL PROCESS. NEITHER PROCEDURE SHALL PRECLUDE THE OTHER, AND NEITHER PROCEDURE SHALL NECESSARILY PRECEDE THE OTHER. THIS IS A DISCRETIONARY RIGHT AND NOT AN OBLIGATION. IN THE FINAL ARBITRAL RULING, THE ARBITRATORS SHALL HAVE THE RIGHT TO MODIFY OR VACATE ANY ORDER IN THE NATURE OF A TEMPORARY INJUNCTION GRANTED BY ANY COURT INCIDENT TO THE DISPUTE ARBITRATED. ANY ORDER IN THE NATURE OF A PERMANENT INJUNCTION ISSUED PRIOR TO THE FINAL ARBITRAL RULING SHALL NOT BE MODIFIED OR VACATED BY THE ARBITRATORS.

14.06 Arbitration Rules. The arbitration tribunal shall consist of three (3) arbitrators, one each selected by Fortusis and you and the third selected by the two (2) selected arbitrators. If either Fortusis or you fail to select an arbitrator within ten (10) days of receipt of a request for selection from the other party or from the American Arbitration Association or if the arbitrators selected by Fortusis and you are unable to agree on the selection of the third arbitrator within ten (10) days of their selection, the arbitrators shall be appointed according to the rules of the American Arbitration Association. If any arbitrator selected by a party shall fail to serve or shall be unable to discharge her or his duties, that arbitrator shall be replaced by the party who appointed that arbitrator and in the same manner of selection; if the third arbitrator fails to serve, the arbitrator shall be selected in accordance with the above procedure for the selection of the third arbitrator and within ten (10) days after a request from either Fortusis or you.

The arbitration shall be conducted under the rules of the American Arbitration Association for the conduct of arbitral hearings or under such generally accepted reasonable rules for arbitral hearings as the arbitrators may themselves select. The arbitrators shall have no authority to add, delete, or modify in any manner the terms and provisions of this Agreement. All findings, judgments, decisions, and awards of the arbitrators will be limited to the dispute or controversy set forth in the written demand for arbitration. All findings, judgments, decisions, and awards by the arbitrators shall be in writing and be made no later than ten (10) days after the arbitration hearings have been completed, and the same shall be final and binding on Fortusis and you. The award may be entered in any court having jurisdiction; provided, however, that this provision shall not be construed to limit the rights of either party to apply to any court having jurisdiction for injunctive relief should injunctive relief not have been addressed outside the arbitration process or by the arbitrators. The substantive law of the State of Texas shall be applied by the arbitrators. An award may be entered against a party even if that party fails to appear at the arbitration proceeding(s). Any arbitration taking place pursuant to this Agreement shall be conducted exclusively in Houston, Texas.

14.07 Costs and Attorney's Fees Related to Arbitration. The parties will share the fees and expenses of the arbitration (but not attorney's fees) equally during the arbitration. If a party is unable or unwilling to pay its share of the upfront cost of the arbitration, the other party has the right to cover those costs. And other than as otherwise set forth in this Section 14.0, in the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement or the relationship of the parties, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

14.08 Withholding Payments. During the pendency of any controversy, claim, or dispute, you agree not to withhold payment of any Franchise Service Fee or any other amounts owed to Fortusis, and you agree that you will not be entitled to any deduction or set-off of any kind against Franchise Service Fees or any other amounts owed to Fortusis.

15.0 MISCELLANEOUS CLAUSES.

15.01 Hold Harmless. You shall defend, indemnify and save Fortusis harmless from and against any and all claims, any liability, costs, expense (including attorney's fees) incurred by you in the operation of the business or arising out of your operation of a Brand Franchise pursuant to this Agreement, or incurred by you for failure to obtain insurance, as required by Section 7.0 of this Agreement.

15.02 Permits and Licenses. You shall take and maintain current all permits and licenses to do business required in the area in which you do business and is required to maintain your Brand Franchise in compliance with governmental regulation and authority.

15.03 Taxes and Accounts Payable. You shall make timely payment of all indebtedness incurred in the operation of your Brand Franchise. You shall pay to Fortusis (or any subsidiary, affiliate, or designee) promptly and when due the amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected, or paid by Fortusis on the account of services or goods furnished by Fortusis to you through sale, lease, or otherwise, or on account of collection by Fortusis of the initial franchise fee, start-up costs, pre-paid operating expenses, continuing or minimum Franchise Service Fees, or any other payments to Fortusis called for by this Agreement.

15.04 Your Agreement as to Franchise Operation. You shall abide by all lawful and reasonable policies and regulations issued from time to time by Fortusis in connection with your operations under this Agreement and all matters arising under this Agreement.

15.05 Governing Law; Jurisdiction and Venue. This Agreement shall be deemed made under, and governed by, the law of the State of Texas, in all respects, including matters of interpretation, validity, construction, performance and/or enforcement. You and Fortusis stipulate that the principal office of Fortusis is in the State of Utah, and the operations office of Fortusis is in the State of Texas.

You consent to the jurisdiction and venue of any court (State or Federal) of general jurisdiction in Harris County, Texas, specifically including the United States District Court for the Southern District of Texas, Houston Division, for the purpose of any action or proceeding brought to secure payment of the sums due under this Agreement or to secure or enforce the performance of any of the terms, covenants and conditions of this Agreement. You further agree to bring any legal proceedings arising out of this Agreement or the franchise relationship between the parties only in the courts mentioned above.

15.06 Attorney's Fees and Other Contract Enforcement Expenses. You shall indemnify and hold harmless Fortusis from all attorney's fees, expert witness fees, accountant fees, collectors' fees, private investigator fees, any other professionals' fees (including in-house attorneys, collectors, professionals and staff) and all expenses related to collection of past due fees due under this Agreement, investigations, filing and prosecuting a lawsuit, all appeals and post-judgment enforcement, including but not limited to, expenses of depositions, trials, travel, lodging and food as a direct or indirect result of any default or suspected default by you under this Agreement or other obligation(s) to Fortusis. You agree that the foregoing indemnity includes all fees and expenses incurred or estimated to be incurred by Fortusis whether or not a lawsuit is filed, or judgment obtained. You agree further that any or all fees and expenses of Fortusis may be charged to you along with Franchise Service Fees, and your failure to pay any fees and expenses charged to you under this section shall constitute a material default by you of the Franchise Agreement.

If any fees or expenses are charged, Fortusis shall invoice you for the fees or expenses and your payment of these fees and expenses shall be due and payable immediately when invoiced.

15.07 **Waiver.** Failure of Fortusis to enforce any of the provisions of this Agreement shall not constitute a waiver of rights or a waiver of any subsequent enforcement of the provisions of this Agreement.

15.08 **Severability.** If any provisions of this Agreement or any part thereof is declared invalid by any court of competent jurisdiction, the act shall not affect the validity of this Agreement, and the remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or parts of the provisions.

15.9 **Notices.** Notices provided for in this Agreement may be delivered either in person or by certified mail, postage paid, return receipt requested, to the other party at the address stated in this Agreement or at any address as the other party may designate from time to time, or by email to the last known email address. Notice shall be deemed given from the date on which the written notice is deposited in the United States Postal Service, certified mail, return receipt requested or by another common carrier such as UPS or FedEx, with signature required, and addressed to you at your last known mailing address, or upon email transmission verification.

15.10 **Captions.** Captions of Paragraphs, Sections or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

15.11 **Counterparts.** This Agreement may be executed in any number of counterparts, including by means of electronic signature, or other electronic means, each of which when executed and delivered shall be deemed an original, that all counterparts shall constitute one and the same instrument.

15.12 **Entire Agreement.** This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties regarding the subject matter herein described and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations Fortusis made in the Franchise Disclosure Document that Fortusis furnished to you.

15.13 **Joint and Several Liability.** If this Agreement is signed by more than you, then the liability, if any, of all persons to Fortusis under this Agreement shall be joint and several.

15.14 **No Oral Modifications.** This Agreement may not be modified except in writing signed by both parties. Any inducements, representations, promises or commitments, oral or otherwise, not embodied in this Agreement, shall be of no force or effect.

15.15 **Previous Course of Dealing.** No previous course of dealing or usage of trade not specifically set forth in this Agreement shall be admissible to explain, modify or contradict this Agreement.

15.16 **Terminology.** All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any section, paragraph or clause herein may require, as if the words had been fully and properly written in the appropriate number and gender.

15.17 **Cumulative Rights and Remedies.** All rights and remedies herein conferred upon or reserved to the parties shall be cumulative and concurrent and shall be in addition to every other right or remedy given to the parties herein or at law or in equity or by statute and are not intended to be exclusive of any other right or remedy. The termination or expiration of this Agreement shall not deprive the parties

of any of their rights or remedies against the other to enforce at law or in equity any of the rights or remedies of either party.

15.18 **Your Warranties and Representations.** You hereby represent and warrant the following:

YOU ACKNOWLEDGE THAT YOU ARE ENTERING INTO THIS AGREEMENT AS A RESULT OF YOUR OWN INDEPENDENT INVESTIGATION OF THE FRANCHISED BUSINESS AND NOT AS A RESULT OF ANY REPRESENTATIONS ABOUT FORTUSIS MADE BY ITS SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, OR FRANCHISEES THAT ARE CONTRARY TO THE TERMS SET FORTH IN THIS AGREEMENT, OR IN ANY DISCLOSURE DOCUMENT, PROSPECTUS, OR OTHER SIMILAR DOCUMENT REQUIRED OR PERMITTED TO BE GIVEN TO YOU PURSUANT TO APPLICABLE LAW.

YOU HAVE NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL SUCCESS OR PROJECTED INCOME OF THE BUSINESS VENTURE CONTEMPLATED HEREBY. NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY FORTUSIS TO INDUCE YOU TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED HEREIN. FORTUSIS HAS NOT MADE ANY REPRESENTATION, WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL REVENUES, PROFITS OR SERVICES OF THE BUSINESS VENTURE TO YOU AND CANNOT, EXCEPT UNDER THE TERMS OF THIS AGREEMENT, EXERCISE CONTROL OVER YOUR BUSINESS. YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE NO KNOWLEDGE OF ANY REPRESENTATION MADE BY FORTUSIS OR ITS REPRESENTATIVES OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Franchise Agreement, understands and consents to be bound by all of its terms and conditions. The parties agree this Agreement shall become effective on the dates the party signs this Agreement.

FRANCHISOR:

FORTUSIS, LLC
a Utah limited liability company

By: _____
_____, [Title]

Date: _____

FRANCHISEE:

By: _____
Franchisee

Date: _____

SCHEDULE A-1 TO FRANCHISE AGREEMENT

FRANCHISE INFORMATION

Center Number: _____

Brand: _____

Principal Mark for the Brand Franchise: _____

Location Address: _____

City and State: _____

Franchisor Name: **FORTUSIS, LLC, a Utah limited liability company**

Franchisee Name: _____

Franchisee Home Address: _____

City and State: _____

Home Telephone Number: _____

Effective Date of Agreement: _____

Initial Franchise Fee: _____

Start-Up Fee: _____

Pre-Paid Operating Fee: _____

SCHEDULE A-2

ADDENDUM TO THE FRANCHISE AGREEMENT RE-BRANDING OF AN EXISTING BUSINESS

THIS ADDENDUM is entered into on _____, by and between Fortusis, LLC (Fortusis) and _____ (“Re-Branding Owner”) for amendment of the Franchise Agreement for the Brand Franchise Printing Center No. _____, and shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

WITNESSETH:

WHEREAS, Re-Brand Owner presently conducts a business which provides business support services, including but not limited to, printing and reproduction services, marketing material, marketing consultation, design, typesetting, promotional products, signs, banners, rubber stamps, bindery, fax computer support service, including internet applications, word processing, desktop publishing, pick-up and delivery services, inventory storage and fulfillment services, U.S. Mail services, sale of stationery items, and convenience gift items as well as other related business services at the approved location (“Current Business”);

WHEREAS, Fortusis and Re-Brand Owner have entered into a Franchise Agreement on _____, (the “Franchise Agreement”) which they wish to amend by this Addendum to provide for the re-branding of the Current Business to Brand Franchise; and

WHEREAS, all capitalized terms not otherwise defined in this Addendum shall have the same meaning as in the Franchise Agreement.

NOW THEREFORE, the parties agree as follows:

1.0 CONSTRUCTION OF LEASEHOLD IMPROVEMENTS

1.01 Re-Brand Owner shall modify the Current Business premises in the manner set forth in Exhibit A-2 to this Addendum, to conform to Fortusis prototype plans and specifications for the Brand Franchise.

1.02 Fortusis and Re-Brand Owner agree that time is of the essence in connection with the construction of leasehold modifications. Re-Brand Owner shall complete such modifications no later than 60 days from the execution of this Addendum. Failure to complete the modifications in the time allowed will be a default under the Franchise Agreement. In that event, Fortusis shall have the right to terminate the Franchise Agreement in accordance with Section 10.01 of the Franchise Agreement.

