

# FRANCHISE DISCLOSURE DOCUMENT

POSTAL INSTANT PRESS, INC.

A California Corporation

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The Franchisee will own and operate a PIP Center offering marketing, signs and printing services.

The total investment necessary to begin operation of a PIP Center franchise ranges from \$246,690 to \$274,190, including \$55,000 (or \$7,500 for an existing PIP Center Franchisee who is acquiring an additional PIP Center Franchise Agreement) that must be paid to the franchisor as an initial franchise fee. The total investment necessary to begin operation of a limited service PIP Center ranges from \$50,500 to \$108,000, including \$1,000 that must be paid to the franchisor as an initial franchise fee.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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 or grant. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Postal Instant Press, Inc. at 26722 Plaza, Mission Viejo, CA 92691 at 949-348-5000.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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 "Buying a Franchise: A Consumer's Guide" 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-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**Issuance Date: March 27, 2025**

**STATE COVER PAGE**  
**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:

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

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

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 California. 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 California than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
3. **Sales Performance Requirements.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.
4. **Mandatory Minimum Payments.** You must make mandatory minimum advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment. Certain states may require other risks to be highlighted.

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

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**ITEM 1.**  
**The Franchisor, and Any Parents, Predecessors and Affiliates**  
**The Franchisor**

General. To simplify the language of this disclosure document, “PIP” means “Postal Instant Press, Inc.,” the franchisor, but does not include its officers, directors, shareholders or other affiliates unless otherwise indicated. “You” means the person who buys the PIP franchise. If you later assign the Franchise Agreement to a corporation, partnership or other entity, “you” also includes the owners of that entity (e.g. shareholders, partners, etc.).

PIP was a California corporation from June 28, 1968 until October 20, 1987 when it reincorporated under Delaware law and became a Delaware corporation. “PIP” refers to Postal Instant Press, the predecessor California Corporation, and Postal Instant Press, Inc., the successor Delaware Corporation.

In February 1989, PIP became a wholly-owned subsidiary of PIP Holdings Corporation (“PIP Holdings”) by an Agreement and Plan of Merger, originally dated as of March 30, 1988, and later amended (the “Merger Agreement”), among PIP, PIP Holdings (a company formed by a group of investors, including certain former executives of PIP), Kane-Miller Corp., a Delaware corporation (“Kane-Miller”), certain stockholders of Kane-Miller, and PIP Acquisition Corporation, a wholly-owned subsidiary of PIP Holdings. In August 1992, PIP Holdings was merged into PIP, which was the surviving entity after the merger.

On October 31, 1996, Franchise Services, Inc., (“FSI”), purchased 100% of the stock of PIP from Kane-Miller and certain of its stockholders. On March 28, 2016, PIP converted to a California corporation.

PIP does business under the names “Postal Instant Press, Inc.,” “PIP”, “PIP Printing”, “PIP Printing and Marketing Services” and “PIP Printing Marketing Signs Print”. PIP previously conducted a business of the type to be operated by you. Between 1973 and 1988, PIP owned and operated several PIP Centers.

Parents and Affiliates. PIP is a wholly owned subsidiary of FSI. FSI is a wholly owned subsidiary of KOAH, Inc., a Delaware corporation with its principal office in Armonk, New York (“KOAH”). KOAH also owns 100% of Kampgrounds of America, Inc., a Montana corporation (“KOA”) incorporated September 16, 1960, with its principal place of business at 1205 N. Transtech Way, Billings, Montana 59102. Since its incorporation, KOA has franchised and owned campgrounds throughout the United States and Canada. KOA has never offered nor owned any PIP Centers. KOA has not offered franchises in any other lines of business.

FSI, incorporated on July 9, 1968, in California, has its principal place of business at 26722 Plaza, Mission Viejo, California 92691. FSI owns and provides certain administrative services for 6 subsidiary companies: PIP, Sir Speedy, Inc., Signal Graphics, Inc., Summit Marketing Communications, Inc., TeamLogic, Inc., and Franchise Services Europe B.V. FSI has never offered and does not own any PIP Centers. FSI has not offered franchises in any other lines of business.

Sir Speedy, Inc. was incorporated in the State of California originally on July 9, 1968, and reincorporated on August 9, 1996. Sir Speedy, Inc. maintains its principal place of business at 26722 Plaza, Mission Viejo, California 92691. Since 1968, Sir Speedy, Inc. offers franchises for printing, copying, marketing and digital service centers known as “Sir Speedy Centers.” Sir Speedy previously offered copy center franchises under the name “Copies Now” from 1985 to 1994. Sir Speedy, Inc. does not own or operate any Copies Now Centers. Sir Speedy does not own any PIP Centers and has not offered franchises in any other lines of business.

Summit Marketing Communications, Inc. ("Summit") incorporated in Colorado on August 12, 1996, with its principal place of business at 26722 Plaza, Mission Viejo, California 92691, is a marketing firm and advertising agency and has provided marketing and advertising services to Sir Speedy since 1992 and to PIP since 2005. Summit converted to a California corporation on March 27, 2009. Summit does not offer franchises for this business and has not conducted business nor offered franchises in any other line of business.

TeamLogic, Inc. was incorporated in California on September 1, 2004, with its principal place of business at 26722 Plaza, Mission Viejo, CA 92691. Since 2005, TeamLogic, Inc. has offered franchises for computer consultation, maintenance and proactive IT managed services. TeamLogic, Inc. does not own any PIP Centers and has not offered franchises in any other line of business.

Signal Graphics, Inc., was originally incorporated in California under the name Docugraphics, Inc., on April 11, 2000, and the name changed to Signal Graphics, Inc. in 2008. On October 1, 2008, Signal Graphics, Inc., purchased certain assets of SAMPACORP., a Colorado corporation, and became the franchisor of 33 Signal Graphics printing franchises in the United States. Signal Graphics current principal place of business is located at 26722 Plaza, Mission Viejo, California 92691. Signal Graphics has never offered and does not own any PIP Centers and PIP does not offer or own any Signal Graphics centers. Signal Graphics has not offered franchises in any other lines of business.

Description of Franchises. PIP's current principal business address is 26722 Plaza, Mission Viejo, California 92691. Its former principal business address from November 1988 until December 2000 was 27001 Agoura Rd., #200, Agoura Hills, California 91301. Prior to November 1988, PIP's principal business address was 8201 Beverly Boulevard, Los Angeles, California 90048. PIP is in the business of franchising full service business printing outlets (individually, a "full service PIP Center").

PIP expects your primary consumer to be general business and professional establishments. You will compete with national, regional and local individuals, corporations and other business entities offering some or all of the services provided by PIP Centers. Some competitors may operate as independent printers, while others may be part of other franchised printing systems.

PIP has offered printing, duplicating and related services since 1965 (but does not currently own or operate any PIP Centers) and has adapted its services to accommodate evolving technological changes and changing consumer demands. PIP has granted franchises for the operation of PIP Centers since 1968 and began its PIP Satellite program in 1983. (PIP ceased the offer and sale of franchises to prospective PIP franchisees from April 1991 until October 1993.) PIP has not granted licenses or franchises in other lines of business.

PIP Center. A full service PIP Center offers a variety of business printing, business communications, marketing services, signs, desktop publishing, digital processing, document creation, duplicating, graphic arts, layout and design, mailing services, typesetting activity and related services (a "Business Communications Business"). If PIP and you sign a Franchise Agreement (Exhibit B), you must open and operate a full service PIP Center at a location within a geographic area specified in your Franchise Agreement (the "Territory"). You must initially sign the Franchise Agreement and all related documents as an individual or as a partner of a general partnership, but you may later assign your Franchise Agreement to a corporation or other business entity if you comply with all of the applicable conditions in Item 17. If you are married, your spouse must also personally sign your Franchise Agreement and all related documents.

PIP may permit you to open and operate 1 or more additional PIP Centers within your Territory (individually, a “PIP Satellite”). A PIP Satellite is usually a limited service PIP Center and you will provide services typically limited to retail order-taking, photocopying, desktop publishing and document creation. In a full-service PIP Center, you will provide printing and other related services. You may only own and operate a PIP Satellite if you already own and operate a full service PIP Center. You must sign a PIP Satellite Addendum (Exhibit C) for each PIP Satellite in your Territory. (Unless otherwise stated, PIP Centers and PIP Satellites means “PIP Centers” in this disclosure document.)

With PIP’s consent, you may also acquire a Franchise Agreement (including all PIP Centers operated under that agreement) by assignment from another PIP franchisee. In this type of transaction, the other PIP franchisee will assign, and you will normally assume, the existing Franchise Agreement of that franchisee. You should be aware, however, that the terms of the assigned Franchise Agreement may differ from the terms of your Franchise Agreement. Also, instead of assuming the existing Franchise Agreement, PIP reserves the right to require you to sign PIP’s then current form of Franchise Agreement.

You may also wish to open a PIP Center at a location outside of the Territory described in your Franchise Agreement or to acquire an existing PIP Center (but not all of the PIP Centers) operated under a different Franchise Agreement by another PIP franchisee. In either case, if PIP consents to the transaction, you must sign an additional Franchise Agreement for the PIP Center before its opening or acquisition. If the PIP Center is located reasonably near your existing full service PIP Center, PIP may allow you to operate the PIP Center as a limited service PIP Center until you transfer either it or the full service PIP Center.

Environmental Laws. You must comply with certain federal environmental laws and regulations governing the use, handling, storage and disposal of various materials used in the operation of a PIP Center (the “Federal Environmental Laws”) These Federal Environmental Laws may include the Occupational Safety and Health Act, SARA Title III (Superfund Amendment Reauthorization Act), RCRA (Resource Conservation and Recovery Act) and the Clean Air Act. You may be required to use special storage containers, file reports, obtain health licenses and waste disposal permits. PIP provides you with information concerning compliance with these Federal Environmental Laws.

You may also be subject to environmental laws in the state and locale of your PIP Center location. You should obtain the advice of a lawyer or consultant who is familiar with both the state or locale’s environmental laws before signing a lease or Franchise Agreement for your PIP Center and as part of the ongoing operation of your PIP Center.

Exhibit D discloses PIP’s agents for service of process by state.

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## **ITEM 2.**

### **Business Experience**

#### Chairman and Director: Don F. Lowe

Don Lowe serves as Chairman since January 2025 and has served as PIP's Chief Executive Officer and a Director since October 31, 1996, in Mission Viejo, California. Mr. Lowe also serves as Chairman of Franchise Services, Inc., since January 2025 and was Chief Executive Officer of Franchise Services, Inc. since its inception to January 2025. Mr. Lowe is also currently the Chairman of Franchise Services Europe B.V., TeamLogic, Inc., Signal Graphics, Inc., and Sir Speedy, Inc.

#### President, Chief Executive Officer and Director: Richard A. Lowe

Richard Lowe serves as Chief Executive Officer since January 2025 and has served as President and a Director of PIP since January 1, 2009, in Mission Viejo, California. Mr. Lowe is the Chief Executive Officer of Franchise Services, Inc. since January 2025 and also serves as President of Franchise Services, Inc. since January 1, 2009. Mr. Lowe is also the Chief Executive Officer of Sir Speedy, Inc. since January 2025 and also President of Sir Speedy since May 1, 2006, and is also a Director.

#### Chief Financial Officer, Secretary and Director: Thomas Muller

Thomas Muller joined Sir Speedy, Inc. on October 31, 2022, and was appointed Secretary, Chief Financial Officer and Director, in Mission Viejo, California. Previously, from January 2022 to October 2022, Mr. Muller was Consultant for Xhalence, Inc. in Beverly Hills, California. From October 2020 to January 2022, he was Director of Finance for Tri Start Sports & Entertainment Group in West Hollywood, California. From December 2016 to October 2020, he was Senior Tax Manager at Dole Packaged Foods in Westlake Village, California.

#### Executive Vice President, Chief Marketing Officer and Director: David Robidoux

David Robidoux was appointed as Executive Vice President of Postal Instant Press, Inc. in Mission Viejo, California since January 1, 2024. Mr. Robidoux also serves as a Director of the company since October 2022 and Chief Marketing Officer and manages and oversees the PIP marketing and advertising since March 2008.

The following persons will also have management responsibility for the PIP franchises offered by this Disclosure Document:

#### Vice President Franchise Support: David C. Rice

David C. Rice manages and oversees PIP Franchise Support since June 2013, in Mission Viejo, California. From September 1999 to May 2013, he was a Business Management Consultant.

#### Vice President of Business Development: Kelly Kimberlin

Kelly Kimberlin joined PIP in October 2004, in Mission Viejo, California, and provides research and development of new technology services which franchisees can use in their operations.

### Franchise Operations and Training: Sean Loranger

Sean Loranger manages and oversees franchise operations and training for PIP since September 2007, in Mission Viejo, California.

#### **ITEM 3. Litigation**

The following action was filed against our affiliate, TeamLogic, Inc.:

On January 11, 2024, TeamLogic, Inc. (Teamlogic) and the California Commissioner of Financial Protection and Innovation entered into a Consent Order providing that, between December 2017 and February 2023, TeamLogic sold four (4) franchises procured through Franchise Brokers which TeamLogic did not have Salesperson disclosures on file with the Department of Financial Protection and Innovation, and as a result violated California Corporations Code Section 31210 in four (4) occasions. Teamlogic agreed to cease and refrain from violating Corporations Code section 31210 and from any violations of the Franchise Investment Law, and to pay an administrative penalty of \$8,000.00 which it paid on January 16, 2024.

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

#### **ITEM 4. Bankruptcy**

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

#### **ITEM 5. Initial Fees**

For: Prospective PIP Center Franchisees who do not have an existing PIP Franchise Agreement

If you are a prospective PIP Center Franchisee who does not already have an existing PIP Franchise Agreement, you must pay an Initial Franchise Fee of \$55,000. You pay a \$10,000 lump sum deposit with your signed Franchise Agreement, and this deposit will be refunded to you if your desired Territory or your financing is not approved by PIP (PIP approves the financing amount, but not the method of providing it), or if PIP does not approve your request for consideration. Otherwise, the \$10,000 deposit is non-refundable. You pay the balance of the franchise fee of \$45,000 lump sum upon approval of your financing, or if you are not applying for financing, before you attend the two-week initial training program. This payment of \$45,000 is non-refundable.

PIP provides services such as site location assistance, lease negotiation assistance, the training program (referred to as Print Management University), transportation for two to Print Management University, lodging, and most meals at Print Management University, your opening promotional activities, mailing list, and beginning inventory (see Pre-Opening Obligations and Continuing Obligations in Item 11).

If you are unable to adequately complete your work at Print Management University, you may be disqualified and PIP will refund an amount less our direct costs associated with this Franchise, which may range between \$2,500 to \$15,000, and rescind your Franchise Agreement.

For: Existing PIP Center Franchisees Who Desire to Sign an Additional PIP Center Franchise Agreement

If you have previously signed a Franchise Agreement with PIP but now desire to open or acquire a PIP Center outside of your Territory, you must sign a new Franchise Agreement.

You must not have been in default of your existing Franchise Agreement and meet then current revenue requirements and operating standards. Upon your signing of the additional Franchise Agreement, you must pay an Initial Franchise Fee of \$7,500 lump sum and the PIP Center must be opened in a territory that is not subject to an existing Franchise Agreement between PIP and another franchisee. You must change the term of any pre-existing Franchise Agreements to be coterminous with your new Franchise Agreement for the additional PIP Center franchise. Using our experience and in keeping the best interests of PIP in mind, you must demonstrate to our satisfaction that you meet our managerial and business standards and possess good moral character and business experience.

PIP will permit you to open or acquire PIP Center(s) outside of your Territory if you are then in good standing with PIP and you are not required (in PIP's reasonable judgment) to undergo additional pre-opening training due to your pre-existing relationship with PIP, and PIP consents to the proposed opening or acquisition. Good standing means that you do not owe any Continuing Franchise Fee payments, advertising fund payments, or any other monetary obligations to PIP in excess of 30 days and are in compliance with all of your other obligations under your Franchise Agreement or under any agreement or note with PIP ("Good Standing"). You are not in Good Standing if you make partial payments to PIP but still have amounts outstanding in excess of 30 days.

If PIP declines for any reason to sign the additional Franchise Agreement, PIP shall refund to you the Initial Franchise Fee.

For: Existing PIP Center Franchisees Who Desire to Sign a PIP Satellite Addendum

Subject to PIP's consent, if you have previously signed a Franchise Agreement with PIP but now desire to open a PIP Satellite within your Territory, you must sign a PIP Satellite Addendum to your Franchise Agreement and pay a fee of \$1,000 lump sum to PIP upon your signing of the PIP Satellite Addendum (the "Satellite Fee"). If PIP declines for any reason to sign the PIP Satellite Addendum, PIP shall refund to you the \$1,000 Satellite Fee.

The Initial Franchise Fees and Satellite Fee are not payable to PIP's affiliates.

PIP reserves the right to change the Initial Franchise Fees and the Satellite Fee described above.

[The remainder of this page is intentionally left blank.]

**ITEM 6.**  
**OTHER FEES FOR A PIP CENTER**

| <b>TYPE OF FEE</b>                             | <b>AMOUNT</b>                                                                                                     | <b>DUE DATE</b>                                       | <b>REMARKS</b>                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Continuing Franchise Fee                    | From .25% to 6.5% of Gross Sales, as described in Note 1, depending on your Gross Sales during any calendar year. | Monthly, on or before 25 <sup>th</sup> of each month. | See Notes 1, 2 and 3                                                                                                                                                                                                                                                                                                                                                                      |
| 2. National Advertising Funds                  | 2% of Gross Sales, up to a maximum of \$1,150 per month, per center ("Temporary Ceiling").                        | Same as Continuing Franchise Fee                      | See Note 4.<br>The Temporary Ceiling will remain in effect through December 31, 2024. After that, we may increase the amount of the Temporary Ceiling to the National Advertising Fund (a) on the first day of each calendar year by an amount equal to not more than \$100 per month, in our sole discretion, or (b) at any time by any amount if approved by a majority of franchisees. |
| 3. Regional/Local Co-Op Advertising Obligation | Varies                                                                                                            | Varies                                                | See Item 11                                                                                                                                                                                                                                                                                                                                                                               |
| 4. Transfer Fee                                | Currently \$10,000 for year 2024, subject to change                                                               | Before consummation of transfer                       | See Note 5                                                                                                                                                                                                                                                                                                                                                                                |
| 5. Audit Fees                                  | Cost of Audit                                                                                                     | Upon Demand                                           | You must pay only if audit shows an understatement of at least 2% of gross sales for any month                                                                                                                                                                                                                                                                                            |
| 6. Indemnity                                   | Payment of PIP's Losses, Damages and Costs of Your PIP Center or Under Franchise Agreement                        | Upon Demand by PIP                                    | Indemnity Obligation Survives Termination or Expiration of Franchise Agreement                                                                                                                                                                                                                                                                                                            |
| 7. Attorneys' Fees                             | All Costs Incurred in Suit, Arbitration or Other Proceeding (including reasonable attorneys' fees)                | If PIP is the Prevailing Party in Any Dispute         |                                                                                                                                                                                                                                                                                                                                                                                           |
| 8. Other Payments to PIP                       | Varies                                                                                                            | Promptly When Due                                     | See Note 7                                                                                                                                                                                                                                                                                                                                                                                |

| TYPE OF FEE                 | AMOUNT                                                                                                                                                        | DUE DATE                             | REMARKS                                                                                                                                                          |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. Interest                 | California judgment rate, currently 10%                                                                                                                       | Upon demand                          | Payable on overdue amounts                                                                                                                                       |
| 10. Additional Training     | Currently \$2,000 per person                                                                                                                                  | Anytime before beginning of training | Start up costs covers training for 2 people. See Item 11                                                                                                         |
| 11. Late Fee                | \$250 plus interest on the unpaid amount at a rate equal to 1.5% per month or the highest commercial contract interest rate the law allows, whichever is more | Upon demand                          | We may charge a late fee if you fail to make a required payment when due.                                                                                        |
| 12. Failure to Report Sales | \$250 per week                                                                                                                                                | Upon demand                          | We may charge this fee if you fail to report your monthly Gross Sales when due.                                                                                  |
| 13. Insufficient Funds Fee  | \$250                                                                                                                                                         | Upon demand                          | We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account and your bank does not honor any EFT. |
| 14. Costs of Collection     | Our actual costs                                                                                                                                              | As incurred                          | Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.                                                   |

Notes:

- (1) Continuing Franchise Fee. You must pay to PIP, by automatic draft or electronic transfer from your checking account, a Continuing Franchise Fee on your Gross Sales (the "Continuing Franchise Fee"). "Gross Sales" means to include all revenues from sales, fees and charges made from business transacted, services rendered or products made (wholly or partially) upon orders taken at or completed by delivery in, through or from your PIP Center (whether or not you collect). Gross Sales excludes all separately stated sales taxes and other taxes added to the sales price and paid for by your customer to any federal, state or local tax authority. You must prepare and deliver to PIP reports of your Gross Sales for each preceding calendar month by the 10<sup>th</sup> day of the immediately following calendar month, and you must pay to PIP the Continuing Franchise Fee owed for each preceding month by the 25<sup>th</sup> day of each following month.

| <b>APPLICABLE<br/>PERCENTAGE OF<br/>GROSS SALES</b> | <b>GROSS SALES BANDS – CALENDAR<br/>YEAR 2025</b> |
|-----------------------------------------------------|---------------------------------------------------|
| 6.5%                                                | <u>Up to \$281,089</u>                            |
| 5.5%                                                | <u>Between \$281,090 and \$374,785</u>            |
| 5%                                                  | <u>Between \$374,786 and \$468,487</u>            |
| 4.5%                                                | <u>Between \$468,488 and \$562,180</u>            |
| 4%                                                  | <u>Between \$562,181 and \$936,970</u>            |
| 3.5%                                                | <u>Between \$936,971 and \$1,873,932</u>          |
| 2.5%                                                | <u>Between \$1,873,933 and \$2,810,900</u>        |
| .5%                                                 | <u>Between \$2,810,901 and \$3,747,862</u>        |
| .00%                                                | <u>\$3,747,863 and above</u>                      |

Thus, if the aggregate Gross Sales of your PIP Center increase during the calendar year, the applicable Sliding Scale Continuing Franchise Fee Rate decreases.

(2) CPI Adjustments. During each calendar year of the term of your Franchise Agreement we may increase or decrease the Gross Sales Bands listed in the table above by the percentage increase or decrease (not to exceed 4%) in the Consumer Price Index for All Urban Consumers (or any replacement or similar index if the Consumer Price Index should become unavailable) (the “CPI”). The adjustment of the Gross Sales Bands in any year will be based on the CPI published the previous November. We will notify you of any adjustment of the Gross Sales Bands in writing on or before December 31 of the year immediately preceding the year in which the adjustment will take.

If you sign the Amendment, you will pay us a Continuing Franchise Fee (royalty) calculated as described above. In determining your Sliding Scale Royalty Rate, we will permit you under certain circumstances to combine or “aggregate” the Gross Sales generated from all of your PIP Centers and PIP Satellites (the “Aggregation Rules”). In general, the Aggregation Rules provide that, in order to aggregate Gross Sales among multiple PIP Centers or PIP Satellites, there must be identical ownership of these PIP Centers and Satellites. However, the details of these Aggregation Rules are very complex and the application of the Aggregation Rules can only be fully understood by examining the Franchise Agreement itself.

If you executed the 1992 Amendment, the Aggregation Rules remain the same. If you did not sign the 1992 Amendment, we have included the Aggregation Rules in Section 3.b of the Amendment. In order to aggregate, there must be identical ownership of the PIP Center and Satellites and ownership must be the same on the effective date of the Amendment as it was on January 1, 2000.

(3) Level Effective Rate. At the end of each calendar year following the effective date of your Agreement (or the Amendment, if you are signing the Amendment), we will determine a level Continuing Franchise Fee rate for you for the ensuing calendar year (the “Level Effective Rate”). The Level Effective Rate is determined by us and will be based upon your actual Gross Sales for the preceding calendar year-end at the then-effective Sliding Scale Continuing Franchise Fee Rate. By February 28 of each year (after the first year that the Level Effective Rate is utilized), we will determine your actual Continuing Franchise Fees due for the preceding year and will: (a) if you have paid in excess of the amount due, issue you a credit in the amount of the overage against your future Continuing Franchise Fees or, at our option, a check in the amount of such overage; or (b) if you owe additional Continuing Franchise Fees, invoice you for any deficit, which you shall promptly pay. You must be in Good Standing (as defined below) in order to be

eligible to pay the Level Effective Rate. “Good Standing” means that you do not owe any Continuing Franchise Fee payments, Fund payments, or any other monetary obligations to us in excess of 30 days and you are in compliance with all of your other obligations under the Franchise Agreement. You will not be in Good Standing if you make partial payments to us, but have amounts outstanding to us more than 30 days.

(4) National Advertising Funds. The PIP National Advertising Funds (the “PIP Ad Funds”) are money contributed by PIP and its franchisees for national or regional advertising purposes. During each month of the Term, you must contribute to the PIP Ad Funds as described above (PIP is not obligated to match your contribution). You must pay this contribution monthly within 25 days after the expiration of the preceding month, and your obligation to make this contribution continues throughout the existence of the PIP Ad Funds. (All PIP franchisees do not have to make identical contributions to the PIP Ad Funds; for example, some existing PIP franchisees contribute 1% of their monthly Gross Sales to the PIP Ad Funds, with a matching contribution by PIP.) See Item 11 for additional information about the PIP Ad Funds.

If you execute the Amendment, you must contribute to the National Advertising Fund as described above.

(5) Transfer Fee. Upon the sale of your PIP Center to a qualified buyer, you must pay a \$10,000 transfer fee to PIP. The amount of the transfer fee reflects PIP’s estimated administrative, legal and documentation costs and the cost of the buyer’s training, if required, including up to two round-trip airfares (i.e. lowest round-trip airfare from the point of departure) to attend Print Management University and for your buyer’s hotel room (single or double occupancy) during attendance at Print Management University.

If you execute the Amendment and you transfer your Franchise Agreement, you must pay us \$7,500 for each Franchise Agreement transferred by you in a single transfer.

(6) Audit Fees. Under your Franchise Agreement, you must periodically submit certain sales reports and financial statements to PIP. PIP has the right to conduct an audit of these sales reports and financial statements as well as your tax returns, bank statements, and all other books and records for your PIP Center (typically for the previous 3 years). If the audit discloses an understatement of your Gross Sales of at least 2% for any month, you must pay to PIP, upon demand, the cost of the audit; and you must also pay the delinquent Continuing Franchise Fees, fees for the PIP Ad Funds or any other fees found to be due as a result of the audit, plus interest and any additional late charges assessed by PIP.

(7) Other Payments to PIP. In addition to all other payments, you must also pay the following amounts to PIP promptly when due:

- All sales, use, personal property and similar taxes imposed upon you and required to be collected or paid by PIP on (i) goods or services sold, leased or otherwise furnished by you, or (ii) Continuing Franchise Fees or Initial Franchise Fees collected by PIP from you.
- All amounts which PIP has advanced or paid for or which PIP has become obligated to pay on your behalf for any reason. However, nothing in your Franchise Agreement obligates PIP to make advances or payments on your behalf.

The fees or payments described above are non-refundable.

**ITEM 7.**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

| <b>TYPE</b>                                          | <b>AMOUNT</b>                                                                                           | <b>METHOD OF PAYMENT</b>                                             | <b>WHEN DUE</b>                                                                                                       | <b>TO WHOM PAY-MENT IS TO BE MADE</b> |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| 1. Initial Franchise Fee<br>(See Item 5)             | \$55,000<br><br>Or<br><br>\$7,500<br>(for an additional PIP Center Franchise Agreement)<br>(See Item 5) | Deposits<br>\$10,000<br><br>\$15,000<br>(See Item 5)<br><br>Lump Sum | With Application<br><br>Upon Financing Approval<br>(See Item 5)<br><br>Upon signing of additional Franchise Agreement | PIP<br><br><br><br><br>PIP            |
| 2. Purchased Equipment<br>(Notes 2, 3 and 4)         | \$64,190                                                                                                | Lump Sum & Subscription                                              | On Receipt                                                                                                            | Direct to Vendor                      |
| 3. Leased Equipment                                  | \$2,500 to \$5,000                                                                                      | Lease Payment                                                        | Monthly                                                                                                               | Konica                                |
| 4. Additional Funds<br>(Working Capital)<br>(Note 5) | \$125,000 - \$150,000                                                                                   | Operating Expenses                                                   | As Incurred                                                                                                           | Cost of Goods, Payroll, G&A           |
| INVESTMENT TOTAL:<br>(Note 6)                        | \$246,690<br><br>to<br><br>\$274,190                                                                    |                                                                      |                                                                                                                       |                                       |

PIP estimates that you will spend the approximate amounts listed in the table above to open a full service PIP Center. Except as expressly indicated, none of these costs is wholly or partially refundable.



For: A Limited Service PIP Center

| TYPE                                                                                          | AMOUNT                         | METHOD OF PAYMENT      | WHEN DUE                                            | TO WHOM PAYMENT IS TO BE MADE          |
|-----------------------------------------------------------------------------------------------|--------------------------------|------------------------|-----------------------------------------------------|----------------------------------------|
| 1. Initial Franchise Fee (Note 7)                                                             | \$1,000                        | Lump Sum               | Upon Signing of PIP Satellite Addendum (See Item 5) | PIP                                    |
| 2. Real Property (Note 8)                                                                     | \$1,000 - \$5,000              | Installments           | Upon Signing of Lease, Then Monthly                 | Landlord                               |
| 3. Leasehold Improvements                                                                     | \$0 - \$10,000                 | Lump Sum               | Upon Delivery                                       | Landlord and/or Suppliers              |
| 4. Required Equipment, Signs and Fixtures (Notes 2, 3 and 4)                                  | \$29,000 - \$37,000            | Lump Sum/ Installments | Upon Delivery                                       | Suppliers                              |
| 5. Opening Inventory and Supplies                                                             | \$500 - \$1,000                | Lump Sum               | Upon Delivery                                       | Suppliers                              |
| 6. Security Deposits, Utility Deposits, Business Licenses and Other Prepaid Expenses (Note 9) | \$3,000 - \$15,000             | Lump Sum               | As Incurred                                         | Utilities, Insurers and Landlord       |
| 7. Additional Funds (Note 5)                                                                  | \$16,000 - \$39,000            | As Incurred            | As Incurred                                         | PIP, Employees, Advertisers and Others |
| TOTAL:                                                                                        | \$50,500 - \$108,000 (Note 10) |                        |                                                     |                                        |

PIP estimates that you will spend the approximate amounts listed in the table above to open a limited service PIP Center. Except as expressly indicated, none of these costs is wholly or partially refundable.

Your salaries, draws or personal living expenses (*including your automobile*) are not included in the above tables. You must have additional sums available (whether in cash, credit or collateral) to cover these expenses. In addition, you may choose to finance a substantial portion of the expenses described in the tables above through third party lenders (assuming you can obtain financing). The terms of any financing, if available, will usually depend on factors like the availability of financing generally, your credit-worthiness, your ability to provide sufficient security or collateral, and the individual policies of lending

institutions concerning the terms and availability of credit to persons like you and the type of business to be operated by you. PIP does not now directly or indirectly offer financing to its franchisees (PIP approves the financing amount, but not the method of providing it).

Notes:

(1) Initial Franchise Fee. The initial franchise fee and start-up costs are discussed in detail in Item 5. PIP does not finance these fees and costs. Franchise fees for an independent print/copy shop converting to a PIP may be different.

(2) Equipment. The purchased equipment includes prepress equipment and software, bindery and finishing equipment, large format equipment, mailing services equipment and software, and furniture and office equipment. See Supplement “A” for details. An estimated financing monthly payment for the purchased equipment would be approximately \$1,800 over a period of 60 months with a 1% buy-out. (However, actual terms and rates depend on your credit and other qualifications.) The leased equipment consists of two digital production devices, one color and one black and white, and a large format printer. An estimated monthly lease payment for all machines combined is approximately \$2,500 to \$5,000 for 48 months. The retail value of the three leased machines, if purchased rather than leased is approximately \$104,351. You must typically spend \$29,000 on equipment, signs, and fixtures for a limited service PIP Center.

(3) Signs. These figures include estimates (ranging from \$1,500 to \$5,000) of the cost of signs required by PIP in its Brand Standards and Operations Manual and include installation. However, these figures do not include, and PIP is unable to estimate, non-standard signs purchased by you or additional signs required by certain landlords (e.g., on shopping center poles, master directories or other common areas designated by the landlord, for which the requirements vary greatly). PIP urges you to identify and consider these costs before selecting a site or signing any lease. In addition, PIP may require you to occasionally update your PIP Center with new signs representing current or future trademarks, trade names, service marks, logotypes or other intellectual property of PIP. The estimates above do not include, and PIP is unable to estimate, the cost of these signs.

(4) Update of Image and Repairs. In addition to the signs updates described above, PIP may require you occasionally update the image of your PIP Center with new logos or other indicia representing PIP's trademarks, service marks, trade names or color scheme. PIP is unable to estimate the cost of image updates. You must also pay for the cost of any paint, repairs and/or restoration if PIP modernizes any logos, signs or other indicia representing PIP's trademarks, service marks or trade names at your PIP Center. PIP may also occasionally require remodeling or refurbishing of your PIP Center (see Item 9).

