

# FRANCHISE DISCLOSURE DOCUMENT



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BizCard Xpress franchisees operate retail businesses which will provide extremely fast printing and sign services made available to the public in as little as one hour, and offers a complete array of business and promotional products and services (“**Single Unit Franchise**” or “**BizCard Xpress Franchise**”). BizCard Xpress regional developers (“**Regional Developers**”) market and provide support services to Single Unit Franchises in the Regional Developer’s designated area (“**Regional Developer Franchise**”).

The total investment necessary to begin operation of a new BizCard Xpress ranges from \$108,846 to \$189,475, including \$77,546 to \$119,475 that must be paid to us.

The total investment necessary to begin operation of a BizCard Xpress Regional Developer Franchise without a pilot location ranges from \$146,200 to \$406,100, including \$132,000 to \$380,000 that must be paid to us. Regional Developers have the option to open a Single Unit Franchise (a “**Pilot Location**”) without paying an initial franchise fee if they sign a franchise agreement at the same time as the regional developer agreement. The total investment necessary to begin operation of a BizCard Xpress Regional Developer Franchise with a Pilot Location ranges from \$216,046 to \$595,575, including between \$170,546 to \$460,475 that must be paid to us.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Elias Papadeas at 99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136.

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 “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agencies or visit your public library for other sources of information on franchising.

**Issuance Date: April 15, 2012**

## STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT AND THE REGIONAL DEVELOPER AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION ONLY IN FLORIDA. OUT-OF-STATE ARBITRATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND REGIONAL DEVELOPER AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISE AGREEMENT AND REGIONAL DEVELOPER AGREEMENT REQUIRE THAT SPOUSES MUST SIGN A GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATION UNDER THE AGREEMENT PLACING PERSONAL ASSETS AT RISK.
4. THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME (2010). THEREFORE THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
5. WE HAVE LIMITED FINANCIAL RESOURCES, WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

**Effective Dates: See next page for state effective dates**

**Issuance Date for Non-Registration States: April 15, 2012**

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

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

**Effective Dates for States Requiring Registration and Notice Filings:**

California:	Not Registered
Hawaii:	Not Registered
Illinois:	Not Registered
Indiana:	Not Registered
Maryland:	Not Registered
Michigan:	April 20, 2012
Minnesota:	July 17, 2012
New York:	Not Registered
North Dakota:	Not Registered
Rhode Island:	Not Registered
South Dakota:	Not Registered
Virginia:	Not Registered
Washington:	Not Registered
Wisconsin:	May 3, 2012

**NOTICE REQUIRED BY  
STATE OF MICHIGAN**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type or under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**The fact there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

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

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

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**EXHIBITS:**

- Exhibit A: Financial Statements
- Exhibit B: Franchise Agreement
- Exhibit C: Regional Developer Agreement
- Exhibit D: List of Current Franchisees and Regional Developers and Former Franchisees and Former Regional Developers
- Exhibit E: List of State Administrators and Agents for Service of Process
- Exhibit F: State-Specific Addendum
- Exhibit G: Franchise Operations Manual Table of Contents
- Exhibit H: Regional Developer Operations Manual Table of Contents
- Exhibit I: Nondisclosure Agreement
- Exhibit J: Statement of Franchisee
- Exhibit K: Form General Agreement
- Exhibit L: Receipt

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

To simplify the language in this Franchise Disclosure Document, “**Company**” and “**we**”, “**us**” and “**our**” means BizCard Xpress, LLC, the franchisor. “**You**” and “**your**” means the person who buys the franchise from BizCard Xpress, LLC. If you are a corporation, partnership or limited liability company, “**you**” and “**your**” may also refer to your owners and your owners will have to guarantee your obligations and be bound by the provisions of the franchise agreement and other agreements as described in this Franchise Disclosure Document.

**The Franchisor and its Affiliates**

BizCard Xpress, LLC is a Florida limited liability company formed on October 10, 2009. We do not do business under any other name. Our principal business address 99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136. We began offering franchises for BizCard Xpress Franchises in 2010. We have not operated, nor do we currently operate, any franchises like those described in this Franchise Disclosure Document, or in any other line of business. We do not conduct business under any other name or in any other line of business nor do we offer franchises in any other line of business. We have no predecessor or parent entities. We have no affiliates that offer products or services to franchisees.

Our principal operates three businesses similar to the type being offered under this Disclosure Document.

Our agent for service of process in Florida is Daniela Morello. Our agents for service of process for other states are identified by state in **Exhibit E**.

**The Business**

We currently offer two different types of franchises: (1) Single Unit Franchises; and, (2) Regional Developer Franchises.

***Single Unit Franchises***

We offer franchises for the use of our “BIZCARD XPRESS” trademarks, trade names, service marks and logos (“**Marks**”) for the operation of BizCard Xpress Franchises. The franchise is operated under a business format per a unique system, including our valuable know-how, information, trade secrets, training methods, Franchise Operations Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of BizCard Xpress Franchises (“**System**”). We reserve the right to change or otherwise modify the System at any time at our sole discretion.

Each BizCard Xpress franchise provides printing, signage services and related services to the general public (“**BizCard Xpress Franchise**”). You will operate your BizCard Xpress Franchise from a retail location (“**Center**”).



You must operate your BizCard Xpress Franchise per our standard business operating practices and sign our standard franchise agreement (“**Franchise Agreement**”). Your BizCard Xpress Franchise must offer only those services and products that we have authorized. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your BizCard Xpress Franchise at any time at our sole discretion. You must also obtain all necessary permits, licenses and approvals to operate your BizCard Xpress Franchise.

You may operate one BizCard Xpress Franchise for each Franchise Agreement you sign with us. (See ITEM 5). We retain the right, in our sole discretion, to choose to award or not to award a BizCard Xpress Franchise to any prospective franchisee, and to cease discussions regarding the awarding of a Franchise at any time, regardless of the stage of the franchise award process or the time and money spent by you or any other prospective franchisee.

### ***Regional Developer Franchises***

We also offer qualified applicants the right to become a regional developer (“**Regional Developer**”) within a designated area (“**Development Area**”). If you qualify to serve as a Regional Developer, you will sign our Regional Developer Agreement (“**Regional Developer Agreement**”) which is attached to this Franchise Disclosure Document (See **Exhibit C**) and pay us a development fee. As a Regional Developer you may, but are not required to, own and operate a BizCard Xpress Franchise located within your Development Area (“**Pilot Location**”). If you sign a Franchise Agreement at the same time as your Regional Developer Agreement you will not be required to pay an initial franchise fee for your Pilot Location.

As a Regional Developer, you will be required to market franchises and provide service to those BizCard Xpress Franchises located in your Development Area. You will have the following responsibilities: (i) screen and qualify prospective franchisees and advertise locally for new franchisees; (ii) provide ongoing training, supervision, and support, including location development and grand openings, for the franchisees located within your Development Area; and (iii) assist us in monitoring the progress and performance of each franchisee operating within the Development Area.

Regional Developers will receive 50% of the net Initial Franchise Fees paid by each franchisee (less any third party broker fees) located within the Development Area and will receive a percentage of the on-going royalty paid to us (3% of the Gross Revenues of each franchisee (3/7 of the royalty paid to us) located within the Development Area) (“**RD Royalty Share**”).

### **Regulations**

#### ***Single Unit Franchises***

We are not aware of any laws or regulations specific to the operation of printing, copying or graphics businesses other than Occupational Safety and Health Administration and environmental protection laws. However, if you provide large format digital imaging at your Center, you will need to comply with federal, state and local laws dealing with the disposal of hazardous materials due to the ink byproduct. You must comply with all local, state and federal laws and regulations that apply to any business. We urge you to make inquiries about these laws

and regulations. You must comply with all laws, rules and regulations governing the operation of the BizCard Xpress Franchise and obtain all permits and licenses necessary to operate the BizCard Xpress Franchise. Most states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your BizCard Xpress Franchise, including those that: (a) require a permit, certificate or other license; (b) establish general standards, specifications and requirements for the construction, design and maintenance of the business site and premises; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements, restrictions, on smoking, availability of and requirements for public accommodations, including restroom facilities and public access; (d) set standards pertaining to employee health and safety; and (e) set standards and requirements for fire safety and general emergency preparedness. You alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you. You should investigate these laws, and consult with a legal advisor about whether these and/or other requirements apply to your franchise. The failure to comply with laws and regulations is a material breach of the Franchise Agreement.