1.03 Upon completion of the modifications set forth in Exhibit A-2, Re-Brand Owner shall submit a written request to Fortusis to conduct a final inspection of the premises and, upon receipt of such request, Fortusis shall promptly conduct a final inspection. Re-Brand Owner shall not open the Brand Franchise for business without the written authorization of Fortusis.

1.04 Re-Brand Owner may at its discretion continue to operate its Current Business during construction of leasehold modifications but shall not identify itself as a Brand Franchise until receipt of the written authorization of Fortusis to conduct business, as set forth in Section 1.03 of this Addendum.

2.0 TRAINING

2.01 Prior to the opening of Brand Franchise, Re-Brand Owner (or, if Re-Brand Owner is an entity or partnership, a principal of Re-Brand Owner acceptable to Fortusis) will attend a classroom/lab training program at Fortusis' headquarters or at a location designated by Fortusis. The cost of this training, lodging, lease of Fortusis manuals, breakfast and lunch during training days and other materials received are covered by fees paid by Re-Brand Owner to Fortusis. Re-Brand Owner will be directly responsible for airfare and any other expenses.

3.0 CHANGES AND ADDITIONS TO SECTION 5.0 FEES AND CHARGES.

3.01 The following shall be inserted and added to the existing terms in Section 5.01 of the Franchise Agreement and made a part thereof:

Fortusis acknowledges receipt from Re-Brand Owner of an Initial Franchise Fee of \$10,000. Notwithstanding anything to the contrary in this Agreement, the \$10,000 Initial Franchise fee payment shall be fully earned and nonrefundable when paid, in consideration of the administrative and other expenses incurred by Fortusis in entering into this Agreement, and for Fortusis lost or deferred opportunity to enter into this Agreement with others.

3.02 Section 5.02 of the Franchise Agreement shall read in its entirety as follows:

5.02 **Franchise Service Fee.** During the term of this Agreement you agree to pay to Fortusis as consideration under this Agreement a Franchise Service Fee each month of 7% of Gross Sales of the business conducted by you over the total sales base amount of \$_____.

The sale of U.S. postage stamps at cost shall be deducted from your Gross Sales as long as those sales are properly documented and provided further that all your debts to Fortusis are paid current, and you are otherwise in total compliance with all terms and conditions of this Agreement.

4.0 Deletions from the Agreement

4.01 Section 1.07.a (Review of Location and Lease) in the Franchise Agreement shall be deleted in its entirety and have no force or effect.

5.0 Integration

5.1 This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed. This Addendum may be signed in counterparts, including by means of electronic signature or other electronic means.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Re-Branding of an Existing Business Addendum on the day and year first above written.

FORTUSIS, LLC

By: _____

Title: _____

Re-Brand Owner

By: _____

Title: _____

Re-Brand Owner

By: _____

Title: _____

SCHEDULE A-3

DIGITAL AND SOCIAL MEDIA AUTHORIZATION FOR ASSIGNMENT

This DIGITAL AND SOCIAL MEDIA ASSIGNMENT AUTHORIZATION (“Assignment”) is made and entered into as of the Effective Date (defined below), by and between _____ (“Franchisee”) and Fortusis, LLC (“Franchisor”).

RECITALS

WHEREAS, Franchisee has entered into a Franchise Agreement with Franchisor coterminous with this Assignment (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Marks in conjunction with Franchisee’s Brand Franchise business; and

WHEREAS, under the Franchise Agreement, all marketing materials, customer and prospective customer information, and social media accounts belong to Franchisor; and

WHEREAS, Franchisee understands and agrees that immediately following termination, transfer or non-renewal (“Termination”) of the Franchise Agreement, Franchisee will not have any continuing rights in or to the Marks, marketing materials, customer information or the like and that all such information must be immediately turned over to Franchisor; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement, and all references herein to “Article,” “Sections” and “Paragraphs” refers to articles, paragraphs and sections of the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, in the social media and other digital media accounts used in the Brand Franchise business or used or created in any way by Franchisee to promote or use the Marks, including without limitation, Franchisee’s Google listings, Facebook, Instagram, Pinterest, Twitter, LinkedIn, Tumblr, email accounts and the like, and any other social media that Franchisee may utilize (collectively the “Social Media Accounts”). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts:

- a. Franchisee has the right to assign the Social Media Accounts and they are free and clear of all liens and encumbrances.
- b. Franchisee will not, after Termination of the Franchise Agreement attempt to access, control, interfere with, or obstruct the Social Media Accounts.

- c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts.
- d. Franchisee has not taken, or permitted, any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts to Franchisor hereunder.

3. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Account. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts to Franchisor hereunder.

4. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

5. This Assignment will be governed, construed and interpreted in accordance with the laws of the State of Texas without giving effect to its conflicts of law provisions.

6. The parties intend this Assignment to be the full and complete agreement between Franchisee and Franchisor as relates to the assignment and transfer of Social Media Accounts, whether oral or written, and whether occurring before or contemporaneously with the execution of this Assignment.

FRANCHISEE: _____

FORTUSIS, LLC

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT B

**LIST OF STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS
AGENTS FOR SERVICE OF PROCESS**

LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General's Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	New York Department of State		One Commerce Plaza, 99 Washington Avenue, 6 th Floor, Albany, NY 12231-0001	(518) 473-2492
North Dakota	North Dakota Securities Department		600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387

Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 st Floor, Richmond, VA 23219	
Washington	Director of Financial Institutions		150 Israel Road SW, Tumwater, WA 98501	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

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

EXHIBIT C**U.S. BRAND FRANCHISES****FRANCHISE OWNER ROSTER
AS OF DECEMBER 31, 2021**

STATE	BRAND	CENTER NUMBER	FRANCHISE OWNER	STREET ADDRESS	CITY/STATE/ZIP	PHONE
AL	KKP	394	Jeffrey Bassett	1941-E Hoover Court	Birmingham, AL 35226-3619	(205) 979-5541
AR	KKP	232	John & Crystal Barbee & Douglas Barbee	307-3 Bryant Avenue	Bryant, AR 72022-3816	(501) 847-9433
AR	KKP	607	Rebecca Jill Mitchell	3114 South Olive	Pine Bluff, AR 71603-5438	(870) 534-4923
AZ	KKP	1201	Scott Howard & Helen Howard	1241 Iron Springs Road, Suite A	Prescott, AZ 86305-1408	(928) 776-8042
CA	KKP	720	David & Nancy Leckness	28570 Marguerite Parkway, Suite 108	Mission Viejo, CA 92692-3740	(949) 364-2309
CO	KKBC	129	Greg Irwin	1152 S. Lipan Street	Denver, CO 80223-3005	(303) 934-6878
IL	KKBC	141	Paul Nardi	111 Erick Street	Crystal Lake, IL 60014-1312	(815) 459-5066
IL	KKP	976	Darryl Wolf	120 W. Madison	Chicago, IL 60602-4418	(312) 407-0100
IL	KKP	602	James and Sheila Lawless	4440 N. Prospect, Suite C	Peoria Heights, IL 61616-6580	(309) 688-2155
MO	KKP	625	Charles Jester	14368 South Outer 40 Road	Chesterfield, MO 63017-5710	(314) 878-2299
NC	KKP	827	Marc (Brad) Pope	485 Hendersonville Road, Unit 7	Asheville, NC 28803-2628	(828) 274-5945
OH	KKBC	151	Kwesi Gyimah	1939 E. Dublin-Granville Road	Columbus, OH 43229-3508	(614) 888-2201
TN	FP	94	Henry Golczynski	2227 Southpark Drive	Murfreesboro, TN 37128-5534	(615) 895-0651
TX	KKBC	120	John & Linda Parker	5403 Bellaire Blvd.	Bellaire, TX 77401-3905	(713) 664-1359
TX	KKBC	128	Christopher Brewster & Michael Brewster	2305 South Day Street	Brenham, TX 77833-5516	(979) 836-3825
TX	KKBC	149	Terry & Connie Saint	1215 W. Main St., Suite 5	Tomball, TX 77375-5587	(281) 351-8000
TX	KKP	1170	Gopal & Sita Patel	15080 Beltwood Pkwy. East, Suite 103	Addison, TX 75001-3720	(972) 788-2711
TX	KKP	554	Jaime & Agueda Moreno	9530 Viscount, Suite 1D	El Paso, TX 79925-7055	(915) 592-9798

STATE	BRAND	CENTER NUMBER	FRANCHISE OWNER	STREET ADDRESS	CITY/STATE/ZIP	PHONE
TX	KKP	147	Antonio & Graciela Rodriguez	4310 Montana Avenue	El Paso, TX 79903-4611	(915) 566-3911
TX	KKP	502	Don Boren and Wanda Conlin	1850 Handley Drive	Fort Worth, TX 76112-3232	(817) 451-6276
TX	KKP	709	Tracy & Rosemary Gaulding	9744 Whithorn Drive	Houston, TX 77095-5024	(281) 345-6677
TX	KKP	43	Intiaz Bangee, Asma Dadabhoy Bangee & Mohammed Vaid	1405 Waugh Drive	Houston, TX 77019-3909	(713) 526-2273
TX	KKP	131	Pravin Sonthalia	1025 Mercury Drive	Houston, TX 77029-2003	(713) 673-0775
TX	KKP	62	Javed Rashid and Shabbir Dadabhoy	4001 San Jacinto	Houston, TX 77004-4021	(713) 526-6364
TX	KKP	446	Robert & Cecilia Vela	616 W. Calton Road, Suite 8	Laredo, TX 78041-6620	(956) 723-1367
TX	KKP	256	Douglas Rachunek	1508 South Chestnut	Lufkin, TX 75901-5704	(936) 639-5945
TX	KKP	23	Christopher & Noralicia Wagner	8114 Fredericksburg Road	San Antonio, TX 78229-3312	(210) 615-7995
TX	KKP	414	William & Bess Scott & David Scott	1010 Spring-Cypress Road	Spring, TX 77373-2507	(281) 353-7977
TX	KKP	323	Ralph Lojo; Charlie Lojo and Mike Lojo	130 Industrial Blvd, Ste 160	Sugar Land, TX 77478-3279	(281) 242-6633
VA	KKP	997	Jami Javaid	9653 Lee Highway, Ste 205	Fairfax, VA 22030-2314	(703) 352-5679
	Total Centers		31			

EXHIBIT D

FRANCHISEES HAVING LEFT THE FRANCHISE SYSTEMS

Franchisees Having Left the Franchise Systems in 2021

The table below includes franchisees who have had an outlet transferred, 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 have not communicated with us within 10 weeks of the disclosure document issuance date.

STATE	BRAND	CENTER NUMBER	FRANCHISE OWNER	STREET ADDRESS	CITY/STATE/ZIP	PHONE
DC	KKP	1311	Thomas and Ece Gimer	1111 34 th Street NW Washington, DC 20007-3246	Washington, DC 20007-3246	(813) 286-1690
IN	KKP	184	Lynn & Karen Carlton	1815 North Meridian Street	1815 North Meridian Street Indianapolis	(317) 637-2590
LA	KKBC	106	Gordon (Fitz) and Jerolyn Fitzgerald	7712 Main Street	Houma, LA 70360-4489	(985) 813-0801
MO	KKP	775	Jerry & Karen Exner*	715 South New Florissant	Florissant, MO 63031-7748	(314) 839-3777
SC	FP	128	Scott Corey Dunbar	1114 Washington Street	Columbia, SC 29201-3215	(803) 252-5310

* This franchisee signed a mutual termination agreement that included a confidentiality provision that may restrict them from discussing their experiences as a franchisee.

EXHIBIT E
FINANCIAL STATEMENTS OF
FORTUSIS, LLC

Audited Financial Statements
For the Period Ended December 31, 2021

Audited Financial Statements
For the Period Ended December 31, 2020

Audited Financial Statements
For the Period Ended December 31, 2019

Unaudited Interim Financial Statements
As of April 19, 2022*

* THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM

Fortusis, LLC

FINANCIAL STATEMENTS

December 31, 2021 and 2020



Table of Contents

Independent Auditor's Report for the year ended December 31, 2021	1
Prior Year Auditor's Report for the year ended December 31, 2020	3
Financial Statements	
Balance Sheets	4
Statements of Income, Comprehensive Income and Members' Equity.....	6
Statements of Cash Flows.....	7
Notes to the Financial Statements	8



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Members
Fortusis, LLC
Salt Lake City, Utah

Opinion

We have audited the accompanying financial statements of Fortusis, LLC (a Utah corporation), which comprise the balance sheet as of December 31, 2021, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fortusis, LLC. as of December 31, 2021, and the results of its operations and its cash flows for the year 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. 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 Fortusis, LLC. 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt

5296 S. Commerce Dr
Suite 300
Salt Lake City, Utah
84107
USA
(T) 801.281.4700
(F) 801.281.4701

abcpas.net

about Fortusis, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fortusis, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fortusis, LLC'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.