(5) Additional Funds. You will need capital to pay for initial security and utility deposits, business permits, initial insurance costs and tenant improvements. Leasehold improvements vary from \$0 to \$25,000 or more, and, will be negotiated with the landlord. In some cases, you will pay for the site improvements and sometimes the landlord will offer an allowance, in which case they will be paid for in full or in part by the landlord, and payment will then be made via the regular rent payments. You will also need capital to support your ongoing expenses, such as rent, lease payments, payroll, utilities, Continuing Franchise Fees, advertising and supplies, etc. to the extent these costs are not covered by sales revenues. New businesses often generate a negative cash flow. PIP estimates that the amount given will be sufficient to cover ongoing expenses for up to a 20 month start-up phase. This is only an estimate, however, additional working capital may be necessary during this start-up phase, and after. Initial expenses for non-owner managed Centers may be considerably higher and may require a longer start-up period. PIP relied on its 54 years of experience in the printing and reproduction business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

(6) Investment Total. The figures given, assume the purchased equipment is purchased and the leased equipment is leased. The digital print engine copiers are typically leased, and the equipment package is typically purchased.

(7) Opening Advertising Fee. You do not have to pay a separate opening advertising fee if you are a new PIP franchisee (meaning you do not already have an existing PIP Franchise Agreement). If you are an existing PIP franchisee, see Item 5 for a more complete description of the different opening advertising fees.

(8) Real Property. You are solely responsible for the purchase or rental of the premises and/or facilities for your PIP Center. PIP estimates that the size of the required facility will typically range from approximately 1,500 to 2,000 square feet for a full service PIP Center and approximately 750 to 1,500 square feet for a limited service PIP Center. The size of your PIP Center will depend upon the availability of suitable sites, the cost per square foot, and the space necessary for the equipment initially acquired by you and any additional equipment desired by you in the future. The site for a PIP Center can range from shopping centers to upscale office buildings, and the site should typically be located within an area with a good mix of retail, office and industrial businesses.

In estimating your initial investment as described in these tables, PIP has assumed that you will rent rather than purchase the necessary premises and facility for a PIP Center. These figures represent the range of estimated lease payments you pay for the first month only and include estimated monthly common-area maintenance fees. The monthly lease payment is typically from \$2,000 to \$3,000. This payment is usually made upon the signing of the lease for a fully constructed facility and is paid on a monthly basis. In addition, a security deposit is customarily required upon the signing of the real property or commercial lease and is typically equal to at least 2 month's rent. This sum PIP included in the figures for "Security and Utility Deposits, Business Licenses and Other Prepaid Expenses" in the tables above. If you purchase rather than lease the premises and/or facility, your initial investment will be substantially higher. The purchase price of the premises and facility is neither estimable nor describable by a low-high range due to the variety of circumstances involved (including the particular property, location, building size and particular owner).

(9) Security and Utility Deposits, Business Licenses and Other Prepaid Expenses. PIP may require you to pay security deposits and other prepaid expenses to landlords, utility companies, insurers or others. Your security deposits and other prepaid expenses may be refundable if they have not been used or earned or if the payee is not otherwise entitled to retain these payments under the applicable rental, utility, insurance or other agreement.

(10) General. PIP has used its 55 years of experience in franchising business printing centers to compile these estimates. However, these figures are only estimates, and PIP cannot guarantee that you will not have additional expenses in starting your PIP Center. You should review these figures carefully with an experienced accountant or other financial advisor before deciding to purchase a PIP franchise.

## **ITEM 8.**

### **Restrictions on Sources of Products and Services**

You must purchase, at your expense, substantially all of the supplies, equipment, fixtures, signs and inventory for the operation of your PIP Center from PIP-approved or designated suppliers, or your purchase of these items must conform to PIP's standards or specifications ("Tangible Property"). Supplement A to this disclosure document lists the required Tangible Property for a full service PIP Center. PIP may change Supplement A without notice.

There are no approved suppliers in which any of our officers owns an interest.

Specifications. You must operate your PIP Center in strict compliance with PIP's Brand Standards and Operations Manual which govern all matters requiring standardization and uniformity in the PIP franchise network. PIP may amend or supplement the Brand Standards and Operations Manual and amendments and supplements will be effective 3 days following their mailing to you by PIP or when delivered electronically. Amendments and supplements will apply equally to similarly situated PIP franchisees and will not alter your fundamental status and rights under your Franchise Agreement. If you are opening a limited service PIP Center, PIP and you determine through consultation the required Tangible Property for the center, and it includes, on a varying basis, some but not all of the Tangible Property.

More detailed specifications for some of the Tangible Property are described in the various Brand Standards and Operations Manual (for fixtures and certain supplies and items bearing PIP's logos, trademarks, service marks and other intellectual property). PIP issues these manuals to you upon your successful completion of Print Management University. These specifications include minimum standards for function, quality, durability, desirability, performance, warranty, design or appearance. You may purchase or lease original and replacement Tangible Property from any source, but only if (i) it is purchased new, and (ii) it satisfies (in PIP's opinion) PIP's minimum standards.

Designated and Approved Suppliers. You must purchase all Tangible Property used in establishing and operating your PIP Center either through (a) PIP, (b) suppliers which have been selected by PIP, (c) suppliers selected by you and approved by PIP, or (d) in the case of items bearing PIP's trademarks, PIP's designated and approved suppliers.

The suppliers designated and approved by PIP on this basis are listed on BMSS, PIP's proprietary web site support center for PIP Franchisees only. These suppliers are the only category of "approved suppliers" in the PIP franchise network. PIP currently has only general criteria for approving suppliers and, conversely, revoking approval. These criteria relate to the conformity of the supplier's products to PIP's specifications, customer service, price and quality, as well as PIP's and its franchisees' satisfaction with the supplier's product. Except for items bearing the PIP trademarks, you may submit names of suppliers whom you would like PIP to approve. PIP will then evaluate the supplier under these criteria and inform you about whether it has approved the supplier. PIP does not charge you any fee to secure supplier approval.

PIP may license certain third parties to produce goods and supplies bearing the PIP trademarks, which you may purchase from them, including promotional items like pens and t-shirts. You may buy items bearing the PIP trademarks only from PIP or its designated licensees. These suppliers may pay PIP a trademark royalty of 5% of their sales of products to you and other PIP Franchisees. PIP ordinarily will not authorize suppliers selected by you to manufacture items bearing the PIP trademarks, but if it does in its sole discretion, it will require them to execute a trademark license agreement and to pay PIP a Continuing Franchise Fee established by PIP. Other than the 5% trademark royalty, neither PIP nor any affiliate derives any income as a result of any required purchases.

Premises and Improvements for a PIP Center. You must, at your expense, maintain, improve, refurbish and remodel the premises of your PIP Center(s) (including all fixtures, decor, layout and signs) in accordance with the Brand Standards and Operations Manual. You must purchase all signs in the form, color, number, location, size and material specified in the Brand Standards and Operations Manual. The Brand Standards and Operations Manual may also specify the color scheme and general layout for your PIP Center, as well as the standards for uniformity of dress for you and all of your employees.

Insurance Policies. You must obtain and maintain, at your expense, insurance policies of the minimum types and policy limits specified in the Franchise Agreement at Section 12.4 and the Brand Standards and Operations Manual, with carriers reasonably satisfactory to PIP.

Negotiation of Price with Suppliers. The Franchisor negotiates prices with many suppliers for the benefit of the Franchisees.

Purchases: Required and Estimated. The ranges shown for equipment, leases, improvements, and insurance all include required purchases. Your exact cost will vary based on your individual location and State.

The Franchisor or its affiliates will not derive revenue, rebates or other material consideration based on the required purchases or leases.

Advertising. PIP must give its prior approval to all advertising by you, and it must comply with the Brand Standards and Operations Manual. You must also place an advertisement for your PIP Center in the local online (internet). The advertisement must conform to our standards and specifications and you must place the advertisement under the heading(s) we designate in the Brand Standards and Operations Manual or otherwise in writing. You may advertise either as a single franchisee or as part of a local advertising cooperative.

General. In the year ending December 31, 2024, PIP's revenues from several of the programs described above, including PIP's trademark licensing program, were \$0. PIP will not grant or withhold any material benefits (for example, renewal or granting additional franchises) to any Franchisee based on whether or not the Franchisee uses designated or approved sources. However, if you purchase unapproved products or from unapproved sources in violation of the Franchise Agreement, we may, among other things, terminate your Franchise Agreement.

## 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                                      | SECTION IN AMENDMENT | ITEM IN DISCLOSURE DOCUMENT |
|-------------------------------------------------------|---------------------------------------------------------------------|----------------------|-----------------------------|
| a. Site Selection & Acquisition/Lease                 | Sections 10.1(a), 11.2, 23.1                                        | Not Applicable       | Items 6, 7, 8, 11, 17       |
| b. Pre-Opening Purchases/Leases                       | Sections 10.1, 11.1, 11.2, 11.3, 12.9,                              | Not Applicable       | Items 7, 11                 |
| c. Site Development & Other Pre- Opening Requirements | Section 11                                                          | Not Applicable       | Items 6, 7, 8, 11, 17       |
| d. Initial & Ongoing Training                         | Sections 10.3, 13                                                   | Not Applicable       | Items 5, 11                 |
| e. Opening                                            | Sections 3.2(c), 11.4                                               | Not Applicable       | Item 11                     |
| f. Fees                                               | Sections 3.2(b), 5, 6, 7, 8, 9, 12, 13, 14, 15, 16.4, 18.4(e), 27.4 | Sections 3, 4, 6.a   | Items 5, 6, 7               |

| <b>OBLIGATION</b>                                                              | <b>SECTION IN<br/>FRANCHISE<br/>AGREEMENT</b>                      | <b>SECTION IN<br/>AMENDMENT</b>                                                       | <b>ITEM IN DISCLOSURE<br/>DOCUMENT</b> |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------------------|
| g. Compliance With Standards & Policies/ Brand Standards and Operations Manual | Sections 1.2, 2, 11, 12, 13, 15, 16, 17, 18, 19, 20                | Not Applicable                                                                        | Items 8, 11                            |
| h. Trademarks & Proprietary Information                                        | Sections 1.4, 1.19, 2.2, 2.3, 11.1, 12.1, 12.2, 14, 15, 17, 19, 20 | Not Applicable                                                                        | Items 13, 14                           |
| i. Restrictions On Products/Services Offered                                   | Sections 1.3, 1.14, 1.17, 2.1, 2.4, 12                             | Not Applicable                                                                        | Items 8, 11, 16                        |
| j. Warranty & Customer Service Requirements                                    | None                                                               | Not Applicable                                                                        | Not Applicable                         |
| k. Territorial Development & Sales Quotas                                      | None                                                               | Not Applicable                                                                        | Not Applicable                         |
| l. Ongoing Product/Service Purchases                                           | Sections 2.4, 11, 12, 14, 15                                       | Not Applicable                                                                        | Items 7, 8                             |
| m. Maintenance, Appearance & Remodeling Requirements                           | Sections 11.1, 11.3, 12, 20.3                                      | Section 2.a                                                                           | Items 7, 8, 17                         |
| n. Insurance                                                                   | Section 12.4                                                       | Not Applicable                                                                        | Items 6, 8                             |
| o. Advertising                                                                 | Sections 14, 15, 17.3                                              | Section 4                                                                             | Items 6, 7, 8                          |
| p. Indemnification                                                             | Sections 12.4, 17.7, 18.2, 22.4(d), 22.6, 24, 27.4                 | Not Applicable                                                                        | Items 6, 11                            |
| q. Owner's Participation/Management/ Staffing                                  | Sections 12.1, 12.6, 12.11, 14, 16, 17, 18, 19.3, 20.1             | Not Applicable                                                                        | Item 15                                |
| r. Records/Reports                                                             | Sections 12, 16, 17.6, 17.8, 18.5(a)                               | Section 3.f of Amendment for Franchisees who did not sign the Sliding Scale Amendment | Items 6, 11                            |
| s. Inspections/Audits                                                          | Sections 12.11, 16.4                                               | Not Applicable                                                                        | Item 6                                 |
| t. Transfer                                                                    | Section 18                                                         | Section 6                                                                             | Items 6, 17                            |
| u. Renewal                                                                     | Section 4.2                                                        | Section 2.a                                                                           | Item 17                                |
| v. Post-Termination Obligations                                                | Sections 12.2, 17.1, 17.5, 17.10, 18.2, 19, 20, 23, 24             | Section 7                                                                             | Item 17                                |

| <b>OBLIGATION</b>            | <b>SECTION IN<br/>FRANCHISE<br/>AGREEMENT</b> | <b>SECTION IN<br/>AMENDMENT</b> | <b>ITEM IN DISCLOSURE<br/>DOCUMENT</b> |
|------------------------------|-----------------------------------------------|---------------------------------|----------------------------------------|
| w. Non-Competition Covenants | Sections 19, 20.2                             | Not Applicable                  | Item 17                                |
| x. Dispute Resolution        | Sections 17.10, 26                            | Section 8                       | Item 17                                |
| y. Other Payments            | Sections 8, 9.3, 12.3, 22.5, 22.6             | Not Applicable                  | Items 6, 7                             |

**ITEM 10.  
Financing**

Neither PIP nor any PIP affiliate offers direct or indirect financing to you. We do not guarantee your note, lease or obligation.

**ITEM 11.  
Franchisor's Assistance, Advertising, Computer Systems and Training**

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

For: Prospective Franchisees Who Are Not Now PIP Franchisees

Pre-Opening Obligations. The following are PIP's obligations to you before your PIP Center's opening (the parenthetical references below indicate the section and page number in your Franchise Agreement where you can find the particular obligation).

- Designate your Territory. (Sections 1.7 and 3)
- Provide you with a list of the Tangible Property and approved suppliers for your PIP Center. In addition, PIP will furnish you with the specifications for all initial and replacement Tangible Property required or recommended for your PIP Center (Sections 1.17, 11.1 and 12.2).
- Provide you with site selection approval. PIP will use its best efforts to approve or disapprove your proposed site within 14 days from the date you submit your proposal along with all the other information about the site, which PIP may reasonable require. Neither PIP nor any affiliate intends to own the premises for your site, but we may do so in the future. (Section 10.1(a)).
- Consult with you and your attorney concerning the business issues of any proposed lease for your PIP Center (if requested by you). However, PIP shall not give any legal advice to you or your attorney, as you and your agents will be solely responsible for the terms and conditions of the lease (Section 10.1(b)).
- Assist in planning your PIP Center's layout following selection of its site (Section 10.1(c)).
- Assist in the installation of the Tangible Property (through coordination with vendors) for your PIP Center (Section 10.1(d)). See Item 8 for a description of the specifications of and approved suppliers for the Tangible Property.
- Train (through Print Management University) you and 1 other individual, designated by you, in the operation of the PIP Center for approximately 6 day (Section 10.3).

PIP's Post-Opening Obligations. The following are PIP's obligations to you after your PIP Center's opening:

- Provide on-site supervision at your PIP Center's opening (Section 10.2(a)).
- Assist you in promoting your PIP Center's opening (Section 10.2(b)).
- Plan, consult and coordinate with you regarding the advertising for your PIP Center (Section 10.2(c)).
- Provide ongoing business consultation to you about the PIP Center (Section 10.4.).
- Assist you (upon your reasonable request) in public relations (Section 10.2(d)).
- Provide annual reports regarding total expenditures from the PIP Ad Funds (Section 15.1(d)).
- Provide you with current Brand Standards and Operations Manual (Section 10.2(f)).
- Disclose in confidence to you PIP's established production and sales methods and techniques as PIP deems necessary to operate your PIP Center (Sections 1.4 and 2.2(b)).
- Remain available by telephone at PIP's corporate headquarters during ordinary business hours for consultation with you regarding your PIP Center's operation and management (Section 10.4).
- Take action as PIP may deem necessary to protect and defend you against any claim, suit or demand against you by any third party due to any alleged infringement, unfair competition or similar matter from your approved use of the trademarks, trade names, service marks, logotypes, insignias, designs or confidential information owned by PIP and used by you under your Franchise Agreement. In addition, PIP shall indemnify you against any loss, cost or expense incurred in the proceedings, subject to the limitations described in your Franchise Agreement (Sections 17.6 and 17.7).
- Permit and assist you in the opening of PIP Satellites, if approved in accordance with your Franchise Agreement and this disclosure document (Section 3.2).

### Advertising.

National Advertising Funds. During the Term, PIP has the right (but not the obligation) to carry on advertising program at the national or regional level for PIP franchisees located within the area covered by the advertising and media and at the times and in the manner as PIP shall deem advisable. The PIP Ad Funds currently serve this purpose; under applicable Franchise Agreements, PIP franchisees and, in some cases, PIP, must contribute certain amounts to the PIP Ad Funds for national or regional advertising purposes (see Item 6 for information concerning the amount of your contribution to the PIP Ad Funds). PIP determines the timing of all expenditures from the PIP Ad Funds and the cost, media, content, format, style and all other matters for the advertising resulting from the PIP Ad Funds. All advertising for the advertising program and some marketing materials are currently created by Summit. Summit generates typical advertising agency commissions for placement of media and creative development.



Neither PIP nor its affiliates receives any payment from the PIP Ad Funds. PIP uses these funds solely to promote the services sold by PIP franchisees and PIP does not use these funds to sell additional PIP franchises. PIP reserves the right to allocate no more than 15% of the funds for general administrative expenses, including collection agency fees and expenses for collecting advertising funds from Franchisees.

PIP's Marketing Department administers the PIP Ad Funds. During its last calendar year (ending December 31, 2024), the PIP Ad Funds were spent as follows: 30% lead nurturing, 25% content marketing, 24% media, creative and production, 8% online ordering portals, 8% search and display, 4% website and email hosting, and 1% other (such as research, public relations, CX).

PIP may also use the PIP Ad Funds for marketing, marketing research, public relations and promotions and for the promotion of the image, name awareness, identity and patronage of PIP franchisees. PIP may require you to pay for the collateral advertising materials produced by the PIP Ad Funds. While PIP tries to spend the PIP Ad Funds in a manner fair to all of its franchisees, PIP cannot promise that it will make a certain level of expenditures on advertising in your Territory or that these expenditures will equally benefit all of its franchisees. PIP records the PIP Ad Funds in PIP's books and records separate from all other accounts and does not commingle the Ad Funds with PIP's other funds. PIP will mail to you once a year the financial statements summarizing the total expenditures for advertising from the PIP Ad Funds. You can also call PIP and request PIP mail you the financial statements at any time. PIP does not refund any portion of your contribution to the PIP Ad Funds. If PIP spends less than the total amount of the PIP Ad Funds during any fiscal year, it can accumulate and spend the unexpended portion during the next year.

The national advertising fund is not audited.

Regional/Local Co-Op Advertising Obligation. Under Section 15.2 of your Franchise Agreement, a majority of PIP franchisees within certain areas may designate the areas as "Regional/Local Co-Op Territories." These territories may include individual cities (or portions of individual cities) or larger areas.

If PIP franchisees designate a Regional/Local Co-Op Territory (the "Co-Op Territory"), you and all other PIP franchisees in the Co-Op Territory who are subject to Section 15.2 of the Franchise Agreement (or a similar provision in their Franchise Agreements) then vote on whether a Regional/Local Advertising Co-Op (a "Co-Op") should be created within the Co-Op Territory. You and all of the other franchisees have 1 vote for each of your PIP Centers (PIP similarly has 1 vote for each PIP Center that it may own in the Co-Op Territory). Upon a majority vote of all of the PIP franchisees to create a Co-Op, you and all of the other PIP franchisees in the Co-Op Territory (including all prospective and existing PIP franchisees who later establish or acquire PIP franchises in the Co-Op Territory) must participate in the Co-Op.

At least 2/3<sup>rds</sup> of all PIP franchisees in the Co-Op Territory must approve the amount of all contributions to the Co-Op.

You and all other PIP franchisees in the Co-Op are solely responsible for the operation of the Co-Op. However, the Co-Op must coordinate its advertising and promotional activities with PIP and PIP's outside advertising agency and must submit the advertising and activities to PIP and the agency for their approval before their use. PIP does not require a Co-Op to operate from written governing documents or to prepare and distribute annual or periodic financial statements. While PIP does not have the power to require a Co-Op to be formed, changed, dissolved or merged, PIP will, upon request, assist you and other PIP franchisees to organize a Co-Op.

Computer Requirements. You must have computerized pricing and estimating software and hardware (Franchise Agreement, Section 2.b.).

The PIP selected software currently is the latest version of PrintersPlan manufactured by SoftUse, 116 Old Padonia Road, Suite C, Hunt Valley, MD 21030, (800) 638-7526. The program manages cost files of both materials and production, estimates and invoices, maintains customer history data, accounts receivable, and can create aging and sales analyses. SoftUse provides telephone support, software updates and maintenance for 1 year with initial software package at no charge to you as part of PIP's equipment package. PIP recommends you purchase a continuing maintenance agreement through different pricing plans. PIP has no affiliation with SoftUse and receives no direct or indirect payments (other than volume discounts for its Franchisees) for utilizing PrintersPlan in its equipment package.

There is a similar pricing software program called PrintSmith (not available in the current PIP equipment package) which some PIP Centers use, as well as several other printing estimator programs.

The PIP selected hardware is a personal computer and a laser printer; Printer's Plan system requires a computer and printer. You must obtain the complete equipment package, which includes the computer, the printer, and the software, either, from PIP or elsewhere. Individual pieces may not be separated out of our package. The total computer software and hardware items cost ranges from approximately \$26,000 to \$30,000.

PIP does not have independent access to the information and data maintained on your software, but it reserves the right to do so. You are not required to upgrade any particular piece of software or hardware; however, you must maintain the full capabilities of a PIP Center, including implementing any changes in the PIP System.

You must provide, host and maintain the master website [www.pip.com](http://www.pip.com). PIP will also provide a local website with corresponding URL for your business on the master website, as well as the content management tools that you can use to customize your local website.

Brand Standards and Operations Manual. Exhibit F is the table of contents of the Brand Standards and Operations Manual as of December 31, 2024.

Site Selection for a PIP Center. PIP will provide you with site selection approval. PIP will consider zoning, signage requirements, traffic flow, parking, site size and proximity to potential customer concentrations and proximity to other PIP Centers. PIP will use its best efforts to approve or disapprove your selected site within 14 days from the date you submit a prospective site for approval.

PIP has granted to some of PIP's existing franchisees the rights of first refusal covering certain geographic areas. If the site where you wish to open your PIP Center lies within this area, PIP must first offer the existing PIP franchisee an opportunity to purchase a franchise in the area before it can possibly sign a Franchise Agreement with you.

Pre-Opening Time Period. You will open your PIP Center approximately 180 days after you sign your Franchise Agreement. However, this period may be longer under certain circumstances. Factors affecting (and possibly extending) these time periods usually include obtaining a satisfactory site, negotiating a lease for the site, making appropriate financing arrangements, obtaining required business licenses and otherwise complying with local ordinances, employing and training suitable personnel, constructing or remodeling the selected site, taking delivery of and installing equipment and signage, and taking delivery of opening inventory.

Initial Training. As of December 31, 2024, PIP had the following programs for initial training of its franchisees:

**INITIAL TRAINING PROGRAM FOR A PIP CENTER  
PRINT MANAGEMENT UNIVERSITY (NOTE 1)**

| OPERATING SYSTEM                            | HOURS OF<br>CLASSROOM<br>TRAINING | HOURS OF ON<br>SITE TRAINING     | LOCATION                                                                                                   |
|---------------------------------------------|-----------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------|
| PRODUCTION MANAGEMENT                       | 9.5 Hours                         | 48 Hours<br>See Note 1<br>Below  | 26722 Plaza,<br>Mission Viejo,<br>CA 92691;<br><br>and<br><br>On Site<br>Training at<br>Your PIP<br>Center |
| MARKETING AND SALES<br>MANAGEMENT           | 10.5 Hours                        | 48 Hours<br>See Note 1<br>below  |                                                                                                            |
| BUSINESS MANAGEMENT                         | 13 Hours                          | See Note 1<br>below              |                                                                                                            |
| FINANCIAL MANAGEMENT                        | 5.5 Hours                         | See Note 1<br>below              |                                                                                                            |
| EMPLOYEE MANAGEMENT AND<br>WORKPLACE SAFETY | 5.5 Hours                         | See Note 1<br>below              |                                                                                                            |
| ON SITE<br>SETUP/OPENING/TRAINING           |                                   | 120 Hours<br>See Note 1<br>below |                                                                                                            |

Before opening, PIP will train you and one other person at Print Management University currently located at our corporate facility in Mission Viejo, California. We conduct the initial training approximately 4 times per year (or more frequently, if needed). The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from 15 to 31 years. You may bring additional people to the training program (over the 2) at your expense. The current training cost for an additional person is \$2,000 (transportation and lodging are your responsibility). This mandatory, comprehensive training session currently begins with an orientation on a Sunday and lasts for 6 days. Total instructional time currently runs for 44 hours. The objective of our University training program is to thoroughly train you in our four operating systems: production management, marketing and sales management, business and financial management, and employee management. You must satisfactorily complete the training program.

The instructional materials and methods include a pre-attendance workbook, a set of operations manuals, handouts, audiovisual presentations, role-play, case studies, and group interaction. PIP pays training expenses for two people to attend this initial training session including round trip transportation, lodging (one room, double occupancy), and some food (continental breakfast and lunch is provided every day of classroom training). You leave the initial training program with a customized business plan to implement and follow during the first year of operation. There are no other mandatory training programs.

Note 1:

New Center On Site Training. Following successful completion of Print Management University, you will receive several days of on-site field visit supervision and assistance by a PIP Business Management Consultant at no additional cost. This supervision and assistance will focus on your strengths and areas for development, as identified during Print Management University.

Additional Training. Recognizing the interest of keeping abreast of the latest developments in the Business Communications Business, PIP and all of its franchisees have met at least once a year at various U.S. cities at the PIP Convention, where they learn about new marketing and operations trends, preview advertising campaigns attend operational, marketing and financial seminars and a printing trade show featuring the technology of the Business Communications Business. You are invited to attend (at your sole cost) every PIP Convention but are not required to do so. Nothing in the Franchise Agreement requires PIP to hold either the PIP Convention or the trade show at the PIP Convention. PIP cannot estimate the amount of your fees and expenses if you choose to attend the PIP Convention. They will vary with the location, facility, overhead and length of the conference, among other factors.

PIP can require you and/or your personnel to attend additional or supplemental courses on new procedures or programs that PIP deems to be of major importance to the operation of your PIP Center (the duration of this training will vary depending upon the type of training.) These courses may be held on a national or regional basis at locations selected by PIP. You must pay all of your transportation, lodging, meal and other costs in attending any additional or supplemental training programs and may be required to pay a fee for expenses incurred by PIP in providing this training.

PIP also provides additional (non-mandatory) training in the form of training workshops to you and your employees. PIP will give these workshops, on a variety of topics, between 1-20 times per year held at various locations throughout the United States or virtually through on-line computer training. For PIP to be able give a workshop at a particular location, PIP may require 15 persons (either PIP franchisees or their employees) to attend the workshop. During this additional training, PIP is not obligated to pay any compensation for any service performed by you or your employees or to reimburse the transportation, food, lodging or other expenses of you or these individuals. PIP may or may not charge a registration fee of approximately between \$15 to \$100 to cover training materials, instructor fees or duration of the program.

For: Existing PIP Franchisees Who Desire to Sign an Additional Franchise Agreement or a PIP Satellite Addendum

If you are an existing PIP franchisee opening additional PIP Centers, PIP is not obligated to provide some of the services listed above in this Item 11 unless you specifically request them in writing (see Section 10.6 of your Franchise Agreement). For example, if you are signing an additional Franchise Agreement or a PIP Satellite Addendum, you do not have to attend Print Management University again. PIP will not reimburse you for any of your costs if you attend Print Management University. You must open this PIP Center and/or the PIP Satellite within 60 days of the date of the additional Franchise Agreement or PIP Satellite Addendum, respectively.

## **ITEM 12.**

### **Territory**

For: Prospective Franchisees Who Are Not Now PIP Franchisees

Existing PIP Franchisees Who Desire to Sign an Additional Franchise Agreement

Territory. You have a Territory provided for in your Franchise Agreement. If you faithfully and promptly perform and observe all of your obligations and conditions under your Franchise Agreement, PIP will not operate nor authorize any other person or business entity to operate a PIP Center in your Territory during the Term. However, your Franchise Agreement does not impose geographic or other limitations or restric-

tions on (i) the customers whom you or PIP may serve, or (ii) the sale, solicitation or acceptance of orders by you or PIP outside of your Territory. Any other PIP Center franchisee is not prohibited from and may sell, solicit, accept orders and serve customers in your Territory.

You are responsible for selecting the site of your PIP Center, and PIP then determines the boundaries of your Territory in relation to the site of your PIP Center in accordance with the criteria discussed in Item 11. In determining the exact boundaries of any Territory, PIP seeks to ensure a business count of at least 1,200 within the Territory.

You may not operate your PIP Center except at a location within your Territory. PIP may permit you to open 1 or more PIP Satellites within your Territory, but only if you sign and comply with a PIP Satellite Addendum. With PIP's prior approval, you may relocate the site of your PIP Center within your Territory. PIP routinely grants this approval following your consultation with PIP about the advantages and disadvantages of your current site and the proposed site of relocation.

You may wish to purchase or otherwise acquire an existing PIP Center from another PIP Center franchisee (but less than all of the PIP Centers operated under that franchisee's Franchise Agreement). If PIP consents to the transaction, you must sign a new Franchise Agreement for the PIP Center you acquire. Your Territory under that Franchise Agreement will contain a portion of the selling franchisee's existing Territory, the size of which will be determined by PIP. PIP shall simultaneously amend the selling franchisee's Franchise Agreement to exclude the transferred territory.

Subject to the provisions regarding advertising cooperatives among PIP franchisees in Section 15.2 of your Franchise Agreement, PIP does not require you to pay any compensation to any other franchisee for advertising conducted, sales made or orders accepted outside of your Territory.

Site Selection for a PIP Center. PIP will provide you with site selection approval. PIP will consider zoning, signage requirements, traffic flow, parking, site size and proximity to potential customer concentrations and proximity to other PIP Centers. PIP will use its best efforts to approve or disapprove your selected site within 14 days from the date you submit a prospective site for approval.

PIP has granted to some of PIP's existing franchisees the rights of first refusal covering certain geographic areas. If the site where you wish to open your PIP Center lies within this area, PIP must first offer the existing PIP franchisee an opportunity to purchase a franchise in the area before it can possibly sign a Franchise Agreement with you.

Company-Owned Outlet (Same Trade Name or Trademark) and Internet Sites. PIP (including its affiliates) will not establish a center owned and operated by PIP under the PIP trademarks, trade names or service marks within your Territory if you have not breached your Franchise Agreement. However, PIP specifically reserves the right to establish other channels of distribution using its trademarks within your Territory. One channel of distribution is an Internet site and PIP may, for itself or for its Franchisees, operate one or more Internet sites to offer the sale of Business Communications Services to the public.

Outlets (Different Trade Name or Trademark). PIP (including its affiliates) specifically reserves the right to establish other franchises or channels of distribution which sell or lease products or services similar to or competitive with those of your PIP Center (including competing, interchangeable or substitute products) under a different trademark within your Territory, without compensation. PIP's affiliates, Sir Speedy, Inc., and Signal Graphics, Inc., may have or may establish Sir Speedy Centers or Signal Graphics Centers in your Territory and PIP may have or may establish PIP Centers in a Sir Speedy's or a Signal

Graphic's franchised protected territory. PIP or an affiliate may acquire other printing or copying companies in the future which may have or open outlets in your Territory.

Continuation. The continuation of your Territory does not depend upon your achievement of a certain sales volume, market penetration or other contingency. PIP may not unilaterally alter your Territory if you are not in breach of your Franchise Agreement.

If you are an existing PIP franchisee opening additional PIP Centers, PIP is not obligated to provide some of the services listed above in this Item 11 unless you specifically request them in writing (see Section 10.6 of your Franchise Agreement). For example, if you are signing an additional Franchise Agreement or a PIP Satellite Addendum, you do not have to attend Print Management University again. PIP will not reimburse you for any of your costs if you attend Print Management University. You must open this PIP Center and/or the PIP Satellite within 60 days of the date of the additional Franchise Agreement or PIP Satellite Addendum, respectively.

For: Existing PIP Center Franchisees Who Desire to Sign a PIP Satellite Addendum

You must locate each PIP Satellite in your Territory. In all other respects, the territory provisions for PIP Satellites are identical to those described for PIP Centers in the existing Franchise Agreement to which the PIP Satellite Addendum is attached.

For: Prospective and Existing PIP Franchisees Acquiring a Franchise Agreement from an Existing Franchisee

Upon the acquisition of an existing PIP Center, the territorial rights will be the same as in the Franchise Agreement for the acquired PIP Center.

For: Existing PIP Franchisees who sign an Amendment to Franchise Agreement. If you sign the Amendment, neither we nor anyone authorized by us may operate a PIP Center (as defined in your Franchise Agreement) at a physical location in your Territory (as defined in your Franchise Agreement) during the term of your Franchise Agreement. Under the Amendment, we and our affiliates may own, operate, license or franchise any printing, copying or related businesses under a name other than "PIP" or "Postal Instant Press". The Amendment expressly allows us and our affiliates to own and operate, and license others to own and operate, Sir Speedy Centers in your Territory. The Amendment also clarifies that we cannot prohibit other PIP franchisees from advertising or selling products or services to persons or entities located within your Territory.

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.

### **ITEM 13. Trademarks**

Registration. PIP grants you the right to operate a PIP Center under the trademarks "PIP", "PIP Printing", and "PIP Printing Marketing, Signs, Print". By the term "trademarks," PIP means trade names, trademarks, service marks and logos used to identify your PIP franchise and its services and products.