### ***Regional Developer Franchises***

You must comply with state and federal franchise sales and disclosure laws. You must also comply with all general laws which apply to your duties to help locate prospective franchisees and provide site selection and on-going support services to franchisees in your Development Area. The Federal Trade Commission's Rule on Franchising and Business Opportunity Ventures requires Regional Developers to deliver certain disclosure documents in a prescribed form to prospective franchisees before they purchase a franchise in your Development Area. Depending on your state, there also may be regulations requiring you to provide audited financial statements, to register your disclosure documents with, and/or obtain licensure from, a particular state agency or authority to operate as a franchise broker or solicit prospective franchisees. Additionally, some state franchise laws may govern your relationship with franchisees in your Development Area. You should investigate whether other regulations and requirements apply in the area you are interested in locating your Regional Developer franchise, and should consider both their effect and cost of compliance.

### **The Market and Competition**

The System presently focuses on serving the needs of residential and small business customers. The market for the goods and services offered by BizCard Xpress Franchises is developed and competitive. You will have to compete with other businesses including franchised operations, national chains and independently owned companies offering printing and signage services.

You will also face normal business risks that could have an adverse effect on your BizCard Xpress Franchise or your Regional Developer franchise. These include industry developments, such as pricing policies of competitors, and supply and demand.

**ITEM 2  
BUSINESS EXPERIENCE**

**President and Co-Founder: Daniela Morello**

Mrs. Morello currently serves as our Co-President in Flagler Beach, Florida and has done so since our inception in October 2009. Prior to this, Mrs. Morello worked as President and CEO of SDM Builders, LLC in Haddam, Connecticut from August 2005 to September 2009.

**President and Co-Founder: Elias “Lee” Papadeas**

Mr. Papadeas currently serves as our Co-President in Flagler Beach, Florida and has done so since our inception in October 2009. Prior to this, Mr. Papadeas founded One Hour Printing, Inc. in South Daytona, Florida from April 2006 to July 2008.

**ITEM 3  
LITIGATION**

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**

***Single Unit Franchises***

**Initial Franchise Fee**

You must pay us an initial franchise fee (“**Initial Franchise Fee**”) in a lump sum of \$39,000 when you sign the Franchise Agreement. If you purchase additional franchises at the same time as your first franchise, we will discount your Initial Franchise Fee to \$29,000 for the second and \$19,000 for the third and each additional franchise that you purchase, payable when you execute your Franchise Agreement. The Initial Franchise Fee is deemed fully earned by us once paid and is non-refundable for any reason.

We participate in the VetFran program. Under this program, qualified veterans of the United States armed forces (those veterans that have been honorably discharged) receive a \$10,000 discount on our Initial Franchise Fee.

All Initial Franchise Fees are uniform except that we reserve the right, at our sole discretion, to offer BizCard Xpress Franchises at a reduced Initial Franchise Fee to existing businesses that convert to BizCard Xpress Franchises.

During our last fiscal year, which ended December 31, 2011, we collected initial franchise fees ranging from \$0 to \$29,000.

We require all franchisees to purchase a “**Franchise Equipment Package**” of startup items. The Franchise Equipment Package will be delivered to your Center at a designated time in the build out process prior to the opening of your Center. This will occur approximately four to six weeks after you have successfully branded the Center with the designated paint, carpet and trim. The Franchise Equipment Package includes all startup items needed for your Center except for: build-out/leasehold improvements, signage, two color copiers (you will be required to lease or purchase these copiers), and the vehicle. We estimate the cost of the total Franchise Equipment Package to range from \$38,546 to \$80,475 depending on the size of your Center, whether or not you lease or purchase your equipment, whether or not used equipment is available and whether or not you purchase additional optional equipment. All amounts paid for the Franchise Equipment Package are fully earned when paid and are not refundable under any circumstances.

***Regional Developer Franchises***

**Development Fee**

If you are a Regional Developer, you must pay to us a development fee (“**Development Fee**”) ranging from \$132,000 to \$380,000 when you sign the Regional Developer Agreement. The amount of the Development Fee will depend upon the population and income demographics of your Development Area and the number of BizCard Xpress Unit Franchises that must be established during your development period. The Development Fee must be paid in a lump sum by cashier’s check or bank draft, and is not refundable under any circumstances. The range of the Development Fee is uniform to all Regional Developers except that we reserve the right, at our sole discretion, to offer Regional Developer franchises at a reduced Development Fee to large organizations that become associated with BizCard Xpress as part of an existing non-BizCard Xpress franchise or organization, or to other potential Regional Developers we believe will be beneficial to the overall business of BizCard Xpress. We did not sell any Regional Developer franchises in 2011. If you are a Regional Developer and you choose to operate a Pilot Location, you are not required to pay us an Initial Franchise Fee for that Pilot Location (if you choose to operate additional BizCard Xpress Franchises, you will be required to pay an Initial Franchise Fee for the additional franchises) provided that you enter into a Franchise Agreement at the same time as you enter into the Regional Developer Agreement.

**ITEM 6  
OTHER FEES**

**Single Unit Franchises**

Type of Fee(1)	Amount	Due Date	Remarks
Royalty (2)	The greater of 7% of Gross Revenues or \$125 per week.	Due on Tuesday of each week	Based on Gross Revenues during the previous week. Payments are made via an EFT Transfer.

Type of Fee(1)	Amount	Due Date	Remarks
National Advertising Fund	Up to 2% of your weekly Gross Revenues.	Due on Tuesday of each week	We currently do not have a national advertising fund and do not currently charge this fee. When we establish a national advertising fund, you will be obligated to contribute up to 2% of Gross Revenues.
Local Advertising	Average of \$1,000 per month for your first twelve (12) months and then 2% of your annual Gross Revenues.	As required	Based on Gross Revenues during the previous year. You may only conduct approved local advertising.
Supplier and Product Evaluation Fee (3)	Cost of inspection and test of sample (approximately \$100 to \$500 per test)	As incurred	Payable if we inspect or test product samples from proposed suppliers nominated by you.
Audit Expenses	Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses (we estimate this cost to be between \$1,000 and \$12,000)	On demand	Payable if Gross Revenues are understated by at least 2% or you fail to submit required reports.
Interest on Late Payments	\$50 per day or the highest amount allowed by law	From the date payments are due, and continues until outstanding balance and accrued interest are paid in full	Charged on any late payments of fees, amounts due for product purchases, or any other amounts due us or our affiliates, including royalties.
Non-Sufficient Funds Fee	\$100 per occurrence	As incurred	Payable if any check or electronic fund transfer payment is not successful due to insufficient funds, stop payment, or any similar event.
Unauthorized Product Usage Fee	\$100 per day	As incurred	Payable if you use, sell or distribute unauthorized products or services, and do not cease the use, sale or distribution of unauthorized products or services within ten days after

Type of Fee(1)	Amount	Due Date	Remarks
			written notice is given to you.
Accounting Fee	\$100 per occurrence	As incurred	Payable in a lump sum if it is determined that you failed to accurately input information regarding your Gross Revenues.
Insurance	You must reimburse our costs plus a 10% administrative fee	On demand	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us for the cost of insurance obtained plus ten percent (10%) of the premium for an administrative cost of obtaining the insurance.
Replacement of Franchise Operations Manual	\$500	On demand	Payable if your copy of the Franchise Operations Manual is lost, destroyed, or significantly damaged.
Management Fee	\$200 per day plus costs and expenses (up to 120 days at a time)	As incurred	Payable if we manage the business in the case of a breach of the Franchise Agreement; or if we choose to purchase the franchise upon expiration of the Franchise Agreement. We have the right to manage the Franchise for up to 120 consecutive days per default.
Renewal Fee	\$2,500	Upon renewal	Payable upon renewal of the Franchise Agreement.
Transfer Fee	25% of the then current initial franchise fee plus cost of training	Upon transfer	Applies to any transfer of the Franchise Agreement, the franchise, or a controlling interest in the franchise. Must be paid prior to closing on the transaction.
Legal Costs and Attorney's Fees	All legal costs and attorneys' fees incurred by us	As incurred	The prevailing party in any arbitration or litigation proceeding will be entitled to costs and attorney's fees.