Anderson Bradshaw PLLC

Anderson Bradshaw PLLC
Salt Lake City, Utah
March 17, 2022

Joseph B Glass & Associates
Certified Public Accountant
190 South 200 East
Blanding, Utah 84511
Tel. 801-414-3325 Fax. 801-304-0475
e-mail address: joebglasscpa@msn.com

Independent Auditor's Report

The Members
Fortusis, LLC
West Jordan, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Fortusis, LLC, which comprise the balance sheet as of December 31, 2020 and the related statements of net income, comprehensive income and members' equity, and cash-flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fortusis, LLC. as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America,

Joseph B Glass & Associates

Joseph B Glass & Associates

Blanding, Utah

June 3, 2021

Fortusis, LLC
December 31, 2021 and 2020

Balance Sheets

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 126,041	\$ 174,282
Trade accounts receivable, net of allowance	130,726	156,278
Notes receivable, current	50,114	27,132
Prepaid expenses	<u>-</u>	<u>476</u>
Total current assets	<u>306,881</u>	<u>358,168</u>
Fixed Assets		
Furniture and equipment	8,927	8,927
Vehicles	<u>20,678</u>	<u>20,678</u>
Accumulated Depreciation	<u>(19,652)</u>	<u>(14,241)</u>
Net fixed assets	9,953	15,364
Notes Receivable, Long-Term	195,278	139,216
Advances to Partners and Affiliates	116,025	24,500
Franchise Rights	295,231	295,231
Intangible Assets, Net of Amortization	<u>284,736</u>	<u>266,625</u>
Total assets	<u><u>\$ 1,208,104</u></u>	<u><u>\$ 1,099,104</u></u>

Fortusis, LLC
December 31, 2021 and 2020
Balance Sheets

	<u>2021</u>	<u>2020</u>
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable and accrued expenses	\$ 35,062	\$ 29,765
Current portion of notes payable	29,002	27,132
Current portion of deferred franchise fees	<u>9,335</u>	<u>11,116</u>
Total current liabilities	<u>73,399</u>	<u>68,013</u>
Notes payable - noncurrent	429,277	526,125
Deferred franchise fees - noncurrent	<u>39,874</u>	<u>49,208</u>
Total liabilities	542,550	643,346
Commitments and Contingencies	-	-
Members' Equity	<u>665,554</u>	<u>455,758</u>
Total liabilities and members' equity	<u><u>\$ 1,208,104</u></u>	<u><u>\$ 1,099,104</u></u>

Fortusis, LLC
Year Ended December 31, 2021 and 2020

Statements of Income, Comprehensive Income and Members' Equity

	<u>2021</u>	<u>2020</u>
Revenue		
Franchise service fees	\$ 645,193	\$ 526,510
Franchise fee buyouts	135,813	47,676
Amortization of deferred franchise fee	<u>11,115</u>	<u>11,627</u>
Total revenue	792,121	585,813
Operating Expenses		
General and administrative	<u>637,873</u>	<u>390,695</u>
Income from Operations	<u>154,248</u>	<u>195,118</u>
Other Income (Expense)		
Interest income	5,170	9,602
Other income	128,035	-
Interest expense	<u>(30,067)</u>	<u>(23,609)</u>
Total other income (expense)	<u>103,138</u>	<u>(14,007)</u>
Net Income	257,386	181,111
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	257,386	181,111
Members' Equity- Beginning of Period	455,758	415,165
Cumulative Effect of Change in Accounting Method	-	(71,951)
Distributions to Members	<u>(47,590)</u>	<u>(68,567)</u>
Members' Equity- End of Period	<u>\$ 665,554</u>	<u>\$ 455,758</u>

Fortusis, LLC
Year Ended December 31, 2021 and 2020

Statements of Cash Flows

	2021	2020
Operating Activities		
Net income (loss)	\$ 257,386	\$ 181,111
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	48,300	44,911
Provision for bad debt allowance	6,433	(126,398)
Change in assets and liabilities		
Accounts receivable	(13,523)	17,413
Prepaid expenses	476	-
Accounts payable and accrued expenses	5,297	(3,004)
SBA & PPP loan forgiveness	(128,035)	-
Deferred franchise fees	(11,115)	(11,627)
Net Cash from Operating Activities	165,219	102,406
Investing Activities		
Purchase of Intangibles	(61,000)	-
Decrease (increase) in notes receivable	(46,402)	(38,178)
Repayment of advances (advances) to affiliates	(91,525)	(24,500)
Net Cash from (used for) Investing Activities	(198,927)	(62,678)
Financing Activities		
Proceeds from bank financing	33,057	192,786
Distribution to members	(47,590)	(68,567)
Net Cash from (used for) Financing Activities	(14,533)	124,219
Net Change in Cash and Cash Equivalents	(48,241)	163,947
Cash and Cash Equivalents, Beginning of Year	174,282	10,335
Cash and Cash Equivalents, End of Year	\$ 126,041	\$ 174,282
Supplemental Disclosure		
Cash payments for		
Interest	\$ 30,067	\$ 23,609

Fortusis, LLC
December 31, 2021 and 2020

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Principles

This summary of significant accounting policies of Fortusis, LLC (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Business Activity

Fortusis, LLC (the Company) is a Utah limited liability company. The Company is a franchisor of "Kwik Kopy" and related business centers in the United States of America.

Revenue Recognition

The Company recognizes revenue as it satisfies performance obligations in accordance with the terms of contractual agreements with customers.

Effective January 1, 2020, the Company adopted the revenue recognition provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) statement 606 (Standard). As provided for under the Standard, the Company recognized the cumulative effect of implementing the Standard as a reduction of retained earnings as of January 1, 2020 in the amount of \$71,951. This amount represents the cumulative effect of unrecognized revenue on franchise agreements at January 1, 2020.

Deferred franchise fees are amortized to revenue on a straight-line basis over the term of the franchises, typically 180 to 300 months. Franchise service fees are recognized as revenue as contractual performance obligations are satisfied.

As of December 31, 2021 and 2020 the Company had approximately 45 and 45 individual franchise outlets in operation.

Cash and Cash Equivalents

Cash equivalents are generally comprised of certain highly liquid investments with maturities of three months or less at the date of purchase.

Notes to the Financial Statements

Trade Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company has established a reserve for bad debt in the amount of \$154,433 and \$148,000 as of December 31, 2021 and 2020, respectively.

Fixed Assets

Fixed assets are recorded at cost. Expenditures that increase values or extend useful lives are capitalized and routine maintenance and repairs are charged to expense in the year incurred. Gains and losses from disposition of fixed assets are reflected in other income. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Machinery and equipment	5 to 10 years
Vehicles	3 to 5 years

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by the Company. Members are taxed individually on their share of the Company's earnings. The Company's net income (loss) is allocated among the members proportionate to their ownership. The Company is no longer subject to examination by federal and state taxing authorities for years prior to 2018.

Advertising and Promotion

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. Advertising costs charged to expense were \$122,989 and \$80,077 for the years ended December 31, 2021 and 2020, respectively.

Concentrations of Credit Risk

The Company's financial instruments that may be exposed to concentrations of credit risk consist primarily of temporary cash investments and trade accounts receivable. The Company maintains its cash balances at financial institutions it believes to be financially sound. At times such balances may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

Fortusis, LLC
December 31, 2021 and 2020

Notes to the Financial Statements

Use of Estimates

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

Reclassification

Certain amounts from the 2020 financial statements have been reclassified to match the 2021 financial statement presentation.

NOTE 2 – ACCOUNTS RECEIVABLE

Comparative information with respect to accounts receivable is as follows:

	<u>2021</u>	<u>2020</u>
Accounts and receivable	285,159	304,278
Less allowance for bad debt	<u>(154,433)</u>	<u>(148,000)</u>
	<u><u>\$ 130,726</u></u>	<u><u>\$ 156,278</u></u>

NOTE 3 – NOTES RECEIVABLE

The Company has made loans to franchisees and former franchisees to help with startup costs including the original franchise fee, converted large amount of outstanding AR into a note with a payment plan or a buyout from the franchising contract. The interest rates are 5% to 8% and the term ranges from 5 to 10 years.

Fortusis, LLC
December 31, 2021 and 2020

Notes to the Financial Statements

NOTE 4- LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Term loan secured by substantially all tangible and intangible assets of the Company with interest at 6.6% per annum, due in monthly installments of \$3,992 (principal and interest) through November 1, 2024.	294,789	322,255
Economic Injury Disaster Loan (EIDL) from the Small Business Administration (SBA) with interest at 3.75% per annum due in monthly installments of \$731 commencing May 18, 2022, secured by substantially all assets of the Company.	159,123	156,000
Paycheck Protection Program (PPP) Loan	-	66,457
Term loan secured by vehicle with interest at 4.49% per annum due in monthly installments of \$373 (principal and interest) through December 2022.	<u>4,367</u>	<u>8,545</u>
Total	458,279	553,257
Less Current Portion	<u>(29,002)</u>	<u>(27,132)</u>
Net long-term liabilities	<u>\$ 429,277</u>	<u>\$ 526,125</u>

Fortusis, LLC
December 31, 2021 and 2020

Notes to the Financial Statements

The 6.6% term loan's interest rate is fixed through November 1, 2024 at which time the interest rate will be adjusted quarterly to prime plus 1.6% per annum. This note is guaranteed by the principals of the Company.

Year ending December 31,	
2022	\$ 29,002
2023	30,314
2024	32,662
2025	35,232
2026	37,991
Thereafter	<u>293,078</u>
	<u>\$ 458,279</u>

NOTE 5 – CONCENTRATIONS

The Company has no significant geographic concentrations in either trade accounts receivable or revenue.

NOTE 6 - RELATED PARTY TRANSACTIONS

The Company has made advances to a company with common ownership. The advances bear no interest and are payable on demand. As of December 31, 2021 and 2020 the amount receivable was \$116,025 and \$24,500, respectively.

NOTE 7 – OTHER INCOME

The Company received \$90,745 in PPP Loans (Paycheck Protection Program Loan) in accordance to the CARES Act (Coronavirus Aid, Relief, and Economic Security Act). The loans were recorded as a liability upon receipt of the funds. The Company received forgiveness for the full amount of the debt, pursuant to provisions in the act. The Company was also forgiven \$37,290 of their SBA loan (Small Business Administration loan) in accordance to the CARES act. The debt forgiveness was recognized as income when the debt was forgiven.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 17, 2022 the date these financial statements were available to be issued.

Fortusis, LLC

Financial Statements

December 31, 2020 and 2019
(With Independent Accountant's Report Thereon)

JOSEPH B GLASS & ASSOCIATES
Certified Public Accountant



Joseph B Glass & Associates

Certified Public Accountant

190 South 200 East

Blanding, Utah 84511

Tel. 801-414-3325 Fax. 801-304-0475

e-mail address: joebglasscpa@msn.com

Independent Auditor's Report

The Members
Fortusis, LLC
West Jordan, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Fortusis, LLC, which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of net income, comprehensive income and members' equity, and cash-flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fortusis, LLC. as of December 31, 2020 and 2019, 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,

Joseph B Glass & Associates
Joseph B Glass & Associates

Blanding, Utah

June 3, 2021

FORTUSIS, LLC
Balance Sheets
December 31, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 174,282	10,335
Trade notes and accounts receivable (net of allowance for doubtful accounts of \$148,000 and \$274,398 at December 31, 2020 and 2019, respectively)	183,410	59,521
Prepaid expenses	476	476
Total current assets	<u>358,168</u>	<u>70,332</u>
Property and equipment:		
Furniture and equipment	8,927	8,927
Vehicles	20,678	20,678
	<u>29,605</u>	<u>29,605</u>
Less accumulated depreciation	14,241	8,830
	<u>15,364</u>	<u>20,775</u>
Notes receivable long-term	139,216	115,942
Advances to partners and affiliates	5,000	-
Franchise rights	295,231	295,231
Goodwill and other intangible assets (net of accumulated amortization of \$128,375 and \$88,875 at December 31, 2020 and 2019 respectively)	266,625	306,125
Other assets	19,500	-
	<u>\$ 1,099,104</u>	<u>808,405</u>
<u>Liabilities and Members' Equity</u>		
Current liabilities		
Current portion of long-term debt	\$ 27,132	24,784
Accounts payable and accrued expenses	29,765	32,769
Deferred franchise fees	11,116	-
Total current liabilities	<u>68,013</u>	<u>57,553</u>
Long-term debt (excluding current portion)	526,125	335,687
Deferred franchise fees (excluding current portion)	49,208	-
Members' equity	455,758	415,165
Commitments and contingencies	-	-
	<u>\$ 1,099,104</u>	<u>808,405</u>

See accompanying notes to financial statements.