The following is a description of the principal Trademarks which we will license to you:

## DOMESTIC TRADEMARKS

| Description of Mark                                                                                                      | Principal or Supplemental Register of the United States Patent and Trademark Office | Registration Number | Registration Date                      |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------|----------------------------------------|
| PIP Printing and Marketing Services<br> | Principal<br>(Class 035, 040)                                                       | 3688614             | 9-29-09<br>Renewed:<br>10-23-2018      |
|                                         | Principal<br>(Class 035)                                                            | 2531698             | 1-22-02<br>Renewed:<br>05-18-2021      |
| PIP                                                                                                                      | Principal<br>(Class 035)                                                            | 874010              | 7-29-69<br>Renewed:<br>11-30-2018      |
| POSTAL INSTANT PRESS                                                                                                     | Principal<br>(Class 035)                                                            | 876221              | 9-2-69<br>Renewed:<br>10-15-2018       |
| PIP Printing<br>                        | Principal<br>(Class 042)                                                            | 1542015             | 5-30-89<br>Renewed:<br>12-07-2018      |
| WHERE BUSINESS GOES TO GROW                                                                                              | Principal<br>(Class 035)                                                            | 3879942             | 11-23- 2010<br>Renewed:<br>07-06-2021  |
|                                       | Principal<br>(Class 035, 040)                                                       | 4962507             | May 24, 2016<br>Renewed:<br>09-11-2021 |
| pip<br>                               | Principal<br>(Class 035)                                                            | 7181016             | October 3, 2023                        |
|                                       | Principal<br>(Class 035)                                                            | 7239746             | December 12, 2023                      |

PIP may, in its sole discretion, modify or discontinue the use of the Marks and/or use one or more additional or substitute service marks or trademarks. If PIP decides to do so, you must do so also, at your expense, including, without limitation removing existing signage and purchasing and installing new signage.

You must follow PIP's policies when you use its trademarks. You cannot use PIP's trademarks (or any combination of these trademarks) as part of your corporate name or the name of any other type of business entity, which may operate your PIP Center. You may not use PIP's trademarks for the sale of an unauthorized product or service, for an Internet domain name or email address, or in a manner not authorized in writing by PIP.

Effective Determinations. There are no presently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, or the trademark administrator of this state or any court involving any PIP trademarks. Nor is there any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any PIP trademarks, which could significantly affect the ownership or your use of PIP's trademarks.

Agreements. No agreements limit PIP's right to use or license the use of its trademarks.

Infringement/Unfair Competition. You must notify PIP promptly when you learn about an infringement of or challenge to your use of PIP's trademarks. Subject to certain limitations in Section 17 of your Franchise Agreement, and if you are using the trademarks in accordance with your Franchise Agreement, PIP will take all action as PIP deems necessary to protect and defend you against any infringement claim and will indemnify you against your losses, costs or expenses from this claim. PIP has the right to defend, compromise or settle any claim at its own expense and with its own attorneys, and you must cooperate fully with PIP in the defense of that claim. You may not settle or compromise any claim without PIP's prior written consent. You may participate in the defense or settlement at your own cost, but PIP shall have sole control over any administrative proceeding or litigation and settlement.

Infringing Uses. PIP does not know of any infringing uses that could materially affect your use of PIP's trademarks.

#### **ITEM 14.**

##### **Patents, Copyrights and Proprietary Information**

Except as noted below, PIP does not license to you any rights in or to any patents or copyrights material to your PIP franchise. PIP claims copyrights in the Brand Standards and Operations Manual and in certain other materials, printed advertising, promotional materials and related items used in the operation of your PIP franchise. You may use the Brand Standards and Operations Manual and other materials and items only during the Term in accordance with your Franchise Agreement.

There are no presently effective determinations of the U.S. Copyright Office or any court regarding any of PIP's copyrighted materials. Nor are there any currently effective agreements that significantly limit PIP's rights to use or grant you the right to use the copyrighted materials. There are no infringing uses actually known to PIP which could materially affect your use of the copyrighted materials in any state or the state where your PIP franchise is located.

PIP owns proprietary rights on a number of established production and sales methods and techniques. PIP considers these to be trade secrets and PIP licenses them to you under your Franchise Agreement. In your Franchise Agreement, you acknowledge that all information disclosed to you by PIP regarding techniques, services, products, technology, know-how and operation of your PIP franchise is proprietary and confidential and may be considered by PIP to be a trade secret. Your disclosure of any confidential information or trade secret requires PIP's prior written consent, and you cannot use the confidential information and trade secrets in any other business or activity. Nothing in this disclosure document, however, should be deemed to be a representation that any specific item of information disclosed to you constitutes a "trade secret" as defined in the Uniform Trade Secrets Act.



In addition, you must agree in your Franchise Agreement that:

- Any threatened, attempted or actual violation by you of the provisions of your Franchise Agreement dealing with PIP's confidential information, trade secrets, trademarks and service marks entitles PIP to obtain an order enjoining you from violating these provisions (in any proceeding brought due to a violation or potential violation).
- The order may be made pending the ultimate determination of the proceeding as well as upon the final determination of the proceeding.
- The right of PIP to seek this order is in addition to any other rights available to PIP due to the violation or potential violation.
- You must pay PIP's reasonable costs and attorneys' fees if you do not prevail in the proceeding.

If your employees attend Print Management University or any training program offered by PIP, you must require these employees to sign PIP's standard Agreement of Confidentiality, Non-Disclosure and Non-Competition (Exhibit G) before the start of this training. You must also sign this agreement if you will receive this training before you sign your Franchise Agreement. A copy of the signed agreement must be delivered to PIP within 1 week of its signing.

Your obligations and PIP's actions regarding an infringement of or challenge to your use of PIP's copyrighted materials are the same as for PIP's trademarks as described in Item 13.

If PIP adds, modifies or discontinues the use of an item covered in the Brand Standards and Operations Manual or of copyrighted materials, you must also do so at your sole cost. PIP must, however, notify you before any addition, modification or discontinuance.

#### **ITEM 15.**

##### **Obligation to Participate in the Actual Operation of the Franchise Business**

For a PIP Center: PIP does not require you to personally supervise your PIP Center on-site (although PIP recommends it). However, you (if a person, or if not a person, the person owning, operating and/or controlling you) must supervise the overall management and operation of your PIP Center, and you must devote your entire time, attention and best efforts exclusively to this management and operation. You may have a manager for your PIP Center. The manager does not have to attend Print Management University, and you do not have to disclose the identity of the manager to PIP. If you are a corporation, partnership or other entity, PIP does not require your manager to have an ownership interest in the corporation, partnership or entity.

You must staff your PIP Center by trained, competent and qualified personnel (including any manager). You must also hire a full-time employee with at least 6 months' prior experience in the operation of a printing press. However, PIP cannot hire or terminate any of your employees or direct or control their activities. You and all of your staff (including the manager) must keep all confidential information from PIP in strict confidence, utilize it only in the operation of your PIP Center and not disclose it to anyone else.

You may not have any interest (as an owner, employee, director, officer, salesperson, representative or agent or in any other capacity) in any other business competitive with your PIP Center.

We will not approve the sale of a PIP Center to an Employee Stock Ownership Plan (“ESOP”).

**ITEM 16.**

**Restriction on What the Franchisee May Sell**

You must sell only those goods and services PIP expressly authorizes. In addition, you must not use the PIP Center premises for any purpose other than the operation of a PIP Center. There are no limits on PIP’s right to change the types of goods and services you offer for sale, and PIP may authorize you to sell different or additional goods and services or to discontinue the sale of previously offered goods or services. You must sell and offer for sale all other goods and services within a reasonable time after notice from PIP, even if you must spend additional funds for inventory, capital improvement or machinery.

**ITEM 17.**

**Renewal, Termination, Transfer and Dispute Resolution.**

This table contains only a summary of certain of the important provisions of your Franchise Agreement and its related agreements. You should carefully read the actual agreements attached to this disclosure document which you will sign, since they will control if there is any dispute between us.

**THE FRANCHISE RELATIONSHIP**

| <b>PROVISION</b>                             | <b>SECTION IN<br/>FRANCHISE<br/>AGREE-<br/>MENT</b> | <b>SUMMARY</b>                                                                                               | <b>SECTION<br/>IN<br/>AMEND-<br/>MENT</b> | <b>SUMMARY</b>                                                                                               |
|----------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| a. Length of the franchise term (Note 1)     | Section 4.1                                         | Term is 10 years.                                                                                            | Section 2                                 | Under the Amendment, your term will be the remaining term of your current Franchise Agreement plus 10 years. |
| b. Renewal or Extension of the Term (Note 2) | Section 4.2                                         | Term may be extended for 2 successive 10-year periods if you are in compliance with the Franchise Agreement. | Section 2.a                               | Under the Amendment, you may renew for one additional 10-year term.                                          |

| <b>PROVISION</b>                                 | <b>SECTION IN<br/>FRANCHISE<br/>AGREE-<br/>MENT</b> | <b>SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>SECTION<br/>IN<br/>AMEND-<br/>MENT</b> | <b>SUMMARY</b>                                                                                                                                                 |
|--------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| c. Requirements for You to Renew or Extend       | Section 4.2                                         | You must be in compliance with the terms of your Franchise Agreement. Give 6 months advance prior written notice of intent. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of the territory will remain the same, and the Continuing Royalty on renewal will not be greater than the continuing Royalty that we then impose on similarly-situated renewing franchisees. | Section 2.a                               | Under the Amendment, in addition to the above, you must bring your PIP Center to the appearance, equipment and safety standards of new PIP franchised Centers. |
| d. Termination by You                            | None                                                | Note 9                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Not Applicable                            | Franchisee may terminate under any grounds permitted by law                                                                                                    |
| e. Termination by PIP without Cause              | None                                                | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                              | Not Applicable                            | Not Applicable                                                                                                                                                 |
| f. Termination by PIP With Cause                 | Sections 21, 22                                     | PIP can terminate if you materially breach or PIP rescinds your Franchise Agreement; cross-default with other agreements can occur (Note 3).                                                                                                                                                                                                                                                                                                                | Not Applicable                            | Not Applicable                                                                                                                                                 |
| g. "Cause" Defined - Defaults Which Can be Cured | Sections 22.1, 22.2                                 | You have 10 days to cure non-payment of any sums due to PIP; you have 30 days to cure any other type of material breach.                                                                                                                                                                                                                                                                                                                                    | Not Applicable                            | Not Applicable                                                                                                                                                 |

| PROVISION                                                    | SECTION IN FRANCHISE AGREEMENT              | SUMMARY                                                                                                                                                                                                                                                                                                                                                             | SECTION IN AMENDMENT | SUMMARY                                                                                                                          |
|--------------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------|
| h. "Cause" Defined - Defaults Which Cannot be Cured (Note 4) | Section 22                                  | Willful under-reporting of gross sales, unapproved assignments or other transfers, default of center lease resulting in termination of lease, bankruptcy, assignment for benefit of creditors, appointment of receiver or trustee, dissolution, judgment, levy, attachment, felony, moral turpitude conviction, Trademark misuse, abandonment, public safety.       | Not Applicable       | Not Applicable                                                                                                                   |
| i. Your Obligations on Termination/Non-Renewal               | Sections 12.2, 20.2, 20.3, 22.7, 23.1, 23.2 | Complete de-identification, transfer center telephone & facsimile number to PIP, assign customer list to PIP and abide by covenant not to operate a competing business (upon termination), pay all amounts owed to PIP, return Brand Standards and Operations Manual and Confidential Information, cease use of Trademarks, and assign lease to PIP (if requested). | Section 7            | Under the Amendment, upon abandonment or termination of your Franchise Agreement, you must transfer the telephone numbers to us. |
| k. "Transfer" by You - Definition                            | Section 18                                  | Includes transfer of Franchise and any assignment of 50% or more of ownership interest in franchisee if franchisee is a corporation or other business entity; approved by Franchisor.                                                                                                                                                                               | Not Applicable       |                                                                                                                                  |

| <b>PROVISION</b>                                                   | <b>SECTION IN<br/>FRANCHISE<br/>AGREE-<br/>MENT</b> | <b>SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                 | <b>SECTION<br/>IN<br/>AMEND-<br/>MENT</b> | <b>SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| l. PIP's Approval of Transfer by Franchisee                        | Section 18.2                                        | PIP must give prior written approval to transfer but will not unreasonably withhold approval.                                                                                                                                                                                                                                                                  | Not Applicable                            | Using our experience and in keeping the best interests of PIP in mind, PIP may require, in its sole discretion, as a condition of our approval of any transfer that the transferee demonstrate to our satisfaction that it meets our managerial and business standards and possesses good moral character and business experience, and has adequate financial resources and capital |
| m. Conditions for PIP's Approval of Transfer (Notes 5, 6, 7 and 8) | Section 18.4(a)-(g)                                 | You must be current in payment of all amounts due to PIP and in compliance with all other obligations to PIP; transferee qualifies as center owner and attends training; appropriate documentation is signed; and a transfer fee is paid. Other conditions apply to transfers to family trusts, heirs, etc., and wholly owned corporations and other entities. | Not Applicable                            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                      |
| n. PIP's Right of First Refusal to Acquire Your Business           | Section 18.6                                        | During first 7 years of Term, PIP can acquire your business on the same terms as the third-party purchase offer given to you.                                                                                                                                                                                                                                  | Not Applicable                            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                      |
| o. PIP's option to purchase your business                          | None                                                | Upon expiration or termination of your Franchise Agreement, PIP can purchase at fair market value all of your tangible Property bearing any trademarks.                                                                                                                                                                                                        | Not Applicable                            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                      |
| p. Your Death or Disability                                        | Section 18.5(b)                                     | PIP will approve transfer to heirs, personal representative or conservators if they are qualified.                                                                                                                                                                                                                                                             | Not Applicable                            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                      |

| <b>PROVISION</b>                                                                   | <b>SECTION IN<br/>FRANCHISE<br/>AGREE-<br/>MENT</b> | <b>SUMMARY</b>                                                                                                                                                                         | <b>SECTION<br/>IN<br/>AMEND-<br/>MENT</b> | <b>SUMMARY</b>                                                                                                       |
|------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| q. Non-Competition Covenants During the Term of the Franchise                      | Section 19.1                                        | You may not have any interest in any Business Communications Business other than your PIP franchise without PIP's prior written approval.                                              | Not Applicable                            | Non-Compete provisions are subject to state law                                                                      |
| r. Non-Competition Covenants After the Franchise is Terminated or Expires (Note 9) | Section 19.2                                        | No competing Business Communications Business for 2 years within 25 miles of your former PIP franchise.                                                                                | Not Applicable                            | Non-Compete provisions are subject to state law                                                                      |
| s. Modification of the Franchise Agreement                                         | Sections 12.2, 27.5                                 | Your Franchise Agreement cannot be modified except by a written document between PIP and you, but the Brand Standards and Operations Manual may be amended upon 3 days' notice to you. | Not Applicable                            | Not Applicable                                                                                                       |
| t. Integration/Merger Clause                                                       | Section 27.5                                        | Only the terms of the Franchise Agreement are binding (subject to state law). Any promises outside the disclosure document and franchise agreement may not be enforceable.             | Section 10.a                              | Not Applicable                                                                                                       |
| u. Dispute Resolution by Arbitration or Mediation                                  | Section 26                                          | All disputes must be arbitrated in Orange County, California (subject to state law).                                                                                                   | Section 8                                 | Under the Amendment, all disputes must be arbitrated in Orange County, California (subject to applicable state law). |
| v. Choice of Forum                                                                 | Section 27.10                                       | All arbitration and litigation must be in Orange County, California (subject to applicable state law).                                                                                 | Not Applicable                            | Not Applicable                                                                                                       |
| w. Choice of Law                                                                   | Section 27.9                                        | California law applies except for Section 19.2 the law of the state the franchised business is in will govern that provision (subject to applicable state law).                        | Not Applicable                            | Not Applicable                                                                                                       |

**ITEM 18.**  
**Public Figures**

PIP does not use any public figure to promote its franchise. However, PIP has employed public figures for this purpose in the past and specifically reserves the right to do so in the future. There are no public figures involved in PIP's actual management or control.

**ITEM 19.**  
**Financial Performance Representations**

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

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 Thomas Muller at 26722 Plaza, Mission Viejo, California 92691, (949) 348-5000, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20.**  
**Outlets and Franchisee Information**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years 2022 to 2024**

| <b>Column 1<br/>Outlet Type</b> | <b>Column 2<br/>Year</b> | <b>Column 3<br/>Outlets at the<br/>Start of the Year</b> | <b>Column 4<br/>Outlets at the End<br/>of the Year</b> | <b>Column 5<br/>Net Change</b> |
|---------------------------------|--------------------------|----------------------------------------------------------|--------------------------------------------------------|--------------------------------|
| Franchised                      | 2022                     | 60                                                       | 56                                                     | -4                             |
|                                 | 2023                     | 56                                                       | 55                                                     | -1                             |
|                                 | 2024                     | 55                                                       | 52                                                     | -3                             |
| Company-Owned                   | 2022                     | 0                                                        | 0                                                      | 0                              |
|                                 | 2023                     | 0                                                        | 0                                                      | 0                              |
|                                 | 2024                     | 0                                                        | 0                                                      | 0                              |
| Total Outlets                   | 2022                     | 60                                                       | 56                                                     | -4                             |
|                                 | 2023                     | 56                                                       | 55                                                     | -1                             |
|                                 | 2024                     | 55                                                       | 52                                                     | -3                             |

**Table No. 2**  
**Transfers of Outlets From Franchisees to New Owners**  
**(Other than the Franchisor)**  
**For Years 2022 to 2024**

| <b>Column 1</b><br><b>State</b> | <b>Column 2</b><br><b>Year</b> | <b>Column 3</b><br><b>Number of Transfers</b> |
|---------------------------------|--------------------------------|-----------------------------------------------|
| California                      | 2022                           | 1                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 0                                             |
| Florida                         | 2022                           | 0                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 0                                             |
| Indiana                         | 2022                           | 0                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 0                                             |
| Nebraska                        | 2022                           | 0                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 1                                             |
| New Jersey                      | 2022                           | 0                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 0                                             |
| North Carolina                  | 2022                           | 0                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 0                                             |
| Oregon                          | 2022                           | 0                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 0                                             |
| South Carolina                  | 2022                           | 0                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 0                                             |
| Virginia                        | 2022                           | 0                                             |
|                                 | 2023                           | 0                                             |
|                                 | 2024                           | 0                                             |
| <b>TOTAL</b>                    | <b>2022</b>                    | <b>1</b>                                      |
|                                 | <b>2023</b>                    | <b>0</b>                                      |
|                                 | <b>2024</b>                    | <b>1</b>                                      |



**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2022 to 2024**

| <b>Column 1<br/>State</b> | <b>Column 2<br/>Year</b> | <b>Column 3<br/>Outlets at<br/>Start of<br/>year</b> | <b>Column 4<br/>Outlets<br/>Opened</b> | <b>Column 5<br/>Termi-<br/>nations</b> | <b>Column 6<br/>Non-<br/>Renewals</b> | <b>Column 7<br/>Re-<br/>acquired<br/>By<br/>Franchisor</b> | <b>Column 8<br/>Ceased<br/>Operations<br/>-<br/>Other<br/>Reasons</b> | <b>Column 9<br/>Outlets<br/>At End<br/>of the<br/>Year</b> |
|---------------------------|--------------------------|------------------------------------------------------|----------------------------------------|----------------------------------------|---------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------|
| Alaska                    | 2022                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2023                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2024                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
| California                | 2022                     | 13                                                   | 0                                      | 0                                      | 0                                     | 0                                                          | 2                                                                     | 11                                                         |
|                           | 2023                     | 11                                                   | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 11                                                         |
|                           | 2024                     | 11                                                   | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 11                                                         |
| Colorado                  | 2022                     | 0                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 0                                                          |
|                           | 2023                     | 0                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 0                                                          |
|                           | 2024                     | 0                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 0                                                          |
| Connecticut               | 2022                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2023                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2024                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
| Florida                   | 2022                     | 7                                                    | 1                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 8                                                          |
|                           | 2023                     | 8                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 8                                                          |
|                           | 2024                     | 8                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 2                                                                     | 6                                                          |
| Illinois                  | 2022                     | 2                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 2                                                          |
|                           | 2023                     | 2                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 2                                                          |
|                           | 2024                     | 2                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 2                                                          |
| Indiana                   | 2022                     | 6                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 1                                                                     | 5                                                          |
|                           | 2023                     | 5                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 5                                                          |
|                           | 2024                     | 5                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 5                                                          |
| Iowa                      | 2022                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2023                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2024                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
| Kentucky                  | 2022                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2023                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2024                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
| Massachusetts             | 2022                     | 2                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 2                                                          |
|                           | 2023                     | 2                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 2                                                          |
|                           | 2024                     | 2                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 2                                                          |
| Michigan                  | 2022                     | 0                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 0                                                          |
|                           | 2023                     | 0                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 0                                                          |
|                           | 2024                     | 0                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 0                                                          |
| Mississippi               | 2022                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2023                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |
|                           | 2024                     | 1                                                    | 0                                      | 0                                      | 0                                     | 0                                                          | 0                                                                     | 1                                                          |

| Column 1<br>State     | Column 2<br>Year | Column 3<br>Outlets at<br>Start of<br>year | Column 4<br>Outlets<br>Opened | Column 5<br>Termi-<br>nations | Column 6<br>Non-<br>Renewals | Column 7<br>Re-<br>acquired<br>By<br>Franchisor | Column 8<br>Ceased<br>Operations<br>-<br>Other<br>Reasons | Column 9<br>Outlets<br>At End<br>of the<br>Year |
|-----------------------|------------------|--------------------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------|
| Nebraska              | 2022             | 1                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 1                                               |
|                       | 2023             | 1                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 1                                               |
|                       | 2024             | 1                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 1                                               |
| Nevada                | 2022             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
|                       | 2023             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
|                       | 2024             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
| New Jersey            | 2022             | 3                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 3                                               |
|                       | 2023             | 3                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 3                                               |
|                       | 2024             | 3                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 3                                               |
| New York              | 2022             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2023             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2024             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
| North<br>Carolina     | 2022             | 7                                          | 0                             | 2                             | 0                            | 0                                               | 0                                                         | 5                                               |
|                       | 2023             | 5                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 5                                               |
|                       | 2024             | 5                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 5                                               |
| Ohio                  | 2022             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2023             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2024             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
| Oregon                | 2022             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
|                       | 2023             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
|                       | 2024             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
| South<br>Carolina     | 2022             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2023             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2024             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
| Tennessee             | 2022             | 4                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 4                                               |
|                       | 2023             | 4                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 4                                               |
|                       | 2024             | 4                                          | 0                             | 0                             | 0                            | 0                                               | 1                                                         | 3                                               |
| Virginia              | 2022             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2023             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2024             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
| Washington            | 2022             | 2                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 2                                               |
|                       | 2023             | 2                                          | 0                             | 1                             | 0                            | 0                                               | 0                                                         | 1                                               |
|                       | 2024             | 1                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 1                                               |
| Wisconsin             | 2022             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
|                       | 2023             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
|                       | 2024             | 0                                          | 0                             | 0                             | 0                            | 0                                               | 0                                                         | 0                                               |
| <b>Total<br/>U.S.</b> | <b>2022</b>      | <b>60</b>                                  | <b>1</b>                      | <b>2</b>                      | <b>0</b>                     | <b>0</b>                                        | <b>3</b>                                                  | <b>56</b>                                       |
|                       | <b>2023</b>      | <b>56</b>                                  | <b>0</b>                      | <b>1</b>                      | <b>0</b>                     | <b>0</b>                                        | <b>0</b>                                                  | <b>55</b>                                       |
|                       | <b>2024</b>      | <b>55</b>                                  | <b>0</b>                      | <b>0</b>                      | <b>0</b>                     | <b>0</b>                                        | <b>3</b>                                                  | <b>52</b>                                       |

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years 2022 to 2024**

| <b>Column 1<br/>State</b> | <b>Column 2<br/>Year</b> | <b>Column 3<br/>Outlets at<br/>Start of<br/>Year</b> | <b>Column 4<br/>Outlets<br/>Opened</b> | <b>Column 5<br/>Outlets<br/>Reacquired<br/>from<br/>Franchisees</b> | <b>Column 6<br/>Outlets<br/>Closed</b> | <b>Column 7<br/>Outlets Sold<br/>to<br/>Franchisees</b> | <b>Column 8<br/>Outlets at<br/>End of<br/>the Year</b> |
|---------------------------|--------------------------|------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------|--------------------------------------------------------|
| All States                | 2022                     | 0                                                    | 0                                      | 0                                                                   | 0                                      | 0                                                       | 0                                                      |
| And District              | 2023                     | 0                                                    | 0                                      | 0                                                                   | 0                                      | 0                                                       | 0                                                      |
| of Columbia               | 2024                     | 0                                                    | 0                                      | 0                                                                   | 0                                      | 0                                                       | 0                                                      |

**Table No. 5**  
**Projected Openings as of December 31, 2024**

| <b>Column 1<br/>State</b> | <b>Column 2<br/>Franchise Agreements<br/>Signed But Outlet Not<br/>Opened</b> | <b>Column 3<br/>Projected New Franchised<br/>Outlets in the Next Fiscal<br/>Year</b> | <b>Column 4<br/>Projected New Company-<br/>Owned<br/>Outlets in the<br/>Current Fiscal Year</b> |
|---------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Total                     | 0                                                                             | 0                                                                                    | 0                                                                                               |

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the TeamLogic IT® Business network. 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.

PIP endorses a PIP Advisory Council made up of six to eight franchisees from different regions of the United States. The PIP Advisory Council can be reached at 949-348-5000, 26722 Plaza, Mission Viejo, California 92691.

The names of all current franchisees and the addresses and telephone numbers of all of their outlets as of December 31, 2024 are listed on the following pages.

# FDD 2025 PIP PRINTING STATE/INTERNATIONAL ROSTER

## ALASKA

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ANCHORAGE, 99501-2711      500  
John I. Tatham, Jan Tatham  
Shelley Bramstedt  
833 E. 4<sup>th</sup> Ave.  
Phone: 907-274-3584  
Fax: 907-274-7477

## CALIFORNIA

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CORONA, 91719-1524      232  
Justin Tracy/Sam Tracy  
501 E. 6<sup>th</sup> St., Suite 107  
Phone# 951-737-1820  
Fax# 951-737-0338

DOWNEY, 90241-2791      46  
Bruce/Belinda Pansky  
10417 Lakewood Blvd.  
Phone# 562-861-0863  
Fax# 562-923-8184

PALO ALTO, 94306-1541      233  
Jennifer Allen / Mike Maystead  
2233 El Camino Real  
Phone # 650-323-8388, Fax # 650-323-4338

ELK GROVE, 95624-1742      1229  
Ray / Kabrina McNaught  
9245 Laguna Springs Drive, Suite 200  
Phone # 916-686-4670  
Fax # 916-686-8515

VAN NUYS, 91406      756  
Nathan Giles  
16525 Sherman Way, Suite C-11  
Phone# 818-986-9245  
Fax# 816-995-7955

SACRAMENTO, 95841      58  
Ray / Kabrina McNaught  
4825 Auburn Blvd.  
Phone# 916-334-0334  
Fax# 916-334-0340

RANCHO CUCAMONGA, 91730-3615      723  
William Mower  
9741 Foothill Blvd.  
Phone# 909-980-6977  
Fax# 909-944-1868

RIVERSIDE, 92501-3542      12  
Justin Tracy/Sam Tracy  
4093 Market Street  
Phone# 951-682-2005  
Fax# 951-682-1619

SANTA FE SPRINGS, 90670-5602      200  
Brian Ilten/Joan Ilten  
Kathryn Ilten  
13517 1/2 Alondra Blvd.  
Phone# 562-921-5188  
Fax# 562-921-7755

SAN DIEGO, 92115-4316      119  
Jay Levine  
7151 El Cajon Blvd., Suite J  
Phone# 619-467-7444

GOLETA, 93117      25  
Emmanuel & Siran Maldjian  
5735 Hollister Ave., Suite A  
Phone# 805-965-3088  
Fax# 805-966-5276

## COLORADO

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None

## CONNECTICUT

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HARTFORD 06103      1469  
Robert J. Pelzek  
100 Pearl Street  
Phone# 860-289-6047  
Fax# 860-289-6048

## FLORIDA

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|                                                                                                                  |      |                                                                                                                                        |      |                                                                                                                         |     |
|------------------------------------------------------------------------------------------------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------|-----|
| KISSIMMEE, 34741-4941<br>Jacqueline/Dale Bohman<br>929 W. Oak Street<br>Phone# 407-847-5565<br>Fax# 407-847-2698 | 920  | FORT LAUDERDALE, 33309-6328<br>Jan Geller/Linda Geller<br>5303 NW 35 <sup>th</sup> Terrace<br>Phone# 954-564-1224<br>Fax# 954-564-1225 | 1099 | MERRITT ISLAND, 32952-4839<br>April L. Balmer<br>275 Magnolia Ave., Suite 2<br>Phone# 321-452-2800<br>Fax# 321-452-7339 | 992 |
| Ocala, 34474-4101<br>Nancy Bierema<br>11 SW 1 <sup>st</sup> Ave.<br>Phone# 352-622-3224<br>Fax# 352-629-1017     | 491  | TAMPA, 33609-1241<br>Robert K. Driscoll<br>10428 No. Florida Ave.<br>Phone# 813-935-8113<br>Fax# 813-935-9431                          | 622  |                                                                                                                         |     |
| TAMPA, 33607-4916<br>Joseph & Geeta Moore<br>3616 W. Cypress<br>Phone# 813-879-7784<br>Fax# 813-874-8422         | 1098 |                                                                                                                                        |      |                                                                                                                         |     |

## ILLINOIS

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|                                                                                                                           |      |                                                                                                                      |     |
|---------------------------------------------------------------------------------------------------------------------------|------|----------------------------------------------------------------------------------------------------------------------|-----|
| NORMAL, 61761-4402<br>Chris Cochran & Shane Parker<br>1730 Bradford Lane #210<br>Phone# 309-452-6123<br>Fax# 309-691-6624 | 1316 | PEORIA, 61615-1821<br>Chris Cochran & Shane Parker<br>8325 No. Allen Rd.<br>Phone# 309-691-6668<br>Fax# 309-691-6624 | 459 |
|---------------------------------------------------------------------------------------------------------------------------|------|----------------------------------------------------------------------------------------------------------------------|-----|

## INDIANA

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|                                                                                                                       |      |                                                                                                                         |     |
|-----------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------|-----|
| BLOOMINGTON, 47403<br>Mark Lucas<br>402 W. 2 <sup>nd</sup> Street<br>Phone# 812-332-3000<br>Fax# 812-332-3024         | 548  | COLUMBUS, 47201-2402<br>Mark Lucas<br>808 3 <sup>rd</sup> St.<br>Phone# 812-376-9264<br>Fax# 812-376-9265               | 434 |
| CARMEL, 46032-4559<br>Anthony & Bud Kistner<br>11711 No. Pennsylvania St.<br>Phone# 317-843-5755<br>Fax# 317-843-5754 | 1321 | INDIANAPOLIS, 46240-206<br>Carol Sandberg<br>3855 East 96 <sup>th</sup> St.<br>Phone# 317-569-1855<br>Fax# 317-569-1809 | 324 |
| INDIANAPOLIS, 46268-2165<br>Thomas Fulner<br>7210 Zionsville Road<br>Phone # 317-328-2565<br>Fax# 317-328-2568        | 1151 |                                                                                                                         |     |

## IOWA

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|                                                                                                                          |     |
|--------------------------------------------------------------------------------------------------------------------------|-----|
| IOWA CITY, 52240-4514<br>Daniel J./Pamela J. Tiedt<br>2650 Mormon Trek Blvd.<br>Phone# 319-337-6431<br>Fax# 319-351-4828 | 597 |
|--------------------------------------------------------------------------------------------------------------------------|-----|

## KENTUCKY

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|                                                                                                                                   |     |
|-----------------------------------------------------------------------------------------------------------------------------------|-----|
| LOUISVILLE, 40258-1477<br>Walter J. Bourke/Jacqueline M. Bourke<br>7675 Dixie Highway<br>Phone# 502-935-6266<br>Fax# 502-935-6267 | 827 |
|-----------------------------------------------------------------------------------------------------------------------------------|-----|

## MASSACHUSETTS

---

EAST LONGMEADOW 01028-3117 211  
Robert J. Pelzek  
175 Benton Drive  
Phone# 413-525-4044  
Fax# 413-526-9599

WALTHAM, 02451-1255 1475  
Robert J. Pelzek  
303 Wyman Street, Suite 300  
Phone# 781-622-9003  
Fax# 413-526-9599

## MISSISSIPPI

---

RIDGELAND, 39157-3932 1429  
John H. Lewis, Jr. / Richard L. Adams /  
Camden L. Baker  
420 Christine Drive  
Phone# 601-898-1300  
Fax# 601-898-1301

## NEBRASKA

---

OMAHA, 68164 947  
Joe Mitchell / Ryan Efferding  
11067 W. Maple Road  
Phone# 402-334-5093  
Fax# 402-334-5094

## NEVADA

---

NONE

## NEW JERSEY

---

BRICK, 08723-7969 978  
Timothy Fazio  
2960 Yorktowne Blvd.  
Yorktown Plaza Shopping Ctr.  
Phone# 732-255-1980  
Fax# 732-255-5808

BLOOMINGDALE, 07403 734  
Myron/Gary Friedman  
39 Main Street  
Phone# 973-492-1212  
Fax# 973-492-1567

LIVINGSTON, 07039-1514 1403  
Jodi Solotoff  
465 W. Mt. Pleasant Ave.  
Phone# 973-533-9330  
Fax# 973-533-9311

## NEW YORK

---

INWOOD, 11096-1237 1377  
Sheldon Soloway/Michael Gliner  
421 Doughty Blvd.  
Phone# 516-239-9500  
Fax# 516-239-1450

OCEANSIDE, 11572-3114 268  
Lisa W. Stoecker  
2915 Long Beach Rd.  
Phone# 516-536-3600  
Fax# 516-536-9290

## NORTH CAROLINA

---

ASHEBORO, 27203-3957 919  
Timothy D. Nelson  
1499 N Fayetteville St North Gate Plaza  
Phone # 336-672-0360  
Fax # 336-672-5885

GREENVILLE, 27858-5806 1470  
Donald A. Stocks  
3185 Moseley Drive  
Phone # 252-355-1636  
Fax # 252-355-1712

CARY, 27511-6201 1359  
Chuck Wolff/David W. Callaghan  
1074 W. Chatham Street  
Phone # 919-481-1235  
Fax # 919-481-3845

WINSTON SALEM, 27104 394  
Jody Weber Shaw  
722 Aldersgate Drive #106  
Phone #336-768-5061  
Fax #336-659-9003

RALEIGH, 27613-1625 1088  
Nikunj Patel  
7209 Creedmoor Road, Suite 103  
Phone # 919-846-6000  
Fax # 919-846-5694

## OHIO

---

CINCINNATI, 45251-2920  
Robert Neff Belluomini  
8872 Colerain Ave  
Phone # 513-245-0590  
Fax # 513-245-0592

380

MENTOR, 44060-5415  
Jim Reese/Jerry Reese  
7533 Tyler Blvd.  
Phone# 440-951-4777  
Fax# 440-951-8907

836

## OREGON

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NONE

## SOUTH CAROLINA

---

ANDERSON, 29621-4817  
Theresa O'Rourke  
1005 N Fant St  
Phone # 864-225-1471  
Fax # 864-225-1472

533

GREER, 29651  
Walter Kozlov  
1846 Old Highway 14  
Phone # 864-234-0098  
Fax # 864-747-9100

1347

## TENNESSEE

---

GERMANTOWN, 38261  
Shahrokh-Akhayan / Tooran-Moghimi Zakery  
Akbar / Sherry Entezari  
2075 Exeter Road, Suite 30  
Phone # 901-757-5500  
Fax # 901-757-1820

1220

NASHVILLE, 37210-2302  
Scott Fulner  
1422 Lebanon Pike  
Phone # 615-883-1747  
Fax # 615-872-2072

448

UNION CITY, 38261-5623  
William C. / Sharon A. Garrett  
206 E. Reelfoot Ave., Suite 6  
Reelfoot Shopping Center  
Phone # 731-885-4448  
Fax # 731-885-7366

1293

## VIRGINIA

---

DANVILLE, 24541-3451  
Lorraine Womack  
329 Riverview Dr  
Phone #434-792-0020  
Fax # 434-792-0024

1156

LYNCHBURG, 24501-1703  
Nikunj Patel & Brijesh Patel  
1709 Memorial Ave  
Phone # 434-845-1153  
Fax # 434-845-1521

976

## WASHINGTON

---

SEATTLE, 98125-6331  
Victor I/Kathleen S. Koga  
11325 Pinehurst Way NE  
Phone # 206-365-5644  
Fax # 206-363-5146

656

## STATISTICAL INFORMATION - CLOSURES

The names, last known addresses and telephone numbers of the Franchise owners under Franchise Agreements with Franchisor in this state whose franchises, during the most recently completed fiscal year (ending December 31, 2024) have been terminated, canceled, not renewed, or who have ceased to do business voluntarily or involuntarily pursuant to the Franchise Agreement, or who have not communicated with PIP within 10 weeks of the application date is listed below. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

| <b>Name</b>           | <b>Status</b> | <b>Center #</b> | <b>City, State</b> | <b>Zip Code</b> | <b>Telephone</b> |
|-----------------------|---------------|-----------------|--------------------|-----------------|------------------|
| Debbie Bremer         | Transfer      | 00947           | Omaha, NE          | 68164           | 402-334-5093     |
| Robert Hardy          | Closure       | 01228           | Palatka, FL        | 32177           | 386-328-4021     |
| Robert Hardy          | Closure       | 01227           | St. Augustine, FL  | 32086           | 904-825-2372     |
| Craig & Sharon Cowles | Closure       | 01232           | Memphis, TN        | 38119           | 901-763-3171     |

## STATISTICAL INFORMATION - CONSOLIDATIONS

Listed below are Franchisees who, during the most recently completed fiscal year (ending December 31, 2024), have voluntarily closed a PIP center but continue to operate one or more PIP centers pursuant to one or more Franchise Agreements:

None.