Type of Fee(1)	Amount	Due Date	Remarks
Indemnification	All amounts (including attorneys' fees) incurred by us or otherwise required to be paid	As incurred	You must indemnify and reimburse us for our costs if we are sued or held liable in any case having to do with your BizCard Xpress Franchise operation or your breach of the Franchise Agreement.
Relocation Fee	\$2,500	Upon relocation	Payable to us if we approve the relocation of the BizCard Xpress Franchise.
De-Identification	All amounts incurred by us related to de-identification	As incurred	Payable if we must de-identify your BizCard Xpress Franchise upon its termination, relocation, or expiration.
Additional Persons Initial Training Fee (4)	\$2,500 per person	As incurred	Initial Training is provided at no charge for up to 2 people, one of whom must be a principal owner; if additional training is required for new hires, new Designated Managers, refresher courses, or special events, a fee may be assessed.
Additional Opening Assistance	\$500 per day plus travel expenses	On demand	If Franchisee desires additional opening assistance, Franchisor may charge \$500 per day plus all travel and lodging expenses incurred by our staff.
Fee for Operating the Franchise After Termination	\$25,000, plus all costs and attorneys' fees incurred by us	As incurred	Payable if you continue to operate the Franchise after termination of the Agreement.
Pre-Opening Training Extension Fee	\$500 plus travel expenses	On demand	Payable if upon completion of pre-opening training we are not able to grant completion certificate due to lack of knowledge, attendance, etc. and the training must be prolonged to ensure brand satisfaction.
Unauthorized Advertising Fee	\$500	Upon demand.	This fee is payable to the Advertising Fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.

Type of Fee(1)	Amount	Due Date	Remarks
Local and Regional Advertising Cooperatives (5)	Established by cooperative members	Established by cooperative members	The cooperative will establish rules approved by us. Each BizCard Xpress Franchise gets one vote.
Technology Fee	Currently \$150 per month	Monthly after you open your Center	This fee will cover the point-of-sale system software, accounting software and ongoing technical support. We reserve the right to upgrade and modify the software. You will be responsible for any increase in fees that result from an upgrade or modification to the software.
Advertising Specialty Institute (“ASI”) Membership Fee	Currently \$395 per year	Yearly	You will be required to maintain a membership with ASI and pay the yearly membership fee. This fee is subject to change by ASI.

Notes:

(1) All fees paid to us or our Affiliates are uniform and non-refundable under any circumstances once paid except as provided in ITEM 5. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. We reserve the right to require you to pay fees and other amounts due to us via electronic funds transfer or other similar means, as described in the Franchise Agreement. We do not finance any part of your initial investment. If payments are required in this method, you must comply with our procedures and perform all acts and deliver and execute all documents, including authorization (in the form attached to the Franchise Agreement as **Attachment D** or any other form that we may accept) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you shall authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You shall make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely reported your BizCard Xpress Franchise’s Gross Revenues to us for any reporting period, then we shall be authorized, at our option, to debit your account for the higher of (a) the fees transferred from your account for the last reporting period for which a report of your BizCard Xpress Franchise’s Gross Revenues was provided to us or (b) an estimated amount due.

(2) The term “**Gross Revenues,**” means the total selling price of all services and merchandise sold at or from your Center, including the full redemption value of any gift certificate or coupon sold for use at the Center (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation) and all



income of every other kind and nature related to the BizCard Xpress Business operation, whether for cash or credit and regardless of collection in the case of credit. (See Franchise Agreement, Definitions Section, for a complete definition of Gross Revenues).

(3) You may request that we add vendors to our list of approved vendors. We may inspect the proposed supplier’s facilities, and require that product samples from the proposed supplier be delivered for testing either directly to us or any independent certified laboratory that we designate. See Item 8 for additional information.

(4) We do not charge a fee for initial training for up to two (2) attendees. The persons attending the initial training must include the Franchise Owner and, if you choose to hire a Designated Manager, the Designated Manager. If you want to have more than two attendees at the initial training, you will have to pay us a fee in the amount of \$2,500.00 per additional attendee before the training begins. However, we may, in our sole discretion, refuse to train additional attendees depending on training space and availability. You are responsible for travel, food, lodging, and any other costs associated with your attendance at training.

(5) We reserve the right to establish a Local or Regional Advertising Cooperative if two or more BizCard Xpress Franchises are operating in a market designated by us. If a Local or Regional Advertising Cooperative is established, contribution amounts to the Local or Regional Advertising Cooperative will be established by the cooperative members. We anticipate that each franchisee will have one vote for each BizCard Xpress Franchise operated by the member in the designated market. We currently have no Local Advertising Cooperatives and no Regional Advertising Cooperative.

### **Regional Developer Franchises**

<b>Type of Fee(1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Audit Expenses	Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses	On demand	Payable if Gross Revenues are understated by at least 2% or you fail to submit required reports.
Late Fee	\$50 per day	From the date payments are due, and continues until outstanding balance and accrued interest are paid in full	Charged on any late payments of fees, amounts due for product purchases, or any other amounts due us or our affiliates, including royalties.
Non-Sufficient	\$100 per	As incurred	Payable if any check or

Type of Fee(1)	Amount	Due Date	Remarks
Funds Fee	occurrence		electronic fund transfer payment is not successful due to insufficient funds, stop payment, or any similar event that is not caused by us or the financial institution.
Manual Replacement Fee	\$500 per Manual	On demand	Payable if your Franchise Operations Manual or Regional Developer Manual is lost, destroyed, or significantly damaged. You must obtain a replacement copy at our then- applicable charge.
Management Fee	RD Royalty Share (3% of Gross Revenues paid by Franchisees in the Development Area)	As incurred	Payable if we manage your Development Area after you materially breach the Regional Developer Agreement
Renewal Fee	\$2,500	Upon renewal	Payable upon renewal of your Regional Developer Agreement.
Transfer Fee	\$15,000	At the time of transfer	Applies to any transfer of the Regional Developer Agreement, the franchise, or its assets, except transfers to a legal entity principally controlled by you.
Insurance	Amount of unpaid premiums and related costs	On demand	Payable only if you fail to maintain required insurance coverage and we pay premiums for you.
Legal Costs and Attorneys' Fees	All legal costs and attorneys' fees incurred by us	As incurred	The prevailing party in any mediation, arbitration or litigation proceeding will be entitled to costs and attorney's fees.
Indemnification	All amounts (including attorneys' fees) incurred by us or otherwise required to be paid	As incurred	You must indemnify and reimburse us for our costs if we are sued or held liable in any case having to do with your operation within the

Type of Fee(1)	Amount	Due Date	Remarks
			Development Area or your breach of the Regional Developer Agreement.
Additional Training Fee (2)	\$2,500 per additional attendee	As Incurred	Payable if you choose to send addition persons to initial training beyond those persons that we designate; additional training is required for new hires, refresher courses, or special events, a fee may be assessed.
Advertising and Marketing Expense	Costs associated with printing franchise advertising, marketing, and promotional materials.	As incurred	You may be required to pay our costs for materials provided to you at your request.
Additional Assistance	The current published rate; current rate is \$100 per hour, plus reimbursement of all travel and living expenses.	As incurred, before assistance.	Payable only if you request additional services.
Registration Maintenance Expenses	Varies by state.	Annually and as required to update our Franchise Disclosure Document	You must pay any expenses incurred by you, including obtaining audited financials if necessary, to enable us to register and amend our Franchise Disclosure Document in your Development Area.
Development Quota Shortfall Fee (3)	\$250 per week per BizCard Xpress Franchise that Regional Developer is deficient under the Development Quota.		If Regional Developer fails to fulfill its obligations under the Development Quota, Regional Developer shall pay to Franchisor a weekly fee of \$250 per week per BizCard Xpress Franchise that Regional Developer is deficient under the Development Quota.
Local and Regional Advertising Cooperatives	Established by cooperative members	Established by cooperative members	The cooperative will establish rules approved by us. Each Regional Developer gets one vote.