FORTUSIS, LLC
Statements of Net Income, Comprehensive Income and Members' Equity
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue:		
Franchise service fees	\$ 526,510	768,818
Franchise fee buyouts	47,676	326,140
Amortization of deferred franchise fees	11,627	-
Less impairment of franchise rights	-	(209,769)
	<u>585,813</u>	<u>885,189</u>
Less general and administrative expenses	390,695	679,380
Net income from operations	<u>195,118</u>	<u>205,809</u>
Other income (expense):		
Interest expense	(23,609)	(38,588)
Interest income	9,602	4,011
Other	-	43,671
Net income	<u>181,111</u>	<u>214,903</u>
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 181,111</u>	<u>214,903</u>
Members' equity beginning of period	415,165	476,749
Cumulative effect of change in accounting method for revenue recognition	(71,951)	
Distributions to members	(68,567)	(276,487)
Members' equity end of period	<u><u>\$ 455,758</u></u>	<u><u>415,165</u></u>

See accompanying notes to financial statements.

FORTUSIS, LLC
Statements of Cash Flows
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net income	\$ 181,111	214,903
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of franchise rights	-	209,769
Proceeds from sale of assets net of the gain	-	3,099
Depreciation and amortization	44,911	46,911
Net change in current assets and liabilities:		
Accounts and notes receivable	(166,663)	173,055
Prepaid expenses	-	3,339
Accounts payable and accrued expenses	(3,004)	16,180
Deferred franchise fees	(11,627)	
Net cash provided by operating activities	<u>44,728</u>	<u>667,256</u>
Cash flows from investing activities:		
Repayment of advances (advances) to partners and affiliates	(5,000)	83,837
Reduction in deposits	-	7,630
Net cash used by investing activities	<u>(5,000)</u>	<u>91,467</u>
Cash flows from financing activities:		
Acquisition of SBA loan	-	350,000
Additions to long-term debt (net of repayments)	192,786	(834,307)
Distributions to members	(68,567)	(276,487)
Net cash used by financing activities	<u>124,219</u>	<u>(760,794)</u>
Net increase in cash	<u>163,947</u>	<u>(2,071)</u>
Cash at beginning of period	10,335	12,406
Cash at end of period	<u><u>\$ 174,282</u></u>	<u><u>10,335</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ 23,609</u>	<u>38,588</u>
Income taxes	<u>\$ -</u>	<u>-</u>

See accompanying notes to financial statements.

Fortusis, LLC
Notes to Financial Statements
December 31, 2020 and 2019

(1) Organization, Line of Business, and Summary of Significant Accounting Policies

(a) Organization and Line of Business

Fortusis, LLC (Company) is a Utah Limited Liability Company. The Company is a franchisor of "Kwik Kopy" and related business centers in the United States of America.

(b) Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by the Company. Members are taxed individually on their share of the Company's earnings. The Company's net income (loss) is allocated among the members in accordance with their ownership. Income tax returns filed for the years ended December 31, 2018 through 2020 are subject to examination by the Internal Revenue Service in the United States of America.

(c) Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(d) Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

(e) Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets.

(f) Trade Accounts Receivable

Trade accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Uncollectible loans and accounts receivable are charged off after all reasonable collection efforts have been utilized. Accounts receivable are deemed to be past due when payments are more than 30 days late.

(g) Reclassification of 2019 amounts

Certain of the 2019 amounts have been reclassified to be consistent with the 2020 presentation.

Fortusis, LLC
Notes to Financial Statements
December 31, 2020 and 2019

(1) Organization, Line of Business, and Summary of Significant Accounting Policies (continued)

(h) Comprehensive Income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. There was no difference between the net income for the years ended December 31, 2020 and 2019 and comprehensive income for the same period.

(i) Revenue Recognition

The Company recognizes revenues from franchise sales and royalty fees. Franchise fee revenue is recognized, in accordance with current revenue recognition standards, on a straight-line basis over the term of the franchises of 180 to 300 months.

Other performance obligations related to franchise sales such as training, etc. are billed separately from the franchise fee and are recognized as revenue when the obligation is satisfied.

(2) Kwik Kopy Business Acquisition

On October 1, 2017 the Company entered into an agreement with the International Center for Entrepreneurial Development, Inc. and certain of its subsidiaries (Seller) to acquire the franchise rights to certain Kwik Kopy and related business centers located in the United States of America which the Company will service as franchisor.

Under terms of the agreement the Seller agreed to transfer accounts and notes receivable, furniture and equipment, franchise rights, trademarks, and other related assets to the Company in exchange for total consideration of \$1,205,000. To satisfy the purchase obligation the Company remitted to the Seller \$15,800 in cash and signed a note payable to the Seller totaling \$1,189,200.

The total consideration of \$1,205,000 was allocated to assets acquired as follows:

Accounts and notes receivable	\$	300,000
Franchise rights		505,000
Equipment and furniture		5,000
Goodwill and covenant not To compete		<u>395,000</u>
	\$	<u>1,205,000</u>

In accordance with professional standards available to private companies the Company has elected to combine the goodwill and the covenant not to compete costs into one amount and amortize these amounts over a period of ten years on a straight-line basis.

Fortusis, LLC
Notes to Financial Statements
December 31, 2020 and 2019

(2) Kwik Kopy Business Acquisition (continued)

Management of the Company evaluates the Franchise Rights and Goodwill and other intangible assets for impairment in value whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amounts of the assets to the future net undiscounted cash flows expected to be generated by those assets including collections of franchisee fees. Management determined that impairment in these assets of \$209,769 existed at December 31, 2019 and accordingly reduced the amount franchise rights by that amount at that date. No impairment of franchise rights was determined to exist at December 31, 2020.

(3) Franchise Revenue

Effective January 1, 2020 the Company adopted the revenue recognition provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) statement 606 (Standard). As provided for under the Standard, the Company recognized the cumulative effect of implementing the standard as a reduction of retained earnings as of January 1, 2020 in the amount of \$71,951. This amount represents the cumulative effect of unrecognized revenue on franchise agreements at January 1, 2020.

The Company elected to apply the guidance of the Standard to all uncompleted contracts as of January 1, 2020. The offset to the reduction in retained earnings was an increase in deferred franchise fee liability. The Standard requires that franchisors amortize deferred franchise fees on a straight-line basis over the term of the franchises of 180 to 300 months.

During the year ended December 31, 2020 the Company recorded a total of \$11,627 as income related to the amortization of deferred franchise fees as a result of adopting the Standard

During the years ended December 31, 2020 and 2019 the Company recorded net revenue of \$526,510 and \$768,818 respectively from franchise service fees.

During the years ended December 31, 2020 and 2019 the Company recorded \$47,676 and \$326,140 in revenue from franchise buyouts by franchisees.

As of December 31, 2020, the Company had approximately 45 individual franchise outlets in operation.

Fortusis, LLC
Notes to Financial Statements
December 31, 2020 and 2019

(4) Leases

During 2019 the Company entered into a lease for certain office space under a noncancelable operating lease from a non-related party which commenced in 2019. The rental agreement for office space existing at the time the new lease was signed was renegotiated and cancelled. Rent expense in 2020 and 2019 totaled \$24,303 and \$77,184 respectively.

Future minimum lease payments under this lease are as follows:

Year ended December 31:

2021	\$ 19,500
2022	19,500
2023	19,500
2024	<u>19,500</u>
	\$ <u>78,000</u>

(5) Long-term debt

Long-term debt consists of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Term loan secured by substantially all tangible and intangible assets of the Company with interest at a 6.6% per annum due in monthly installments of \$3,992 (principal and interest) through November 1, 2024.	\$ 322,255	347,933
Economic Injury Disaster Loan (EIDL) from The Small Business Administration with interest at 4% per annum due in monthly installments of \$731 commencing May 18, 2022. Secured by substantially all assets of the company	156,000	-
Paycheck Protection Program (PPP) loan	66,457	-
Term loan secured by vehicle with interest at 4.49% per annum due in monthly installments of \$373 (principal and interest) through December 2022	\$ <u>8,545</u>	<u>12,538</u>
	553,257	360,471
Less current portion	<u>(27,132)</u>	<u>(24,784)</u>
	<u>\$ 526,125</u>	<u>335,687</u>

The 6.6% term loan's interest rate is fixed through November 1, 2024 at which time the interest rate will be adjusted quarterly to prime plus 1.6% per annum. This note is guaranteed by the principals of the Company.

Fortusis, LLC
Notes to Financial Statements
December 31, 2020 and 2019

(5) Long-term debt (continued)

Included in the EIDL loan is a grant of \$6,000 which qualifies for forgiveness after December 31, 2020.

The PPP Loan qualified for forgiveness under provisions of the Governments pandemic relief programs. The Company met these qualifications and subsequent to December 31, 2020 applied for and received forgiveness of the entire balance including any unpaid interest.

The future maturities of debt under the above obligations (excluding PPP loan forgiven subsequent to December 31, 2020) due subsequent to December 31, 2020 are as follows:

2021	\$ 27,132
2022	30,559
2023	29,672
2024	32,019
2025	34,556
Thereafter	<u>332,862</u>
	\$ <u>486,800</u>

(6) Related Party Transactions

At December 31, 2020 the Company had advanced a total of \$5,000 to an affiliated Company.

(7) Concentrations of Credit

The Company's customers consist primarily of individuals living in the United States of America.

(8) Subsequent events

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statements through June 4, 2021, the date that the financial statements were issued.

(9) Advertising

During the years ended December 31, 2020 and 2019, the Company incurred a total of \$80,077 and \$130,094 respectively as advertising and promotion expense. Advertising costs are expensed as incurred.

Fortusis, LLC

Financial Statements

December 31, 2019 and 2018

(With Independent Accountant's Report Thereon)

JOSEPH B GLASS & ASSOCIATES

Certified Public Accountant



Joseph B Glass & Associates
Certified Public Accountant
190 South 200 East
Blanding, Utah 84511
Tel. 801-414-3325 Fax. 801-304-0475
e-mail address: joebglasscpa@msn.com

Independent Auditor's Report

The Members
Fortusis, LLC
West Jordan, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Fortusis, LLC, which comprise the balance sheets as of December 31, 2019 and 2018 and the related statements of net income, comprehensive income and members' equity, and cash-flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fortusis, LLC. as of December 31, 2019, and 2018, 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,

A handwritten signature in cursive script that reads "Joseph B Glass & Associates". The signature is written in black ink and is positioned above the printed name of the firm.

Joseph B Glass & Associates

Blanding, Utah

April 27, 2020

FORTUSIS, LLC
Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2,018</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 10,335	12,406
Trade notes and accounts receivable (net of allowance for doubtful accounts of \$274,398 at December 31, 2019 and 2018)	59,521	189,057
Prepaid expenses	476	3,815
Total current assets	<u>70,332</u>	<u>205,278</u>
Property and equipment:		
Furniture and equipment	8,927	8,927
Vehicles	20,678	37,678
	<u>29,605</u>	<u>46,605</u>
Less accumulated depreciation	8,830	15,320
	<u>20,775</u>	<u>31,285</u>
Notes receivable long-term	115,942	159,461
Advances to partners and affiliates	-	83,837
Franchise rights	295,231	505,000
Goodwill and other intangible assets (net of accumulated amortization of \$88,875 and \$49,375 at December 31, 2019 and 2018 respectively)	306,125	345,625
Deposits	-	7,630
	<u>\$ 808,405</u>	<u>1,338,116</u>
<u>Liabilities and Members' Equity</u>		
Current liabilities		
Current portion of long-term debt	\$ 24,784	235,547
Accounts payable and accrued expenses	32,769	16,589
Total current liabilities	<u>57,553</u>	<u>252,136</u>
Long-term debt (excluding current portion)	335,687	609,231
Members' equity	415,165	476,749
Commitments and contingencies	-	-
	<u>\$ 808,405</u>	<u>1,338,116</u>

See accompanying notes to financial statements.

FORTUSIS, LLC
Statements of Net Income, Comprehensive Income and Members' Equity
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue:		
Franchsie service fees	\$ 768,818	993,819
Franchise sales	326,140	118,875
Less impairment of franchsie rights	<u>(209,769)</u>	<u>-</u>
	885,189	1,112,694
Less general and administrative expenses	679,380	673,526
Net income from operations	<u>205,809</u>	<u>439,168</u>
Other income (expense):		
Interest expense	(38,588)	(87,197)
Interest income	4,011	15,033
Other	<u>43,671</u>	<u>3,709</u>
Net income	214,903	370,713
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 214,903</u>	<u>370,713</u>
Members' deficit beginning of period	476,749	158,169
Distributions to members	(276,487)	(52,133)
Members' equity end of period	<u><u>\$ 415,165</u></u>	<u><u>476,749</u></u>

See accompanying notes to financial statements.