(The remainder of this page is intentionally left blank.)



**ITEM 21.**  
**Financial Statements**

Exhibit E are PIP's Financial Statements as of and for the periods ended December 31, 2024, December 31, 2023 and December 31, 2022, prepared in accordance with accounting principles generally accepted in the United States of America and audited by PIP's independent auditors.

**ITEM 22.**  
**Contracts**

Attached to this disclosure document are copies of the following agreements proposed for use or in use in this state:

| <b>EXHIBIT</b> | <b>DESCRIPTION</b>                                                            |
|----------------|-------------------------------------------------------------------------------|
| B              | Franchise Agreement for a PIP Center                                          |
| C              | PIP Satellite Addendum                                                        |
| G              | Agreement of Confidentiality, Non-Disclosure and Non-Competition              |
| H              | Agreement and Consent to Assignment to Corporation or Other Entity            |
| I              | Personal Continuing Guaranty of Corporate Debts and Obligations               |
| J              | Amendments to Franchise Agreement                                             |
| K              | Multi-State Addendum to Franchise Disclosure Document and Franchise Agreement |
| L              | Receipt                                                                       |

**ITEM 23.**  
**RECEIPT**

THE LAST TWO PAGES OF THE DISCLOSURE DOCUMENT (EXHIBIT L) IS A DOCUMENT ACKNOWLEDGING RECEIPT OF THE DISCLOSURE DOCUMENT BY YOU (ONE COPY FOR YOU TO KEEP AND ONE FOR YOU TO SIGN AND SEND TO US.

# **EXHIBIT A**

**STATE FRANCHISE ADMINISTRATORS**

## STATE FRANCHISE ADMINISTRATORS

### California:

Department of Financial Protection and Innovation  
(DFPI)  
320 W. 4th St., Ste. 750  
Los Angeles, CA 90013-2344  
(213) 576-7500 or Toll Free (866) 275-2677

### Hawaii:

Commissioner of Securities,  
Dept. of Commerce and Consumer  
Affairs, Business Registration Div.,  
Securities Compliance Branch  
335 Merchant St., Rm. 205  
Honolulu, HI 96813-2921  
(808) 586-2722

### Illinois:

Office of the Attorney General  
Franchise Division  
500 S. 2nd St.  
Springfield, IL 62701-1771  
(217) 782-4465

### Indiana:

Indiana Securities Division  
Franchise Section  
302 W. Washington St., Rm. E111  
Indianapolis, IN 46204-2738  
(317) 232-6681

### Maryland:

Office of the Attorney General  
Division of Securities  
200 Saint Paul Pl.  
Baltimore, MD 21202-2020  
(410) 576-6360

### Michigan:

Michigan Attorney General  
Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909-7713  
(517) 373-7117

### Minnesota:

Commissioner of Commerce  
85 7th Pl. E., Ste. 280  
Saint Paul, MN 55101-3165  
(651) 539-1638

### New York:

Office of New York Attorney General  
Investor Protection Bureau  
Franchise Section  
28 Liberty St., 21st. Flr.  
New York, NY 10005-1495  
(212) 416-8222

### North Dakota:

Securities Department  
600 E. Boulevard Ave., 5th. Flr.  
Bismarck, ND 58505-0510  
(701) 328-4712

### Rhode Island:

Dept. of Business Regulations  
Division of Securities  
1511 Pontiac Ave., Bldg. 69-1  
Cranston, RI 02920-4407  
(401) 462-9527

### South Dakota:

Dept. of Labor and Regulation  
Division of Insurance - Securities Regulation  
124 S. Euclid Ave., 2nd Flr.  
Pierre, SD 57501-3171  
(605) 773-3563

### Virginia:

State Corporation Commission  
Div. of Securities & Retail Franchising  
1300 E. Main St., 9th Flr.  
Richmond, VA 23219-3630  
(804) 371-9051

### Washington:

Dept. of Financial Institutions  
Securities Division  
150 Israel Rd. SW  
Tumwater, WA 98501-6456  
(360) 902-8760

### Wisconsin:

Department of Financial Institutions  
Securities Division  
4822 Madison Yards Way, North Tower  
Madison, WI 53705-9100  
(608) 266-8557

# **EXHIBIT B**

**FRANCHISE AGREEMENT FOR A PIP CENTER**



**FRANCHISE AGREEMENT**

**FOR PIP CENTER # \_\_\_\_\_**

POSTAL INSTANT PRESS, INC.  
26722 PLAZA  
MISSION VIEJO, CALIFORNIA 92691  
(949) 348-5000

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**FRANCHISE AGREEMENT FOR A PIP CENTER**

THIS FRANCHISE AGREEMENT is made and signed as of the Effective Date by and between POSTAL INSTANT PRESS, INC., a California corporation ("PIP"), and \_\_\_\_\_, ("Franchisee") with reference to the following facts:

**RECITALS**

- A. PIP has developed and is continuing to develop the PIP Business and owns and controls it.
- B. PIP is the owner and exclusive licensor of the Trademarks. PIP and the Trademarks are well known and have a favorable reputation and extensive goodwill.
- C. PIP has operated and franchised others to operate, and may continue to operate and franchise others to operate, the PIP Business.
- D. Franchisee has applied to PIP for, and wants to obtain, a franchise and license to operate a PIP Center within the Franchise Territory, and PIP is willing to grant a franchise and license to Franchisee under this Agreement.
- E. Franchisee has received a Franchise Disclosure Document from PIP at the earliest of (i) the date of the first personal meeting of PIP's representatives with Franchisee, (ii) fourteen (14) days before the date of Franchisee's signing of this Agreement, or (iii) fourteen (14) days before the date of Franchisee's payment of any consideration to PIP under this Agreement, and Franchisee has read and understands such Disclosure Document.

**AGREEMENT**

NOW, THEREFORE, the parties agree as follows:

**1. DEFINITIONS.**

In this Agreement, the following terms shall have the following meanings:

**1.1 "Agreement"** shall mean this Franchise Agreement (including any other agreements, addenda or other documents attached to this Franchise Agreement, all of which are incorporated into it by this reference), dated as of the Effective Date and as amended in writing after such date.

**1.2 "Brand Standards and Operations Manual"** shall mean PIP's Business and Financial Management Manual, Business Model Implementation Manual, Outside Sales Manuals, Health and Safety Program Manuals, Employee Management Manual and any other administration and operations manuals given to Franchisee by PIP (as amended by subsequent or supplemental materials and documents). Upon delivery to Franchisee, by mailing or electronically, all such materials and documentation shall be deemed to be an integral part of, and incorporated within, the Brand Standards and Operations Manual.

---

**1.3 "Business Communications Business"** shall mean any printing, business communications, signs, marketing, desktop publishing, digital processing, document creation, duplicating, graphic arts, layout and design, mailing services, typesetting activity or related business.

**1.4 "Confidential Information"** shall mean PIP's proprietary trade secrets, production and sales methods, processes, materials and techniques created by or used in the PIP Business, whether now existing or subsequently developed, and includes all of PIP's manuals (e.g., Brand Standards and Operations Manual), bulletins, instruction sheets, forms and equipment lists.

**1.5 "Continuing Franchise Fee"** shall mean the Continuing Franchise Fee payable by Franchisee to PIP under Section 6.

**1.6 "Effective Date"** shall mean the date on which this Agreement is signed by a duly authorized officer of PIP.

**1.7 "Franchise Territory"** shall mean the geographic area which has been determined by PIP (in its sole subjective discretion) and is described in the Franchise Territory Addendum attached to this Agreement.

**1.8 "Force Majeure"** shall mean any natural disaster, fire, flood, strike, insurrection, intervention by governmental authority, or other similar event or act beyond the control of either party to this Agreement which prevents either one from performing its obligations under this Agreement.

**1.9 "Franchisee"** shall mean the person(s) or entity (other than PIP) specified in the preamble to this Agreement. If Franchisee is not a person, the term "Franchisee" shall include the person(s) owning, operating and/or controlling Franchisee.

**1.10 "Funds" and "National Advertising Funds"** shall mean the aggregate sums required to be expended by PIP for national and/or regional/local advertising under Section 15.1.

**1.11 "Good Standing"** shall mean that Franchisee does not owe any continuing franchise fee payments, advertising fund payments or any other monetary obligations to PIP in excess of 30 days and Franchisee is in compliance with all of Franchisee's other obligations under the Franchise Agreement or under any agreement with PIP. Franchisee is not in Good Standing if Franchisee makes partial payments to PIP but still has amounts outstanding in excess of 30 days.

**1.12 "Gross Sales"** shall mean all revenues from sales, fees and charges made from the business transacted, services rendered or products made upon orders taken at or completed by delivery in, through, or from the PIP Center, including internet orders, or otherwise made or transacted by Franchisee, during the Term (whether or not collected by Franchisee) but shall exclude all separately stated sales taxes and other taxes added to the sales price and paid for by the customer to any federal, state or local tax authority.

**1.13 "PIP"** shall mean Postal Instant Press, Inc. and all of its predecessors, successors, assigns, affiliates, agents and designees.

**1.14 "PIP Business"** shall mean the operation of a Business Communications Business using the Trademarks and the Confidential Information.

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**1.15 "PIP Satellite"** shall mean either a limited service or additional full service PIP Center authorized under Section 3.2 and operated by Franchisee under this Agreement at a location in the Franchise Territory. A PIP Satellite is in addition to the initial full service PIP Center authorized under Section 2.1.

**1.16 "PIP Center"** shall mean the PIP Business operated by Franchisee under this Agreement, whether at the initial full service location authorized under Section 2.1 or at one or more PIP Satellites authorized under Section 3.2.

**1.17 "Tangible Property"** shall mean all equipment, inventory, supplies and other materials required to operate the PIP Center and specified in Schedule A to the Franchise Disclosure Document for this Agreement or in the Brand Standards and Operations Manual.

**1.18 "Term"** shall mean the Effective Date through the date of expiration or earlier termination of this Agreement as specified in Section 4.1.

**1.19 "Trademarks"** shall mean the service marks, trade names and trademarks "Postal Instant Press," "PIP", "PIP Printing" and "PIP Marketing Signs Print" and all other service marks, trade names, trademarks and trade dress which have been, are now being or will subsequently be created by PIP and which PIP may authorize Franchisee to use in the PIP Business.

## **2. GRANT OF FRANCHISE AND LICENSE.**

**2.1 Grant of Franchise.** PIP grants to Franchisee, and Franchisee accepts, a franchise to open and operate one full service PIP Center under this Agreement in the Franchise Territory.

**2.2 Grant of License.** PIP grants to Franchisee, and Franchisee accepts, a license during the Term to:

- (a) Use and display the Trademarks under this Agreement in the operation of the PIP Center; and
- (b) Use the Confidential Information given to Franchisee under this Agreement in the operation of a PIP Center. Franchisee acknowledges that the Confidential Information constitutes trade secrets of PIP.

**2.3 Limited Rights of Franchisee.** The franchise granted by this Agreement is a license only to use the Trademarks, Confidential Information and goodwill of PIP in the operation of the PIP Center. Franchisee shall not use any of the Trademarks, Confidential Information or goodwill of PIP at any location other than the PIP Center or for any purpose other than the operation of the PIP Center. The ownership of such Trademarks, Confidential Information and goodwill is, and shall always remain, vested solely in PIP, and Franchisee's sole right in such Trademarks, Confidential Information and goodwill is to use them strictly in accordance with this Agreement.

**2.4 Additional Goods and Services.** Franchisee shall sell (and offer for sale) only those goods and services expressly authorized by PIP. Franchisee acknowledges that the technology of the Business Communications Business and the goods and services offered for sale in the Business Communications Business are subject to change. Therefore, PIP may authorize Franchisee to sell (and offer for sale) different or additional goods and services related to the PIP Business or to discontinue the sale of previously offered goods or services. Franchisee shall sell (and offer for sale) all such other goods and services within a reasonable time after notice from PIP, even if Franchisee must spend additional funds to do so (whether for inventory, capital improvement or machinery or otherwise).

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### 3. TERRITORY.

**3.1 Territory.** So long as Franchisee faithfully and promptly performs and observes all of Franchisee's obligations and conditions under this Agreement, PIP will not authorize any other person to (and will not itself) operate a PIP Center at a physical location in the Franchise Territory during the Term.

This Territory restriction shall not apply to any printing, copying or related business which PIP, its parent company or an affiliated company now owns, operates, licenses or franchises or may hereinafter own, operate, license or franchise, under a name other than "PIP" or "Postal Instant Press".

This Territory restriction also does not apply to Sir Speedy Centers or Signal Graphics Centers which may exist now or in the future in the Territory.

Franchisee acknowledges and understands that PIP cannot prohibit other Franchisees from soliciting business or selling within the Franchise Territory and that such sales or solicitations do not constitute a breach of this subsection. Franchisee also acknowledges and understands that PIP may operate, for itself or for PIP Franchisees, one or more Internet sites offering the sale of Business Communications Services and that PIP opportunities generated by such sales may be offered to one or more PIP Franchisees. The offer or sale of such services on behalf of PIP Franchisees shall not constitute a violation of the Franchise Territory of Franchisee.

**3.2 Other PIP Centers Within the Franchise Territory.** Franchisee may request permission from PIP to open and operate one (1) or more PIP Satellites. PIP may or may not decide to grant such permission, and PIP's decision shall be within PIP's sole subjective discretion. If PIP grants Franchisee's request, the following conditions shall apply:

(5) Franchisee shall execute the PIP Satellite Addendum (the "Addendum") then in use by PIP; and such Addendum shall be dated as of the date of this Agreement;

(b) Franchisee shall pay a franchise fee of One Thousand Dollars (\$1,000) to PIP on the date of signing of the Addendum; and

(c) Franchisee shall open the PIP Satellite within sixty (60) days after the date of the Addendum (subject to any events of Force Majeure). At all reasonable times before the opening of the PIP Satellite, PIP shall have the right to inspect the center to ensure compliance with PIP's standards.

### 4. TERM.

**4.1 Initial Term.** The initial Term of this Agreement shall begin as of the Effective Date of this Agreement and expire ten (10) years after such date, subject to renewal under Section 4.2 or early termination under Section 21. This Agreement may only be terminated in accordance with its terms.

**4.2 Renewal.** Franchisee shall have the right and option to extend the initial Term of this Agreement for two successive ten (10) year periods (the "Renewal Options"), beginning immediately after the expiration of the previous Term (upon the following terms and conditions), Franchisee shall be in compliance with all of the terms and conditions of this Agreement both when it exercises either of its Renewal Options and when the previous Term expires.

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(b) Franchisee shall notify PIP of its intention to exercise its Renewal Options not later than six (6) months nor earlier than one (1) year before the expiration of the initial Term or the initial Renewal Option. In either case, promptly upon its receipt of Franchisee's notice, PIP shall deliver to Franchisee two (2) copies of (i) the franchise agreement then in use by PIP for a PIP Business, or (ii) if PIP is not actively engaged in franchising a PIP Business when it receives Franchisee's notice, the last franchise agreement used by PIP in granting a PIP franchise for a PIP Business. (Such franchise agreement is called the "New Agreement".)

(c) Within thirty (30) days after the date of Franchisee's receipt of the New Agreement, Franchisee shall sign and return both copies of the New Agreement to PIP. PIP shall then promptly sign both copies and return one (1) fully signed copy to Franchisee.

(d) If Franchisee does not exercise either Renewal Option within the time period specified in subparagraph (b) above or sign and deliver the New Agreement to PIP within the time period specified in subparagraph (c) above, Franchisee's Renewal Option shall expire and be of no further force or effect.

(e) Regardless of anything to the contrary in the New Agreement, (i) Franchisee shall not be required to pay any initial franchise fee to PIP for the New Agreement, and (ii) if the monthly franchise fee (or other substituted payment required to be made to PIP) under the New Agreement is greater or less than the Continuing Franchise Fee under this Agreement, Franchisee shall pay the lower monthly franchise fee (or other substituted fee).

## **5. INITIAL FRANCHISE FEE.**

**5.1 Initial Franchise Fee and Start Up Costs.** The initial franchise fee is \$55,000. A deposit of \$10,000 is required upon applying for a Franchise, which becomes non-refundable (except as provided below) upon execution of this Agreement and notification of approval of Franchisee by PIP. The balance of the franchise fee, \$45,000, is due upon receiving approval of Franchisee's financing, or if Franchisee is not applying for financing, before Franchisee attends the PIP Training Program. The initial franchise fee will be refunded, less our direct costs associated with this Franchise, which may range between \$2,500 to \$15,000, if Franchisee's franchise application is not approved by PIP, the desired Franchise Territory is not approved by PIP or if Franchisee's financing is not approved through no fault of Franchisee (PIP approves the financing amount, but not the method of providing it).

**5.2 Equipment Package.** In order to equip the franchise location as a PIP Center, Franchisee agrees to obtain the equipment package provided for in Exhibit "A" attached hereto. Franchisee may buy or lease the equipment package and build-out package from any source.

In addition to the equipment package, Franchisee is required to have two digital production devices and a large format printer to fully equip Franchisee's PIP Center. Franchisee may lease/rent these machines directly from the manufacturer or seller. Franchisee may not buy any additional equipment during the first year of operation with required working capital without PIP's prior consent.

Signage is also required. The typical sign will usually cost between \$1,500 and \$5,000 depending on local city requirements and landlord specifications. PIP's signage requirements may be waived in certain circumstances if prohibited by the location lease.

## 6. CONTINUING FRANCHISE FEE.

**6.1 Continuing Franchise Fee Rates.** During each calendar year of the Term, Franchisee shall pay to PIP a Continuing Franchise Fee equal to the "Sliding Scale Continuing Franchise Fee" described below. The Sliding Scale Continuing Franchise Fee will be calculated by referring to the "Applicable Percentage of Gross Sales" for that portion of Franchisee's aggregate Gross Sales for such calendar year that falls within each of the "Gross Sales Bands" below and by multiplying each portion of the preceding month's Gross Sales by the Applicable Percentage for the Gross Sales Band within which such portion falls. Gross Sales shall be determined cumulatively on a calendar year basis.

centage for the Gross Sales Band within which such portion falls. Gross Sales shall be determined cumulatively on a calendar year basis.

centage for the Gross Sales Band within which such portion falls. Gross Sales shall be determined cumulatively on a calendar year basis.

**NOTHING IN THE FOLLOWING TABLE SUGGESTS OR IMPLIES THAT FRANCHISEE CAN ATTAIN THE AMOUNTS IN THE TABLE'S GROSS SALES BANDS, AND NEITHER PIP NOR ANY OF ITS AGENTS (INCLUDING ITS SALES REPRESENTATIVES) MAKES ANY REPRESENTATION OR WARRANTY TO SUCH EFFECT.**

### SLIDING SCALE CONTINUING FRANCHISE FEE

| APPLICABLE PERCENTAGE OF GROSS SALES | GROSS SALES BANDS - CALENDAR YEAR 2025     |
|--------------------------------------|--------------------------------------------|
| 6.5%                                 | <u>Up to \$281,089</u>                     |
| 5.5%                                 | <u>Between \$281,099 and \$374,785</u>     |
| 5%                                   | <u>Between \$374,786 and \$468,487</u>     |
| 4.5%                                 | <u>Between \$468,488 and \$562,180</u>     |
| 4%                                   | <u>Between \$562,181 and \$936,970</u>     |
| 3.5%                                 | <u>Between \$936,971 and \$1,873,932</u>   |
| 2.5%                                 | <u>Between \$1,873,933 and \$2,810,900</u> |
| .5%                                  | <u>Between \$2,810,901 and \$3,747,862</u> |
| .00%                                 | <u>\$3,747,863 and above</u>               |

**6.2 C.P.I. Adjustments.** At its election, PIP may adjust the Gross Sales Bands described above (effective as of the first day of the then current or following calendar year), either for all franchisees or on a franchisee-by-franchisee basis, by a rate not to exceed the lesser of (i) four percent (4%), or (ii) the percentage increase, if any, in the Consumer Price Index for All Urban Consumers, All Items, U.S. City Average, 1967=100 (the "Index") published by the Bureau of Labor Statistics of the United States Department of Labor (or a similar index if the Index is discontinued). PIP shall determine such increase by comparing the Index for the month of November in the year immediately preceding the proposed adjustment with the Index for the month of November in the prior preceding year. PIP shall promptly notify Franchisee of the adjusted Sales Bands following any such adjustment applicable to Franchisee. Any election by PIP not to adjust the Gross Sales Bands for any calendar year will not prohibit PIP from adjusting the Gross Sales Bands in any subsequent year.

s in any subsequent year.

in any subsequent year.

**6.3 Level Continuing Franchise Fee Rate Plan.** At the conclusion of each calendar year after the Effective Date, PIP shall determine a level continuing franchise fee rate for Franchisee ("Effective Rate") based on Franchisee's actual Gross Sales for the preceding year and the effective Sliding Scale Chart. Franchisee shall pay the level Continuing Franchise

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Fee for each such year and shall be invoiced by PIP based upon the Effective Rate so determined by PIP. By February 28 of the next year, PIP will recalculate Franchisee's Continuing Franchise Fees using both the Sliding Scale Chart and the Effective Rate. Promptly thereafter, PIP shall make such adjustments and either (i) issue a credit against future Continuing Franchise Fees or a check to Franchisee, at PIP's option or (ii) invoice Franchisee for any Continuing Franchise Fees due, which Franchisee shall promptly pay to PIP upon receipt. Franchisee must be in good standing at all times in order to participate in the Level Continuing Franchise Fee Rate Plan. Good Standing means that Franchisee does not owe any continuing franchise fee payments, advertising fund payments or any other monetary obligations to PIP in excess of 30 days and Franchisee is in compliance with all of Franchisee's other obligations under the Franchise Agreement or under any agreement with PIP, including the timely reporting of Gross Sales. Franchisee is not in Good Standing if Franchisee makes partial payments to PIP but still has amounts outstanding in excess of 30 days.

**6.4 Time of Payment.** Franchisee shall pay to PIP the Continuing Franchise Fee for each calendar month by the twenty-fifth (25th) day of the following calendar month.

## **7. RIGHT TO AGGREGATE.**

### **7.1 Existing PIP Centers.**

(a) For purposes of determining the applicable Gross Sales Band used in Section 6 for calculating the Sliding Scale Continuing Franchise Fee, Franchisee shall have the right to aggregate the Gross Sales generated by all PIP Centers operated by Franchisee under this Agreement with the Gross Sales generated by all other PIP Centers operated by Franchisee as a franchisee under other franchise agreements with PIP. However, PIP shall permit such aggregation only if the "Ownership Structure" (as defined below) of Franchisee on the Effective Date is identical to the Ownership Structure of the franchisee under such other franchise agreements whose Gross Sales are proposed to be aggregated with Franchisee under this Agreement, and neither Franchisee nor such other franchisee shall have undergone any "Change of Ownership" (as defined below) since January 1, 2000. Except as described in Section 7.2, any "Change of Ownership" after such date will result in Franchisee's loss of its right to aggregate the Gross Sales from the PIP Center operated under this Agreement with the Gross Sales from the PIP Centers operated under any other franchise agreement with PIP. "Ownership Structure" refers to (i) the identity of all equity holders of Franchisee and (ii) the percentage of equity owned by each such holder, but does not refer to Franchisee's form of business entity (whether sole proprietorship, partnership, corporation, limited liability company, business trust or otherwise). Subject to Section 7.2, "Change of Ownership" refers to (i) any change from one proprietorship to another, (ii) any change in the percentage of shares held by any shareholder of any corporation, (iii) any addition or deletion of any general or limited partner in any partnership, (iv) any addition or deletion of any shareholder of a corporation, or (v) any change in the form of ownership from a proprietorship, partnership, corporation or other form of business entity to any other form of business entity.

(b) The following is an example of aggregation permitted under this Agreement. If Franchisee is a corporation and another franchisee is a corporation owned by the same shareholders with identical percentage ownership of the shares of both corporations, the Gross Sales of all PIP Centers operated by such corporations may be aggregated. As a further example, if Franchisee is a corporation and another franchisee is a partnership whose partners are the same as the shareholders of such corporation and the partners' respective partnership interests are held in the same percentages as their shares of such corporation, the Gross Sales of all PIP Centers operated by such corporation and partnership may be aggregated.

**7.2 Ownership or Transfers Not Preventing Aggregation.** The following transfers will not result in a Change of Ownership which would prevent aggregation under this Section 7: (i) transfers among the shareholders, partners or other equity holders of the corporation, partnership or other business entity constituting the Franchisee but only if the Ownership Structure of Franchisee following such transfers is identical to the Ownership Structure of the franchisees whose Gross Sales

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are proposed to be aggregated with Franchisee's Gross Sales, (ii) ownership of an interest in Franchisee by, or transfer of such interest to, one's spouse or lineal descendants, (iii) upon the death of Franchisee or a shareholder, partner or other equity holder of Franchisee, any transfer of such deceased person's interest in Franchisee by will or operation of law to such person's heirs, (iv) ownership by or transfer to one (1) or more current employees of Franchisee of not more than twenty percent (20%) of the aggregate equity of Franchisee, (v) transfers from an individual or business entity constituting Franchisee to any other business entity but only if the Ownership Structure of such other entity was identical to the Ownership Structure of Franchisee on the Effective Date. Additionally, PIP shall permit aggregation among Franchisee and other franchisees of PIP in which at least fifty-one percent (51%) of the equity is owned (beneficially and of record) by the same individual and was so owned on or before the Effective Date, but Franchisee and such other franchisees shall not have the right to aggregate the Gross Sales of additional PIP Centers under Section 7.3.

**7.3 Other PIP Centers.** If Franchisee shall (i) open other PIP Centers under this Agreement, or (ii) open or acquire other PIP Centers under other franchise agreements with PIP, then Franchisee shall have the right to aggregate the Gross Sales of such other PIP Centers from the date of their opening or acquisition but only if all of the requirements of this Section 7 shall have been met.

**7.4 Acquisitions and Sales During a Calendar Year.** For the purposes of aggregation in connection with the acquisition or sale of PIP Center(s) during a calendar year, the selling franchisee may utilize the Gross Sales of such PIP Center(s) up to the date of PIP's consent to such sale, and the buying franchisee may use the Gross Sales of such PIP Center(s) after the date of PIP's consent to such sale, but only if all of the requirements of this Section 7 shall have been met.

**7.5 Ownership Structure Addendum; Notice of Change in Ownership.** Simultaneously with its signing of this Agreement, Franchisee has filled out, signed and delivered to PIP the Ownership Structure Addendum attached to this Agreement. Franchisee represents and warrants that Franchisee's Ownership Structure on the Effective Date was and is as described in the Ownership Structure Addendum. Subject to Section 18, Franchisee shall give written notice to PIP of any Change of Ownership in Franchisee (including any change in the partners, shareholders or other equity holders of Franchisee or any change in their proportional interest in Franchisee) within ten (10) days of such change. Simultaneously with such notice, Franchisee shall furnish PIP with a copy of the documents evidencing such change.

of Franchisee or any change in their proportional interest in Franchisee) within ten (10) days of such change. Simultaneously with such notice, Franchisee shall furnish PIP with a copy of the documents evidencing such change.

f Franchisee or any change in their proportional interest in Franchisee) within ten (10) days of such change. Simultaneously with such notice, Franchisee shall furnish PIP with a copy of the documents evidencing such change.

**7.6 PIP's Determinations Binding.** PIP shall make all determinations under this Section 7 in its reasonable judgment, and all such determinations shall be final and binding on Franchisee.

## **8. OTHER PAYMENTS TO PIP.**

In addition to all of Franchisee's other payments to PIP under this Agreement, Franchisee shall promptly pay to PIP when due:

(a) All sales taxes, use taxes, personal property taxes and similar taxes imposed upon Franchisee and required to be collected or paid by PIP due to (i) goods or services sold, leased or otherwise furnished by Franchisee, or (ii) Continuing Franchise Fees or initial or other franchise fees collected by PIP from Franchisee; and

(b) All amounts which PIP has advanced or paid or for which PIP has become obligated to pay on behalf of Franchisee for any reason whatsoever. However, nothing in this Agreement shall obligate PIP to make such advances or payments on behalf of Franchisee.

## **9. PLACE AND APPLICATION OF PAYMENTS; INTEREST.**



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**9.1 Place of Payment.** Franchisee shall make all of its payments to PIP under this Agreement by automatic electronic deduction or transfer through special arrangements with Franchisee's bank to any bank account designated by PIP. Franchisee shall submit appropriate banking information to PIP upon request and shall execute and deliver such other instruments and documents as may be required by the banks to the fulfillment of this purpose. Franchisee will be charged \$250 for any drafts returned due to non-sufficient funds. If Franchisee fails to submit reports of Gross Sales, PIP shall have the authority to determine the amount of unpaid Continuing Franchise Fee fees based on previous month's reports submitted by Franchisee and any other information which may warrant an increased amount where Franchisee has failed to submit the required reports as provided herein.

**9.2 Application of Payments.** If Franchisee is delinquent in any of its payments to PIP under this Agreement or any other agreement with PIP, PIP shall have the right to apply any payments made by Franchisee under this Agreement to such delinquency or any other obligation of Franchisee to PIP in any order determined by PIP in its reasonable judgment, despite any contrary designation by Franchisee concerning the application of such payments.

**9.3 Interest.** Whenever any of its payments under this Agreement are not made by Franchisee to PIP when due, such unpaid amount shall bear interest from the due date through the date of its actual payment at a rate equal to the California judgment rate . Franchisee agrees to pay such interest to PIP in addition to any late charges assessed by PIP.

## **10. GENERAL OBLIGATIONS OF PIP.**

Except as modified by Sections 10.3, 10.4 and 10.6, PIP agrees to:

**10.1 Pre-Opening Obligations.** The following are PIP's obligations to Franchisee before Franchisee's opening of the PIP Center:

(a) Provide Franchisee with site selection approval. PIP shall approve or disapprove of Franchisee's proposed site within approximately 14 days from the date Franchisee submits a proposal along with any other information about the site which PIP may require. PIP shall have no liability for the site chosen by Franchisee, and makes no expressed or implied warranties or representations as to the likelihood of success or failure of the PIP Center.