Notes:

(1) All fees paid to us are uniform and non-refundable under any circumstances once paid except as provided in ITEM 5. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers.

(2) You must attend a training program applicable to franchisees and other training, which may include topics such as marketing, franchise sales, franchise law compliance, and business operations. We do not charge a tuition fee for training of up to two participants designated by us. However, you and your attendees will be responsible for all out-of-pocket expenses in connection with all training programs, including costs and expenses of transportation, lodging, meals, wages and employee benefits. The Company reserves the right to impose reasonable charges for training classes and materials in connection with such training courses. The Company will notify you of any additional charges before you or your employees enroll in a course.

(3) The Development Quota Shortfall Payment is so compensate the Franchisor for lost revenues resulting from Regional Developer's failure to fulfill its obligations under the Development Quota. Regional Developer's failure to meet the Development Quota is material breach of the Regional Developer Agreement. Franchisor may, in its sole discretion, collect Development Quota Shortfall Payment and grant Regional Developer an extension of the Development Quota or terminate the Regional Developer Agreement.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

**Single Unit Franchises**

<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is Made</b>
Initial Franchise Fee (1)	\$39,000	\$39,000	Lump sum	When you sign the Franchise Agreement	Us
Initial Training Expenses (2)	\$500	\$5,000	As Required	As Incurred	Providers of travel, lodging, and food services
3-Months' Lease Rent (3)	\$3,600	\$9,000	As Agreed	As Agreed	Landlord
Security Deposit (4)	\$0	\$3,000	As Agreed	Before Opening	Landlord and /or utility companies
Leasehold Improvements (5)	\$9,000	\$14,000	As Agreed	Before Opening	Landlord or construction contractors
Franchise Equipment Package (6)	\$38,546	\$80,475	Lump Sum	Before Opening	Us
Signage (7)	\$2,500	\$5,800	As Agreed	Before Opening	Third Parties
Advertising – 3 months (8)	\$1,800	\$4,400	As Agreed	As incurred	Third Parties
Business Licenses and Permits (9)	\$500	\$1,000	As Required	Before Opening	Government Agencies

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Insurance (10)	\$600	\$1,500	As Agreed	Before Opening	Insurer
Professional Fees (11)	\$0	\$1,000	As Agreed	Before Opening	Third Parties
Vehicle (12)	\$6,500	\$13,000	As Agreed	As Incurred	Third Parties
Copiers (13)	\$1,800	\$2,100			
Additional Funds –3 Months (14)	\$4,500	\$10,200	As Agreed	As Incurred	Third Parties
<b>TOTAL ESTIMATED INITIAL INVESTMENT (15)</b>	\$108,846	\$189,475			

Notes for Single Unit Franchisees:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your BizCard Xpress Franchise. Our estimates are based on our experience, the experience of our affiliates and our current requirements for BizCard Xpress Franchises. The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your franchise may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions. Your costs will also depend on factors such as how well you follow our methods and procedures; your management skills; your business experience and capabilities; local economic conditions; the local market for our products and services; the prevailing wage rates; competition; and sales levels reached during your initial phase of business operations. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

- (1) See Item 5 for additional information about your Initial Franchise Fee. We may offer BizCard Xpress Unit Franchises at a reduced franchise fee to groups that become associated with BizCard Xpress as part of an existing non-BizCard Xpress franchise or dealership system. The Initial Franchise Fee is non-refundable.
- (2) We provide training at our corporate office located in Flagler Beach, Florida or at another location designated by us. You must pay for airfare, meals, transportation costs, salaries, benefits, lodging and incidental expenses for all initial training program attendees. Initial training is provided at no charge for up to two people, one of which must be a principal owner; if additional, initial training is required, or more people need to be trained, an additional fee may be assessed. This estimate includes the travel and living expenses including airfare that you will incur when you and one other person attend the initial training program. It does not include any wages or salary for you or your employees during this training.
- (3) Your actual rent payments may vary, depending upon your location and your market's retail lease rates. We estimate, but do not require, that your BizCard Xpress Franchise will be 1,200 to 1,400 square feet in size. BizCard Xpress Franchises typically are

located in shopping malls and strip malls. If you purchase instead of lease the premises for your Center, then the purchase price, down payment, interest rates, and other financing terms will determine the amount of your monthly mortgage payments. If you own your franchise location free and clear, you may have a lease amount of \$0.00.

- (4) This estimate includes security deposits required by the landlord and utility companies, but not your telecommunications services.
- (5) This estimate does not include any construction allowances that may be offered by your landlord. This estimate also includes setup expenses that you will incur in building out your location including all costs required to setup the equipment. Building and construction costs will vary depending upon the condition of the premises for your BizCard Xpress Franchise, the size of the premises and local construction costs. If you are able to perform some or all of the improvements yourself, this cost may be substantially less.
- (6) The Franchise Equipment Package includes certain startup items needed for your Center. See Item 5 for more information regarding the Franchise Equipment Package.
- (7) We estimate that the cost for signage will range from \$2,500 to \$5,800. The sign must be in accordance with our specifications and we must approve any drawings.
- (8) We estimate that you will spend between \$1,800 and \$4,400 in advertising during the first three months of operating your BizCard Xpress Franchise.
- (9) You may be required to obtain business licenses from the local government agencies to operate your BizCard Xpress Franchise. We estimate these costs will range from \$500 to \$1,000 depending upon the jurisdiction.
- (10) You must obtain and maintain, at your own expense, the insurance coverage that we periodically require, and satisfy other insurance-related obligations (See Item 8).
- (11) You may incur legal fees, accounting fees and other professional fees in order to incorporate your business, perform all necessary tax filings, and perform other tasks such as establishing a general ledger, tax reports, and payroll deposits.
- (12) This item includes one vehicle which you will use in the operation of the BizCard Xpress Franchise (“**Vehicle**”). We require that the Vehicle meets the following specifications: Ford E-150, E-250 or E-350 in good operational condition (2005 model year or later). You may use a vehicle that you currently own as your Vehicle provided that it meets our specifications otherwise you will be required to lease or purchase a Vehicle. We anticipate that you will only need one Vehicle to being your BizCard Xpress Franchise. You are required to purchase or lease a second Vehicle when you have achieved \$150,000 in Gross Revenue in a calendar year. The Vehicle should not have any side windows and preferably no rear windows, but in all cases the body of the vehicle must be clean and free of any major or minor damage. The Vehicle must be painted and lettered according to our specifications.

- (13) You will be required to either lease or purchase two color copiers that meet our approval. This estimate provides three months of lease payments. You may purchase these copiers at your choice. If you decide to do so, your initial investment will be higher.
- (14) The disclosure laws require us to include this estimate of all costs and expenses to operate your BizCard Xpress Franchise during the “initial phase” of your business, which is defined as three months or a longer period if “reasonable for the industry.” We are not aware of any established longer “reasonable period,” so our disclosures cover a three month period. This estimate includes your initial start-up expenses (other than the items identified separately in the table) during the first three months of operation. These expenses include payroll costs during the first three months of operation, but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your actual costs for initial start-up expenses during this three-month period will depend on how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products; the prevailing wage rate; your competition; and the sales level you reach during the initial period.
- (15) You should review these figures with a business advisor before making any decision to purchase the franchise.