FORTUSIS, LLC
Statements of Cash Flows
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Net income	\$ 214,903	370,713
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of franchise rights	209,769	-
Proceeds from sale of assets net of the gain	3,099	-
Depreciation and amortization	46,911	45,963
Net change in current assets and liabilities:		
Accounts and notes receivable	129,536	28,323
Prepaid expenses	3,339	-
Accounts payable and accrued expenses	16,180	(1,316)
Net cash provided by operating activities	<u>623,737</u>	<u>443,683</u>
Cash flows from investing activities:		
Repayment of advances (advances) to partners and affiliates	83,837	(56,146)
Purchase of property and equipment	-	(24,605)
Repayments of notes receivable	43,519	-
Reduction in deposits	7,630	-
Net cash used by investing activities	<u>134,986</u>	<u>(80,751)</u>
Cash flows from financing activities:		
Acquisition of SBA loan	350,000	-
Repayment of long-term debt	(834,307)	(311,945)
Distributions to members	(276,487)	(52,133)
Net cash used by financing activities	<u>(760,794)</u>	<u>(364,078)</u>
Net increase in cash	<u>(2,071)</u>	<u>(1,146)</u>
Cash at beginning of period	12,406	13,552
Cash at end of period	<u>\$ 10,335</u>	<u>12,406</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ 38,588</u>	<u>87,197</u>
Income taxes	<u>\$ -</u>	<u>-</u>

See accompanying notes to financial statements.

Fortusis, LLC
Notes to Financial Statements
December 31, 2019 and 2018

(1) Organization, Line of Business, and Summary of Significant Accounting Policies

(a) Organization and Line of Business

Fortusis, LLC (Company) is a Utah Limited Liability Company. The Company is a franchisor of "Kwik Kopy" and related business centers in the United States of America.

(b) Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by the Company. Members are taxed individually on their share of the Company's earnings. The Company's net income (loss) is allocated among the members in accordance with their ownership. Income tax returns filed for the years ended December 31, 2017 through 2019 are subject to examination by the Internal Revenue Service in the United States of America.

(c) Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(d) Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

(e) Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets.

(f) Trade Accounts Receivable

Trade accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Uncollectible loans and accounts receivable are charged off after all reasonable collection efforts have been utilized. Accounts receivable are deemed to be past due when payments are more than 30 days late.

(g) Reclassification of 2018 amounts

Certain of the 2018 amounts have been reclassified to be consistent with the 2019 presentation.

Fortusis, LLC
Notes to Financial Statements
December 31, 2019 and 2018

(1) Organization, Line of Business, and Summary of Significant Accounting Policies (continued)

(h) Comprehensive Income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. There was no difference between the net income for the years ended December 31, 2019 and 2018 and comprehensive income for the same period.

(i) Revenue Recognition

The Company recognizes revenues from franchise service fees. Franchise service fees are recognized after all significant obligations related to the franchise service fee has been satisfied.

(2) Kwik Kopy Business Acquisition

On October 1, 2017 the Company entered into an agreement with the International Center for Entrepreneurial Development, Inc. and certain of its subsidiaries (Seller) to acquire the franchise rights to certain Kwik Kopy and related business centers located in the United States of America which the Company will service as franchisor.

Under terms of the agreement the Seller agreed to transfer accounts and notes receivable, furniture and equipment, franchise rights, trademarks, and other related assets to the Company in exchange for total consideration of \$1,205,000. To satisfy the purchase obligation the Company remitted to the Seller \$15,800 in cash and signed a note payable to the Seller totaling \$1,189,200.

The total consideration of \$1,205,000 was allocated to assets acquired as follows:

Accounts and notes receivable	\$ 300,000
Franchise rights	505,000
Equipment and furniture	5,000
Goodwill and covenant not	
To compete	<u>395,000</u>
	<u>\$ 1,205,000</u>

In accordance with professional standards available to private companies the Company has elected to combine the goodwill and the covenant not to compete costs into one amount and amortize these amounts over a period of ten years on a straight-line basis.

(continued)

Fortusis, LLC
Notes to Financial Statements
December 31, 2019 and 2018

(2) Kwik Kopy Business Acquisition (continued)

Management of the Company evaluates the Franchise Rights and Goodwill and other intangible assets for impairment in value whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amounts of the assets to the future net undiscounted cash flows expected to be generated by those assets including collections of franchisee fees. Management determined that impairment in these assets of \$209,769 existed at December 31, 2019 and accordingly reduced the amount franchise rights by that amount at that date. No impairment of franchise rights was determined to exist at December 31, 2018.

(3) Franchise Revenue

During the years ended December 31, 2019 and 2018 the Company recorded net revenue of \$768,818 and \$993,819 respectively from franchise service fees.

During the years ended December 31, 2019 and 2018 the Company recorded \$326,140 and \$118,875 in revenue from franchise buyouts by franchisees.

As of December 31, 2018, the Company had approximately 45 individual franchise outlets in operation.

(4) Leases

During 2019 the Company entered into a lease for certain office space under a noncancelable operating lease from a non-related party which commenced in 2019. The rental agreement for office space existing at the time the new lease was signed was renegotiated and cancelled. Rent expense in 2019 and 2018 totaled \$77,184 and \$34,928 respectively.

Future minimum lease payments under this lease are as follows:

Year ended December 31:

2021	\$ 19,500
2022	19,500
2023	19,500
2024	<u>19,500</u>
	\$ <u>78,000</u>

Fortusis, LLC
Notes to Financial Statements
December 31, 2019 and 2018

(5) Long-term debt

Long-term debt consists of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Term loan secured by substantially all tangible and intangible assets of the Company with interest at a 8% per annum due in monthly installments of \$24,113 (principal and interest) through October 15, 2022.	\$ -	828,448
Term loan secured by substantially all tangible and intangible assets of the Company with interest at a 6.6% per annum due in monthly installments of \$3,992 (principal and interest) through November 1, 2024.	347,933	-
Term loan secured by vehicle With interest at 4.49% per annum Due in monthly installments of \$373 (principal and interest) through through December 2022	\$ <u>12,538</u>	<u>16,330</u>
	360,471	1,156,723
Less current portion	(24,784)	(204,195)
	<u>\$ 335,687</u>	<u>952,528</u>

The 6.6% term loan's interest rate is fixed through November 1, 2024 at which time the interest rate will be adjusted quarterly to prime plus 1.6% per annum. This note is guaranteed by the principals of the Company.

The future maturities of debt under the above obligation due subsequent to December 31, 2019 are as follows:

2020	\$ 24,784
2021	26,693
2022	28,705
2023	26,406
2024	28,598
Thereafter	<u>225,285</u>
	\$ <u>360,471</u>

Fortusis, LLC
Notes to Financial Statements
December 31, 2019 and 2018

(6) Related Party Transactions

At December 31, 2019 and 2018 the Company had advanced a total of \$1,511 and \$86,458 respectively to the managing partner and an affiliated Company. These amount are due with interest at 8% per annum and are to be repaid in monthly installment of \$1,813 (principal and interest) starting in June of 2019.

(7) Concentrations of Credit

The Company's customers consist primarily of individuals living in the United States of America.

(8) Subsequent events

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statements through April 27, 2020, the date that the financial statements were issued.

(9) Advertising

During the years ended December 31, 2019 and 2018, the Company incurred a total of \$130,094 and \$120,424 respectively as advertising and promotion expense. Advertising costs are expensed as incurred.

Fortusis, LLC

Balance Sheet
As of April 19, 2022

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Checking ***1646 (XXXXXXXXXXXX 1646)	2,150.88
Share Savings ***1646 (XXXXXXXXXXXX 1646)	2.96
US Bank	32,102.53
Total Bank Accounts	\$34,256.37
Accounts Receivable	
Accounts Receivable	252,173.04
Total Accounts Receivable	\$252,173.04
Other Current Assets	
Allowance for Bad Debts	-154,433.00
Loans to Others	0.00
Chris & Nora Wagner	6,812.44
Chris O'Hern & Scott Laden	6,131.12
Danny Oblad - Business	0.00
Danny Oblad - Cash	0.00
Danny Oblad - Personal	0.00
Dave & Tuyet Huynh	-581.82
Gordon & Jerolyn Fitzgerald	35,813.79
Greg Irwin	27,634.07
Judgement - Hawes & Freeman	8,501.40
Judgement - Manish Patel	103,293.80
Kwesi Gyimah	2,845.58
Loans to Franklin's 128	80,000.00
Loans to MWAN Texas	86,595.79
Paul Nardi	14,236.78
Terry & Connie Saint	-1,002.33
Tom & Ece Uran Gimer	30,358.47
Total Loans to Others	400,639.09
Payroll Corrections	0.00
Payroll Refunds	0.00
Prepaid Expenses	0.00
Purchased Receivables	0.00
Undeposited Funds	0.00
Total Other Current Assets	\$246,206.09
Total Current Assets	\$532,635.50
Fixed Assets	
Accumulated Depreciation	-19,652.13
Equipment & Furniture	3,926.32
Purchased Equipment & Furniture	5,000.00
Total Equipment & Furniture	8,926.32
Intangible Purchased Assets	61,000.00

Fortusis, LLC

Balance Sheet
As of April 19, 2022

	TOTAL
Accumulated Amortization	-171,264.00
Covenant Not to Compete	195,000.00
Franchise Rights	295,230.79
General Intangibles/Programs	200,000.00
Total Intangible Purchased Assets	579,966.79
Vehicles	20,677.73
Vehicles - Kia Optima 2012	0.00
Total Fixed Assets	\$589,918.71
Other Assets	
Security Deposit	0.00
Total Other Assets	\$0.00
TOTAL ASSETS	\$1,122,554.21
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	4,747.00
Total Accounts Payable	\$4,747.00
Credit Cards	
AmEx Fortusis	10,087.88
US Bank Cash Flow Manager	0.00
Total Credit Cards	\$10,087.88
Other Current Liabilities	
Accrued interest	1,703.18
Direct Deposit Payable	-1,575.00
Payroll Liabilities	14,247.00
Federal Taxes (941/944)	3,826.52
Federal Unemployment (940)	284.89
Simple IRA 3%	4,153.76
TX Unemployment Tax	149.11
UT Income Tax	4,743.48
UT Unemployment Tax	629.52
Total Payroll Liabilities	28,034.28
Total Other Current Liabilities	\$28,162.46
Total Current Liabilities	\$42,997.34
Long-Term Liabilities	
Deferred Franchise Fees	49,209.00
ICED Note Payable	0.00
N/P - Chrysler Town & Country	0.00
N/P - Ford F-150	3,291.93
N/P - Kia Optima 2012	0.00
SBA Loan (USBank)	283,578.17

Fortusis, LLC

Balance Sheet

As of April 19, 2022

	TOTAL
SBA Loans Covid	159,123.00
Total Long-Term Liabilities	\$495,202.10
Total Liabilities	\$538,199.44
Equity	
Owner's Equity	259.95
Curtis Cheney	-99,630.90
Building	-19,814.83
Total Curtis Cheney	-119,445.73
Daniel Oblad	-2,270.91
Total Owner's Equity	-121,456.69
Retained Earnings	781,709.72
Net Income	-75,898.26
Total Equity	\$584,354.77
TOTAL LIABILITIES AND EQUITY	\$1,122,554.21

Fortusis, LLC

Profit and Loss

January 1 - April 19, 2022

	TOTAL
Income	
Franchise Service Fees	135,342.66
Rebate	-8,836.70
Total Income	\$126,505.96
Cost of Goods Sold	
Subcontractors - COS	282.99
Total Cost of Goods Sold	\$282.99
GROSS PROFIT	\$126,222.97
Expenses	
Advertising/Marketing	687.42
Marketing	537.24
New Website	1,309.94
Social Media	5,880.00
Web Site	15,451.63
Total Advertising/Marketing	23,866.23
Auto	
Gas	221.65
Total Auto	221.65
Bad Debts	136.68
Bank Charges	270.00
Conference	3,618.10
Dues & Subscriptions	2,621.87
Insurance	2,450.38
Life Insurance - Curtis	271.68
Life Insurance - Danny	564.36
Total Insurance	3,286.42
Interest Expense	4,804.88
Legal & Professional Fees	16,784.22
Accounting Fees	1,413.07
Legal Fees	5,134.46
Total Legal & Professional Fees	23,331.75
Office Expenses	2,362.68
Other General and Admin Expenses	76.56
Payroll Expenses	
Company Contributions	
Retirement	4,846.00
Total Company Contributions	4,846.00
Taxes	8,490.65
Wages	51,519.19
Arnold, Nancy	6,346.17
Cheney, Curtis	15,384.64
Groot, Jay	30,769.20

Fortusis, LLC

Profit and Loss

January 1 - April 19, 2022

	TOTAL
Total Wages	104,019.20
Total Payroll Expenses	117,355.85
Reimbursements	2,009.95
Rent or Lease	4,875.00
Repair & Maintenance	95.59
Shipping and delivery expense	89.97
Travel	234.94
Airline Travel	1,290.80
Hotels	1,000.51
Travel Meals	631.88
Total Travel	3,158.13
Utilities	
Phone	5,923.66
SLC Building	4,575.00
Total Utilities	10,498.66
Total Expenses	\$202,679.97
NET OPERATING INCOME	\$ -76,457.00
Other Income	
Interest Earned	558.74
Total Other Income	\$558.74
NET OTHER INCOME	\$558.74
NET INCOME	\$ -75,898.26

EXHIBIT F

STATE SPECIFIC ADDENDA AND STATE REQUIRED

CALIFORNIA
ILLINOIS
VIRGINIA

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FORTUSIS**

CALIFORNIA

It is unlawful to sell any franchise in California that is subject to registration under this law without first providing to the prospective franchisee, at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the franchise disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

1. 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.
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur at Harris County, Texas with the costs being borne by you for travel to, and lodging in, Harris County, Texas, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws of Texas, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.