(b) Consult with Franchisee and its attorney concerning the business issues of Franchisee's proposed lease for the PIP Center. Franchisee acknowledges that PIP cannot act as Franchisee's attorney, and PIP cannot render legal advice to Franchisee or its attorney, who shall be solely responsible for the terms and conditions of the lease;

(c) Assist in planning the layout of the PIP Center;

(d) Assist Franchisee in the installation of the Tangible Property (through coordination with vendors) before the start of the PIP Business by Franchisee;

**10.2 Post-Opening Obligations.** The following are PIP's obligations to Franchisee after the Franchisee's opening of the PIP Center:

(a) Provide on-site supervision of the opening of the PIP Center;

(b) Assist in promoting the opening of the PIP Center;

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- (c) Plan, consult and coordinate with Franchisee regarding the advertising for the PIP Center, upon reasonable request by Franchisee;
  - (d) Assist Franchisee in public relations upon reasonable request by Franchisee;
  - (e) Provide national advertising in accordance with Section 15.1; and
  - (f) Provide Franchisee with the Brand Standards and Operations Manual.

### **10.3 Initial Training.**

(a) Without charge to Franchisee, PIP shall furnish training in the operation of the PIP Center to Franchisee and one (1) other individual designated by Franchisee (the "Other Trainee"). Franchisee shall attend and complete this training before the opening of the PIP Center. (However, if Franchisee is an existing franchisee under another franchise agreement with PIP, PIP shall not be obligated to furnish such training). Such training shall be given for approximately six (6) days (and for Franchisee during the two-month period before the opening of the PIP Center) and shall be conducted at a location designated by PIP; currently the training is held at PIP's headquarters in Mission Viejo, California. PIP will pay no compensation for any service performed by Franchisee or the Other Trainee. Unless Franchisee or the Other Trainee fails to satisfactorily complete such training (as determined by PIP in its reasonable judgment), PIP shall pay for round-trip air fare (economy class) of Franchisee (except existing franchisees of PIP) and the Other Trainee to the training location, their meals (subject to a per diem limit determined by PIP in its reasonable judgment) and their lodging during the training periods.

(b) PIP may offer (but shall not be obligated to offer) Franchisee and its employees additional training (at a location designated by PIP). During such additional training, if any, PIP will pay no compensation for any service performed by Franchisee or such employee(s) and will have no liability whatsoever for the costs for transportation, meals or lodging of Franchisee or such employee(s) or for any other costs incurred by Franchisee or such employee(s) for such training.

(c) If Franchisee is unable to adequately complete the PIP training program, Franchisee may be disqualified and PIP has the option to rescind this Agreement.

**10.4 Telephonic Consultation.** In its reasonable judgment, PIP shall have personnel available to Franchisee by telephone at PIP's principal place of business in the United States during PIP's ordinary business hours for consultation regarding the operation and management of the PIP Center.

**10.5 Disclaimer.** No assistance, training or advice given to Franchisee by PIP under this Agreement shall be interpreted as a guaranty, representation, warranty or promise by PIP that the PIP Center will be successful or profitable. No officer, employee, agent or other representative of PIP is authorized to make any such guaranty, representation, warranty or promise.

**10.6 Existing Franchisees.** If Franchisee is already an existing franchisee of PIP (under a franchise agreement previously signed by Franchisee and PIP or otherwise) on the Effective Date, PIP shall not be required to perform any of its obligations in Sections 10.1 (a) through (d), and/or Section 10.3, unless Franchisee shall expressly request such services in writing. If Franchisee is an existing franchisee of PIP, Franchisee acknowledges that unless specifically requested, Franchisee does not need such services.

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The performance by PIP of its obligations under this Article 10 shall be in PIP's sole and subjective judgment and discretion. Franchisee acknowledges that PIP alone shall determine how it is to perform the services and obligations described in each of Section 10.1 through 10.4 of this Article 10 and that PIP is not required to perform such obligations to the subjective satisfaction of Franchisee. Franchisee further acknowledges that PIP may change from time to time in its sole discretion the method or manner in which it performs its obligations under Article 10 and that the change, reduction, or modification of any service or program performed or offered by PIP shall not constitute a breach of this Agreement.

## **11. OPENING OF THE PIP CENTER.**

**11.1 Acquisition of Tangible Property.** Franchisee shall purchase the Tangible Property before the opening of the PIP Center. PIP shall not be responsible for any failure or delay in the delivery of the Tangible Property to Franchisee. Franchisee shall subsequently purchase any additional Tangible Property required to operate the PIP Center. Franchisee may purchase Tangible Property that bears the Trademarks only from PIP licensees that it designates. As to Tangible Property bearing the Trademarks, Franchisee may obtain the Tangible Property from any reputable supplier so long as each item of the Tangible Property is purchased new and is (in PIP's reasonable judgment) equivalent to PIP's minimum quality standards. Franchisee shall provide PIP with proof (satisfactory to PIP in its reasonable judgment) that all of the Tangible Property has been purchased and delivered to the PIP Center before the commencement of the PIP Center's operations.

Additionally, prior to opening and operating the PIP Center, Franchisee is required to obtain and display an owner/operator sign that clearly identifies and represents the PIP Center in the marketplace as an independently owned and operated business to its employees and customers.

**11.2 Lease.** If Franchisee obtains a lease or other tenancy for the PIP Center, the following provisions shall apply:

(a) Franchisee shall not create any obligations on behalf of PIP, grant to the landlord any rights against PIP or agree to any provision inconsistent with this Agreement;

(b) Franchisee shall fully and timely perform all of its obligations under such lease or other tenancy; and

(c) A fully executed copy of such lease or other tenancy (including any amendments or modifications) shall be delivered to PIP promptly following its signing.

**11.3 Improvements.** Franchisee shall improve (at its sole cost) the PIP Center's premises (including its fixtures, decor, layout and signs) in accordance with the Brand Standards and Operations Manual or as may be otherwise required by PIP.

**11.4 Time of Opening.** Franchisee shall open the PIP Center within sixty (60) days after the Effective Date (subject to any events of Force Majeure). At all reasonable times before the PIP Center's opening, PIP shall have the right to inspect the PIP Center to ensure compliance with PIP's standards.

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## 12. OPERATION OF THE PIP CENTER.

**12.1 Standards of Performance by Franchisee.** Recognizing PIP's interest in the value of its Trademarks and in its reputation and goodwill, Franchisee acknowledges that Franchisee's strict adherence to this Agreement and Franchisee's conduct of the PIP Business are extremely important to PIP. Therefore, Franchisee shall (i) keep the PIP Center open during every week of the year, (ii) maintain such hours of operation and such production and operation standards for the PIP Center as PIP may require in its reasonable judgment to maintain its high standards, uniformity, reputation and goodwill, and (iii) operate the PIP Center in a manner which will enhance and not detract from PIP's Trademarks, reputation and goodwill.

Franchisee shall devote its entire time, attention and best efforts exclusively to the overall management, promotion and operation of the PIP Center and shall participate in all promotions designated by PIP.

**12.2 Compliance with Brand Standards and Operations Manual.** Franchisee shall operate the PIP Center in strict compliance with the Brand Standards and Operations Manual, which govern all matters requiring standardization and uniformity in PIP's reasonable judgment (excluding, however, all matters relating to Franchisee's prices for goods or services). PIP may amend the Brand Standards and Operations Manual upon notice to Franchisee. All such amendments shall apply equally to all similarly situated franchisees, and no such amendment shall alter Franchisee's fundamental status and rights under this Agreement. All such amendments shall be effective three (3) days after their mailing by PIP. PIP shall give the current Brand Standards and Operations Manual to Franchisee at the start of Franchisee's training under Section 10.3. Franchisee shall not make (or cause to be made) any copies of the Brand Standards and Operations Manual without PIP's prior written consent and shall return all Brand Standards and Operations Manual to PIP upon the expiration or earlier termination of this Agreement at Franchisee's expense.

**12.3 Taxes.** Franchisee shall prepare and file all tax returns required by law, and shall promptly pay any and all sales or use taxes arising from this Agreement (including by virtue of any merchandise and assets sold under this Agreement).

### **12.4 Insurance.**

(a) Throughout the Term, Franchisee shall obtain and maintain (at its sole cost) the types of insurance and policy limits specified in the Brand Standards and Operations Manual but no less than liability insurance with minimum limits per occurrence of \$1,000,000 and insurance of at least replacement value on the Tangible Property, and all such insurance shall be with carriers satisfactory to PIP in its reasonable judgment. PIP shall be named as an additional insured and loss payee in all such insurance policies, and Franchisee shall furnish PIP with copies or certificates evidencing such insurance within thirty (30) days of the Effective Date and subsequently upon the request of PIP. All such policies shall provide for at least ten (10) days' notice to PIP before the effective date of any cancellation, modification or amendment.

(b) If Franchisee fails or refuses to purchase such insurance, PIP may obtain such insurance through agents and insurance companies of its own choice, and Franchisee shall reimburse PIP for any expenditures for such insurance. All insurance obtained by PIP for Franchisee may be amended, canceled, terminated or modified at any time upon ten (10) days' notice to Franchisee.

(c) Nothing in this Agreement shall be interpreted as an undertaking or representation by PIP that any insurance obtained by Franchisee or by PIP for Franchisee will insure Franchisee against any or all insurable risks of loss

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from the operation of the PIP Center. Franchisee may obtain (at its own cost) such additional insurance as Franchisee may desire.

**12.5 Compliance With Laws.** Franchisee shall strictly and promptly comply with all applicable laws in the operation of the PIP Center and the franchise granted under this Agreement.

**12.6 Employees of Franchisee.** Franchisee shall always employ a staff of trained, competent and qualified personnel who meet 'IP's standards of competency as specified in the Standard Brands and Operations Manual. Franchisee shall not employ any individual not meeting such standards. Franchisee shall hire a full-time employee with at least six (6) months' prior experience in the operation of a printing press. PIP shall not have the right to select, approve, hire or terminate any of Franchisee's employees or to direct or control their activities in any manner.

**12.7 Maintenance and Refurbishing of PIP Center.** Franchisee shall maintain (at its sole cost) the PIP Center and the Tangible Property in strict compliance with the Brand Standards and Operations Manual. Franchisee shall refurbish and remodel (at its sole cost) the PIP Center in accordance with the Brand Standards and Operations Manual as they may be amended from time to time (including the replacement of signs to conform with 'IP's then current standards).

**12.8 Center Layout.** PIP shall have the right to require a certain color scheme and general layout for the PIP Center and a certain uniformity of dress for Franchisee and/or its employees in accordance with the Brand Standards and Operations Manual.

**12.9 Signs.** Franchisee shall purchase (at its sole cost) and prominently display signs of the form, color, number, location, size and material at the PIP Center as specified in the Brand Standards and Operations Manual. Franchisee shall not display any other sign or advertisement without 'IP's prior written consent.

**12.10 Pricing.** Nothing in this Agreement shall require Franchisee to charge any specific price for the products or services sold by Franchisee, and PIP shall not directly or indirectly require Franchisee to charge any price. PIP may prepare and distribute suggested price lists to Franchisee. However, all such lists shall be suggestions only, and Franchisee shall not be required to follow such suggestions. 'IP's preparation and distribution of suggested price lists shall not be interpreted as a representation by PIP that Franchisee's use of such lists shall result in profitability for Franchisee or the PIP Center.

**12.11 Inspection Rights.** PIP shall have the right to inspect the PIP Center and Franchisee's operations, and to test products and services offered for sale by Franchisee, at all reasonable times without prior notice to Franchisee. Franchisee shall cooperate fully with PIP in such inspections and tests. PIP shall bear the cost of such inspections and tests, but if any inspection or test discloses Franchisee's failure to comply with any material provision of this Agreement, Franchisee shall reimburse PIP for the cost of such inspection or test.

### **13. ADDITIONAL TRAINING.**

PIP shall have the right to require Franchisee and/or its personnel to attend supplementary courses to instruct the Franchisee on new procedures or programs which PIP believes (in its reasonable judgment) to be of major importance to the operation of the PIP Center. Such courses may be held on a national or regional basis at locations selected by PIP, and attendance at all such instruction courses shall be at Franchisee's sole cost. PIP may also require Franchisee to pay a fee for expenses incurred by PIP in providing such training. Nothing in this Agreement shall require PIP to offer such courses.

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## **14. NATIONAL AND REGIONAL ADVERTISING.**

### **14.1 National Advertising Funds.**

(a) During each month of the Term, Franchisee shall pay to PIP an amount equal to two percent (2%) of its Gross Sales up to and including a maximum amount of \$1,150.00 a month ("Temporary Ceiling"). The Temporary Ceiling of \$1,150.000 shall remain in effect through December 31, 2021. Thereafter, the Temporary Ceiling may be increased as follows: (1) at PIP's election, effective as of the first day of each calendar year, but by not more than \$100 a month in any given calendar year. Any election by PIP not to adjust the Temporary Ceiling in any year will not prohibit PIP from adjusting the monthly ad fund Temporary Ceiling in subsequent years but only by \$100 per month; and (2) at any time by any amount if approved by a majority (51%) of the franchisees. PIP will notify Franchisee of the adjusted Temporary Ceiling promptly following its election, or the franchisees' approval, to make such adjustment. Such payment shall be made no later than the twenty-fifth (25th) day of each calendar month and shall be based upon Gross Sales for the preceding calendar month.

PIP may (but is not required to) spend such payments (in its sole subjective discretion) for regional or national advertising, marketing, marketing research, public relations and promotions (including, but not limited to, the production and purchase of advertising art, commercials, musical jingles, print advertisements, point of sale materials, media advertising, outdoor advertising, art and direct mail advertising and literature) and for the promotion and enhancement of the image, name awareness, identity and patronage of the PIP Business (collective, "PIP Advertising"). PIP shall determine (in its sole subjective discretion) the timing of such expenditures and the cost, media, content, format, style and all other matters relating to PIP Advertising. The amounts collected from all franchisees for PIP Advertising are called the "Funds". PIP reserves the right to charge the Funds an administrative fee, including collection agency fees and expenses incurred in collecting the Funds from past and present Franchisees.

(b) PIP makes no guaranty, representation, warranty or promise, express or implied, that such expenditures of Funds will benefit Franchisee or will benefit Franchisee equally with other franchisees of PIP. Nothing in this Agreement shall be interpreted to require PIP to allocate or spend the Funds for the benefit of any particular franchisee or group of franchisees (whether on a proportional basis or otherwise). Franchisee shall have no right to direct or control the expenditure of any part of the Funds.

(c) The Funds shall be recorded on PIP's books and records separate and apart from all other accounts on its books. PIP's obligation to spend the Funds shall be a general unsecured obligation of PIP, and PIP shall not be deemed to be a trustee or other fiduciary of the Funds.

(d) If PIP spends less than the total amount of the Funds during any fiscal year, it shall have the right to accumulate such unexpended portion of the Funds for use during the subsequent year. If PIP spends more than the amount of the Funds that it is required to spend at any time, PIP shall be entitled to receive a credit against subsequent required expenditures to the extent of such excess expenditures. PIP shall furnish Franchisee with an annual report summarizing such total expenditures for PIP Advertising.

### **14.2 Regional Local Co-Op Advertising.**

(a) Certain territories within the United States may be designated as "Regional Local Co-Op Territories" by a majority of the franchisees of PIP whose PIP Businesses are located within such territories. Following such designation, such

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franchisees shall then vote on whether they wish to create a "Regional Local Advertising Co-Op" within the particular Regional Local Co-Op Territory. The vote shall occur thirty (30) days following such designation, and each PIP Center shall be entitled to one (1) vote. If a majority of all of the similarly situated PIP Centers in such territory vote to create a Regional Local Advertising Co-Op, all of such franchisees (including Franchisee, if the PIP Center is within the particular Regional Local Co-Op Territory) shall be required to participate in such Co-Op. All assignees of such franchisees and all new franchisees in such territory must also participate in the Co-Op.

(b) All sums spent by a Regional Local Co-Op Territory shall be contributed by the participating franchisees and credited against each franchisee's obligation to spend funds for local advertising under Section 15.1. The amount of all contributions to such Co-Op shall be approved by at least two-thirds (2/3) of all participating franchisees.

(c) Upon Franchisee's request, PIP shall assist Franchisee and all other participating franchisees to organize the Regional Local Advertising Co-Op, but the operation and conduct of such Co-Op shall be the sole responsibility of the participating franchisees. To achieve effective use of advertising and promotional expenditures, each Regional Advertising Co-Op shall coordinate its advertising and promotional activities with PIP and its national advertising agency and shall submit such advertising and activities to both PIP and such agency for their approval prior to its use.

## **15. BOOKS AND RECORDS OF FRANCHISEE; GROSS SALES REPORTS TO PIP.**

**15.1 Maintenance of Books and Records.** Franchisee shall keep separate, complete and accurate books and records relating to all activities carried on at the PIP Center in accordance with generally accepted accounting principles. Franchisee shall keep all records for a particular fiscal year for at least seven (7) fiscal years after the end of such fiscal year.

**15.2 Reports to PIP.** Franchisee shall prepare and deliver to PIP reports of Gross Sales for each preceding calendar month by the tenth (10th) day of the immediately subsequent calendar month. Such reports shall be in such form and at such times as PIP may designate (in the Brand Standards and Operations Manual or otherwise) and shall be made to PIP's principal place of business in the United States by telephone, fax, PIPNet (PIP's proprietary web site) or otherwise in accordance with PIP's policies. In addition, promptly at the close of each fiscal quarter and fiscal year of Franchisee, Franchisee shall deliver to PIP financial statements (including a balance sheet as of the end of such quarterly or annual period and a profit and loss statement for such quarter and the fiscal year to date), compiled in accordance with generally accepted accounting principles and certified by Franchisee. Franchisee consents to the inclusion of financial information concerning the PIP Center in any Franchise Disclosure Document or other disclosure document of PIP required or permitted under applicable law.

Further, Franchisee agrees to follow all suggested cybersecurity protocols as set forth by Franchisor and agrees to allow electronic access to Franchisor to confirm these protocols are in place and being adhered to.

**15.3 Method of Maintenance.** PIP may specify (in its reasonable judgment) the form and method by which Franchisee's books and records (including the reports and statements given by Franchisee to PIP and the invoices given by Franchisee to its customers and used as work orders) shall be kept, maintained and submitted, and PIP may change such forms and/or methods. Franchisee shall use all such forms and/or methods specified by PIP.

### **15.4 Audit.**

(a) PIP and its representatives shall have the right to examine and audit the Franchisee's books and records (including Franchisee's bank statements and tax returns) during business hours and to take excerpts (at PIP cost) from such

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books and records. Franchisee shall cooperate with PIP in such audits and examinations. PIP shall pay for the cost of such examination or audit unless such examination or audit discloses an understatement of two percent (2%) or more of Gross Sales for any month. Franchisee shall pay or reimburse PIP for the cost of such examination or audit promptly upon PIP's demand. Such cost shall include (i) the fees of any independent auditor engaged by PIP and the compensation of PIP's employees participating in the examination or audit, and (ii) the travel expenses, room and board of PIP's employees and the independent auditor for the examination or audit.

(b) If any examination or audit discloses an understatement of Gross Sales for any period, Franchisee will be obligated to pay to PIP the delinquent Continuing Royalties and any other payments (including payments to the Funds) found to be due from the examination or audit. Such payment shall not be a cure of Franchisee's breach of this Agreement unless it is paid in a timely manner as required by Section 22.1.

## **16. TRADEMARKS.**

**16.1 Ownership.** The Trademarks are the sole and exclusive property of PIP. Franchisee does not now and will not subsequently make any claim to any goodwill, reputation or ownership of the Trademarks, whether due to Franchisee's licensed use of them under this Agreement or otherwise. During or after the Term, Franchisee shall not do anything, nor permit anything to be done, in derogation of any of PIP's rights in the Trademarks, and Franchisee will use the Trademarks only for the uses and in the manner specified in this Agreement. Franchisee shall not use, nor permit the use of, the phrases "Postal Instant Press," "Postal Press," "PIP," "PIP Printing", "PIP Printing and Marketing Services" (or any phrase or combination of words confusingly similar to such phrases) in the name of any business entity which may own or operate the franchise under this Agreement.

**16.2 Use With Franchisee's Name.** In all advertising, invoices, order forms, checks, stationery and other written documents, Franchisee shall use the Trademarks only with Franchisee's legal name and only if accompanied by a statement that Franchisee is an independent franchisee of PIP (or such other language or statement as PIP may require in its sole subjective discretion).

**16.3 Approval of Use by PIP.** Franchisee shall not use any of the Trademarks unless and until PIP has given its prior approval to the form and nature of the proposed use. Franchisee shall comply with PIP's instructions relating to use of the Trademarks. Franchisee shall not use any other trademark, service mark, logotype or trade name (either alone or in combination with the Trademarks) unless and until PIP has given its prior approval to the form and nature of the proposed use.

Franchisee shall not establish a Web site on the Internet using any domain name containing the Trademarks or any variation thereof unless and until PIP has given its prior approval. PIP retains the sole right to advertise on the Internet and create a Web site using the Trademarks or related domain names. Franchisee acknowledges that PIP is the owner of all right, title and interest in and to such domain names. PIP retains the right to pre-approve or disapprove Franchisee's use of linking and framing between Franchisee's Web pages and all other Web sites. Franchisee shall, within five (5) days, dismantle any frames and links between Franchisee's Web pages and any other Web sites, if and as requested by PIP.

**16.4 Assignments.** Any and all uses of the Trademarks by Franchisee shall inure to the benefit of PIP. Upon PIP's request, Franchisee will assign to PIP any and all registrations and rights acquired by Franchisee in the Trademarks and will sign and deliver to PIP any and all documents relating to the protection of the Trademarks and the license of the Trademarks.



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**16.5 Assumed Name Registration.** If required by any law, Franchisee shall file a notice of its intent to conduct its business under the Trademarks with all appropriate government agencies or offices, and such filing shall be made promptly upon the signing of this Agreement. Franchisee shall sign and file all documents necessary to revoke or terminate such assumed name registration promptly upon the expiration or earlier termination of this Agreement.

**16.6 Infringement Claims by Third Parties.** Franchisee shall promptly notify PIP if Franchisee learns of any claim, suit or demand by a third party against Franchisee due to any alleged infringement, unfair competition or similar matter relating to Franchisee's use of the Trademarks or Confidential Information. Subject to Section 17.7, PIP shall take such action as it may deem necessary (in its sole subjective discretion) to protect and defend Franchisee against any such infringement claim. PIP shall also indemnify Franchisee against any losses, costs or expenses incurred by Franchisee due to such infringement claim.

**16.7 Infringement Indemnification Procedure.**

(a) Franchisee shall not settle or compromise without PIP's prior approval any third party infringement claim for which Franchisee is entitled to indemnification under Section 17.6. PIP shall have the right to defend, compromise or settle such claim in its sole subjective discretion and at its sole cost. In doing so, PIP may use attorneys of its own choice, and Franchisee shall cooperate fully with PIP in the defense of such claim. Franchisee may participate in such defense or settlement at its sole cost, but PIP's decisions shall be final regarding such defense or settlement.

(b) PIP shall not be required to defend or indemnify Franchisee under this Section 17.7 if the claim, suit or demand against Franchisee (i) is from Franchisee's use of the Trademarks in violation of this Agreement, (ii) is from the intentional misconduct or recklessness of Franchisee or its agents, or (iii) could reasonably have been avoided if Franchisee had complied with this Agreement or PIP's directives.

**16.8 Infringement of the Trademarks and Confidential Information.** If Franchisee learns of any unauthorized use of the Trademarks (or any variant of them) or the Confidential Information by any third party, Franchisee shall promptly notify PIP. PIP shall then determine (in its sole subjective discretion) whether it will take any action against the third party. Franchisee shall have no right to make any demand against the third party (or to prosecute or require PIP to prosecute) any claim against the third party.

**16.9 Modification of Trademarks.** By amending the Brand Standards and Operations Manual, PIP may add to, delete from or modify any or all of the Trademarks, and Franchisee shall accept, use or cease using the Trademarks in accordance with the Brand Standards and Operations Manual, including operating the PIP Center under a different Trademark (i.e., a new brand name) if a majority of the PIP Center Franchisees agree to change the Trademarks.

**16.10 PIP's Option to Purchase Property Bearing the Trademarks Upon Termination.** Upon the expiration or earlier termination of this Agreement, PIP shall have the right to purchase from Franchisee any or all of the Tangible Property that is then owned by Franchisee and bears any of the Trademarks. PIP may exercise this right by notifying Franchisee at least thirty (30) days before such expiration or termination. Following the notice, PIP and Franchisee shall use their respective best efforts to agree on the fair market value of the Tangible Property to be purchased by PIP. All of the Tangible Property specified in the notice shall immediately be delivered to PIP, and PIP shall pay for the Tangible Property within thirty (30) days of the determination of its fair market value. If PIP and Franchisee cannot agree on the fair market value of the Tangible

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Property, PIP may require the fair market value of the Tangible Property to be determined by binding arbitration under to Section 26.

## **17. ASSIGNMENT, TRANSFER AND RIGHT OF FIRST REFUSAL.**

**17.1 Assignment or Transfer by PIP.** PIP shall have the right to assign or otherwise transfer this Agreement to any other person or business entity but only if the person or entity expressly assumes and agrees to perform PIP's executory obligations under this Agreement.

**17.2 Restrictions on Transfer by Franchisee.** This Agreement is personal to Franchisee and is being signed by PIP in reliance upon Franchisee's personal skill, qualifications and representations. Therefore, none of Franchisee's interest in this Agreement shall be transferred (whether voluntarily, involuntarily, by operation of law or otherwise) without PIP's prior consent. Except as described otherwise in this Agreement, PIP's consent to the transfer of this Agreement shall not represent a novation or otherwise change Franchisee's liability under this Agreement. If Franchisee is not an individual, any change (whether voluntarily, involuntarily, by operation of law or otherwise) of fifty percent (50%) or more in the Ownership Structure (as defined below) of Franchisee from the Ownership Structure existing on the Effective Date shall be considered to be a proposed transfer by Franchisee (including any change resulting from the issuance of additional equity interests in Franchisee so that the equity holders of Franchisee on the Effective Date cease to hold at least fifty-one percent (51%) of the total equity interests of Franchisee). "Ownership Structure" refers to (i) the identity of all equity holders of Franchisee and (ii) the percentage of equity owned by each such holder, but does not refer to Franchisee's form of business entity (whether sole proprietorship, partnership, corporation, limited liability company, business trust or otherwise).

**17.3 Ownership Structure Addendum; Notice of Change in Ownership.** Simultaneously with its signing of this Agreement, Franchisee has filled out, signed and delivered to PIP the Ownership Structure Addendum attached to this Agreement. Franchisee represents and warrants that Franchisee's Ownership Structure on the Effective Date was and is as described in the Ownership Structure Addendum. Subject to Section 18, Franchisee shall give written notice to PIP of any Change of Ownership in Franchisee (including any change in the partners, shareholders or other equity holders of Franchisee or any change in their proportional interest in Franchisee) within ten (10) days of such change. Simultaneously with such notice, Franchisee shall furnish PIP with a copy of the documents evidencing such change.

**17.4 Standards of Consent.** In granting or withholding its consent under Section 18.2 to a proposed transfer of the PIP Center by Franchisee, PIP may impose, among other reasonable conditions, any or all of the following conditions, and the parties agree that these conditions are reasonable:

(a) The proposed transferee (or the controlling person(s) of the proposed transferee or transferee if the transferee is not an individual) must show to PIP's satisfaction (in its reasonable judgment) that it has the skills, qualifications and economic resources necessary to operate the PIP Center(s) under this Agreement (based on our experience and in keeping the best interests of PIP in mind, the transferee must demonstrate to our satisfaction that it meets our managerial and business standards, possesses good moral character and business experience, and has adequate financial resources and capital). If the proposed transferee is an existing franchisee of PIP, it must not have been in default of its existing franchise agreement(s) with PIP during the twelve (12) month period before PIP's receipt of the notice of the proposed transfer;

(b) The proposed transferee must attend and complete the training specified in Section 10.3;

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(c) As of the date of any transfer, Franchisee must have fully complied with all of its obligations to PIP, whether under this Agreement or any other agreement with PIP;

(d) Franchisee must sign a general release (satisfactory to PIP) of all known or unknown claims which it has or may have against PIP.

(e) Franchisee shall pay to PIP a transfer fee of TenThousand dollars (\$10,000). Such fee reflects PIP's estimate of its administrative, legal and documentation costs in such transfer and the cost of training, if required, of the transferee, including up to two round-trip airfares (i.e. lowest round-trip airfare from the point of departure) to attend the PIP Training Program and for one hotel room (single or double occupancy) during the PIP Training Program; and

(f) If, at the time of the proposed transfer, there is no full service PIP Center operated under this Agreement, the transferor or transferee must agree to promptly convert at least one PIP Center to a full service PIP Center. If PIP has allowed Franchisee to operate only limited service PIP Centers under another franchise agreement based on the operation of a full service PIP Center under this Agreement, Franchisee must convert at least one of the PIP Centers operated under the other franchise agreement to a full service PIP Center. Any such conversion must be in accordance with PIP's then current standards and specifications.

(g) Upon compliance with the above requirements of a transfer, PIP and transferee shall enter into a new Franchise Agreement upon the then current standard form being offered by PIP to new Franchisees and the old Franchise Agreement will be deemed terminated subject to all post-termination obligations.

**17.5 Permitted Assignment or Transfers.** Regardless of anything to the contrary in Section 18.2, Franchisee will receive PIP's consent to the following assignments or transfers upon Franchisee's satisfaction of the applicable terms and conditions:

(a) An assignment or transfer to one or more family trusts established for Franchisee or Franchisee's spouse and/or lineal descendants, but only if Franchisee retains control over the trust (as a trustee or otherwise) and Franchisee gives thirty (30) days' prior notice of the assignment or transfer to PIP;

(b) An assignment or transfer to the heirs, personal representatives or conservators of Franchisee upon the death or legal incapacity of Franchisee, but only if the assignees or transferees show to PIP's satisfaction (in its reasonable judgment) within six (6) months after the death or legal incapacity that they have the skills, qualifications and economic resources necessary to operate the PIP Center under this Agreement. Regardless of anything to the contrary in Section 18.2, equity interests in Franchisee may be assigned or transferred to the heirs, personal representatives or conservators of Franchisee's equity holders upon the death or legal incapacity of such equity holders, but only if the assignees or transferees demonstrate to PIP's satisfaction (in its reasonable judgment) that they have the skills, qualifications and economic resources necessary to operate the PIP Center under this Agreement; or

(c) If Franchisee is an individual or a general partnership of two (2) or more individuals, an assignment or transfer to a corporation or other entity owned and controlled by Franchisee and formed solely to operate the PIP Center, but only if (i) Franchisee gives thirty (30) days' prior notice of such assignment or transfer to PIP and signs PIP's standard documentation for such assignment or transfer, (ii) the corporation or other entity assumes in writing all of Franchisee's obligations under this Agreement and all other agreements between Franchisee and PIP that were signed along with this

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Agreement, (iii) Franchisee and the corporation or other entity remain jointly and severally liable for all obligations under this Agreement and any such other agreement, and (iv) Franchisee signs PIP's standard guaranty of such obligations.

#### **17.6 Right of First Refusal.**

(a) If Franchisee desires to accept a bona fide offer to purchase all of the PIP Centers and rights of Franchisee under this Agreement before the seventh (7th) anniversary of the Effective Date, Franchisee shall notify PIP of such offer within ten (10) days of Franchisee's receipt of such offer. The notice to PIP shall specify all of the terms and conditions of the offer and all available information concerning the proposed purchaser.

(b) Upon receipt of Franchisee's notice and for fifteen (15) days following receipt, (i) PIP shall have the right to elect to purchase all of the PIP Centers and rights of Franchisee under this Agreement on the terms and conditions described in such notice, or (ii) PIP may either consent or withhold its consent to the proposed purchase in accordance with Sections 18.2 and 18.4. If PIP exercises its right of first refusal, it shall notify Franchisee of its exercise and shall purchase all of the PIP Centers and rights of Franchisee under this Agreement on the terms and conditions described in Franchisee's notice to PIP, and Franchisee shall sell the same to PIP. PIP may substitute an equivalent sum of cash for any non-cash consideration described in Franchisee's notice to PIP. For a SBA financed franchisee, Franchisor's right of first refusal is limited to a full purchase only. Franchisor agrees not to purchase a partial interest of a franchise in which the franchisee has SBA financing.

(c) If PIP does not exercise its right of first refusal and consents to the proposed purchase pursuant to Sections 18.2 and 18.4, Franchisee may sell all of the PIP Centers and its rights under this Agreement to the proposed purchaser on the terms and conditions described in Franchisee's notice to PIP. The sale to the proposed purchaser must be completed within thirty (30) days after the expiration of the fifteen (15) day period in favor of PIP. PIP's right of first refusal shall again be applicable if (i) the sale is not completed within the thirty (30) day period, (ii) the proposed terms and conditions of the sale change from those described in the notice from Franchisee to PIP, or (iii) the identity of the proposed purchaser changes.

### **18. LIMITATION ON COMPETITIVE ACTIVITIES.**

**18.1 Competition During Term.** Throughout the Term, Franchisee shall not directly or indirectly own, operate or have any interest (as an owner, employee, director, officer, salesperson, representative or agent or in any other capacity) in any other Business Communications Business (other than the PIP Center authorized under this Agreement or any other agreement between PIP and Franchisee) without PIP's prior written consent. PIP may impose such terms and conditions on its consent as it feels appropriate (in its sole subjective discretion). Should Franchisee fail to comply with the obligations of this subsection 18.1, then in addition to all other rights and remedies that PIP may have, Franchisee agrees that all gross revenues of any kind from any such other Business Communications Business shall be deemed "Gross Sales" on which the Continuing Franchise Fee described in Section 6 of this Agreement and National Advertising obligation described in Sections 15 of this Agreement shall be forthwith due and payable to PIP.