### Regional Developer Franchises

Type of Expenditure(1)	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee	\$132,000	\$380,000	Lump Sum	When you sign the Regional Developer Agreement	Us
Training Expenses (2)	\$500	\$5,000	Lump Sum	Prior to Opening	Third Parties
Advertising Fee	\$1,800	\$4,400	Lump Sum	As Incurred	Us
Licenses and Permits (3)	\$100	\$300	Lump Sum	Prior to Opening	Third Parties
Insurance (4)	\$500	\$1,500	As Agreed	As Incurred	Insurers
Professional Fees (5)	\$0	\$1,000	As Agreed	As Incurred	Providers of Professional Services
Vehicle (6)	\$6,500	\$8,500	Lump Sum	Prior to Opening	Third Party
Financial Statement Preparation and Registration, Regulatory Approval (7)	\$0	\$15,000	As incurred	As arranged	Government authorities; third parties
3-Months' Franchise Marketing Expenses (8)	\$1,800	\$4,400	As incurred	As agreed	Advertising sources
Additional Funds-3 months (9)	\$3,000	\$25,000	As incurred	As agreed	Third parties
<b>TOTAL ESTIMATED INITIAL INVESTMENT FOR REGIONAL DEVELOPER FRANCHISE (10)</b>	\$146,200	\$445,100			

Type of Expenditure(1)	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
<b>TOTAL ESTIMATED INITIAL INVESTMENT INCLUDING SINGLE UNIT BIZCARD XPRESS FRANCHISE (11)</b>	\$ 216,046	\$595,575			

Notes for Regional Developer Franchises:

- (1) These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Regional Developer franchise. Our estimates for your Regional Developer franchise are based on our experience in operating businesses offering products and services similar to those offered by BizCard Xpress Franchises and our current requirements for a Regional Developer franchise. The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Regional Developer franchise may be greater or less than the estimates given depending upon the location of your Regional Developer franchise, and current relevant market conditions.

You may operate your Regional Developer franchise from your home or obtain office space. This estimate does not include rent for your Regional Developer sales office. Your actual rent payments may vary depending upon your location and depending on whether you decide to operate your sales office out of a residence or an executive or commercial office. If you choose to rent office space, we estimate that you will need an office of at least 500 square feet in size.

We do not finance your development fee or any other fees or expenses payable to us. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

- (2) This estimate includes the travel and living expenses, including airfare that you will incur when you and one of your employees attend the Regional Developer training program described in Item 11 of this Franchise Disclosure Document. It does not include any wages or salary for you or your employees during training.
- (3) You may be required to obtain business licenses from the local government agencies to operate your Franchise. We estimate these costs will be between \$500 and \$1,000 depending upon the jurisdiction.
- (4) You must obtain and maintain, at your own expense, insurance coverage for the vehicle(s) and any buildings you use or operate in connection with your franchise. Insurance costs depend on a variety of factors. Annual premiums are typically paid to the insurer immediately, with refunds being issued if you cancel the insurance. The



cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment history. Our insurance requirements are contained in our Regional Developer Manual.

- (5) You may incur legal fees, accounting fees and other professional fees in order to incorporate your business, perform all necessary tax filings, and perform other tasks such as establishing a general ledger, tax reports, and payroll deposits.
- (6) This item includes one vehicle which you will use in the operation of the Regional Developer Franchise ("**RD Vehicle**"). We require that the RD Vehicle meets the following specifications: one aluminum step van in good operational condition (2005 model year or later). You may use a vehicle that you currently own as your RD Vehicle provided that it meets our specifications otherwise you will be required to lease or purchase a RD Vehicle. We anticipate that you will only need one RD Vehicle to being your Regional Developer Franchise. The RD Vehicle must be painted and lettered according to our specifications.
- (7) If federal or your state law classifies Regional Developers as subfranchisors, then you will also need to obtain audited financial statements and register as a subfranchisor with the state. These estimates include any regulatory fees that you may need to pay, and registration fees to register as a franchise broker.
- (8) This estimate includes your costs in preparing three-months of advertising, marketing, and promotional materials to market BizCard Xpress Franchise opportunities in your Development Area.
- (9) This item estimates 3-months' initial start-up expenses (other than the items identified separately in the table) for a Regional Developer franchise. These expenses do not include payroll costs or any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Regional Developer franchise. Your actual costs for initial start-up expenses during this three-month period will depend on how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for BizCard Xpress Franchises; the prevailing wage rate; competition; and the sales level reached during the initial three-month period.
- (10) This is only an estimate of your initial investment and is based on our estimate of domestic costs and market conditions prevailing as of the date of this Franchise Disclosure Document. You must bear any deviation or escalation in costs from the estimates that we have given. You should review these figures carefully with a business advisor and/or legal counsel before making any decision to purchase a franchise. Many factors that are unique to your location can make a dramatic difference in the estimates provided. The availability and terms of financing depend on several factors, including the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions. You should review these figures with a business advisor before making any decision to purchase a franchise.

- (11) Regional Developers may, but are not required to, open one BizCard Xpress Franchise and will incur all costs associated with opening a BizCard Xpress Franchise listed in the Single Unit Franchise table except that Regional Developers will not be required to pay an initial franchise fee if they sign the Franchise Agreement at the same time as the Regional Developer Agreement. Otherwise, the Regional Developer will be required to pay an Initial Franchise Fee. This estimate assumes both agreements are entered into at the same time and does not include the Initial Franchise Fee.

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

### *Single Unit Franchises*

#### **Standards and Specifications**

You must establish and operate your Center in compliance with your Franchise Agreement and the standards and specifications contained in the our confidential operations manual (“**Franchise Operations Manual**”) loaned to you by us. Our Franchise Operations Manual states our specifications, standards, and guidelines for all goods and services that we require you to obtain in establishing and operating your BizCard Xpress Franchise.

You must, at your expense, purchase, install, maintain in sufficient supply, and use at all times, only fixtures, furnishings, equipment, signs, and supplies that conform to the standards and specifications described in the Franchise Operations Manual or otherwise in writing. In addition, you must sell or offer for sale only those products and services that we have expressly approved for sale in the Franchise Operations Manual or otherwise in writing and discontinue selling any products or services that we, in our discretion, determine may adversely affect the System. You must not offer any unapproved products or services.

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

You must obtain and maintain insurance policies protecting you, us and our affiliates, and our respective shareholders, directors, employees, and agents against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring at or in connection with the construction and/or operation of your BizCard Xpress Franchise. Such policy must be written by an insurer acceptable to us and conform to our standards and minimum amounts of coverages. All insurance policies you purchase must name us and any affiliate we designate as additional insureds, and provide for 30 days’ prior written notice to us of a policy’s material modification or cancellation. If you fail to obtain or maintain the insurance we specify, we may (but need not) obtain the insurance for you and your BizCard Xpress Franchise on your behalf (see Item 6). The cost of your premiums will depend on the insurance carrier’s charges, terms of payment, and your insurance and payment histories.

You must carry a minimum of \$2,000,000 in comprehensive general liability insurance and worker's compensation coverage as required by statute or rule of the state in which your BizCard Xpress Franchise is located. This amount may periodically be increased at our discretion due to circumstances such as inflation, new risks, and changes in the law. Each policy must contain a waiver by you and your insurer of their subrogation rights against us and our affiliates, and their respective shareholders, directors, employees and agents. Each policy must also name us, and our affiliates and their respective shareholders, directors, employees and agents, as additional insureds with primary non-contributory coverage.

You are required, at your expense, to purchase or lease, and maintain and use, only such computer(s), hardware (including laptops), software (including point-of-sale software), firmware, web technologies or applications, required dedicated internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as we specify in the Franchise Operations Manual or otherwise in writing. The computer system is included in the Franchise Equipment Package.

### **Purchases from Approved Suppliers**

You are required to purchase certain equipment, signage, initial inventory, materials, and supplies from us in establishing and operating your BizCard Xpress Franchise and we are the only approved supplier of these certain items. We are the only approved suppliers of the Franchise Equipment Package. We and our affiliates may derive revenue from these sales and may sell these items at prices exceeding our or their costs in order to make a profit on the sale. Some of our officers own an equity interest in the franchisor which is an approved supplier.