11. OUR WEBSITE at WWW.FORTUSIS.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATIAON. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. Item 6 under Late Fees is amended to include the following: “The highest interest rate allowed in California is 10% annually.”

**ADDENDUM TO THE FRANCHISE AGREEMENT
FORTUSIS, LLC**

CALIFORNIA

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur at Harris County, Texas with the costs being borne by you for travel to, and lodging in, Harris County, Texas, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. The franchise agreement requires application of the laws of Texas, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.
10. Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FORTUSIS**

ILLINOIS

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of the ____ day of _____, 20__.

FRANCHISEE:

FRANCHISOR:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
FORTUSIS, LLC**

ILLINOIS

Illinois Law governs the franchise agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of _____.

FRANCHISEE:

FRANCHISOR:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FORTUSIS**

VIRGINIA

By statute under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision contained in the franchise. Accordingly, the Division requests that the franchisor add a Virginia Addendum to the FDD containing the following statements:

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Fortusis, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement and area developer 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.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement and area developer agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

**ADDENDUM TO THE FRANCHISE AGREEMENT
FORTUSIS, LLC**

VIRGINIA

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.

EXHIBIT G
FLEX-FINANCING ADDENDUM

FLEX-FINANCING
ADDENDUM TO FRANCHISE AGREEMENT
PAYMENT OF INITIAL FRANCHISE FEES

This Addendum is entered into between Fortusis, LLC ("Franchisor") and _____ ("Franchisee") contemporaneous with the execution of a Franchise Agreement for the Brand Franchise Printing Center No. _____ ("Franchise Agreement"). The purpose of this Addendum is to provide for the payment of \$20,000 of the remaining initial franchise fees which are owed by Franchisee to Franchisor, and this Addendum shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

Franchisor and Franchisee agree:

1. Franchisee will pay the \$20,000 in monthly payments to the Franchisor. The monthly payments shall be equal to 2% of the Gross Sales of the Franchisee's Brand Franchise. "Gross Sales" is defined in Section 5.03 of the Franchise Agreement. Payments shall begin upon the completion of Franchisee's first calendar month or partial calendar month in operation and shall continue monthly until the \$20,000 is fully paid. Payments are due on the fifth (5th) day of the following month.

2. Franchisee's monthly payment to be applied against this amount shall be due and payable in U.S. funds on the fifth (5th) day of the following month. These payments in the amount as determined in Paragraph 1 above are to be made by electronic fund transfer directly to Fortusis designated bank account. Actual procedures for payments under this Flex-Financing Addendum may be further detailed in the Fortusis training and manuals.

3. In the event Franchisee fails to make any monthly payment or payments by the time provided for above, Franchisor, at its discretion, may charge the lesser of 10% interest or the maximum rate of interest then permitted by law on all unpaid and past due amounts. Furthermore, the entire unpaid balance under this Flex-Financing Addendum shall, at Franchisor's option, be immediately due and payable. Failure to make monthly payments timely shall also be considered default by Franchisee under the Franchise Agreement, and entitlement to collect interest shall be in addition to any and all other remedies Franchisor may have for nonpayment and default under the Franchise Agreement.

4. Payment of the \$20,000 as described above is separate and distinct from payment of the Franchise Service Fee provided for in Section 5 of the Franchise Agreement.

5. Notwithstanding the payment provisions described above, the entire initial franchise fees, including the remaining balance, are deemed fully earned upon any default or breach of the Franchise Agreement or this Addendum and are not refundable. Furthermore, and notwithstanding the payment terms provided for above, in the event the Franchise Agreement is transferred or terminated, any remaining balances of the initial franchise fees shall become immediately due and payable.

6. The dispute resolution provisions of the Franchise Agreement shall govern this Addendum.

7. This Addendum may be signed in counterparts, including by means of electronic signature or other electronic means.

Executed as of _____.

FRANCHISEE: _____ **FORTUSIS, LLC**

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Signature Page Addendum to the Franchise Agreement – Payment of Initial Franchise Fees]

EXHIBIT H
NEW CENTER PURCHASE AFFIDAVIT

NEW CENTER PURCHASE AFFIDAVIT

My name is _____. I am over the age of eighteen (18) years and reside at _____. I am fully competent to make this Affidavit. I have personal knowledge of the following facts and they are all true and correct.

1. I have executed a Franchise Agreement (“Franchise Agreement”) and other ancillary documents and understand the Franchise Agreement is being considered by Fortusis, LLC, a Utah limited liability company (hereinafter referred to as “Fortusis”), for execution and acceptance.

2. I have received no representations, promises or commitments relative to the franchise granted in the Franchise Agreement, which are not expressly contained in the Franchise Agreement, ancillary documents or in the Franchise Disclosure Document accompanying the Franchise Agreement. No claims of success or failure have been made to me prior to signing the Franchise Agreement, and I understand all of the terms and conditions of the Franchise Agreement and ancillary documents. I have read and understand the section in the Franchise Agreement regarding the Franchise Service Fee. I understand that the Franchise Agreement contains all agreements, representations and arrangements between Fortusis and myself. Any rights which Fortusis and I may have under any other previous contracts or agreements (oral or written) relating to this franchise are hereby canceled and terminated. I understand that no representations or warranties are made or implied concerning any matter including, but not limited to, financing, exclusivity, training or support, except as stated within the Franchise Agreement, ancillary documents or the Franchise Disclosure Document. I further understand that the Franchise Agreement cannot be changed or terminated orally. I agree that if I am relying upon representations, promises or agreements, other than those set forth within the Franchise Agreement or ancillary documents, I will disclose that information, specifically and in detail, to Fortusis and in no event later than closing.

3. I have not received from Fortusis, its employee, agent, representative or franchise consultant, and upon execution of said Franchise Agreement was not relying upon, any financial statements, profit and loss statements, pro formas or otherwise provided by Fortusis or its employee, agent, representative or franchise consultant, relative to past, projected, estimated or anticipated earnings, sales or otherwise, of any Fortusis franchise, except as may be set forth in the Franchise Disclosure Document. I understand that, except as may be set forth in the Franchise Disclosure Document, no representations or statements of actual, or averaged, or projected, or forecasted sales, profits or earnings are made to franchisees with respect to the Brand Franchise. Neither Fortusis sales personnel, its employees or officers nor franchise consultants are authorized to make any claims or statements as to the earning, sales, or profits or prospects or chances of success that any franchisee can expect or that present or past franchisees have had. Fortusis specifically instructs its sales personnel, agents, employees, officers and franchise consultants that they are not permitted to make such claims or statements as to the earning, sales, or profits or prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to given Brand Franchise operations. Fortusis recommends that applicants for franchises make their own investigation and determine whether or not the franchises are profitable. Fortusis will not be bound by allegations of any unauthorized representations as to earning or profits or prospects or chances of success. Fortusis recommends that each applicant for a franchise should consult with and be represented by legal counsel of their choosing.

4. I acknowledge and understand that no rights to any territory, principal business area or locations whatsoever are granted to me or any other person or entity designated as Franchisee in my Franchise Agreement except as set forth in the Franchise Disclosure Document, Franchise Agreement, or Certificate of Corporate Policy.

5. I acknowledge and understand that I will be receiving certain materials and information during the course of my initial training and throughout the entire term of my franchise relationship with Fortusis that are confidential and proprietary and constitute trade secrets belonging to Fortusis. These trade secrets include, but are not limited to, all manuals, software, customer lists, handouts, workbooks, binders, portfolios, or other written materials that refer to, relate to, or involve any technical, operations, marketing, administration, or other information given to me by any representative of Fortusis; as well as any oral information given to me by any representative of Fortusis that refers to, relates to, or involves technical procedures, operations, marketing, administration, or other know-how. I further acknowledge and understand that these trade secrets are the property of Fortusis, and that Fortusis has taken and will undertake any and all reasonable means to protect these trade secrets. I agree that I will not, directly or indirectly, disseminate these trade secrets to anyone for any reason other than for the operation of a Brand Franchise under the express written authorization of Fortusis as provided in the Franchise Agreement. This covenant is in addition to and not meant to supersede or replace the covenants regarding confidential information in the Franchise Agreement.

6. I have received a Franchise Disclosure Document and a copy of the Franchise Agreement at the earlier of (a) the first personal meeting; or (b) fourteen (14) calendar days before the signing of any franchise or related agreement; or (c) fourteen (14) calendar days before any payments.

7. I have received and reviewed the actual Franchise Agreement and ancillary documents, fully completed and containing all terms and conditions, at least seven (7) calendar days prior to my signing of the Franchise Agreement.

8. I have reviewed all of the materials referred to in paragraphs 6 and 7 above and found them complete and that the Fortusis Franchise Disclosure Document contained all Exhibits thereto.

9. I acknowledge that Fortusis recommended that I have my legal and/or financial advisor assist me in reviewing the above materials.

Executed as of _____.

By: _____

Name: _____

[Signature Page for the New Center Purchase Affidavit]

EXHIBIT I

OPTION FOR ASSIGNMENT OF LEASE

**Option for Assignment of Lease
Exercisable By
Fortusis, LLC**

Site Location
Lease Assignment

Brand Printing Center No. _____

Street Address: _____
City, County, State: _____ ZIP: _____

Lessee: _____
Street Address: _____
City, County, State: _____ ZIP: _____

Lessor: _____
Lessor Address: _____
City, County, State: _____ ZIP: _____

Store Space: _____ (Square Feet)

Lease Agreement Date: _____

Date of Franchise Agreement: _____

WHEREAS, LESSEE (identified above) has or intends to enter into a Lease Agreement, as LESSEE, with the (identified above) LESSOR for the store space located at the site location (identified above) in conjunction with the opening or continuation of a printing center franchised by Fortusis ("Brand Franchise");

WHEREAS, Fortusis, LLC ("Fortusis") and LESSEE desire and intend that LESSEE, shall use the site location solely and exclusively for the operation of a Brand Franchise and that, in connection therewith, the LESSEE is agreeable to grant the following Option for the Assignment of Lease to Fortusis; and

WHEREAS, LESSOR consents to the following Option for the Assignment of Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1.

LESSEE does hereby grant to Fortusis an Option to acquire LESSEE's interest in and to said Lease Agreement and the store space leased hereunder ("Option").

2.

All parties agree that Fortusis shall have the right to exercise at its sole discretion, said Option to acquire LESSEE's interest in the said Lease Agreement in the event of any of the following:

- a. Failure of the LESSEE to timely make monthly rental payments on the store space to the LESSOR, when due;

- b. Failure of the LESSEE to comply with the terms and conditions of said Lease Agreement for said store space;
- c. Failure of the LESSEE, as a franchisee, to comply with the terms and conditions of the Franchise Agreement between LESSEE and Fortusis; or
- d. Termination of the Franchise Agreement by LESSEE or Fortusis.

3.

Fortusis, LESSOR, and LESSEE hereby agree that Fortusis shall have the independent right to exercise the Option granted hereunder at any time within ninety (90) days of notice of the occurrence of any of the above events by notifying LESSEE and LESSOR in writing. Upon receipt of notice by the LESSEE and LESSOR, Fortusis shall have the right as between LESSEE and Fortusis, to the store space leased under the Lease Agreement.

4.

LESSEE agrees to take any and all actions necessary under the Lease Agreement to effectuate assignment of the Lease Agreement to Fortusis in the event of Fortusis' exercise of the Option granted herein.

5.

Upon exercise of the Option granted herein, the LESSEE hereby grants, assigns, transfers and sets over to Fortusis all rights, title and interest in and to said Lease Agreement and the store space leased thereunder and hereby abandons any existing leasehold improvements.

6.

LESSOR agrees to the assignment of the Lease Agreement from LESSEE to Fortusis upon receipt of written notice that Fortusis has exercised the Option created hereunder and agrees to take any and all present and/or future action necessary to assist Fortusis, when and as requested, in affecting the assignment of the lease to Fortusis.

7.

LESSEE agrees that an exercise of the option by Fortusis shall not make Fortusis liable for unpaid rent or any other obligations of the LESSEE to the LESSOR in connection with the lease.

8.