**18.2 Post-Termination Limitation on Competition.** For two (2) years following the earlier termination (but not the expiration) of this Agreement, Franchisee shall not directly or indirectly own, operate or have any interest (as an owner, director, officer, salesperson, representative or agent or in any other capacity) in any Business Communications Business within the Franchise Territory or twenty-five (25) miles of the location of the PIP Center(s) authorized by this Agreement immediately before its earlier termination. Franchisee and PIP agree that a monetary remedy for a breach of this Section 18.2 by Franchisee may be inadequate and impractical and extremely difficult to prove and that PIP would suffer irreparable harm from the breach. Therefore, in addition to any other rights or remedies available to PIP, PIP shall be entitled to temporary and permanent injunctive relief for Franchisee's breach of this Section 18.2 without the necessity of proving actual damages.

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**18.3 Personnel.** Throughout the Term and for two (2) years following the expiration or earlier termination of this Agreement, Franchisee shall not interfere with existing employees of PIP Centers or Franchisor, directly or indirectly without PIP's prior consent either (i) employ (or attempt to employ) any person who has been employed by PIP within the previous six (6) months, or (ii) induce or attempt to induce any person then employed by PIP to leave his or her employment with PIP.

## **19. CONFIDENTIAL INFORMATION AND DISCONTINUANCE OF USE.**

**19.1 Confidential Information.** All Confidential Information disclosed to the Franchisee (which, under this Section 20.1, includes Franchisee's employees and agents) shall be kept strictly confidential by Franchisee and shall be used by Franchisee only for the operation of the PIP Center during the Term. Franchisee shall not directly or indirectly use any of the Confidential Information in any other business or activity. Franchisee acknowledges that the Confidential Information is valuable, unique and special to PIP and that Franchisee shall not disclose any Confidential Information to any other person without PIP's prior consent. If there is any threatened, attempted or actual violation of this Section 20.1, PIP may suffer irreparable harm which may not be compensable by money damages. Therefore, PIP shall have the right to seek injunctive or other equitable relief restraining and/or prohibiting the threatened, attempted or actual violation, and this injunctive relief shall be without prejudice to any other right of action available to PIP due to the threatened, attempted or actual violation.

**19.2 Telephone Number.** Franchisee acknowledges that the telephone and facsimile number(s) ("numbers") assigned to the PIP Center operated under this Agreement (which may be listed in the yellow page telephone directories or "white page" telephone directories under the "PIP" name) will become identified in the public's mind with PIP and will be used by the public to acquire "PIP" brand products and services. Therefore, upon the abandonment or termination of the Franchise Agreement for any reason or upon the cessation of the PIP Center (but not upon the expiration of the Franchise Agreement), Franchisee shall direct the telephone company to transfer the numbers to PIP or its designee.

**19.3 Discontinuance of Use.** Upon the expiration or earlier termination of this Agreement, Franchisee shall immediately discontinue the use of the Trademarks and the Confidential Information, including a change in the color scheme, trade dress and phone number of the PIP Center, and shall return all Trademarks and Confidential Information to PIP at Franchisee's expense. Franchisee is required to terminate the use of and close business listing and/or online directory accounts, including, but not limited to, Google Adwords, Google+, Google My Business, Google Places for Business, Google Maps, Yahoo, Bing, LinkedIn, Mapquest, Yelp, Merchant Circle, Yellowbook, YP, Superpages, Whitepages, DexKnows, Manta, Local.com, Angie's List, Foursquare, Citysearch and Facebook. After such expiration or termination, Franchisee shall not directly or indirectly operate or do business under any name or in any manner (as an individual, partner, employee, agent, shareholder, officer, or director of a corporation or in any other capacity) that might give the impression to the public that it is operating a PIP Center.

## **20. RESCISSION BY PIP.**

PIP shall have the right to immediately rescind this Agreement upon notice to Franchisee under any of the following circumstances:

(a) Franchisee and/or the Other Trainee fail to pursue or complete PIP's training program specified in Section 10.3 to PIP's satisfaction (in its reasonable judgment);

(b) Franchisee fails to open the PIP Center for business within the time limit specified in Section 11.4; or

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(c) For any reason (in PIP's sole subjective discretion) other than those specified in paragraphs (a) and (b) above, but only before the opening of the PIP Center.

Upon rescission, PIP shall refund (without interest) all of Franchisee's previous payments to PIP, less PIP's direct costs associated with this Franchise, which may range between \$2,500 to \$15,000. If PIP rescinds this Agreement, it shall be null and void and of no further force or effect, and neither party shall have any further right or obligation to the other party (except for Franchisee's arbitration obligation pursuant to Section 26, which shall survive the rescission).

## **21. MATERIAL BREACH AND TERMINATION.**

**21.1 Failure to Pay Money.** If Franchisee does not pay in full to PIP any sums when due under this Agreement or any other agreement between Franchisee and PIP, or if Franchisee does not pay or perform an obligation of Franchisee guaranteed by PIP, Franchisee shall be in material breach of this Agreement. Franchisee shall have ten (10) days after receipt of written notice of the breach to cure the breach, and if the breach is not cured within the ten (10) day period, PIP shall have the right to terminate this Agreement due to the breach.

**21.2 Failure to Comply With Other Obligations.** If Franchisee does not perform any other obligation of Franchisee under this Agreement, Franchisee shall be in material breach of this Agreement. Franchisee shall have thirty (30) days after receipt of written notice of the breach to cure the breach, and if the breach is not cured within the thirty (30) day period, PIP shall have the right to terminate this Agreement due to the breach. If the breach is incapable of cure within the thirty (30) day period, Franchisee shall be granted an additional reasonable period of time as may be necessary to cure the breach, but only if Franchisee has started to cure the breach within the thirty (30) day period. PIP shall determine (in its sole subjective discretion) what is an additional reasonable period for cure and shall consider, among other pertinent factors, the nature, extent and duration of the breach. The description of any breach in any notice from PIP to Franchisee under this Agreement shall not preclude PIP from specifying additional or supplemental breaches in any action, arbitration, hearing or suit relating to this Agreement or its termination.

**21.3 Incurable Material Breaches.** Each of the following shall be an incurable material breach of this Agreement:

(a) Franchisee willfully understates its Gross Sales to PIP for any period. It shall be presumed that Franchisee has willfully understated its Gross Sales if an audit by PIP determines the amount reported for any three (3) (or more) month period to be understated by five percent (5%) or more;

(b) Franchisee assigns or otherwise transfers some or all of Franchisee's interest in this Agreement without PIP's prior consent or there is any other breach of Section 18 by Franchisee, except that upon the death or legal incapacity of Franchisee or an equity holder owning twenty-five percent (25%) or more of the capital stock or voting power of a corporate Franchisee, upon written request, PIP will allow a period of up to six (6) months after such death or legal incapacity for the heirs, personal representatives or conservators of the Franchisee or the equity holder to either (i) demonstrate (in PIP's reasonable judgment) that they have the skills, qualifications and economic resources to operate the PIP Center(s) under this Agreement, or (ii) assign this Agreement (which assignment shall be subject to all of the restrictions on assignment [including the right of first refusal of PIP] in Section 18). This Agreement shall automatically terminate if the heirs, personal representatives or conservators fail either to demonstrate the required skills, qualifications and economic resources or to complete the assignment within the six (6) month period as described above.

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(c) There is any default by Franchisee under any lease or other tenancy for the PIP Center that causes the termination of the lease or other tenancy;

(d) There is (i) any voluntary or involuntary petition (or other arrangement) under the bankruptcy laws by or against Franchisee, (ii) any assignment by Franchisee for the benefit of creditors, (iii) any appointment of a temporary or permanent receiver, trustee in bankruptcy or similar officer for Franchisee's affairs or any of its property, (iv) any dissolution proceeding started by or against Franchisee, (v) any judgment against Franchisee which remains unsatisfied or unbonded for fifteen (15) days, (vi) any levy or attachment against the PIP Center or any of the Tangible Property which is not released within five (5) days, (vii) any mechanics' lien which attaches to the PIP Center or any of the Tangible Property, or (viii) any conviction of Franchisee for any felony or any crime involving moral turpitude or otherwise detrimental to the operation of the PIP Center;

(e) There is any breach of Section 17 by Franchisee;

(f) There is any abandonment of the PIP Center by Franchisee. For purposes of the previous sentence, "abandonment" shall mean Franchisee's failure to (i) keep the PIP Center open and operating for business during normal business hours as a PIP Center for a period of seven (7) consecutive days, or (ii) maintain and answer Franchisee's telephone (unless the failure is due to Force Majeure). Closing or abandoning your franchise business is a breach of contract, entitling the Franchisor to damages for the remainder of the contract term;

(g) Franchisee attempts to assign, transfer or convey the Trademarks, or Franchisee shall use, or permit the use of, the Trademarks in derogation of PIP's rights under this Agreement or in a manner or at locations not authorized by this Agreement; or

(h) Franchisee's continued operation of the PIP Center will result (in PIP's reasonable judgment) in an imminent danger to public health or safety.

#### **21.4 Remedies of PIP Upon Material Breach.**

Upon the occurrence of a material breach of this Agreement, PIP may elect to:

(a) Terminate this Agreement;

(b) Bring such action for injunctive or other relief as may be necessary to compel Franchisee to comply with its obligations under this Agreement if the material breach relates to Franchisee's use or threatened use of the Trademarks in violation of this Agreement;

(c) Bring an action for arbitration to protect its rights under this Agreement and to recover such damages (including the benefit of its bargain under this Agreement, which benefit includes the Continuing Franchise Fee and Advertising Fund payment obligation that PIP would have received for the full term of this Agreement), as PIP may feel appropriate in its sole subjective discretion; and/or

(d) Pursue all other remedies available to PIP. None of the remedies shall be exclusive, and PIP shall be able to pursue any or all of the remedies separately or together without exhausting any one of them or any other remedies permitted by law or in equity.

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**21.5 PIP's Right To Cure Material Breaches.** In addition to all of its other remedies under this Agreement, PIP may cure any material breach by Franchisee without notice to Franchisee. PIP may undertake the cure either immediately upon or after the occurrence of the material breach, and any cure by PIP shall not be a waiver by PIP of any breach under this Agreement. On demand by PIP, Franchisee shall reimburse the cost of the cure to PIP. Nothing in this Agreement shall require PIP to cure any material breach by Franchisee.

**21.6 Recovery of Expenses.** After a material breach by Franchisee, PIP shall be entitled to recover any and all expenses incurred by PIP from such breach (including reasonable attorneys' fees and court costs).

**21.7 Assignment of Customer List.** Immediately upon a material breach of this Agreement by Franchisee, Franchisee agrees that its entire customer list shall be and is automatically assigned to PIP without any further action by either Franchisee or PIP, and Franchisee shall immediately deliver the list to PIP. This assignment shall be in addition to any remedies available to PIP for a material breach of this Agreement by Franchisee.

**21.8 Cross Default.** Any material breach by Franchisee under any other agreement between Franchisee and PIP shall be a material breach under this Agreement. Conversely, any material breach under this Agreement by Franchisee shall be a material breach under all other agreements between Franchisee and PIP. If the nature of the breach under any other agreement would permit PIP to terminate this Agreement if the breach had occurred under this Agreement, PIP shall have the right to terminate this Agreement and all of the other agreements between PIP and Franchisee in the same manner as specified for the termination of this Agreement.

## **22. RIGHTS UPON EXPIRATION OR TERMINATION.**

**22.1 Lease.** Upon the expiration or earlier termination of this Agreement and if required by PIP (in its sole subjective discretion), Franchisee shall sign (within three (3) days following notice from PIP) all necessary documents to assign to PIP all of Franchisee's rights, duties and obligations under its lease or other tenancy of the PIP Center. PIP shall not record any such assignment against the real estate. Nothing in this Agreement shall require PIP to assume Franchisee's duties and obligations under the lease or other tenancy, and the decision to cause such assumption shall be made by PIP in its sole subjective discretion.

**22.2 Termination Without Prejudice.** The expiration or earlier termination of this Agreement shall be without prejudice to the rights of PIP against Franchisee, and the expiration or earlier termination shall not relieve Franchisee of any of its obligations to PIP existing at the time of the expiration or earlier termination. The expiration or earlier termination of this Agreement shall also not relieve Franchisee of those obligations of Franchisee which are intended by their nature to survive its expiration or earlier termination. Without limiting the generality of the foregoing, Franchisee shall pay to PIP all sums owed by Franchisee to PIP under this Agreement immediately after its expiration or earlier termination.

## **23. INDEMNITY BY FRANCHISEE.**

Franchisee shall defend, indemnify and hold harmless Franchisor, its affiliates, and their respective shareholders, directors, officers, employees, representatives, and agents from and against any and all actions, causes of actions, claims, suits, fines, demands, losses, liabilities, costs, and fees (including attorney fees) of any kind arising out of or in connection with Franchisee's PIP Center, including but not limited to personal injury, property damage, violation of the rights of others, or joint employer liability issues. Franchisee's obligation under this Section 24 shall continue and be enforceable despite the expiration or earlier termination of this Agreement.



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## **24. POWER OF ATTORNEY.**

Franchisee hereby grants an irrevocable power of attorney to PIP to sign all documents and do all things which Franchisee is required to sign and do under this Agreement, but only if Franchisee does not sign or do the same within three (3) days after notice from PIP. Franchisee acknowledges that this power of attorney is coupled with an interest and is irrevocable.

## **25. CONSENT TO ARBITRATION.**

**25.1 Agreement to Arbitrate.** Except for PIP's right to obtain injunctive relief due to Franchisee's threatened, attempted or actual use of the Trademarks in derogation of PIP's rights under this Agreement, any dispute or disagreement between the parties relating to this Agreement or any breach of this Agreement (including any claim that all or some of this Agreement is invalid, illegal or otherwise voidable or void) or relating to PIP's compliance with any law regarding the offer or sale of franchises shall be submitted to and determined in binding arbitration under the Rules for Commercial Arbitration of the American Arbitration Association. The parties agree that punitive damages shall not be available as a remedy for any breach of this Agreement or any dispute relating to this Agreement. The arbitration of any dispute between the parties shall be conducted with regard to Franchisee only and not with regard to any collective group of franchisees or class action. This arbitration provision shall survive the expiration or earlier termination of this Agreement. The party seeking arbitration shall institute the proceeding in Orange County, California, and such arbitration shall be held at such venue. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. 1 et seq. The parties waive any right to trial by Jury.

**25.2 Arbitration Procedure.** The arbitration shall be conducted by a single neutral arbitrator. The arbitrator shall be appointed by the American Arbitration Association under the Rules for Commercial Arbitration of the American Arbitration Association. The decision rendered by the arbitrator shall be final and binding upon the parties and may be entered as a judgment in, and enforced by, any court of competent jurisdiction.

## **26. MISCELLANEOUS PROVISIONS.**

**26.1 Waiver.** PIP reserves the right to waive any of the obligations imposed on Franchisee under this Agreement. No waiver shall be effective unless it is in writing. No waiver shall be a waiver by PIP of any earlier, concurrent or later breach of this Agreement by Franchisee. Franchisee acknowledges that it is not an intended third party beneficiary of any franchise agreement or other agreement between PIP and any other person or business entity (including any other franchisee). PIP shall have the right to determine (in its sole subjective discretion and on a case-by-case basis) what action, if any, it shall take upon a breach of such other agreement, and the circumstances, if any, under which PIP may waive compliance with such other agreement. Under no circumstances shall PIP's waiver relating to any such other agreement waive its right at any time to require exact and strict compliance by Franchisee with this Agreement.

**26.2 Survival of Covenants.** The covenants in this Agreement requiring performance by either party after its expiration or earlier termination shall be enforceable regardless of the expiration or earlier termination.

**26.3 Successors and Assigns.** Subject to the restrictions on assignment in this Agreement, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of PIP and shall be binding upon and inure to the benefit of Franchisee and its respective heirs, executors, administrators, successors and permitted assigns.

**26.4 Attorneys' Fees.** If either party starts any action, arbitration or proceeding to enforce this Agreement, to collect damages for any alleged breach of this Agreement or to obtain a declaration of such party's rights or obligations under

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this Agreement, the prevailing party shall be reimbursed by the losing party for all costs (including reasonable attorneys' fees) incurred by the prevailing party with such action, arbitration or proceeding.

**26.5 Entire Agreement; Modification.** The Franchise Agreement and the accompanying Disclosure Document together contain the entire Agreement of the parties and there are no representations, inducements, promises, agreements, other than those set forth and duly executed in writing. This or any other agreement of any kind or any addendum or exhibit, amending, altering or changing the context of any portion hereof, shall not be binding unless it is executed by an appropriate officer at PIP corporate offices and by Franchisee or Franchisee's representative. Certain aspects of the franchise relationship may be affected by changes in Franchisor's Brand Standards and Operations Manual. The Franchisor may make such modifications without Franchisee's approval, so long as they are reasonable and apply uniformly to all Franchisees. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

**26.6 Relationship Between PIP and Franchisee.** The parties intend for this Agreement to establish the relationship of licensor and licensee. Franchisee has no authority to create or assume any express or implied obligation in PIP's name or on PIP's behalf or to act (or purport to act) as PIP's agent or representative for any purpose. Neither PIP nor Franchisee is the employer, employee, agent, fiduciary, partner or co-venturer of or with the other, and each party is independent of the other. Franchisee is solely responsible for the day-to-day control of Franchisee's Center. Neither Franchisee nor any of Franchisee's employees are in any way, directly or indirectly, expressly or by implication, to be construed to be PIP's employees or personnel for any purpose. Franchisee is solely responsible for all terms of employment of Franchisee's employees and personnel. Any requirements, restrictions or specifications which Franchisee is required to comply with under this Agreement, whether set forth in the Brand Standards and Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that PIP controls any aspect or element of the day-to-day operations of the Center, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising Franchisee's control of the day-to-day operations of Franchisee's Center. Each party agrees to file its own tax, regulatory and payroll reports on its respective employees and operations and to save and indemnify the other party from any liability for such reports.

**26.7 Severability.** Nothing in this Agreement shall require the commission of any illegal act. Whenever there is any conflict between this Agreement and any present or future law, such law shall prevail but only to the most limited extent necessary to bring this Agreement within such law. If any provision of this Agreement shall be held to be invalid or otherwise unenforceable, such provision shall be deleted to the most limited extent necessary, and the balance of this Agreement shall continue in full force and effect. However, if the provision relates to the payment of money from Franchisee to PIP, this Agreement shall terminate. Nothing in this Agreement shall prevent PIP from contesting the validity, enforceability, or application of such law.

**26.8 Counterparts.** This Agreement may be signed in any number of counterparts. Each counterpart shall be an original, and all counterparts together shall represent one and the same instrument.

**26.9 Controlling Law.** Except as provided in this Section, this Agreement shall be considered to have been made in the State of California and shall be interpreted in accordance with the internal laws of the State of California and without reference to its conflict of laws rules. However, this Agreement shall be interpreted in accordance with the laws of the state in which the PIP Center is located with respect to (i) the right of Franchisee to compete with PIP after the termination of this Agreement, (ii) the requirements of those valid applicable laws of a competent governmental authority with jurisdiction over this Agreement and the parties with respect to the franchise relationship created by this Agreement, and (iii) the rate of interest chargeable on any sums owed by Franchisee to PIP, but only if such rate is higher than the rate chargeable under California law.

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**26.10 Jurisdiction.** Subject to Section 26, PIP and Franchisee shall only submit to the jurisdiction of and venue in any state or federal court in Orange County California.

**26.11 Section Headings.** The section headings in this Agreement are only for the convenience of the parties and shall not be considered to be a part of this Agreement.

**26.12 Terminology.** All words in this Agreement shall be interpreted to include any other number (singular or plural) and any other gender (masculine, feminine or neuter).

**26.13 Notices.** All notices, consents and approvals from PIP to Franchisee under this Agreement shall be in writing, shall be delivered to Franchisee personally or sent to Franchisee by U.S. mail (certified or registered mail, postage prepaid), fax, DocuSign delivery to Franchisee's email address or courier and shall be addressed to Franchisee at:

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All notices, consents and approvals from Franchisee to PIP under this Agreement shall be in writing, shall be sent by U.S. mail (certified or registered mail, postage prepaid), fax, DocuSign delivery to PIP's email address or courier and shall be addressed to PIP, at 26722 Plaza, Mission Viejo, California 92691. Attention: Legal Department. Unless the notices, consents and approvals state otherwise, they shall be effective on the date of actual delivery. Either party may change the address to which notices shall be sent to it by giving written notice to the other party.

**26.14 Currency.** All references to Dollars in this Agreement shall be to United States Dollars. All payments by Franchisee to PIP under this Agreement shall be made in United States Dollars.

(The remainder of this page is intentionally left blank.)

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THIS AGREEMENT SHALL NOT BE BINDING UPON PIP UNTIL SIGNED BY A DULY AUTHORIZED OFFICER OF PIP. ANY ACKNOWLEDGMENT BY SALES REPRESENTATIVES OF A DEPOSIT BY FRANCHISEE SHALL NOT REPRESENT AN ACCEPTANCE OF THIS AGREEMENT BY PIP. SALES REPRESENTATIVES ARE TOTALLY WITHOUT ANY AUTHORITY TO MODIFY ANY OF THE TERMS OF THIS AGREEMENT OR ANY OF THE DOCUMENTS DESCRIBED IN THIS AGREEMENT OR TO SIGN ANY OF THE SAME FOR PIP.

PIP/POSTAL INSTANT PRESS, INC.

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

I have read the foregoing Franchise Agreement, and I hereby accept and agree to each and all of its provisions, covenants and conditions. I hereby acknowledge receipt of a copy of the Franchise Agreement and a Franchise Disclosure Document at the time specified in the Franchise Agreement.

FRANCHISEE

\_\_\_\_\_  
*Signature*

Name: \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Name: \_\_\_\_\_

Date \_\_\_\_\_

### FRANCHISE TERRITORY ADDENDUM

The Franchise Territory is described as follows:

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## OWNERSHIP STRUCTURE ADDENDUM

Name of Franchisee(s): \_\_\_\_\_

PIP Center #\_\_\_\_, located at:

The Ownership Structure of Franchisee(s) on January 1, 20\_\_\_\_, and at the date of execution of the Amendment is as follows:

1. FORM OF BUSINESS ENTITY:

|                           | <u>January 1, 20</u>     | <u>Amendment Date</u>    |
|---------------------------|--------------------------|--------------------------|
| Sole Proprietorship       | <input type="checkbox"/> | <input type="checkbox"/> |
| General Partnership       | <input type="checkbox"/> | <input type="checkbox"/> |
| Corporation               | <input type="checkbox"/> | <input type="checkbox"/> |
| Limited Liability Company | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (specify) _____     | <input type="checkbox"/> | <input type="checkbox"/> |

2. EQUITY HOLDERS:

| NAME OF EQUITY HOLDER(S) | PERCENTAGE |
|--------------------------|------------|
|                          |            |
|                          |            |
|                          |            |
|                          |            |

## **SUPPLEMENT A TO EXHIBIT B**

**REQUIRED EQUIPMENT AND FURNITURE FOR A FULL SERVICE PIP CENTER**

## SUPPLEMENT “A”

### PIP PRINTING 2024 PRINTING CENTER PACKAGE

| QTY                                                                 | ITEM                                                                                        |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <b>ADMINISTRATIVE, POINT OF SALE, OFFICE EQUIPMENT AND SOFTWARE</b> |                                                                                             |
| 1                                                                   | Owner's Computer PC Laptop (e.g.: Lenovo ThinkPad T400)                                     |
| 1                                                                   | CSR/POS Master Workstation Computer (PC)                                                    |
| 2                                                                   | Microsoft Office Suite for CSR & Owner's Computers                                          |
| 1                                                                   | PrintersPlan Pricing Program (SoftUse)                                                      |
| 1                                                                   | Prospect Management Software – Single User                                                  |
| 1                                                                   | Bookkeeping Software – Single User                                                          |
| 1                                                                   | Multifunction Printer w/Network                                                             |
| <b>PREPRESS AND GRAPHICS</b>                                        |                                                                                             |
| 1                                                                   | Apple Imac 27" Graphics computer bundle (Apple Store)                                       |
| 2                                                                   | Font management software Mac and Windows                                                    |
| 1                                                                   | Microsoft Windows capability on the iMac                                                    |
| 1                                                                   | Adobe Creative Suite Standard Mac                                                           |
| 1                                                                   | Microsoft Office SBE Suite Windows                                                          |
| 1                                                                   | Netgear ReadyNAS File Server                                                                |
| 1                                                                   | Netgear ReadyNAS Offsite backup File Server                                                 |
| 2                                                                   | Broadband VPN Router                                                                        |
| 1                                                                   | Netgear 24-port gigabit switch                                                              |
| 3                                                                   | UPS power supply                                                                            |
| 1                                                                   | Pitstop Pro                                                                                 |
| 1                                                                   | Quite Imposing Plus                                                                         |
| <b>DIGITAL PRODUCTION DEVICES</b>                                   |                                                                                             |
| 1                                                                   | Xerox B9125 (production b/w copier with OHCF and booklet-maker); LEASE \$918/MO - 48 months |
| 1                                                                   | Xerox C9281 (product color copier/printer, controller, OHCF); LEASE \$1,030/MO - 48 months  |
| <b>LARGE FORMAT PRINTING</b>                                        |                                                                                             |
| 1                                                                   | HP 360 latex printer (Big Deal Dealers); LEASE \$450/MO - 48 months                         |
| 1                                                                   | Onyx RIP Postershop (Big Deal Dealers)                                                      |
| 1                                                                   | Proprietary PC for Onyx Postershop (Contact HP for compatibility specifications)            |
| 1                                                                   | 65" Royal Sovereign heat assist laminator (Grimco)                                          |
| 1                                                                   | Grommet machine and #3 Kit (RNR)                                                            |
| 1                                                                   | Fletcher-Terry table top cutter (Grimco)                                                    |
| 1                                                                   | Graph-tec plotter/cutter (Grimco)                                                           |
| <b>BINDERY, FINISHING AND MATERIAL HANDLING</b>                     |                                                                                             |
| 1                                                                   | Challenge single-spindle drill (Print Finishing Solutions)                                  |
| 1                                                                   | Duplo 920 friction feed folder (Duplo)                                                      |
| 1                                                                   | Duplo 490 19.5" cutter (Duplo)                                                              |
| 1                                                                   | HD7700 Power Punch w/die plus HD4170 coil inserter (SW Plastics)                            |
| 1                                                                   | Unibind U625 perfect and case binder (Unibind)                                              |
| 1                                                                   | Challenge padding system (Print Finishing Solutions)                                        |

**PIP PRINTING 2024 PRINTING CENTER PACKAGE**

| QTY                     | ITEM                                                        |            |
|-------------------------|-------------------------------------------------------------|------------|
| 1                       | Shrinkwrapper (Pack-All)                                    |            |
| 1                       | Sparco Convertible Hand Truck (Lindy)                       |            |
| 1                       | Rapid 106 Electric Stapler (Print Finishing Solutions)      |            |
| 1                       | iCreaser (Count)                                            |            |
| MAILING AND SHIPPING    |                                                             |            |
| 1                       | Cloud-based Mailing Software (Lorton Data) (Cost per usage) |            |
| 1                       | Tabber (Pitney Bowes W350)                                  |            |
| FIXTURES AND FURNITURE  |                                                             |            |
| 1                       | Reception Area Fixtures                                     |            |
| 5                       | Paper storage racks                                         |            |
| 5                       | Stationary metal work tables                                |            |
| 1                       | Large Format finishing table                                |            |
| 1                       | Production boards                                           |            |
| 3                       | Desk/task chairs                                            | Footnote 4 |
| 2                       | Graphics department desks / task chairs                     | Footnote 4 |
| 2                       | Front counter chairs                                        | Footnote 4 |
| 1                       | Logo Floor Mat (LogoMats)                                   |            |
| SIGNAGE AND DECOR       |                                                             |            |
|                         | Exterior Lighted Sign (Where Appropriate)                   | Footnote 1 |
|                         | Vinyl window graphics & wall striping (IDP Group)           | Footnote 2 |
| 4                       | Framed Lobby Displays: Product & Services Listings          | Footnote 3 |
| TOTAL EQUIPMENT PACKAGE |                                                             |            |
|                         |                                                             | \$64,190   |

THE ABOVE PRICE DOES NOT INCLUDE FREIGHT, HANDLING, INSTALLATION OR SALES TAX.

The price of the package will be based on the cost of the items in Supplement "A" in effect at the time the merchandise is ordered. You will be sent a revised invoice should it be necessary. However, in no event will the price of the equipment be increased by more than 10%.

Footnotes:

1. Where Location allows exterior sign(s), Franchisee to purchase locally.
2. Interior & exterior graphics to be in T&O; cannot be leased or repossessed.
3. Cost is for framing components only; franchisee to print graphics on large format inkjet; also in T&O.
4. In-center desks and chairs are to be purchased locally.



**Specified vendor-named items may be replaced by similar items of a different manufacturer, or by a different model for the same manufacture.**

FRANCHISEE(S)

Dated:\_\_\_\_\_

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

POSTAL INSTANT PRESS, INC.

Dated:\_\_\_\_\_

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

# **EXHIBIT C**

## **PIP SATELLITE ADDENDUM**

**SATELLITE ADDENDUM  
TO  
FRANCHISE AGREEMENT**

FOR VALUABLE CONSIDERATION, the receipt of which is acknowledged, the Franchise Agreement, dated \_\_\_\_\_ (the "Franchise Agreement"), between Postal Instant Press, Inc., ("PIP") and the undersigned ("Franchisee") is modified by this Satellite Addendum to Franchise Agreement (the "Addendum") as follows (all initially capitalized terms used and not otherwise defined in this Addendum shall have the same meanings given to them in the Franchise Agreement):

1. PIP authorizes Franchisee to operate one additional full or limited service PIP Center (the "PIP Satellite") within the Franchise Territory set forth in the Franchise Agreement:

2. The PIP Satellite shall be located at the following address:

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

and shall be known as PIP Center # \_\_\_\_\_.

3. Except as modified by this Addendum, all of the provisions of the Franchise Agreement are ratified and reaffirmed as being binding and in full force and effect.

4. The Term of all PIP Centers (including the PIP Satellite) within the Franchise Territory shall be consistent with the Term of the Franchise Agreement, unless terminated earlier in accordance with the Franchise Agreement.

5. The permission given to Franchisee to operate the PIP Satellite in the Franchise Territory has been granted by PIP in its sole subjective discretion and does not constitute permission by PIP for Franchisee to operate any other PIP Centers or PIP Satellites, whether in the Franchise Territory or otherwise.

6. Upon signing this Addendum, Franchisee shall pay the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) to PIP as the fee for opening the PIP Satellite.

7. Upon signing this Addendum, Franchisee shall also pay the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) to PIP to cover the cost of advertising the PIP Satellite's opening.

8. The term "Franchisee" is used in the singular, plural, masculine, feminine or neuter as best reflects the approved state of facts set forth in the Franchise Agreement and this Addendum.

9. This Addendum may be executed by each party in any number of counterparts, each of which shall be deemed to be an original and all of which shall be deemed to be one and the same instrument.

10. This Addendum shall be effective as of the date on which it is signed by a duly authorized officer of PIP.

**PIP**  
POSTAL INSTANT PRESS, INC.

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

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

Name:\_\_\_\_\_

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

**FRANCHISEE**

\_\_\_\_\_

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

\_\_\_\_\_

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

# **EXHIBIT D**

**AGENTS FOR SERVICE OF PROCESS**

## AGENTS FOR SERVICE OF PROCESS

### California:

Department of Financial Protection  
and Innovation (DFPI) 320 W. 4th  
St., Ste. 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

### New York:

New York Secretary of State  
One Commerce Plaza  
99 Washington Ave., 6th Flr.  
Albany, NY 12231-0001  
(518) 473-2492

### Hawaii:

Hawaii Commissioner of Securities,  
Dept. of Commerce and Consumer  
Affairs, Business Registration Div.  
335 Merchant St., Rm. 205  
Honolulu, HI 96813  
(808) 586-2744

### North Dakota:

North Dakota Securities Commissioner  
600 E. Boulevard Ave., 5th. Flr.  
Bismarck, ND 58505  
(701) 328-4712

### Illinois:

Illinois Attorney General  
500 S. 2nd St.  
Springfield, IL 62701  
(217) 782-4465

### Rhode Island:

Director, Rhode Island Department of  
Business Regulations  
1511 Pontiac Ave., Bldg. 69-1  
Cranston, RI 02920  
(401) 462-9527

### Indiana:

Indiana Secretary of State  
200 W. Washington St., Rm. 201  
Indianapolis, IN 46204  
(317) 232-6681

### South Dakota:

Division of Insurance  
Securities Regulation  
124. S. Euclid Ave., Ste. 104  
Pierre, SD 57501-3168  
(605) 773-3563

### Maryland:

Maryland Securities Commissioner  
200 Saint Paul Pl.  
Baltimore, MD 21202  
(410) 576-6360

### Virginia:

Clerk, Virginia State Corporation Commission  
1300 E. Main St., 1st Flr.  
Richmond, VA 23219  
(804) 371-9733

### Michigan:

Consumer Protection Division  
G. Mennen Williams Bldg.  
525 W. Ottawa St.  
Lansing, MI 48909  
(517) 373-7117

### Washington:

Dept. of Financial Institutions  
Securities Division – 3rd Flr.  
150 Israel Rd. SW  
Tumwater, WA 98501  
(360) 902-8760

### Minnesota:

Minnesota Commissioner of Commerce  
85 7th Pl. E., Ste. 280  
Saint Paul, MN 55101-3165  
(651) 539-1600

### Wisconsin:

Administrator, Wisconsin  
Division of Securities  
4822 Madison Yards Way, North Tower  
Madison, WI 53705-9100  
(608) 261-9555

In all other states, you may serve PIP at the following address:

Attn: President, Postal Instant Press, Inc., 26722 Plaza, Mission Viejo, CA 92691.