Except for the items listed in the preceding paragraph, you are currently not required, either by the Franchise Agreement or by any other device or practice, to purchase or lease from us or our affiliates, any goods, services, supplies, fixtures, equipment, inventory, or real estate for the establishment or operation of your BizCard Xpress Franchise. You must, however, purchase all products, equipment, supplies, and materials solely from suppliers (including manufacturers, wholesalers, and distributors) who meet our criteria for approved suppliers, which criteria is available to you once you become a franchisee.

We estimate that approximately 55% of purchases required to open your Center and 75% of purchases required to operate your Center will be from us or from other approved suppliers and in accordance with our specifications.

According to our audited financial statements, in our 2011 fiscal year we had total revenues of \$133,982 of which \$87,822 (approximately 65%) consisted of revenues from new franchisees for purchases of equipment and inventory for their Centers. We also received \$8,122 (approximately 7 % of our total revenues) in revenues from other required purchases or leases of products and services. There are currently no purchasing or distribution cooperatives.

### **Approval of New Suppliers**

Periodically, we will update the list of approved suppliers in the Franchise Operations Manual. If you desire to use a supplier that has not been approved by us, that supplier may

become an approved supplier if that supplier, and the product or service the supplier offers, meets our criteria, which criteria is available to you. To secure approval, you or the supplier you are requesting we approve must submit a written request to us to approve the supplier, together with evidence of conformity with our specifications as we may reasonably require. We charge a fee for the evaluation of the proposed supplier (See Item 6). We do not issue specifications and standards to franchisees or suppliers. While we will be required to respond to a request within sixty (60) days, we generally respond to a request for an additional approved supplier within seven (7) days. Our written approval must be received before you use products that were not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We do not provide material benefits, such as renewing or granting additional franchises to Franchisees, based on their use of designated or approved suppliers. There are no caps or limitations on the maximum amount of rebates we may receive from our suppliers as the result of Franchisee purchases.

### ***Regional Developer Franchises***

You must establish and operate your Center in compliance with your Franchise Agreement and the standards and specifications contained in the our confidential operations manual (“**RDO Manual**”) loaned to you by us. All equipment, services, supplies, computer hardware and software, Internet, communications, materials, and inventory items that you use must meet our minimum standards and specifications stated in the RDO Manual. Computer, Internet and communication system specifications are described in more detail in ITEM 11.

You must purchase or lease certain products, equipment, forms, advertising materials and supplies used in your Regional Developer Franchise in accordance with our standards and specification and in some cases only from us or sources authorized by us. When you sign the Regional Developer Agreement, we will make available to you our standards and specifications and a list of our authorized suppliers. Our standards and specifications have been prescribed in order to maintain a uniform standard of high quality, value, customer recognition, advertising support and availability to be furnished to the public in connection with our Marks. In operating your Regional Developer franchise, all equipment, vehicles, forms, advertising materials, products and supplies must conform to our standards and specifications which have been established through years of experience. In the future, we may modify our specifications for equipment, vehicles, forms, advertising materials, products and supplies, in our sole discretion. We have the right to change these standards and specifications on 30 days’ prior written notice to you.

We estimate that the cost of purchases from designated or approved suppliers' represents approximately 55% to of your total purchases in connection with the establishment of your Regional Developer franchise and approximately 20% of your ongoing expenses.

You must use our Franchise Disclosure Document in accordance with our instructions, and must comply with all applicable laws. If you open a Pilot Location, you will be required to purchase all equipment from approved suppliers, including the Franchise Equipment Package from us.

If you want to purchase or lease any products, equipment, supplies, forms, marketing, supplies, advertising or services from a supplier, other than from us or our authorized supplier, you must first notify us and obtain our written approval. Periodically, we will update our specifications and standards for approval in the RDO Manual. If you desire to use a supplier that has not been approved by us, that supplier may become an approved supplier if that supplier, and the product or service the supplier offers, meets our criteria, which criteria is available to you after you become a Regional Developer. To secure approval, you or the supplier you are requesting we approve must submit a written request to us to approve the supplier, together with evidence of conformity with our specifications as we may reasonably require. We do not charge a fee for the evaluation of the proposed supplier and we do not issue specifications and standards to franchisees or suppliers. While we will be required to respond to a request within sixty (60) days, we generally respond to a request for an additional approved supplier within seven days. Our written approval must be received before you use products that were not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our Regional Developers and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We do not provide material benefits, such as renewing or granting additional franchises to Regional Developers, based on their use of designated or approved suppliers. There are no caps or limitations on the maximum amount of rebates we may receive from our suppliers as the result of Regional Developer purchases.

## **ITEM 9 FRANCHISEE'S OBLIGATIONS**

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

### **Single Unit Franchise Agreement**

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Item in Franchise Disclosure Document</b>
Site selection and acquisition/lease	Definitions and Section 8 of the Franchise Agreement	ITEM 11
Pre-opening purchases/leases	Sections 8 and 9 of the Franchise Agreement	ITEMS 8 & 11
Site development and other pre-opening requirements	Section 8 of the Franchise Agreement	ITEMS 6, 7 & 11
Initial and ongoing training	Sections 7 and 8 of the Franchise Agreement	ITEM 11
Opening	Section 8 of the Franchise Agreement	Not Applicable
Fees	Sections 5, 6, 8, 9 and 11 of the Franchise Agreement	ITEMS 5 & 6
Compliance with standards and policies/Operations Manual	Definitions and Section 8 of the Franchise Agreement	ITEM 11
Trademarks and proprietary information	Section 10 and Attachment B of the Franchise Agreement	ITEMS 13 & 14
Restrictions on products/services offered	Sections 8, 9 and 14 of the Franchise Agreement	ITEMS 8 & 16
Warranty and customer service requirements	Section 8 of the Franchise Agreement	ITEM 11
Territorial development and sales quotas	Section 4 of the Franchise Agreement	ITEMS 11 & 12
Ongoing product/service purchases	Sections 8 and 9 of the Franchise Agreement	ITEM 16
Maintenance, appearance and remodeling requirements	Sections 3 and 8 of the Franchise Agreement	ITEM 7, note 2
Insurance	Section 12 of the Franchise Agreement	ITEM 8
Advertising	Section 11 of the Franchise Agreement	ITEM 11
Indemnification	Sections 10 and 12 of the Franchise Agreement	Not Applicable
Owners participation/management/staffing	Section 8 of the Franchise Agreement	ITEM 15
Records and reports	Section 6 of the Franchise Agreement	ITEMS 6 & 17
Inspection and audits	Sections 6 and 8 of the Franchise Agreement	ITEM 6
Transfer	Section 15 of the Franchise Agreement	ITEM 17
Renewal	Section 3 of the Franchise Agreement	ITEM 17
Post-termination obligations	Sections 10, 14 and 17 of the Franchise Agreement	ITEM 17
Non-competition covenants	Section 14 of the Franchise Agreement	ITEM 17
Dispute resolution	Section 21 of the Franchise Agreement	ITEM 17
Other	Not Applicable	