In the event of the exercise of the Option hereunder, LESSEE shall remain solely liable to the LESSOR for any unpaid rents or obligations existing to the time of exercise of said Option by Fortusis.

9.

In the event Fortusis exercises the Option for Assignment of Lease, Fortusis will be bound by the terms and conditions of the Lease Agreement, except as herein provided.

10.

LESSEE, for themselves, their successors, assigns, subsidiaries, divisions, and agents, and each of them, do hereby agree to indemnify and hold harmless Fortusis and its subsidiaries, divisions, successors, assigns, officers, directors, employees and agents, and each of them, against the following:

- a. any and all liabilities, losses, damages, deficiencies, claims, costs, or expenses of any nature resulting, directly or indirectly, from any nonfulfillment of the conditions or breach of the Lease Agreement; and
- b. any and all actions, suits (third party or otherwise), proceedings, investigations, demands, assessments, judgments, costs and expenses incident to the foregoing, including, but not limited to, reasonable legal and accounting fees.

11.

This Assignment is directed to a specific Lease Agreement set forth herein but the LESSEE, LESSOR and Fortusis agree that the Option is applicable to any extensions, renewals, or other options of LESSEE with respect to said Lease Agreement and the site location, as well as being applicable to any subsequent Lease Agreements with respect to herein identified site location. LESSEE and LESSOR acknowledge and agree that the option is applicable to any subsequent Lease Agreement with respect to any other site location utilized by LESSEE for the franchise for the full term of the Franchise Agreement between the LESSEE and Fortusis.

12.

This Agreement shall be binding upon the respective heirs, executors, successors, assigns and legal representatives of the parties hereto.

13.

This Agreement shall be interpreted and governed under the laws of the State of Texas.

14.

Failure of Fortusis to enforce any of the provisions of this Agreement shall not constitute a waiver of rights or a waiver of any subsequent enforcement of the provisions of this Agreement.

15.

If any provisions of this Agreement, or any part thereof, is declared invalid by any court of competent jurisdiction, such act shall not affect the validity of this Agreement, and the remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or parts of provisions hereof. This Agreement may be signed in counterparts, including by means of electronic signature or other electronic means.

This Agreement is executed and shall be effective as of _____.

LESSEE: _____ LESSOR: _____

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

FORTUSIS, LLC

By: _____

Name: _____

Title: _____

EXHIBIT J

CERTIFICATE OF CORPORATE POLICY FOR FRANCHISE SITE LOCATION

***Certificate of Corporate Policy
for Franchise Site Location***

THIS Certificate of Corporate Policy for Franchise Site Location Addendum (“Addendum”) is entered into as of _____, by and between Fortusis, LLC (Fortusis) and _____ (“Franchisee”) for amendment of the Franchise Agreement for the Brand Franchise Printing Center No. _____ and shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

WHEREAS, _____ has been granted the right to operate a Brand Franchise at _____ in the City of _____, State of _____ in a principal business area designated as ZIP code _____ (“principal business area”);

WHEREAS, Fortusis is aware that every franchisee should have the opportunity to build sales volume and a market in a principal business area for a period of time; and

WHEREAS, Fortusis believes that sales volume and a market are principally determined with respect to a principal business area for the center.

WHEREAS, all capitalized terms not otherwise defined in this Addendum shall have the same meaning as in the Agreement.

NOW, THEREFORE Fortusis hereby certifies that the following is a true and correct copy of corporate policy which has been duly adopted by Fortusis.

1. Fortusis, as a matter of corporate policy, assigns to each of its franchisees a principal business area, comprised of partial, whole or multiple postal ZIP codes, as determined from current United States Postal Service data.

2. Whenever a new Brand Franchise is located in a principal business area, Fortusis, as a matter of corporate policy, will not franchise another Brand Franchise in that principal business area for a period of at least five (5) years from the date the new Brand Franchise first opens for business. However, although not anticipated, Fortusis reserves the right to develop company-owned or franchise centers in the area under different trademarks offering different or similar products or services at any time that may compete with an established Brand Franchise.

3. After those five (5) years, if Fortusis determines that there should be more than one center in an assigned principal business area, then franchisees in the business area who qualify will have the first opportunity to acquire the additional center in an order determined by the seniority of establishment. Qualification requires that the franchisees be current and in good standing in all obligations to under their respective Franchise Agreements, and that in Fortusis’ reasonable judgment, the franchisees demonstrate the financial ability to establish an additional center.

4. If Fortusis determines that an additional Brand Franchise can be opened in a previously assigned principal business area, then Fortusis will give notice in writing to the existing franchisees in the assigned principal business area who qualify to develop a Brand Franchise in that business area. The existing franchisees shall have an option based on seniority to acquire and open the Brand Franchise and will have sixty (60) days in which to accept the offer. If no franchisee accepts the offer within the sixty (60) day period allotted, Fortusis may accept an offer from a third party for the Brand Franchise. If within one

hundred eighty (180) days from a franchisee's written notice of acceptance in acquiring an additional Brand Franchise in the assigned principal business area, the franchisee has not opened the additional Brand Franchise, Fortusis may accept an offer from a third party for the Brand Franchise and any deposits previously paid by the franchisee will be refunded.

5. It is the intent of Fortusis in establishing this policy to balance the rights of the parties in the development of business within a defined business area. This policy does not in any manner inhibit or restrain any franchisee from the right to do business from its established center with any person in any territorial area.

IN WITNESS WHEREOF, I execute this certificate as of _____.

FRANCHISEE: _____ FORTUSIS, LLC

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

EXHIBIT K
COMPLIANCE FORM

COMPLIANCE FORM

Fortusis, LLC (“Franchisor”) and you are preparing to enter into an agreement for the establishment and operation of a franchised business. The purpose of this questionnaire is to determine whether any statements or promises were made to you that Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I had my first phone meeting or face-to-face meeting to discuss purchasing a franchise with an employee or other person speaking on behalf of the Franchisor on _____. The name of this person is _____. For purposes of this question, employee or other person does not include any franchisee that might be selling the franchise (if applicable), business broker, accountant or other person not authorized to speak on Franchisor’s behalf.
2. Have you received and personally reviewed the Franchisor’s Franchise Disclosure Document that was provided to you?
Yes _____ No _____
3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
Yes _____ No _____
4. Has any person speaking on behalf of the Franchisor made any statement or promise concerning the revenues, profits or operating costs of a franchised business that is contrary to the information contained in the Franchise Disclosure Document?
Yes _____ No _____
5. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a franchised business?
Yes _____ No _____
6. Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from the information contained in the Franchise Disclosure Document?
Yes _____ No _____
7. Do you understand that the success or failure of your franchised business will depend in large part upon your skills and abilities, outside sales efforts, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?
Yes _____ No _____

8. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

9. Have you discussed the benefits and risks of establishing and operating a franchised business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If no, do you wish to have more time to do so?

Yes _____ No _____

10. Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the Franchise Service Fee to be paid to Franchisor that is contrary to, or different from the information contained in the Franchise Disclosure Document?

Yes _____ No _____

Please understand that your responses to these questions are important to us and that we will rely on them.

By signing this questionnaire, you are representing that you have responded truthfully to the above questions.

FRANCHISE APPLICANT

(Printed Name)

Date: _____



EXHIBIT L
ELECTRONIC FUNDS TRANSFER FORM



FORTUSIS

BANK TRANSFER INFORMATION

Electronic Funds Transfer (EFT)

CENTER NO.: _____

MARK ONE:	☐ Franklin's Printing	☐ Kwik Kopy Printing	☐ KKBC
-----------	--	---	----------------------------------

If multiple brands, please complete a form for each company

NAME(S): _____

EFT to be used for	1 st	5 th	10 th	15 th	\$ Amount	Start Date
☐ Franchise Service Fee		☐	☐	☐	\$ Variable	
☐ Note payment	☐	☐	☐	☐	\$	
☐ Flex-Financing		☐	☐	☐	\$ Variable	
☐ Trade Invoices *	☐	☐	☐	☐	\$ Variable	
☐ Other (please describe)	☐	☐	☐	☐	\$	
Describe other purpose: _____						

BANK NAME

BANK ADDRESS

BANK PHONE () _____ BANK FAX () _____

BANK CONTACT(S) (Someone familiar with your account)

BANK ACCOUNT NUMBER EFT WILL BE DRAWN ON _____

BANK ROUTING NUMBER _____

☐ Voided check attached for reference (write "void" across body of check; do not obscure numbers)

SIGNATURE(S) AS ON FILE WITH BANK _____

DATE _____

* By checking this box, you are agreeing that Fortusis, LLC, may draft from the above account any invoice that remains unpaid for 30 days from the date the invoice is created.

EFT 320

EXHIBIT M
PREPAYMENT AGREEMENT

PREPAYMENT AGREEMENT

This contract entered into as of _____, by and between FORTUSIS, LLC (“FORTUSIS”), a Utah limited liability company with its principal place of business at 4256 West 8370 South, West Jordan, Utah 84088 and _____ (“you”).

IT IS HEREBY AGREED AS FOLLOWS:

1. You have deposited the sum of _____, receipt of which is acknowledged by FORTUSIS, as prepayment of Initial Equipment Package and freight charges for delivery of equipment package for new center.
2. FORTUSIS and you agree that should the Initial Equipment Package and freight charges be less than the sum deposited herewith, the remainder of the sum deposited shall be returned by FORTUSIS to you, without interest.
3. FORTUSIS and you agree that should the Initial Equipment Package and freight charges exceed the sum deposited herewith, the balance due for Initial Equipment Package and freight charges as provided herein, shall be invoiced to you for payment within ten (10) days.

IN WITNESS WHEREOF, on the date above noted.

FRANCHISEE:

FORTUSIS, LLC

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT N
TRANSFER ADDENDUM

ADDENDUM TO FRANCHISE AGREEMENT
(For Transfer of an Existing Brand Franchise)

This Addendum is entered into between Fortusis, LLC (“Fortusis”) and _____ (“you” or “your”) for amendment of the Franchise Agreement for **the Brand Franchise Printing Center No. _____** of even date herewith (“Franchise Agreement”). The purpose of this Addendum is to add certain terms and amend certain terms of the Franchise Agreement, and this Addendum shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

Fortusis and you acknowledge and agree:

1. That you will not receive the following services normally offered to new Brand Franchise owners:
 - A. Services listed in **Section B.1.06a, B.2.06, B.2.07, B.2.08, and B.2.09** of the Franchise Agreement; and
 - B. Other special services offered by Fortusis from time to time.
2. In the event of any conflict between this Addendum and the Franchise Agreement, this Addendum shall control.
3. All definitions set forth in the Franchise Agreement are applicable in this Addendum. No other amendments of the Franchise Agreement are intended.

AGREED TO and EXECUTED as of _____.

TRANSFeree FRANCHISEE:

FORTUSIS, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT O
SPOUSAL RESTRICTION

SPOUSAL RESTRICTION AGREEMENT

This Restriction Agreement is made and effective as of _____, by and between Fortusis, LLC, a Utah limited liability company ("Fortusis") and _____ ("Spouse").

A. Acknowledgment of Facts

Spouse acknowledges that:

1. Spouse is the spouse of _____ ("Franchisee") who intends to purchase a Brand Franchise for the operation of the Brand Printing Center No. ____ ("Franchise").
2. Spouse will not actively participate in the operation of the Franchise and has requested that [he/she] not be required to execute the Franchise Agreement of even date herewith ("Franchise Agreement") and certain other ancillary contracts as is usually required by Fortusis. In reliance on Spouse's representations and covenants contained in this Agreement, Fortusis agrees that Spouse may be omitted as a party to the Franchise Agreement and other ancillary contracts under the terms and conditions of this Agreement.

B. Consideration, Terms and Conditions of This Agreement

For valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Spouse shall not have any ownership in an entity formed by Franchisee during the term of the Franchise Agreement for the purpose of operating the Franchise. In the event Spouse involuntarily receives any ownership in the franchisee entity, or in any entity with ownership in the franchisee entity, whether by inheritance, operation of law, or otherwise, Spouse, by [his/her] signature below, shall automatically guaranty all performance and obligations of any such entity and Franchisee under the Franchise Agreement and any other notes or agreements with Fortusis whatsoever and on a continuing basis, without notice or any necessity that Fortusis obtain any further consent or executed documents from Spouse.
2. Spouse agrees that Fortusis would be irreparably damaged in the event that Spouse should operate a competing business in the "trade area" served by the franchise during the term or for a period of time after termination or expiration of the Franchise Agreement for any reason. Spouse agrees that during the term of the Franchise Agreement, or for a period of two (2) years after any termination or expiration of Franchise Agreement, Spouse shall not:
 - a. directly or indirectly by virtue of being an employee, proprietor, a partner, stockholder, agent, through family relationship or by financing or investing in same, be associated with a competing printing, reproduction and related services business offering such service franchised hereunder, within the "trade area" served by the Brand Franchise ("trade area" shall be encompassed within an area defined by a three-mile radius from the business location of the Franchise or any other existing Brand Franchise); and
 - b. disclose or use the information contained in Fortusis manuals for the Brand Franchise system, the know-how or other technical or business information provided to Spouse by Fortusis. Such other "technical or business information" includes, but is not

limited to, customer names, addresses and requirements, confidential information concerning pricing methodology and structures, equipment or product studies and evaluations, and maintenance and systems of operation; and

c. solicit the business of or make contact with the customers of the Franchise for any business purpose.