# **EXHIBIT E**

## **FINANCIAL STATEMENTS**

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAAconnect.com](https://CLAAconnect.com)



**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Postal Instant Press, Inc.  
Mission Viejo, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Postal Instant Press, Inc. (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and 2022, and the related statements of operations, changes in stockholders' equity, and cash flows for the years 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 Postal Instant Press, Inc., as of December 31, 2024 and 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

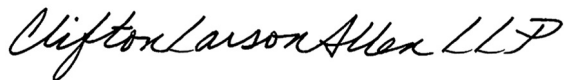
***Auditors' Responsibilities for the Audit of the Financial Statements***

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**CliftonLarsonAllen LLP**

Irvine, California  
March 27, 2025

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**BALANCE SHEETS**  
**DECEMBER 31, 2024, 2023, AND 2022**

|                                                                                                                                                                   | 2024             | 2023             | 2022             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| <b>ASSETS</b>                                                                                                                                                     |                  |                  |                  |
| <b>CURRENT ASSETS</b>                                                                                                                                             |                  |                  |                  |
| Cash and Cash Equivalents                                                                                                                                         | \$ 977,000       | \$ 828,000       | \$ 1,408,000     |
| Receivables:                                                                                                                                                      |                  |                  |                  |
| Trade Receivables                                                                                                                                                 | 288,000          | 323,000          | 247,000          |
| Installment Contracts and Notes Receivable                                                                                                                        | 14,000           | 19,000           | 4,000            |
| Total Receivables                                                                                                                                                 | 302,000          | 342,000          | 251,000          |
| Less: Allowance for Credit Losses                                                                                                                                 | (74,000)         | (69,000)         | (50,000)         |
| Net Receivables                                                                                                                                                   | 228,000          | 273,000          | 201,000          |
| <br>Total Assets                                                                                                                                                  | <br>\$ 1,205,000 | <br>\$ 1,101,000 | <br>\$ 1,609,000 |
| <b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>                                                                                                                       |                  |                  |                  |
| <b>CURRENT LIABILITIES</b>                                                                                                                                        |                  |                  |                  |
| Accounts Payable and Accrued Expenses                                                                                                                             | \$ 64,000        | \$ 57,000        | \$ 60,000        |
| Deferred Revenue                                                                                                                                                  | 4,000            | 4,000            | 4,000            |
| Due to Parent or Affiliates                                                                                                                                       | 91,000           | 107,000          | 161,000          |
| State Income Taxes Payable                                                                                                                                        | 15,000           | 15,000           | 16,000           |
| Total Liabilities                                                                                                                                                 | 174,000          | 183,000          | 241,000          |
| <b>STOCKHOLDER'S EQUITY</b>                                                                                                                                       |                  |                  |                  |
| Common Stock - 0.01 Par Value; Class A - 50,000<br>Shares Authorized, 41,911 Shares Issued and<br>Outstanding; Class B - 50,000 Shares Authorized,<br>None Issued | -                | -                | -                |
| Retained Earnings                                                                                                                                                 | 1,031,000        | 918,000          | 1,368,000        |
| Total Stockholder's Equity                                                                                                                                        | 1,031,000        | 918,000          | 1,368,000        |
| <br>Total Liabilities and Stockholder's Equity                                                                                                                    | <br>\$ 1,205,000 | <br>\$ 1,101,000 | <br>\$ 1,609,000 |

See accompanying Notes to Financial Statements.

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**STATEMENTS OF OPERATIONS**  
**YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022**

|                                                 | 2024                     | 2023                     | 2022                     |
|-------------------------------------------------|--------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                                 |                          |                          |                          |
| Continuing Franchise Fees                       | \$ 2,119,000             | \$ 2,164,000             | \$ 2,068,000             |
| Franchise Advertising Contributions             | 441,000                  | 520,000                  | 497,000                  |
| Interest and Other Income                       | 8,000                    | 5,000                    | 32,000                   |
| Total Revenues                                  | <u>2,568,000</u>         | <u>2,689,000</u>         | <u>2,597,000</u>         |
| <b>COST OF SALES</b>                            | <u>10,000</u>            | <u>1,000</u>             | <u>7,000</u>             |
| <b>GROSS PROFIT</b>                             | 2,558,000                | 2,688,000                | 2,590,000                |
| <b>OPERATING EXPENSES</b>                       |                          |                          |                          |
| Management Fees                                 | 1,315,000                | 1,358,000                | 1,292,000                |
| Bad Debt Expense                                | 5,000                    | 13,000                   | (86,000)                 |
| Advertising                                     | 11,000                   | 11,000                   | 10,000                   |
| Franchise Advertising Expenses                  | 500,000                  | 547,000                  | 512,000                  |
| Total Operating Expenses                        | <u>1,831,000</u>         | <u>1,929,000</u>         | <u>1,728,000</u>         |
| <b>INCOME BEFORE PROVISION FOR INCOME TAXES</b> | 727,000                  | 759,000                  | 862,000                  |
| State Income Taxes                              | <u>14,000</u>            | <u>9,000</u>             | <u>18,000</u>            |
| <b>NET INCOME</b>                               | <u><u>\$ 713,000</u></u> | <u><u>\$ 750,000</u></u> | <u><u>\$ 844,000</u></u> |

See accompanying Notes to Financial Statements.

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**STATEMENTS OF CHANGES STOCKHOLDER'S EQUITY**  
**YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022**

|                                    | Common Stock  |             | Retained            | Total               |
|------------------------------------|---------------|-------------|---------------------|---------------------|
|                                    | Shares        | Amount      | Earnings            | Stockholder's       |
|                                    |               |             |                     | Equity              |
| <b>BALANCE - DECEMBER 31, 2021</b> | 41,911        | \$ -        | \$ 1,324,000        | \$ 1,324,000        |
| Net Income                         | -             | -           | 844,000             | 844,000             |
| Distributions                      | -             | -           | (800,000)           | (800,000)           |
| <b>BALANCE - DECEMBER 31, 2022</b> | 41,911        | -           | 1,368,000           | 1,368,000           |
| Net Income                         | -             | -           | 750,000             | 750,000             |
| Distributions                      | -             | -           | (1,200,000)         | (1,200,000)         |
| <b>BALANCE - DECEMBER 31, 2023</b> | 41,911        | -           | 918,000             | 918,000             |
| Net Income                         | -             | -           | 713,000             | 713,000             |
| Distributions                      | -             | -           | (600,000)           | (600,000)           |
| <b>BALANCE - DECEMBER 31, 2024</b> | <u>41,911</u> | <u>\$ -</u> | <u>\$ 1,031,000</u> | <u>\$ 1,031,000</u> |

*See accompanying Notes to Financial Statements.*

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022**

|                                                                                      | <u>2024</u>              | <u>2023</u>              | <u>2022</u>                |
|--------------------------------------------------------------------------------------|--------------------------|--------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                          |                          |                          |                            |
| Net Income                                                                           | \$ 713,000               | \$ 750,000               | \$ 844,000                 |
| Adjustments to Reconcile Net Income to Net Cash<br>Provided by Operating Activities: |                          |                          |                            |
| Bad Debt Expense                                                                     | 5,000                    | 19,000                   | (7,000)                    |
| (Increase) Decrease in Assets:                                                       |                          |                          |                            |
| Trade Receivables                                                                    | 35,000                   | (76,000)                 | 55,000                     |
| Installment Contracts and Notes Receivable                                           | 5,000                    | (15,000)                 | -                          |
| Increase (Decrease) in Liabilities:                                                  |                          |                          |                            |
| Accounts Payable and Accrued Expenses                                                | 7,000                    | (3,000)                  | (16,000)                   |
| Deferred Revenue                                                                     | -                        | -                        | (4,000)                    |
| State Income Taxes Payable                                                           | -                        | (1,000)                  | 4,000                      |
| Net Cash Provided by Operating Activities                                            | <u>765,000</u>           | <u>674,000</u>           | <u>876,000</u>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                          |                          |                          |                            |
| Due to/from Parent                                                                   | (16,000)                 | (54,000)                 | 55,000                     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                          |                          |                          |                            |
| Distributions                                                                        | <u>(600,000)</u>         | <u>(1,200,000)</u>       | <u>(800,000)</u>           |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>                                           | 149,000                  | (580,000)                | 131,000                    |
| Cash and Cash Equivalents - Beginning of Year                                        | <u>828,000</u>           | <u>1,408,000</u>         | <u>1,277,000</u>           |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                                       | <u><u>\$ 977,000</u></u> | <u><u>\$ 828,000</u></u> | <u><u>\$ 1,408,000</u></u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW<br/>INFORMATION</b>                          |                          |                          |                            |
| Cash Paid During the Year for:                                                       |                          |                          |                            |
| State Income Taxes                                                                   | <u><u>\$ 14,000</u></u>  | <u><u>\$ 10,000</u></u>  | <u><u>\$ 14,000</u></u>    |

See accompanying Notes to Financial Statements.

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Postal Instant Press, Inc. (the Company) was purchased by Franchise Services, Inc. ("FSI" or the "Parent") on October 31, 1996, in a stock acquisition accounted for as a purchase. The Company is engaged in the sale and service of domestic and international franchised quick printing and marketing services centers using the brand name "PIP Printing."

The total number of new franchises opened during 2024, 2023, and 2022 were zero, zero, and one, respectively. The Company did not have any franchisor-owned units during these years. The Company has 52 franchises at December 31, 2024. Management is not actively marketing or selling new franchises.

**Affiliate Companies**

FSI also owns the following subsidiaries:

*Sir Speedy, Inc.*, headquartered in Mission Viejo, California, which sells and provides support to domestic and international franchised quick printing and marketing services centers using the brand name "Sir Speedy."

*TeamLogic, Inc.*, headquartered in Mission Viejo, California, which sells and provides support to domestic franchises that provide outsourced IT services for small and mid-sized businesses using the brand name "TeamLogic IT."

*Signal Graphics, Inc.*, headquartered in Mission Viejo, California, which sells and provides support to domestic franchised quick printing and marketing services centers using the brand name "Signal Graphics."

*Summit Marketing Communications, Inc.*, headquartered in Mission Viejo, California, which is an advertising agency.

**Financial Statement Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). References to the "ASC" hereafter refer to the *Accounting Standards Codification* established by the Financial Accounting Standards Board (FASB) as the source of authoritative U.S. GAAP.



**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation (Continued)**

The FASB ASC 810-10, *Consolidation*, addresses the consolidation of an entity whose equity holders either (a) have not provided sufficient equity at risk to allow the entity to finance its own activities or (b) do not possess certain characteristics of a controlling financial interest. FASB ASC 810-10 requires the consolidation of such an entity, known as a variable interest entity (VIE), by the primary beneficiary of the entity. The primary beneficiary is the entity, if any, that is obligated to absorb a majority of the risk of loss from the VIE's activities, entitled to receive a majority of the VIE's residual returns, or both. The principal type of entities in which the Company would possess a variable interest includes franchise entities. The Company does not possess any ownership interests in franchise entities. Additionally, the Company does not provide financial support to franchise entities in a typical franchise relationship. As a result, the Company did not consolidate any franchise entities.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and in banks and all highly liquid debt instruments purchased with original maturities of three months or less.

**Accounts Receivable and Allowance for Credit Losses**

Trade receivables consists of continuing franchise fees and managed services fees, net of allowance for credit losses. An allowance for credit losses is established based upon historical experience, current economic conditions, and certain forward looking information. The Company also considers any specific customer collection issues. The Company periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the economic environment. As of December 31, 2024, 2023, and 2022, the allowance for credit losses was \$74,000, \$69,000, and \$50,000, respectively.

**Revenue Recognition from Contracts with Customers**

The Company's revenue includes initial franchise fees, transfer fees, continuing franchise fees, franchise advertising contributions, interest and other income. The Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for the arrangements that the Company determines are within the scope of Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition from Contracts with Customer (Continued)**

The Company adopted FASB issued Accounting Standards Update (ASU) 2021-02 *Franchisors – Revenue from Contracts with Customers (Subtopic 952-606)*. ASU 2021-02 provides a practical expedient for franchisors to account for certain pre-opening services as distinct from the franchise license when identifying performance obligations under ASC 606. The Company has elected to treat the pre-opening services as a single performance obligation.

The initial franchise fee is \$55,000 for a new franchise, and \$7,500 for each of the subsequent franchises opened by the same franchisee in a different territory (or under another Franchise Agreement).

Under franchise agreements, the Company provides franchisees with (i) a franchise license, which includes a license to use intellectual property and advertising and promotion management, (ii) pre-opening services, such as training and inspections, and (iii) ongoing services, such as development of training materials. The services provided under franchise agreements are highly extensive.

Initial, Transfer, And Renewal Franchise Fees – Upon execution of a franchise agreement, the franchisee is required to pay a franchise fee to the Company. In connection with the franchise fee, the Company provides services and support to the franchisee for its pre-opening activities, such as site selection and training. These pre-opening services provided by the Company are considered to be a single performance obligation and the franchise fee is recognized upon satisfaction and completion of the pre-opening services by the Company. Generally pre-opening services are complete upon the opening of the franchisee's location. If the pre-opening services are not complete or are in process, the Company records the franchise fee received as a contract liability. Transfer and renewal franchise fees are recognized over time.

Continuing Franchise Fees – Continuing franchise fees are calculated as the greater of a fixed amount or a percentage of franchise sales over the term of the franchise agreement and recognized as franchisees' sales occur. The transaction price includes estimates for reductions in revenue from rebates. These amounts are based upon the most likely amount of consideration to which the franchisee will be entitled. All estimates are based on historical experience, anticipated performance and management's best judgement at the time to the extent it is probable that a significant reversal of revenue recognized will not occur. All estimates for variable consideration are reassessed periodically.

Franchise Advertising Contributions – The franchisees contribute to an advertising fund managed by the Company. Under the franchise agreements, advertising contributions received from franchisees must be spent on advertising, product development, marketing and related activities. Franchise advertising contributions are recognized as franchisees' sales occur.

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Revenue**

Deferred revenue represents franchise fees received from franchisees that have signed franchise agreements but have not yet opened their location.

**Income Taxes**

For federal tax purpose, an election was made to treat the Company and its Parent (Franchise Services, Inc.) as Qualified Subchapter S Subsidiaries (QSSS). As a QSSS, the Company and its Parent are not treated as separate corporations and all assets, liabilities, items of income, deduction, and credit of the Company and its Parent are treated as assets, liabilities, items of income, deduction, and credit of the parent of Franchise Services, Inc.

The Company provides for state taxes for various jurisdictions that either treat the Company as a separate corporation or impose a franchise tax.

**Advertising**

Advertising and promotional costs not associated with the advertising funds are charged to operations when incurred. The amount of advertising and promotional costs are considered de minimus by management for the three years ended December 31, 2024, 2023, and 2022.

**Use of Estimates**

The process of preparing financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**Subsequent Events**

The Company has evaluated subsequent events through March 27, 2025, the date which the financial statements were available to be issued.

**NOTE 2 REVENUES FROM CONTRACTS WITH CUSTOMERS**

**Disaggregation of Revenues**

The Company believes that the captions contained in the statements of operations appropriately reflect the disaggregation of its revenue by major type for the years ended December 31, 2024, 2023, and 2022.

**POSTAL INSTANT PRESS, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF FRANCHISE SERVICES, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

**NOTE 2 REVENUES FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

**Contract Receivables and Contract Liabilities**

Due to ASC 606 required reclassifications, the following are contract receivables and contract liabilities as of December 31, 2024, 2023, and 2022:

|                                   | December 31,<br>2024 | December 31,<br>2023 | December 31,<br>2022 | January 1,<br>2022 |
|-----------------------------------|----------------------|----------------------|----------------------|--------------------|
| Accounts Receivable               | \$ 302,000           | \$ 342,000           | \$ 251,000           | \$ 306,000         |
| Less: Allowance for Credit Losses | (74,000)             | (69,000)             | (50,000)             | (57,000)           |
| Accounts Receivable, Net          | <u>\$ 228,000</u>    | <u>\$ 273,000</u>    | <u>\$ 201,000</u>    | <u>\$ 249,000</u>  |
| Contract Liability                | <u>\$ 4,000</u>      | <u>\$ 4,000</u>      | <u>\$ 4,000</u>      | <u>\$ 8,000</u>    |

There were no contract assets at December 31, 2024, 2023, 2022 or January 1, 2022.

**NOTE 3 CONCENTRATIONS, RISKS AND UNCERTAINTIES**

The Company maintains its cash account in a financial institution. The account at this institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, the Company may have cash balances in these financial institutions that exceed the FDIC insurance limit. Management reviews the financial condition of these financial institutions on a periodic basis and does not believe this concentration of cash results in a high level of risk for the Company.

**NOTE 4 RESTRICTED CASH**

At December 31, 2024, 2023, and 2022, the cash and cash equivalents include a restricted cash account for advertising fund contributions. At December 31, 2024, 2023, and 2022, the balance of the restricted cash account was \$330,000, \$386,000, and \$468,000, respectively.

**POSTAL INSTANT PRESS, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

**NOTE 5 PROVISION FOR INCOME TAXES**

The Company has adopted the provisions of ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*. As of December 31, 2024, 2023, and 2022, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense, if incurred.

The Company undergoes an annual analysis of its various tax positions, assessing the likelihood of those positions being upheld upon examination with relevant tax authorities, as defined by ASC 740-10.

For the years ended December 31, 2024, 2023, and 2022, the components of the provision for income taxes reflected in the statements of operations are as follows:

|                          | 2024             | 2023            | 2022             |
|--------------------------|------------------|-----------------|------------------|
| Current                  |                  |                 |                  |
| State, Net               | \$ 14,000        | \$ 9,000        | \$ 18,000        |
| Deferred                 | -                | -               | -                |
| Total State Income Taxes | <u>\$ 14,000</u> | <u>\$ 9,000</u> | <u>\$ 18,000</u> |

**NOTE 6 COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

The Company's corporate office is situated in office space leased and managed by its Parent. Facility rent expense for the years ended December 31, 2024, 2023, and 2022, totaled \$280,000, \$269,000, and \$233,000, respectively, and are included in management fees in the accompanying statements of operations.

**Litigations**

The Company experiences routine litigation in the normal course of its business. Management does not believe that any pending or threatened litigation will have a material adverse effect on its financial statements.

**Indemnities and Guarantees**

During the normal course of business, the Company has made certain indemnities and guarantees under which it may be required to make payments in relation to certain transactions. These indemnities include certain agreements with the Company's officers, under which the Company may be required to indemnify such person for liabilities arising out of their employment relationship. The duration of these indemnities and guarantees varies and, in certain cases, is indefinite. The majority of these indemnities and guarantees do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated to make any payments for these obligations and no liabilities have been recorded for these indemnities and guarantees in the accompanying balance sheets.

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**NOTE 7 RELATED PARTY TRANSACTIONS**

The Parent periodically made advances to the Company. At December 31, 2024, 2023, and 2022, total amounts that had not been repaid to the Parent were \$91,000, \$107,000, and \$161,000, respectively, and are included in due to Parent or affiliates in the accompanying balance sheets.

The Company's corporate office is located in a building leased and managed by its Parent. This building is owned by parties related to the owner of the Parent.

Included in management fees in the accompanying statements of operations are selling, rent, payroll expenses, and certain administrative support functions of the Company provided and charged by the Parent. Expenses were allocated to the Company based on the percentage of support provided by the Parent. For the years ended December 31, 2024, 2023, and 2022, overhead and other administrative costs totaled \$1,315,000, \$1,358,000, and \$1,292,000, respectively.

For the years ended December 31, 2024, 2023, and 2022, Summit Marketing Communications, Inc. (SMC) provided advertising agency services on behalf of the Company which is included as part of management fees in the accompanying statements of operations. The amounts charged by SMC were considered de minimus by management for all three years. SMC charged the advertising fund \$402,000, \$416,000, and \$367,000 for the years ended December 31, 2024, 2023 and 2022, respectively.

**NOTE 8 EMPLOYEE BENEFIT PLAN**

The Parent sponsors a qualified 401(k) plan (the Plan) for all eligible employees. In addition, the Parent, at the option of the board of directors, may make a discretionary contribution to the Plan, subject to the limit prescribed by law. The allocable share of the Parent's expenses in connection with the Plan for the years ended December 31, 2024, 2023, and 2022 were \$23,000, \$24,000, and \$24,000, respectively, and are included as part of management fees in the accompanying statements of operations.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

# **EXHIBIT F**

## **TABLES OF CONTENTS OF THE BRAND STANDARDS AND OPERATIONS MANUAL**





# Franchise Operations Manual

9-12-2022

# Marketing Management System

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# **EXHIBIT G**

**AGREEMENT OF CONFIDENTIALITY, NON-DISCLOSURE  
AND NON-COMPETITION**

**AGREEMENT OF  
CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETITION**

THIS AGREEMENT OF CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETITION (the "Agreement") is made and entered into as of the Effective Date set forth below by and between POSTAL INSTANT PRESS, INC., a California corporation ("PIP"), and the following participant in its training program ("Participant"):

Participant: \_\_\_\_\_  
Franchise Owner: \_\_\_\_\_  
Center No: \_\_\_\_\_

**RECITALS**

A. PIP is engaged in the business of franchising printing centers and businesses throughout the world and conducts various training programs (individually, a "Training Program") in the operation of such centers and businesses at which certain proprietary and confidential information of PIP (the "Confidential Information") is disclosed.

B. Participant is either (i) a prospective Franchise Owner who has not yet signed a Franchise Agreement with PIP, or (ii) an employee of a Franchise Owner who has signed a Franchise Agreement with PIP or a person who is otherwise affiliated in the operation of such Franchise Owner's PIP business.

C. The Franchise Owner has requested PIP to allow Participant to attend the Training Program.

D. PIP has agreed to allow Participant to attend the Training Program on the terms and conditions of this Agreement.

**AGREEMENT**

NOW, THEREFORE, the parties agree as follows:

1. Participant agrees that (i) the Confidential Information is considered proprietary by PIP and is a valuable business and property right of PIP, and (ii) the Confidential Information will not be used or disclosed by Participant except as may be exclusively necessary in connection with the operation of the PIP business.

2. Participant shall not directly or indirectly disclose the Confidential Information to any unauthorized or third parties other than the employees, agents and other representatives of the PIP business on a need-to-know basis, each of whom shall be informed of the confidential nature of the Confidential Information and the terms of this Agreement and shall agree not to divulge such Confidential Information and to be bound by this Agreement in the same manner as Participant is bound.

3. Participant shall promptly return to PIP all copies of the Confidential Information provided at the Training Program (without retaining any copy of the Confidential Information) and shall destroy any notes that Participant may have prepared at the Training Program upon any termination of the Participant's affiliation with the PIP business or upon notice from PIP.

4. Participant shall reimburse, indemnify and hold harmless PIP (and all of its affiliates, directors, officers, shareholders, employees, affiliates and agents) from any damage, loss or expense incurred as a result of the use of the Confidential Information by Participant or Participant's employees, agents or representatives contrary to this Agreement.

5. If and when Participant does not execute a Franchise Agreement with PIP or is no longer affiliated with the PIP Business (either as an employee or otherwise), then for a period of two (2) years after such date, Participant agrees not to operate a print shop or any other printing, duplicating, graphic arts, layout and design, document creation, mailing services, typesetting, desktop publishing, business communications or related business, either directly or indirectly, or in any capacity or in conjunction with others within any of PIP's franchise territories as set forth in its franchise agreements.

6. This Agreement shall not apply to any information disclosed by PIP which is now or later becomes part of the public domain or is required to be furnished by law.

7. Participant agrees that money damages would not be an adequate remedy for any breach of this Agreement by Participant or Participant's employees, agents or representatives and that PIP (and its various affiliates described in Section 4 above) shall be entitled to specific performance as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedies available to PIP (and its affiliates) for any such breach of this Agreement, but shall be in addition to all other remedies available at law or equity to PIP and its affiliates.

8. The prevailing party in any proceeding to enforce or interpret this Agreement shall be entitled to recover from the other party its reasonable attorneys' fees and costs in addition to any other relief to which such party may be entitled.

9. The rights of Participant under this Agreement are not wholly or partially transferable or assignable without PIP's prior written consent. PIP may assign this Agreement in its sole and absolute discretion.

10. This Agreement shall be governed by the laws of the State of California without reference to its conflicts of law, and the parties agree to submit to the jurisdiction and venue of any court of general jurisdiction or located in Orange County, California. If any provision of this Agreement is held by any court to be invalid or unenforceable, the remaining provisions shall continue in full force.

11. The effective date of this Agreement is the date on which it is signed by a duly authorized officer of PIP, (the "Effective Date").

POSTAL INSTANT PRESS, INC. (PIP)

PARTICIPANT

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

\_\_\_\_\_

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

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



# **EXHIBIT H**

**AGREEMENT AND CONSENT TO ASSIGNMENT TO CORPORATION OR OTHER ENTITY**

**PIP CENTER #**

**AGREEMENT AND CONSENT  
TO  
ASSIGNMENT TO CORPORATION OR OTHER ENTITY**

THIS AGREEMENT AND CONSENT TO ASSIGNMENT TO CORPORATION OR OTHER ENTITY (the "Agreement") is made and entered into as of the Effective Date by and among POSTAL INSTANT PRESS, INC., a California corporation ("PIP"), \_\_\_\_\_ and \_\_\_\_\_ (collectively, "Franchise Holders"), and \_\_\_\_\_, a \_\_\_\_\_ ("Assignee").

**RECITALS**

- A. PIP and Franchise Holders are parties to the Franchise Agreement, dated \_\_\_\_\_ (the "Franchise Agreement"), a copy of which is attached as Exhibit A and incorporated into this Agreement by this reference.
- B. Franchise Holders have equal equity interests in Assignee.
- C. Franchise Holders desire to assign all of their interest in the Franchise Agreement to Assignee in accordance with this Agreement.
- D. Assignee is willing to assume all of Franchise Holders' obligations under the Franchise Agreement.

**AGREEMENT**

NOW, THEREFORE, the parties agree as follows:

- 1. PIP consents to the assignment of the Franchise Agreement by Franchise Holders to Assignee (collectively, the "Assignment"). The parties acknowledge and agree that any territorial conflict between the franchise territory described in the Franchise Agreement and any other territory described in other franchise agreements to which PIP is a party and which existed prior to the date of the Franchise Agreement shall be resolved in favor of the first existing franchise agreement.
- 2. PIP waives its right of first refusal in the Franchise Agreement with respect to the Assignment in this instance only and without affecting any of its rights (including its right to enforce such right of first refusal) in the future.
- 3. PIP's consent to the Assignment is made subject to, and shall become effective only upon, the complete performance of all of the following conditions, each of which shall also be covenants and agreements by Franchise Holders and Assignee for the benefit of PIP:
  - (a) Assignee shall sign the attached Acceptance of Assignment.
  - (b) Each Franchise Holder acknowledges that nothing contained in this Agreement or the Acceptance of Assignment shall relieve such Franchise Holder, as assignor, of any liability under the Franchise Agreement (or any other agreement executed in connection with such documents). In addition, each Franchise Holder agrees to execute the attached Personal Continuing Guaranty of Corporate Debts and Obligations.

4. The effective date of this Agreement is the date on which it is signed by a duly authorized officer of PIP (the "Effective Date").

**PIP**  
POSTAL INSTANT PRESS, INC.

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

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

Name: \_\_\_\_\_

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

**FRANCHISE HOLDERS**

\_\_\_\_\_

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

\_\_\_\_\_

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

**ASSIGNEE**

\_\_\_\_\_

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

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

## ACCEPTANCE OF ASSIGNMENT

\_\_\_\_\_, a \_\_\_\_\_, assumes and agrees to perform all of the obligations of the Franchise Holder in accordance with the Franchise Agreement (or any other document executed in connection with such documents) all as defined and more particularly described in the foregoing Agreement and Consent to Assignment to Corporation or Other Entity, and agrees to be bound by all of the provisions of such documents as though named as the original Franchise Holder, Debtor or Lessee in such documents.

### ASSIGNEE

\_\_\_\_\_

\_\_\_\_\_

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

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

Name: \_\_\_\_\_

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

# **EXHIBIT I**

**PERSONAL CONTINUING GUARANTY OF CORPORATE  
DEBTS AND OBLIGATIONS**

**PERSONAL CONTINUING GUARANTY  
OF DEBTS AND OBLIGATIONS**

**RECITALS**

A. Postal Instant Press, Inc., a California corporation, is a party to certain agreements with the undersigned, \_\_\_\_\_ ("Guarantor"), including the Franchise Agreement dated \_\_\_\_\_, as amended, and between Guarantor and Postal Instant Press, Inc. (the Franchise Agreement").

B. Guarantor has formed a corporation or other entity (the "Corporation") of which Guarantor is or shall be the sole equity holder. The Corporation's sole purpose (as represented and warranted by Guarantor) is to own and operate the PIP printing business currently owned and operated by Guarantor pursuant to the Franchise Agreement. Concurrently with the execution of this Personal Continuing Guaranty of Debts and Obligations (the "Guaranty"), Guarantor has assigned to the Corporation all of Guarantor's rights under any agreements (including the Franchise Agreement) or other documents previously, concurrently or subsequently entered into with PIP in connection with such business.

C. This Guaranty is given in connection with the Franchise Agreement and any other documents executed in connection with the Franchise Agreement including, without limitation, any amendments, addendums, extensions and renewals to the Franchise Agreement (whether entered into now, previously or in the future), and also including any conditional sale contracts, equipment or real property leases, promissory notes and/or security agreements relating to the PIP printing business operated pursuant to the Franchise Agreement (the "Obligations").

**AGREEMENT**

1. **Guaranty.** Guarantor hereby absolutely, unconditionally and personally guarantees and promises to perform or pay in full any and all indebtedness owed by the Corporation (and its successors and assigns) to PIP, and also to perform any and all other Obligations owed by the Corporation to PIP, including those Obligations relating to, evidencing or securing any such indebtedness. Guarantor's liability under this Guaranty shall be unlimited. In addition, with regard to Obligations under the Franchise Agreement or any other documents not relating to the payment of money, Guarantor promises, warrants and guarantees that Guarantor shall perform all such Obligations and that Guarantor shall be bound by such agreement and other documents to the same extent as if it (and not the Guarantor) were the original party to them, and no assignment had been made and consented to by PIP. Guarantor also guarantees the payment of all interest, collection or enforcement costs and reasonable attorneys' fees incurred by PIP in enforcing its claims against the Corporation and/or against Guarantor.

2. **Absolute Obligations.** This Guaranty is a continuing guaranty which shall remain effective and irrevocable until all of the Obligations have been fully and finally paid and performed. This Guaranty is in no way conditional or contingent and constitutes a valid, present, continuing and absolute obligation of Guarantor. The obligations of Guarantor under this Guaranty shall remain in full force and effect without regard to, and shall not be affected or impaired by any of the following, any of which may be taken without the consent of or notice to Guarantor, nor shall any of the following give Guarantor any recourse or right of action against PIP:

---

- (a) Any transfer of all or any portion of Guarantor's ownership interest in the Corporation.
- (b) Any express or implied amendment, modification, renewal, addition, supplement, extension (including extensions beyond the original term) or acceleration of or to the Obligations.
- (c) Any exercise or non-exercise by PIP of any right or privilege under this Guaranty or the Obligations.
- (d) Any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Guarantor or the Corporation, or any action taken with respect to this Guaranty by any trustee, receiver or court in any such proceeding, whether or not Guarantor shall have had notice or knowledge of any of the foregoing.
- (e) Any release or discharge of the Corporation from the Obligations.
- (f) Any subordination, compromise, release (by operation of law or otherwise), discharge, compound, collection or liquidation of collateral, if any, relating to the Obligations or any substitution with respect to such collateral.
- (g) Any acceptance of partial performance of the Obligations.
- (h) Any consent to the transfer of collateral, if any, relating to the Obligations.
- (i) Any bid or purchase at any sale of collateral, if any, relating to the Obligations.

3. Waivers. Guarantor unconditionally and irrevocably waives any defense to the enforcement of this Guaranty, including but not limited to any of the following:

- (a) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty.
  - (b) Any right to require PIP to proceed against the Corporation or any other guarantor at any time, to proceed against or exhaust any security held by PIP at any time or to pursue any other remedy whatsoever at any time.
  - (c) Any statute of limitations affecting the liability of Guarantor under this Guaranty, the liability of the Corporation under the Obligations or the enforcement of this Guaranty or the Obligations, to the extent permitted by law.
  - (d) Any defense arising by reason of (i) any invalidity or unenforceability of the Obligations or any disability of the Corporation, (ii) any manner in which PIP has exercised its rights and remedies under this Guaranty or with respect to the Obligations, or (iii) any cessation from any cause whatsoever of the liability of the Corporation or any other guarantor for the Obligations.
  - (e) Any defense based upon an election of remedies by PIP, including any election to proceed by judicial or nonjudicial foreclosure of any security, whether real property or personal property security, or by deed in lieu of such foreclosure, and whether or not every aspect of any foreclosure sale is commercially reasonable, or any election of remedies which destroy or otherwise impair the subrogation rights of Guarantor or the rights of Guarantor to proceed against the Corporation or any other guarantor for reimbursement, or both (including, without limitation, California Civil Procedure Code Sections 580a, 580b, 580d, and 726).
-

(f) Any duty of PIP to advise Guarantor of any information known to PIP regarding the Corporation's financial condition and all other circumstances affecting the Corporation's ability to perform its obligations to PIP; Guarantor agrees to assume the responsibility for being and keeping informed of such condition or any such circumstances.