## Regional Developer Agreement

Obligations	Section in RD Agreement	ITEM in Franchise Disclosure Document
Site selection and acquisition/lease	Not Applicable	ITEMS 7, 11
Pre-opening purchases/leases	Section 8.2	ITEMS 5, 7
Site development and other pre-opening requirements	Not Applicable	ITEM 11
Initial and ongoing training	Sections 6.1, 6.2, 6.3, 6.4	ITEM 11
Opening	Not Applicable	Not applicable
Fees	Section 4.1, 4.2	ITEMS 5, 6, 7
Compliance with standards and policies/ Franchise Operations Manual	Sections 7.1, 7.2, 7.3, 8.7	ITEMS 8, 11
Trademarks and proprietary information	Sections 9, 10	ITEMS 13, 14
Restrictions on products/services offered	Section 8	ITEMS 8, 16
Warranty and customer service requirements	Section 12.1	ITEM 11
Territorial development and sales quotas	Section 3.1	ITEM 12
Ongoing product/service purchases	Section 7.4	ITEM 8
Maintenance, appearance and remodeling requirements	Not Applicable	ITEM 11
Insurance	Section 12.9	ITEM 7
Advertising	Sections 12.11, 12.12	ITEMS 6, 8, 11
Indemnification	Section 17.4	ITEM 6
Owner's participation/management/staffing	Section 12.5	ITEMS 11, 15
Records and reports	Sections 12.13, 12.14	ITEM 8
Inspections and audits	Section 13.1	ITEM 11
Transfer	Section 14	ITEM 17
Renewal	Section 15.2-15.5	ITEM 6
Post-termination obligations	Sections 16.3 – 16.8	ITEM 17
Non-competition covenants	Sections 10.2, 11.1, 16.5	ITEMS 14, 15, 17
Dispute resolution	Section 15.3, 18.1, 18.2, 18.3	ITEM 17

### ITEM 10 FINANCING

Neither us nor any agent or affiliate of ours offers direct or indirect financing. We do not guarantee your note, lease or obligation.

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

***Single Unit Franchises\****

\* If you purchase a franchise in an area with a BizCard Xpress Regional Developer, most, if not all, of the training and support may be undertaken by the Regional Developer and not the Franchisor and may take place at the Regional Developer's location.

**Except as listed below, BizCard Xpress, LLC is not required to provide any assistance to you.**

**Pre-opening Obligations**

Before you open your BizCard Xpress Franchise, we (or our designee) will provide the following assistance and services to you:

1. We will review and comment on any business plan and pro forma financial projections you prepare.

2. Provide you with written site selection guidelines and criteria and provide site selection assistance to determine an acceptable location for your BizCard Xpress Franchise, as we have outlined in the Franchise Operations Manual. (See Section 7.3(c) of the Franchise Agreement).

3. Assist you in your site selection process by authorizing a site for the BizCard Xpress Franchise and reviewing and authorizing a final lease for the premises. (See Sections 7.3(d) and 7.4 of the Franchise Agreement). We may terminate the Franchise Agreement if the parties cannot agree on a site within six months of the date of the Franchise Agreement.

4. Provide you with specifications for all initial and replacement furniture, fixtures, equipment, inventory, and suppliers required to operate your BizCard Xpress Franchise. You must submit final construction plans and specifications to us for our approval before you begin construction at the premises, and must construct your BizCard Xpress Franchise in accordance with those approved plans and specifications (See Section 7.5(j) of the Franchise Agreement).

5. Loan you one copy of our confidential and proprietary Franchise Operations Manual. The Franchise Operations Manual consists of one or more manuals, technical bulletins or other written materials and may be modified by us periodically in our discretion. The Franchise Operations Manual may be in printed or in an electronic format in our discretion. We reserve the right to require you to use an electronic version of the Franchise Operations Manual and to require you to access the document using the Internet or an intranet created and supported by us. The Franchise Operations Manual contains approximately 151 pages. The Table of Contents for the Franchise Operations Manual is attached to this Franchise Disclosure Document as **Exhibit G**. (See Section 7.3(f) of the Franchise Agreement).

6. Provide you with assistance on your grand opening marketing programs.



7. Provide to you an initial training program in Flagler Beach, Florida or another location designated by us (“**Initial Training Program**”) for either your Managing Owner or Designated Manager, and up to one additional person. (See Section 7.3(f) of the Franchise Agreement).

8. Provide to you a pre-opening training program composed of conference calls, web demos, and a site visit (“**Pre-Opening Training Program**”). (See Section 7.3(g) of the Franchise Agreement).

## **Training**

Before you begin operating your BizCard Xpress Franchise, either your Managing Owner or, if applicable, your Designated Manager must attend and successfully complete to our satisfaction our Initial Training Program. Our Initial Training Program lasts for approximately ten (10) business days. There is no tuition or fee for the Initial Training Program for your Managing Owner or, if applicable your Designated Manager and one addition personal you bring. However, you must pay for airfare, lodging, meals, ground transportation, salaries and benefits, and any other personal expenses for yourself and any additional attendees, which are incurred during our Initial Training Program. If you desire to have additional people attend the Initial Training Program, you must pay us \$2,500 per additional person. (See Section 7.3(f) of the Franchise Agreement). The Initial Training Program is offered approximately every 2 months or more frequently as needed.

You may not employ any Designated Manager, or appoint any Managing Owner, who does not complete our Initial Training Program to our satisfaction. If a Designated Manager’s employment with you is terminated, and your Managing Owner will not manage your BizCard Xpress Franchise, you must designate a new Designated Manager who must successfully complete our Initial Training Program sixty (60) days after the termination of the former Designated Manager, unless we do not hold an Initial Training Program during that sixty (60) day period, in which case the replacement Designated Manager must attend and successfully complete the first available Initial Training Program held by us. You may be charged a training fee for a replacement Designated Manager or Managing Owner and the costs for airfare, ground transportation, lodging, meals, personal expenses, and salary and benefits must be paid by you.

In addition your Managing Owner or, if applicable, your Designated Manager, must attend and successfully complete to our satisfaction our Pre-Opening Training Program. Our Pre-Opening Training Program is composed of conference calls, web demos, and a site visit. The Pre-Opening Training Program will take place both prior to, and immediately following, the opening of your BizCard Xpress Franchise. The Pre-Opening Training Program involves a review of required equipment, systems and operations. During the site visit, we will visit the location of your BizCard Xpress Franchise for approximately three days, at our discretion, for the purpose of training and assisting in your initial consultations and presentations to prospective clients. There is no tuition or fee for the Pre-Opening Training Program. (See Section 7.3(g) of the Franchise Agreement).

## **Continuing Obligations**

During the term of the Franchise Agreement, we (or our designee) will provide the following assistance and services to you:

1. Inform you of mandatory specifications, standards and procedures for the operations of your BizCard Xpress Franchise, as described in ITEM 8. (See Section 7.5(d) of the Franchise Agreement)).
2. Provide advice regarding your BizCard Xpress Franchise's operation based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone or other methods in our discretion. (See Section 7.5(a) of the Franchise Agreement).
3. Research new products, services, and training methods and provide you with information concerning developments of this research. (See Section 7.5(e) of the Franchise Agreement).
4. If we establish a National Advertising Fund, maintain and use these funds to develop promotional and advertising programs for BizCard Xpress Franchisees. (See Section 7.5(f) of the Franchise Agreement).
5. Provide you with advice and guidance on advertising and marketing. (See Section 7.5(g) of the Franchise Agreement).
6. A representative of ours may, at our sole discretion, provide additional assistance. (See Section 7.5(h) of the Franchise Agreement). There may be additional charges for these services. If we provide additional assistance, we must agree in advance on the charges you will pay and the length of the visit. (See ITEM 6).
7. Provide Refresher Training Programs to you, in our discretion. (See Section 7.5(b) of the Franchise Agreement).
8. Provide assistance to you in the development and operation of your BizCard Xpress Franchise by means of periodic visits by one of our field representatives in our discretion. (See Section 7.5(h) of the Franchise Agreement).
9. Allow you to continue to use confidential materials and Marks.

Except as listed above, we do not provide any additional assistance to you.

### **Continuing Obligations**

If, at our discretion, we believe that you require addition training, we will provide refresher training programs, seminars, or advanced management training to you (“**Refresher Training Programs**”). Your Managing Owner or, if applicable, Designated Manager must attend and successfully complete any and all Refresher Training Programs that we designate. You may be required to pay tuition or a fee for Refresher Training Programs. Refresher Training Programs will be held either at our office in Palm Coast, Florida or another location

designated by us. Refresher Training Programs are approximately two to three days in length, at our discretion, and take place no more than once every year.