3. Because of the irreparable injury which will be caused by breach of this provision, Spouse understands and agrees to the issuance of a temporary injunction by a court of proper jurisdiction to protect Fortusis from such breach. In the event Spouse does not comply with aforesaid covenants as of the date they would go into force and under the terms of this Agreement, then the time such covenants begin to run shall commence on the later of either the date at which Spouse does begin to comply therewith, or the date at which a court order compelling Spouse's compliance goes into effect. If any of the above-noted restrictions would be determined, as of the date of enforcement to be unlawful or unreasonable under the law of the state, that is applied in any litigation between the parties, then and in such event, the covenants hereinabove which purport to restrict Spouse's activities are hereby amended to provide that such restrictions shall apply for the maximum time and geographic scope permitted by law of said state.

4. If Spouse should decide at any time in the future to participate in the operation or management of the Franchise, [he/she] shall sign all contracts or other documents required by Fortusis necessary to bind [him/her] to the terms and conditions of the Franchise Agreement prior to any participation.

5. This Agreement shall be deemed to have been made and entered into the State of Texas, and all rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Texas.

6. The parties agree that any disputes under or related to this Agreement, or other obligations between the parties whatsoever which are submitted to a judicial forum shall be exclusively subject to the jurisdiction and venue of the United States District court for the Southern District of Texas, Houston Division, or the state courts of the State of Texas, County of Harris, and agree to submit themselves to the jurisdiction and venue of the courts of Harris County, Texas, and further, waive the right to commence any action against the other except in these courts. The parties acknowledge that this Agreement shall affect matters in interstate commerce and affecting commerce in many different states and, in order to promote consistency of interpretation and obligation to the Franchisor hereunder, the selection of forum and submission to jurisdiction is reasonable and equitable.

7. This Agreement may be executed in counterparts, including by means of electronic signature or other electronic means, and shall be binding upon and inure to the benefit of all parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

8. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions have never been contained therein.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

SPOUSE: _____ FORTUSIS, LLC

By: _____

Name: _____

By: _____

Name: _____

Title: _____

EXHIBIT P

**LIST OF STATE AGENCIES RESPONSIBLE FOR
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

**LIST OF STATE AGENCIES RESPONSIBLE FOR
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California		Department of Financial Protection and Innovation	<u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1350 Front Street, Room 2034, San Diego, CA 92101-3697 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 th Street, Ste. 750, Los Angeles, CA 90013-2344	<u>Sacramento:</u> (916) 445-7205 <u>San Diego:</u> (619) 525-4233 <u>San Francisco:</u> (415) 972-8559 <u>Los Angeles:</u> (213) 576-7500 <u>Toll Free:</u> (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 th Floor, Baltimore Maryland 21202-2020	(410) 576-6360
Michigan	Michigan Attorney General's Office	Consumer Protection Division;	525 West Ottawa Street, Williams	(517) 373-7117

		Attn: Franchise Section	Building, 6 th Floor, Lansing, MI 48933	
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21 st Floor, New York, NY 10005	(212) 416-8236 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5 th Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	P.O. Box 9033, Olympia, WA 98507-9033	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6 th Street, NW, Washington DC 20580	(202) 326-3128

EXHIBIT Q
DEPOSIT AGREEMENT
FORTUSIS, LLC
PROSPECTIVE FRANCHISE DEPOSIT AGREEMENT

This DEPOSIT AGREEMENT (“Deposit Agreement”) is made and entered into on _____, by and between **FORTUSIS, LLC** (“Franchisor,” “We,” “Us” or “Our”) and _____ (“You,” “Your” or “Prospective Franchisee”), individually referred herein as a “Party” and collectively as “Parties.”

RECITALS:

A. The purpose of this Deposit Agreement is for You and Us to obtain additional information and perform due diligence, and for You and Us to agree upon a reserved area in which to find an approved location for the establishment of a/an _____ franchise during the Reservation Period (defined below).

B. You declare that You have fully reviewed Our franchise disclosure document (“FDD”) and have had such FDD for at least 14 days and familiarized Yourself with the essential aspects of owning a/an _____ franchise and desire to enter into this Deposit Agreement as a result of such independent investigation and not as a result of any separate representations by Us, or Our agents, officers or employees, and You further expressly acknowledge that no separate representations, offers, promises or warranties of any kind, express or implied, have been made by Us, Our agents, officers or employees, to induce You to execute this Deposit Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereby agree as follows:

1. **Deposit.** Upon execution of this Deposit Agreement, You will pay to Us a deposit of \$5,000. If You sign a franchise agreement with Us, this sum will be credited against the initial franchise fee set forth in the franchise agreement.

2. **Reservation.** We will reserve the area set forth on Schedule “Q-1,” attached hereto and by reference made a part hereof (“Reserved Principal Business Area”) for 45 days from the date hereof or until You or We determine whether or not to move forward with signing a franchise agreement, whichever is sooner (“Reservation Period”). It is agreed that either party may determine not to enter into a franchise agreement at any time, and that the notification not to enter into a franchise agreement shall be in writing. During the Reservation Period, We will not offer a franchise or grant any other reservations for a franchise to be placed in the Reserved Principal Business Area. You will also be allowed to search for a Franchise Brand premises location during the 45-day period that you can submit for Fortusis’ approval. Fortusis has no obligation to respond to, review or research the location area until you have signed a franchise agreement

with Fortusis, and you pay all fees due at that time. If You sign a franchise agreement with Us, the final boundaries of Your Reserved Principal Business Area will be determined and set forth in Your franchise agreement. The reserved area will also be subject to the same restrictions and limitations identified in the franchise agreement and its attached and referenced exhibits upon signing.

3. **Refund.** If You or We elect not to enter into a franchise agreement, We will refund Your deposit less any expenses We incur. No refund will be available after the end of the Reservation Period.

4. **Arbitration of Disputes.** In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to this Deposit Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Harris County, Texas, and the laws of the State of Texas will govern without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Deposit Agreement. The prevailing Party in any arbitration suit or action to enforce this Deposit Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

5. **Notices.** All notices permitted or required under this Deposit Agreement must be in writing and must be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by email transmission when confirmed by email transmission, or (iv) by certified or registered mail, return receipt requested, five (5) days after deposit in the mail addressed as follows:

Franchisor:	Fortusis, LLC 4256 West 8370 South West Jordan, Utah 84088-5907 Email: narnold@fortusis.com
-------------	--

Prospective Franchisee:	_____ _____ _____ Email: _____
-------------------------	---

6. **Binding Effect.** This Deposit Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

7. **Amendment.** This Deposit Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

8. **Authority.** The persons signing below warrant that they are authorized to enter into this Deposit Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Deposit Agreement.

9. **Costs & Expenses.** Each Party will pay its own costs and expenses in connection with this Deposit Agreement.

10. **Entire Agreement.** This Deposit Agreement and attached schedule(s) contain the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties are hereby terminated with no continuing duties or obligations on the part of the other Party.

11. **Interpretation of Agreement.** Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers. The paragraph headings and title of this Deposit Agreement are not part of this Deposit Agreement, having been inserted for convenience of reference only, and will have no effect upon the construction or interpretation of this Deposit Agreement.

12. **Counterparts.** This Deposit Agreement may be executed in counterparts, including by means of electronic signature or other electronic means, each of which will be deemed an original, but all of which together will constitute one and the same document.

IN WITNESS WHEREOF, the Franchisor and Prospective Franchisee have respectively signed this Deposit Agreement as of the day and year first above written.

FRANCHISOR:

FORTUSIS, LLC

By: _____
(Signature)

Name: _____

Title: _____

PROSPECTIVE FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Schedule “Q-1”

To the Prospective Franchise Deposit Agreement

Reserved Principal Business Area

It is anticipated that your franchise will be located within one of the following ZIP codes or within the designated area upon signing the franchise agreement:

ZIP Codes:

Or

Designated Area:

Prospective Franchisee Initial

Date

Franchisor Initial

Date

EXHIBIT R
TABLE OF CONTENTS TO THE OPERATIONS MANUAL
FORTUSIS, LLC

Operation Manual Table of Contents

Section	Topic	Number of Pages
00	Contents	13
01	General Information	37
02	Business Management	46
03	Finance and Accounting	21
04	Personnel	32
05	Computer Skills	37
06	Center Operations	194
07	In-house Production	67
08	Outsourcing	23
09	The Customer	40
10	Marketing	92
11	Marketing for Your Customers	35
12	Putting it all Together	1
	Total Pages	638

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Virginia	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.

EXHIBIT S
RECEIPTS

RECEIPT
(Franchisee's Copy)

If Fortusis, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor in connection with the proposed franchise sale. New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other 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 the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

The issuance date of this Disclosure Document is March 25, 2022, or the effective date in your state, whichever is later.

If Fortusis, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "P." Fortusis, LLC authorizes the respective state agencies identified on Exhibit "B" to receive service of process for it in the particular state.

Below are the names, business addresses, and phone numbers of each franchise seller:

<u>Name</u>	<u>Address</u>	<u>Phone Number</u>
Nancy Arnold	4256 West 8370 South, West Jordan, Utah 84088-5907	(888) 454-7328
Jay Groot	4256 West 8370 South, West Jordan, Utah 84088-5907	(281) 256-4260

I received a Disclosure Document dated March 25, 2022 that included the following Exhibits:

- | | | | |
|---|--|---|---|
| A | Franchise Agreement and its Exhibits | K | Compliance Form |
| B | List of Agents for Service of Process | L | Electronic Funds Transfer Form |
| C | Roster of US Brand Franchise Owners | M | Prepayment Agreement |
| D | Roster of Franchisees Having Left the System | N | Transfer Addendum |
| E | Financial Statements of Fortusis, LLC | O | Spousal Restriction Agreement |
| F | State Specific Addenda | P | List of State Agencies Responsible for Franchise Disclosure and Registration Laws |
| G | Flex-Financing Addendum | Q | Deposit Agreement |
| H | New Center Purchase Affidavit | R | Table of Contents for Operations Manual |
| I | Option for Assignment of Lease | | |
| J | Certificate of Corporate Policy | | |

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____
(If signing on behalf of a company)

Name: _____
(Print name)

Two copies of this receipt have been placed at the end of the Disclosure Document. Please sign and date the receipt and return one copy to Fortusis, LLC and keep the other for your records. You may return the signed receipt either by signing, dating, and mailing it to Franchise Development at 4256 West 8370 South,

West Jordan, Utah 84088-5907, or by emailing a copy of the signed and dated receipt to narnold@fortusis.com.

RECEIPT
(Franchisor's Copy)

If Fortusis, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor in connection with the proposed franchise sale. New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other 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 the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

The issuance date of this Disclosure Document is March 25, 2022, or the effective date in your state, whichever is later.

If Fortusis, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit "P." Fortusis, LLC authorizes the respective state agencies identified on Exhibit "B" to receive service of process for it in the particular state.

Below are the names, business addresses, and phone numbers of each franchise seller:

<u>Name</u>	<u>Address</u>	<u>Phone Number</u>
Nancy Arnold	4256 West 8370 South, West Jordan, Utah 84088-5907	(888) 454-7328
Jay Groot	4256 West 8370 South, West Jordan, Utah 84088-5907	(281) 256-4260

I received a Disclosure Document dated March 25, 2022 that included the following Exhibits:

- | | | | |
|---|--|---|---|
| A | Franchise Agreement and its Exhibits | J | Certificate of Corporate Policy |
| B | List of Agents for Service of Process | K | Compliance Form |
| C | Roster of US Brand Franchise Owners | L | Electronic Funds Transfer Form |
| D | Roster of Franchisees Having Left the System | M | Prepayment Agreement |
| E | Financial Statements of Fortusis, LLC | N | Transfer Addendum |
| F | State Specific Addenda | O | Spousal Restriction Agreement |
| G | Flex-Financing Addendum | P | List of State Agencies Responsible for Franchise Disclosure and Registration Laws |
| H | New Center Purchase Affidavit | Q | Deposit Agreement |
| I | Option for Assignment of Lease | R | Table of Contents for Operations Manual |

Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____
(If signing on behalf of a company)

Name: _____
(Print name)

Two copies of this receipt have been placed at the end of the Disclosure Document. Please sign and date the receipt and return one copy to Fortusis, LLC and keep the other for your records. You may return the

signed receipt either by signing, dating, and mailing it to Franchise Development at 4256 West 8370 South, West Jordan, Utah 84088-5907, or by emailing a copy of the signed and dated receipt to narnold@fortusis.com.