(g) Any right of subrogation and any rights to enforce any remedy which PIP now has or may subsequently have against the Corporation and any benefit of, and any right to participate in, any security now or subsequently held by PIP, until all of the Obligations have been fully and finally paid and performed.

(h) Without limiting the generality of the foregoing or any other provision of this Guaranty, any rights and benefits which might otherwise be available to Guarantor under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 and 3433 or any successor sections, all of which are expressly waived by both Guarantor and the Corporation.

4. Subrogation. Guarantor understands that PIP's exercise of certain rights and remedies under this Guaranty or otherwise may affect or eliminate Guarantor's right of subrogation against the Corporation or any other guarantor and that Guarantor may therefore incur partially or totally nonreimbursable liability under this Guaranty. Nevertheless, Guarantor authorizes and empowers PIP to exercise (in PIP's sole and absolute discretion) any rights and remedies which may then be available, as it is the purpose and intent of Guarantor that the obligations of Guarantor under this Guaranty shall be absolute, continuing, independent and unconditional under any and all circumstances.

5. Additional Waivers. In no event shall Guarantor be wholly or partially released or discharged from this Guaranty by PIP's failure or delay to (a) perfect or continue the perfection of any lien or security interest in any collateral which secures the Obligations of the Corporation or the obligations of Guarantor, or (b) protect the property covered by such lien or security interest.

6. Independent and Separate Obligations. Guarantor's obligations under this Guaranty are independent of the Corporation's Obligations and, in the event of any default under this Guaranty, a separate action may be brought and prosecuted against Guarantor, whether or not Guarantor is the alter ego of the Corporation and whether or not the Corporation is joined in such action or a separate action is brought against the Corporation. PIP's rights under this Guaranty shall not be exhausted until all of the Obligations have been fully and finally paid and performed.

7. Bankruptcy No Discharge; Repayment. So long as any of the Obligations shall be owing to PIP, Guarantor shall not, without PIP's prior written consent, commence or join with any other party in commencing any bankruptcy, reorganization or insolvency proceedings against the Corporation. Guarantor understands and acknowledges that by virtue of this Guaranty, Guarantor has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to the Corporation. (For example, a subsequent modification of the Obligations in any reorganization case concerning the Corporation shall not affect the obligation of Guarantor under this Guaranty to pay and perform the Obligations in accordance with their original terms.) If a claim is ever made upon PIP for repayment of any amount received by PIP in payment of the Obligations and PIP shall repay all or any part of such amount, then, despite any revocation or termination of this Guaranty or any cancellation of the Obligations, Guarantor shall be and remain liable to PIP for the repaid amount to the same extent as if such amount had never been received by PIP.

8. Subordination. If any event of default occurs with respect to the Obligations and is continuing, any indebtedness of the Corporation now or subsequently held by Guarantor shall be subordinated to the Obligations of the

---



Corporation. If requested by PIP, such indebtedness shall be collected, enforced and received by Guarantor as trustee for PIP and paid over to PIP. However, no such payment shall reduce or affect in any manner the absolute, unconditional and independent liability of Guarantor under this Guaranty.

9. Costs and Expenses. Guarantor agrees to pay all reasonable costs and expenses (including reasonable attorneys' fees) which may be incurred by PIP in any effort to collect or enforce the obligations of Guarantor under this Guaranty, whether or not any lawsuit is filed (including all reasonable costs and attorneys' fees incurred by PIP in any bankruptcy proceeding concerning Guarantor).

10. Joint and Several Obligation; Construction. If more than one Guarantor signs this Guaranty, the obligations of all such Guarantors shall be joint and several. Any married person who signs this Guaranty agrees that recourse may be had also against such person's separate property for all obligations under this Guaranty. When the context and construction so require, all words in the singular shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter.

11. Amendments; Successors. Neither this Guaranty nor any of its terms may be changed, waived, discharged or terminated orally, but only by a written instrument signed by the party against which enforcement of the change, waiver, discharge or termination is sought. All of the terms of this Guaranty shall be binding upon and inure to the benefit of PIP and all of its successors, assigns, affiliates, agents or nominees. No delay or failure by PIP to exercise any remedy against the Corporation or Guarantor will be construed as a waiver of such right or remedy. All of PIP's remedies under this Guaranty are cumulative. If any provision of this Guaranty is claimed or held to be inconsistent with the Obligations, the provisions of this Guaranty shall control and remain fully valid and effective. If any one or more of the provisions of this Guaranty shall be determined to be illegal or unenforceable, all of its other provisions shall remain effective. Guarantor shall not have the right to assign any of its rights or obligations under this Guaranty without PIP's prior written consent. PIP may assign any or all of its rights and obligations under this Guaranty in its sole and absolute discretion.

12. Governing Law and Jurisdiction. This Guaranty shall be governed by and construed in accordance with the laws of the State of California (without reference to its conflicts of law) and Guarantor agrees to submit to venue in and the jurisdiction of the federal and state courts of general jurisdiction sitting in the County of Orange, California.

13. Complete Agreement. This Guaranty supersedes any prior negotiations, discussions or communications between Guarantor and PIP and constitutes the entire agreement between PIP and Guarantor with respect to the Guarantor's guaranty of the Obligations. Guarantor represents that he has read all of the Guaranty, agrees to all of its provisions and also acknowledges receipt of a copy of this Guaranty.

**GUARANTOR**

\_\_\_\_\_

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

Address: \_\_\_\_\_

\_\_\_\_\_  
Phone \_\_\_\_\_

[NOTARY ACKNOWLEDGMENT ATTACHED]

\_\_\_\_\_

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California                    )  
                                                  ) ss.  
County of Orange                    )

On \_\_\_\_\_, before me, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

---

# **EXHIBIT J**

## **AMENDMENT TO FRANCHISE AGREEMENT**

**AMENDMENT TO FRANCHISE AGREEMENT  
FOR PIP # \_\_\_\_\_**

(For Franchisees who did not sign the Sliding Scale Amendment)

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## AMENDMENT TO FRANCHISE AGREEMENT

This Amendment to Franchise Agreement is made and entered into on the Effective Date by and between Postal Instant Press, Inc., a California corporation ("PIP") and \_\_\_\_\_ ("Franchisee") with reference to the following facts:

A. PIP and Franchisee are parties to the Franchise Agreement dated \_\_\_\_\_, as amended ("Underlying Franchise Agreement") pursuant to which PIP granted Franchisee the right to own and operate a PIP Center known as PIP # \_\_\_\_\_, currently located at \_\_\_\_\_ and

B. PIP and Franchisee now desire to extend the term of the Franchise Agreement and to amend and modify it in certain other respects in accordance with the terms hereof.

NOW, THEREFORE, based upon the foregoing premises and in consideration of the covenants and conditions contained herein, and for other valuable consideration, the parties agree as follows:

### 1. Amendment of Underlying Franchise Agreement.

This Amendment amends the Underlying Franchise Agreement. Except as expressly modified hereunder, all other terms and conditions of the Underlying Franchise Agreement and any amendments thereto shall remain in full force and effect. Any conflict between the terms of this Amendment and the terms of the Underlying Franchise Agreement shall be resolved in favor of this Amendment. The term "Franchise Agreement" hereinafter refers to the Underlying Franchise Agreement as amended hereby.

### 2. Term.

The term of the Franchise Agreement is hereby extended to and shall end on \_\_\_\_\_, ("expiration date"), unless earlier terminated or renewed in accordance with the Franchise Agreement. The expiration date is determined by adding together the remaining term of the Underlying Franchise Agreement and 10 (ten) years.

a. Renewal Option. Franchisee shall have the right and option, without additional costs (except as set forth below in this section), to extend the Term for a period of 10 (ten) years (the "Renewal Term"), provided Franchisee (i) gives PIP written notice of Franchisee's election to do so not less than 6 months prior to the expiration of the Term, (ii) is in compliance with all of the terms and conditions of the Franchise Agreement both when Franchisee exercises the Renewal Option and when the Term expires, and (iii) brings the PIP Center to appearance, equipment and safety standards as required by PIP for new Franchisees at that time.

### 3. Sliding Scale Continuing Royalty.

a. Royalty Rates. During the Term (commencing with the obligations owing for the month following the Effective Date) and the Renewal Term (subject to 2.a. above), Franchisee shall pay to PIP the "Sliding Scale Continuing Royalty" described in the chart below. The Sliding Scale Continuing Royalty will be based on the "Applicable Rate" for that portion of Franchisee's calendar year Gross Sales that falls within each of the following "Gross Sales Bands" and will be calculated by multiplying each portion of the preceding month's Gross Sales by the Applicable Rate for the Gross Sales Band within which such Gross Sales fall (determined cumulatively on a calendar year basis).

| APPLICABLE PERCENTAGE OF GROSS SALES | GROSS SALES BANDS - CALENDAR YEAR 2024     |
|--------------------------------------|--------------------------------------------|
| 6.5%                                 | <u>Up to \$245,228</u>                     |
| 5.5%                                 | <u>Between \$245,229 and \$326,968</u>     |
| 5%                                   | <u>Between \$326,969 and \$408,715</u>     |
| 4.5%                                 | <u>Between \$408,716 and \$490,456</u>     |
| 4%                                   | <u>Between \$490,457 and \$817,429</u>     |
| 3.5%                                 | <u>Between \$817,430 and \$1,634,851</u>   |
| 2.5%                                 | <u>Between \$1,634,852 and \$2,452,278</u> |
| .5%                                  | <u>Between \$2,452,279 and \$3,269,700</u> |
| .00%                                 | <u>\$3,269,701 and above</u>               |

The Sliding Scale Continuing Royalty will not be applied retroactively, but shall commence with the

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obligations owing for the month following the Effective Date. However, if the first month of applicability of the Sliding Scale Continuing Royalty under this Amendment is other than the month of January, Franchisee shall be entitled to the benefit of Franchisee's gross sales year to date for purposes of calculating the Sliding Scale Continuing Royalty due under this Amendment.

b. Right to Aggregate. The Aggregation Rules are attached to this Amendment and are incorporated herein by this reference.

c. C.P.I. Adjustments. At PIP's election, the Gross Sales Bands described above may be adjusted, effective as of the first day of each calendar year, at a rate not to exceed the lesser of (i) four percent (4%) or (ii) the percentage increase or decrease, if any, in the Consumer Price Index for All Urban Consumers, All Items, U.S. City Average, 1967-100 (the "index") published by the Bureau of Labor Statistics of the United States Department of Labor (or a similar future index if such figures become unavailable) comparing the Index for the month of November of the year immediately preceding the proposed adjustment with the Index for the month of November for the next prior year. PIP will notify Franchisee of the adjusted Gross Sales Bands promptly following its election to make such adjustment but by December 31<sup>st</sup>. Any election by PIP not to adjust the Gross Sales Bands in any year will not prohibit PIP from adjusting the Gross Sales Bands in subsequent years to reflect the increases in the Index attributable to any such non-adjusted year(s).

d. Level Royalty Rate Plan. At the conclusion of each calendar year after the Effective Date, PIP shall determine a level royalty rate for Franchisee ("Effective Rate") based on Franchisee's actual Gross Sales for the preceding year and the effective Sliding Scale Chart. Franchisee shall pay continuing royalties for each such year and shall be invoiced by PIP based upon the Effective Rate so determined by PIP. By February 28 of the next year, PIP will recalculate Franchisee's continuing royalties using both the Sliding Scale Chart and the Effective Rate. Promptly thereafter, PIP shall make such adjustments and either (i) issue a credit against future royalties or a check to Franchisee, at PIP's option or (ii)

invoice Franchisee for any continuing royalties due, which Franchisee shall promptly pay to PIP upon receipt. Franchisee must be in good standing at all times in order to participate in the Level Royalty Rate Plan. Good Standing means that Franchisee does not owe any continuing royalty payments, advertising fund payments or any other monetary obligations to PIP in excess of 30 days and Franchisee is in compliance with all of Franchisee's other obligations under the Franchise Agreement or under any agreement with PIP, including the timely reporting of Gross Sales. Franchisee is not in Good Standing if Franchisee makes partial payments to PIP but still has amounts outstanding in excess of 30 days.

e. Application of Payments. If Franchisee is delinquent in any of its payments to PIP under the Franchise Agreement or any other agreement with PIP, PIP shall have the right to apply any payments made by Franchisee under this Agreement to such delinquency or any other obligation of Franchisee to PIP in any order determined by PIP in its reasonable judgment, despite any contrary designation by Franchisee concerning the application of such payments.

f. Reporting of Gross Sales; Payment of Royalties. Franchisee shall report the Gross Sales for each PIP Center operated under the Franchise Agreement for each calendar month not later than the tenth day of the following month. Such report shall be made to PIP's headquarters office by telephone, fax or PIPNet (PIP's proprietary web site) or otherwise in accordance with PIP's policies as may be announced from time to time and as can be reasonably adopted by Franchisee. Franchisee shall pay the Continuing Royalty and advertising contribution for each month not later than the twenty-fifth (25th) day of the following month. Any payment not made when due shall bear interest and/or late fees as provided for in the Franchise Agreement.

g. Interest. Any payments not made by Franchisee to PIP when due shall bear interest from the due date through the date of actual payment at a rate equal to the lower of (i) one percent (1%) per month, or (ii) the highest rate permitted by applicable law. Franchisee agrees to pay such interest to PIP in addition to any late charges assessed by PIP.

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#### **4. Advertising Funds.**

a. Ad Fund Rates/Temporary Ceiling. PIP collects funds for national advertising (the "Funds"). During the Term, commencing with the obligations owing for the month following the Effective Date, or Renewal Term, Franchisee shall pay into the Funds an amount equal to two percent (2%) of Franchisee's Gross Sales up to and including a maximum amount of \$1150.00 a month ("Temporary Ceiling"). The Temporary Ceiling of \$1150.00 shall remain in effect through December 31, 2020. Thereafter, the Temporary Ceiling may be increased as follows: (1) at PIP's election, effective as of the first day of each calendar year, but by not more than \$100 a month in any given calendar year. Any election by PIP not to adjust the Temporary Ceiling in any year will not prohibit PIP from adjusting the monthly ad fund Temporary Ceiling in subsequent years but only by \$100 per month; and (2) at any time by any amount if approved by a majority (51%) of the franchisees. PIP will notify Franchisee of the adjusted Temporary Ceiling promptly following its election, or the franchisees' approval, to make such adjustment. PIP shall no longer have an obligation, if any, under the Franchise Agreement to contribute to the Funds.

#### **5. Territory.**

So long as Franchisee faithfully and promptly performs and observes all of Franchisee's obligations and conditions under the Franchise Agreement, PIP will not authorize any other person to (and will not itself) operate a PIP Center at a physical location in the Franchise Territory during the Term.

This Territory restriction shall not apply to any printing, copying or related business which PIP, its parent company or an affiliated company now owns, operates, licenses or franchises or may hereinafter own, operate, license or franchise, under a name other than "PIP" or "Postal Instant Press".

This Territory restriction also does not apply to Sir Speedy Centers which may exist now in the Territory.

Franchisee acknowledges and understands that PIP cannot prohibit other Franchisees from soliciting business or selling within the Franchise Territory and that such sales or solicitations do not constitute a breach of this subsection.

#### **6. Transfer By Franchisee.**

a. Transfer Fee. Franchisee shall pay to PIP a transfer fee of Ten Thousand Dollars (\$10,000.00) for each Franchise Agreement transferred by Franchisee in a single transfer to a transferee. Such fee reflects PIP's estimate of its administrative, legal and documentation costs in such transfer and the cost of training of the transferee or transferee's designee (if transferee is not required to attend training), including up to two round-trip airfares (i.e. lowest round-trip airfare from the point of departure) to attend the PIP training program and for one hotel room (single or double occupancy) during the PIP training program.

#### **7. Telephone Number.**

Franchisee acknowledges that the telephone and facsimile number(s) assigned to the PIP Center operated under this Agreement (which may be listed in the yellow page telephone directories or "white page" telephone directories under the "PIP" name) will become identified in the public's mind with PIP and will be used by the public to acquire "PIP" brand products and services. Therefore, upon the abandonment or termination of the Franchise Agreement for any reason or upon the cessation of the PIP Center (but not upon the expiration of the Franchise Agreement), Franchisee shall direct the telephone company (which has assigned such number(s) to Franchisee) to transfer them to PIP or its designee. Franchisee hereby grants an irrevocable power of attorney to PIP to sign all documents and do all things which Franchisee is required to sign and do under this Section 7 if Franchisee does not sign or do the same within three (3) days after notice from PIP. Franchisee acknowledges that this power of attorney is coupled with an interest and is irrevocable.

#### **8. Consent to Arbitration.**

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Except for PIP's right to obtain injunctive relief due to Franchisee's threatened, attempted or actual use of the PIP Trademarks in derogation of PIP's rights under this Agreement, any dispute or disagreement between the parties relating to this Agreement or any breach of this Agreement shall be submitted to and determined in binding arbitration under the Rules for Commercial Arbitration of the American Arbitration Association. The parties agree that punitive damages shall not be available as a remedy for any breach of this Agreement or any dispute relating to this Agreement. The arbitration of any dispute between the parties shall be conducted with regard to Franchisee only and not with regard to any collective group of Franchisees or class action. This arbitration provision shall survive the expiration or earlier termination of this Agreement. The party seeking arbitration shall institute the proceeding in Orange County, California, and such arbitration shall be held at such venue. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. 1 et seq. The parties waive any right to trial by jury.

The arbitration shall be conducted by a single neutral arbitrator. The arbitrator shall be appointed by the American Arbitration Association under the Rules for Commercial Arbitration of the American Arbitration Association. The decision rendered by the arbitrator shall be final and binding upon the parties and may be entered as a judgment in, and enforced by, any court of competent jurisdiction.

#### **9. Conditions Precedent.**

This Amendment shall not become binding or enforceable unless and until each of the following conditions is satisfied, unless waived in writing by the President of PIP:

a. This Amendment is signed by a duly authorized officer of PIP.

b. Franchisee is in Good Standing as defined in paragraph 3.d. hereof.

#### **10. Miscellaneous Provisions.**

a. Entire Agreement. This Amendment and all exhibits to this Amendment constitute the entire agreement between the parties and supersedes any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

b. Capitalized Terms/Number/Gender. All capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the Underlying Franchise Agreement. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural; the word "person" includes corporations, partnerships, firms or associations, wherever the context so requires.

c. Counterparts. This Amendment may be executed in any number of counterparts, and by each party on separate counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument.

d. Effective Date. The effective date of this Amendment is the date on which it is executed by a duly authorized officer of PIP.

IN WITNESS WHEREOF, PIP and Franchisee have caused this Amendment to be executed by duly authorized representatives on the day and year set forth below.

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POSTAL INSTANT PRESS, INC., (PIP)  
a California Corporation

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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

FRANCHISEE

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

Name: \_\_\_\_\_

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

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

Name: \_\_\_\_\_

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

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## OWNERSHIP STRUCTURE ADDENDUM

Name of Franchisee(s): \_\_\_\_\_

PIP Center #\_\_\_\_, located at: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Ownership Structure of Franchisee(s) on January 1, 20\_\_, and at the date of execution of the Amendment is as follows:

1. FORM OF BUSINESS ENTITY:

|                       | <u>January 1, 20__</u>   | <u>Amendment Date</u>    |
|-----------------------|--------------------------|--------------------------|
| Sole Proprietorship   | <input type="checkbox"/> | <input type="checkbox"/> |
| General Partnership   | <input type="checkbox"/> | <input type="checkbox"/> |
| Corporation           | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (specify) _____ | <input type="checkbox"/> | <input type="checkbox"/> |

2. EQUITY HOLDERS:

| NAME OF EQUITY HOLDER(S) | PERCENTAGE |
|--------------------------|------------|
|                          |            |
|                          |            |
|                          |            |
|                          |            |

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

\_\_\_\_\_  
*Signature*

Name: \_\_\_\_\_

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

\_\_\_\_\_  
*Signature*

Name: \_\_\_\_\_

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## **AGGREGATION RULES**

1. **Existing PIP Centers.** Subject to the conditions of these Rules, for purposes of determining the applicable Gross Sales Bands used in calculating the Sliding Scale Continuing Royalty due to PIP from Franchisee, Franchisee shall have the right to aggregate the Gross Sales generated by all PIP Centers operated by Franchisee under the Franchise Agreement, together with the Gross Sales generated by all other PIP Centers operated by Franchisee under all other franchise agreements with PIP; provided, however, that the Ownership Structure (as defined below) of Franchisee is identical to the Ownership Structure of Franchisee under such other franchise agreements with PIP. Subject to the provisions of paragraph 3 below, the term "Ownership Structure" as used in this Amendment refers to (i) the identity of all equity holders of the applicable Franchisee, and (ii) the percentage of equity owned by each such equity holder, but does not refer to the form of business entity of Franchisee (whether sole proprietorship, partnership, corporation, limited liability company, business trust, or otherwise). For example, if Franchisee is a corporation, and another Franchisee is a corporation owned by the same shareholders, having identical percentage ownership of the shares of both corporations, the Gross Sales of all PIP Centers operated pursuant to both franchise agreements may be aggregated. As a further example, if Franchisee is a corporation and another Franchisee is a partnership whose partners are the same as the shareholders of such corporation and the partners' respective partnership interests are held in the same percentages as are their shares of such corporation, the Gross Sales of all PIP Centers operated pursuant to both franchise agreements may be aggregated.

2. **Ownership Structure.** Additionally, to permit aggregation of Gross Sales, the Ownership Structure of Franchisee and of each Franchisee whose Gross Sales are proposed to be aggregated must be identical to what it was on or before January 1, 2000. Simultaneously with its signing of this Agreement, Franchisee has signed and delivered to PIP the Ownership Structure Addendum attached to this Agreement. The Ownership Structure Addendum reflects the legal ownership of the Franchise Agreement pursuant to PIP's files and cannot be changed without PIP's prior written consent. Franchisee represents and warrants that Franchisee's Ownership Structure on January 1, 2000 and on the Amendment Date was and is as set forth on the Ownership Structure Addendum attached to this Amendment. Any "Change of Ownership" after that date, except as otherwise expressly permitted herein, will result in the Franchisee losing its right to include Gross Sales from the PIP Centers operated under the Franchise Agreement with Gross Sales from PIP Centers operated under any other franchise agreements for purposes of these Rules. As used in this Amendment, "Change of Ownership" shall include, but shall not be limited to, a change from one proprietorship to another, a change in the percentage of shares held by any shareholder of any corporation, the addition or deletion of any partner, whether general or limited, in any partnership, the addition or deletion of any shareholders of a corporation, or any change in the form of ownership from a proprietorship, partnership, corporation or other form of business entity to any other form of business entity.

3. **Ownership or Transfers Not Preventing Aggregation.** The following equity ownership or transfers will not constitute a Change of Ownership or otherwise preclude aggregation for purposes of these Rules: (i) if Franchisee is a corporation, partnership or other business entity, transfers among the shareholders, partners or other equity holders of the corporation, partnership or other business entity, as the case may be, provided that, after such transfer, the Ownership Structure of Franchisees whose Gross Sales are proposed to be aggregated is identical; (ii) ownership by or transfer of one's interest to an "immediate family member," which, for purposes of these Rules, shall mean one's spouse or lineal descendants; (iii) if there shall be a death of a shareholder, partner or other equity holder of a Franchisee, or the death of an individual who is the Franchisee, and the interest of such deceased person is transferred by will or by operation of law to such person's heirs; (iv) ownership by or transfer to one or more current employees of Franchisee of not more than twenty percent (20%) of the equity in the aggregate of Franchisee; and (v) transfers from an individual Franchisee or from a business entity which is Franchisee to any other business entity, provided, that the Ownership Structure of such other business entity is identical to that of the Franchisee as of January 1, 2000. Additionally, aggregation shall be permitted by Franchisees in which at least 51% of the equity is owned, beneficially and

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of record, by the same individual and was so owned on or before January 1, 2000, provided, however, that such Franchisees shall not have the right to aggregate the Gross Sales of additional PIP Centers under paragraph 4 hereof.

4. Additional PIP Centers. If Franchisee shall (i) open additional PIP Centers under the Franchise Agreement or (ii) open or acquire additional PIP Centers operated under other franchise agreements with PIP, then Franchisee shall have the right to aggregate the Gross Sales of such additional PIP Centers, effective upon the date of opening or acquisition; provided, however, that all of the requirements set forth in these Rules which do not preclude application of this paragraph 4 shall have been satisfied.

5. Acquisitions and Sales During a Calendar Year. In connection with the acquisition or sale of PIP Center(s) during a calendar year, for purposes of aggregation, the selling Franchisee shall be entitled to utilize the Gross Sales of such PIP Center(s) up to the date of the PIP's consent to such sale, and the buying Franchisee shall be entitled to utilize the Gross Sales of such PIP Center(s) after the date of PIP's consent to such sale.

6. Notice of Change in Ownership. Subject to the assignability and transfer provisions of the Franchise Agreement, Franchisee shall promptly notify PIP, in writing, if there is any change in the Ownership Structure of Franchisee or, if Franchisee is a partnership, corporation or other business entity, of any change of the partners, shareholders or other equity holders of Franchisee, or any change of their proportional interests (either record or beneficial) in Franchisee. Franchisee shall provide PIP with a copy of the documents evidencing such change concurrently with such notice.

7. PIP's Determinations Binding. PIP shall make all determinations required under these Rules in good faith, and all such determinations shall be conclusive, final and binding on Franchisee.

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### AFFIRMATION OF PERSONAL RESPONSIBILITY

In connection with Franchise Holder's interest in the Underlying Franchise Agreement, pursuant to a Personal Continuing Guaranty of Corporate Debts and Obligations ("Guaranty"), a Consent to Assignment ("Consent"), certain provisions of the Underlying Franchise Agreement, and/or other similar documents (the "Surety Documents"), the undersigned agreed, among other things, to remain personally responsible for (or not to be released from liability for) Franchise Holder's performance of the Underlying Franchise Agreement. The Undersigned acknowledge and agree that the Undersigned's responsibility and/or liability for Franchise Holder's performance of the Franchise Agreement pursuant to the Surety Documents or otherwise, shall continue to be effective with regard to the Franchise Agreement, without modification or limitation, as if the Amendment was in existence at the time of the Undersigned's execution of the Surety Documents.

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

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

# **EXHIBIT K**

**MULTI-STATE ADDENDUM  
TO  
DISCLOSURE DOCUMENT  
AND  
FRANCHISE AGREEMENT**

## EXHIBIT “K”

### MULTI-STATE ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following states have laws that override the provisions stated in this Disclosure Document and the Franchise Agreement: **California, Florida, Illinois, New York, Virginia, Washington:**

#### California

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

CALIFORNIA HAS STATUTES AND MAY HAVE COURT DECISIONS WHICH MAY SUPERSEDE YOUR FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH PIP INCLUDING:

Registration of the offer of a franchise does not constitute approval, recommendation, or endorsement by the California Commissioner of Financial Protection and Innovation.

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.

California Corporations Code, Sections 31125 and 31119 require us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before a solicitation of a proposed material modification of an existing franchise at least 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

#### Covenant Not to Compete

Item 9 Disclosure Document; Section 17, 19 Franchise Agreement

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

#### Termination of the Franchise

Item 17 Disclosure Document; Section 10 Franchise Agreement

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

#### Release

Item 17 Disclosure Document; Section 18 Franchise Agreement.

The franchise agreement requires you to sign a general release of claims upon transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

(Pursuant to the CA 2023 Corporations Code Book)

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto. Any provision of a franchise agreement, franchise disclosure document, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

#### Termination Upon Bankruptcy

##### Item 17 Disclosure Document. Section 22 of the Franchise Agreement.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11. U.S.C.A. Section 101, et seq.)

#### Arbitration

##### Item 17 Disclosure Document. Section 26 Franchise Agreement.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Orange County, California, with the costs being borne by the losing party. Prospective franchises are encouraged to consult private legal counsel to determine the applicability of California and Federal Laws (such as California Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

Neither Postal Instant Press, Inc. any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in the association or exchange.

WE MAINTAIN A WEB SITE AT THE FOLLOWING ADDRESS: [www.pip.com](http://www.pip.com)

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

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

#### **Florida**

##### Disclosure

The State of Florida has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any



applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

### **Illinois**

Illinois law shall apply to and govern 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' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

See the last page of this section for your signature.

### **Indiana**

Obligations and Duties of Franchisor; Territory; Operating Limitation, Remedies, Venue, Waiver, Indemnification Items 12 and 17 Disclosure Document; Section 4, 5, 6.10, 11 and 12 Franchise Agreement

In accordance with Indiana Code Sections 23-2-2.7-1(2) and 23-2-2.7-2(4), the franchisor is prohibited from operating a substantially identical business to that of the Franchisee's within the Franchisee's territory regardless of trade name. According to Indiana Code Sections 23-2-2.7-10(10) and 23-2-2.7-1(5), the reservation of right to injunctive relief or any specified remedy, limitation of the remedies available to either party, stipulation as to forum or venue and waiver or release of any rights with regard to the Franchise Agreement are prohibited. Further, the post-termination covenant not to compete is limited by IC 23-2-2.7-1(9). Further, indemnification by the Franchisee shall exclude any indemnification for liability caused by the Franchisee's proper reliance on or use of procedures or materials provided by the Franchisor or caused by Franchisor's negligence.

### **Termination**

Item 17.r. Disclosure Document; 6.18 Franchise Agreement

The post-termination covenant not to compete complies with the limitations in the Indiana Code Section IC 23-2- 2.7(9).

Obligations and Duties of Franchisee; Transfer by Franchisee; Miscellaneous Section 5.6.7, 8, 11, 13

The reservation of right to injunctive relief or any specified remedy, limitation of the remedies available to either party, and stipulation as to appropriate forum or venue are prohibited according to Indiana Code Section 23-2-2.7- 1(10). Further, the waiver or release of any rights with regard to the Franchise Agreement is prohibited according to Indiana Code Section 23-2-2.7-1(5).

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

### **New York**

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(l), titled “**Requirements for franchisee to renew or extend**,” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

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

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

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

## **Virginia**

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

Additional Disclosure: The following statements are added to Item 17.h.

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.

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

## **Washington**

### **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
Signature of Franchisor Representative

\_\_\_\_\_  
Signature of Franchisee Representative

\_\_\_\_\_  
Title of Franchisor Representative

\_\_\_\_\_  
Title of Franchisee Representative

**Instructions for franchisors:**

- **This addendum should also be used as an addendum to any development agreement. The Division does not object to a franchisor using a single addendum that modifies multiple agreements and documents (i.e., an addendum titled: “Washington Addendum to the Franchise Disclosure Document, the Franchise Agreement, the Development Agreement, and All Related Agreements”).**

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE(S)

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

\_\_\_\_\_

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

POSTAL INSTANT PRESS, INC.

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

\_\_\_\_\_

### **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:

| <b>State</b> | <b>Effective Date</b> |
|--------------|-----------------------|
| California   |                       |
| Illinois     |                       |
| Indiana      |                       |
| New York     |                       |
| Virginia     |                       |
| Washington   |                       |

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 L**

## **RECEIPT**

**ITEM 23.**  
**RECEIPT**

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If PIP offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If PIP 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 agency listed on Exhibit A.

The Franchise seller/broker offering the franchise are all located at 26722 Plaza, Mission Viejo, CA 92691, (949) 348-5000 (except as otherwise indicated). After you return the Receipt, we may add names if you meet with additional salespersons, but if we do, we will provide you with a copy of the revised Receipt.

|                     |                       |                      |
|---------------------|-----------------------|----------------------|
| _____ Don Lowe      | _____ Kelly Kimberlin | _____ David C. Rice  |
| _____ Richard Lowe  | _____ Sean Loranger   | _____ David Robidoux |
| _____ Thomas Muller | _____ Denise Denton   |                      |

SEE D FOR THE NAME AND ADDRESS OF PIP'S REGISTERED AGENT AUTHORIZED TO RECEIVE SERVICE OF PROCESS.

I/We \_\_\_\_\_ and \_\_\_\_\_  
(Print Name) First Middle Last First Middle Last

\_\_\_\_\_ Street No. City State Zip Code

acknowledge(s) that I/We did receive this date a Disclosure Document dated March 27, 2025, describing the PIP franchise, and the following attachments and exhibits thereto:

- A State Regulatory Agencies and Administrators
- B Franchise Agreement for a PIP Center
- Supp A to Supp A: Required Equipment and Furniture for a Full-Service PIP Center
- Ex B
- C PIP Satellite Addendum
- D Agents for Service of Process
- E Financial Statements
- F Table of Contents of the Brand Standards and Operations Manual
- G Agreement of Confidentiality, Non-Disclosure and Non-Competition
- H Agreement and Consent to Assignment to Corporation or Other Entity
- I Personal Continuing Guaranty of Corporate Debts and Obligations
- J Amendments to Franchise Agreement
- K Multi-State Addendum to Disclosure Document and Franchise Agreement
- L Receipt

Signed: \_\_\_\_\_ Date Received: \_\_\_\_\_

Signed: \_\_\_\_\_ Date Received: \_\_\_\_\_

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| _____ Thomas Muller | _____ Denise Denton   |                      |

SEE D FOR THE NAME AND ADDRESS OF PIP'S REGISTERED AGENT AUTHORIZED TO RECEIVE SERVICE OF PROCESS.

I/We \_\_\_\_\_ and \_\_\_\_\_  
(Print Name) First Middle Last First Middle Last

\_\_\_\_\_  
Street No. City State Zip Code

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- L Receipt

Signed: \_\_\_\_\_ Date Received: \_\_\_\_\_

Signed: \_\_\_\_\_ Date Received: \_\_\_\_\_

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