We do not pay any travel expenses, lodging, meals, ground transportation or other personal expenses for any person attending any training programs. Failure to complete our Initial Training Program, Opening Training Program, or Refresher Training Program is a material breach of the Franchise Agreement.

Our Initial Training Program consists of approximately 80 hours over two weeks at our corporate office and three days at your BizCard Xpress Franchise as follows:

**INITIAL TRAINING PROGRAM SCHEDULE**

**SINGLE UNIT FRANCHISE**

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Introduction, history, unique positioning, Basics of the Printing & Sign Business Software overview and familiarization File Types, Organization, and Storage Point of Sale theory and operation	24	0	Flagler Beach, Florida or office of Regional Developer within your Territory
Classroom Training for software packages Equipment Familiarization & Training Digital Design and hands-on Production Counter Sales, POS, Order Processing Market Opportunities & Advantages	16	0	Flagler Beach, Florida or office of Regional Developer within your Territory
On-Site Floor Training & Interaction Customer Service & Training Delivering Value, Speed, and Quality Multiple revenue streams & Branding Retail Store operational Management	16	0	Flagler Beach, Florida or office of Regional Developer within your Territory
Sales & Marketing techniques Review and Testing of previous sessions Advertising & Promotional Marketing Operational, Financial, Processing Recap Closing & Conclusions	24	0	Flagler Beach, Florida or office of Regional Developer within your Territory
<b>Total</b>	<b>80 hours</b>	<b>0 hours</b>	

### Explanatory Notes:

- (1) These subjects are combined into two or three day segments because the specific topic taught on each day varies depending upon the number of attendees and their previous experience.
- (2) Mr. Lee Papadeas, our Co-President and Co-Founder, oversees our training program. Mr. Papadeas has over twenty-five years of experience in owning, managing and developing printing and signage businesses in a variety of U.S. markets. He has founded several printing and signage organizations and has been a successful entrepreneur for over thirty years.
- (3) If your BizCard Xpress Franchise is located in a Regional Developer's Development Area, then the Pre-Opening Training site visit, and any Refresher Training Programs, may be provided by that Regional Developer. We will train the Regional Developer or other training staff representative of ours who provides the on-site training concerning the matters to be taught to you.

### **Advertising Programs**

#### *Advertising Fee*

We reserve the right to assess an advertising fee ("**Advertising Fee**") in an amount up to 2% of your monthly Gross Revenues. You must pay the Advertising Fee at the same time that you pay your Royalty, based on the amount of Gross Revenues you generated in the previous reporting period. We will deposit the Advertising Fees in a separate bank account, commercial account or savings account ("**Advertising Fund**"). The Advertising Fund will be administered by us, or one of our Affiliates, in our discretion, and we may use a professional advertising agency or media buyer to assist us. Your contribution to the Advertising Fund will be in addition to all other advertising fees set out in this ITEM 11.

We may reimburse ourselves, our authorized representatives or our Affiliate(s) from the Advertising Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Advertising Fund. We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Advertising Fund or to maintain, direct or administer the Advertising Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Advertising Fund on any terms we deem reasonable. Because we do not have this fund audited, audited financial statements are not available to Franchisees. We will make available to you an annual accounting for the Advertising Fund that shows how the Advertising Fund proceeds have been spent for the previous year.

We may use the Advertising Fund for the creation, production and placement of commercial advertising; agency costs and commissions; creation and production of video, audio and written advertisements; administering multi-regional advertising programs, direct mail and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; engaging one or more public relations firms or conducting our own public relations campaigns; market research; and other advertising and marketing activities, including participating at trade shows. Advertising may be placed in local, regional, national or international media of our choice, including but not limited to print, direct mail, radio, television or internet. We do not guarantee that advertising expenditures from the Advertising Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

Except as described above, we are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Advertising Fund contributions for advertising that is principally a solicitation for the sale of franchises but we reserve the right to include a notation in any advertisement indicating “Franchises Available” or similar phrasing.

We did not collect any Advertising Fees during our last fiscal year.

*Local Advertising*

In addition to the Advertising Fees for the Advertising Fund, you must spend the following on local advertising:

Time Period	Local Advertisement Requirement
First 12 months of the Franchise Agreement	\$1,000
Each remaining 12-month period until the expiration of the Franchise Agreement	You will be required to spend 2% of your total Gross Revenue of the immediately preceding 12-month period on local advertising over the next 12-month period (“ <b>Yearly Local Advertisement Requirement</b> ”). If you fail to spend the Yearly Local Advertising Requirement by the end of the 12-month period, you will be required to pay the difference to the Advertising Fund.

You may be required to participate in any local or regional advertising cooperative for BizCard Xpress Franchises that is established. The area of each local and regional advertising cooperative will be defined by us, based on our assessment of the applicable area. Franchisees in each cooperative will contribute an amount to the cooperative for each BizCard Xpress Franchise that the franchisee owns that exists within the cooperative’s area. Each BizCard Xpress Franchise that we own and that exists within the cooperative’s area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for

administering the cooperative including determining the amount of contributions from each member. Each cooperative that exceeds five (5) franchisee members must operate with governing documents. Each cooperative must prepare annual unaudited financial statements and such statements will be made available for review by each member of such cooperative. We reserve the right to form, change, dissolve or merge any advertising cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your Territory, you will be required to participate in compliance with the provisions of Franchise Operations Manual, which we may periodically modify in our discretion.

*Marketing Resources, Pre-Approvals for Marketing Materials, and Internet Marketing*

You must order sales and marketing material from us or our designated suppliers. It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, including your own website, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must be consistent with our approved standards. For example, you must use specific fonts for particular marketing materials that you must purchase and install on your computers, as stated in detail in the Franchise Operations Manual. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your BizCard Xpress Franchise, those items or services must be included in your Gross Revenues and will be subject to Royalties, Yearly Local Advertising Requirement, the Advertising Fees. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to the Advertising Fund.

We retain the sole right to market on the Internet, including all use of websites, domain names, URL's, linking, advertising, and co-branding arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks. We intend that any Franchisee website be accessed only through our home page. You will provide us content for our Internet marketing. We retain the right to approve any linking or other use of our website.

*Advisory Council*

We current do not have, but reserve the right to form, an Advisory Council (“**Council**”) to advise us on advertising policies. Members of the Council will consist of both franchisees and corporate representatives. Members of the Council will be selected by way of a voting method that will be specified in the Council's bylaws. The Council will serve in an advisory capacity only. We will have the power to form, change, or dissolve the Council, in our sole discretion.

## **Site Selection**

You must select the site for your BizCard Xpress Franchise subject to our consent. You may not relocate your BizCard Xpress Franchise without our prior written consent. Before leasing or purchasing the site for your BizCard Xpress Franchise, you must submit to us, in the form we specify, a description of the site, together with other information and materials that we may reasonably require. We will have 30 days after we receive the information and materials to evaluate the proposed site. If we disapprove of the proposed site, you must select another site, subject to our consent. Notwithstanding the foregoing, you must purchase or lease, at your expense, the site for your BizCard Xpress Franchise within 180 days after signing the Franchise Agreement. You also must submit for review and approval any sale or lease contract before you sign it.

We will consult with you on our current site selection guidelines and provide other site selection counseling, as we deem advisable. Although we will consult with you on your site and require that your site be subject to our final authorization, you have the ultimate responsibility in choosing, obtaining and developing the site for your BizCard Xpress Franchise.

## **Schedule for Opening**

The typical length of time between the signing of the BizCard Xpress Franchise Agreement and the opening of the BizCard Xpress Franchise can vary from four (4) to eight (8) months. You must schedule the opening of your BizCard Xpress Franchise within 240 days after signing the Franchise Agreement. Failure to open your BizCard Xpress Franchise within this 240 day window is a material breach of the Franchise Agreement, which provides us with the right to terminate the Franchise Agreement and we will not refund any part of your Initial Franchise Fee. Some factors which may affect this timing are your ability to acquire a location through lease or purchase negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, your ability to obtain any necessary permits and certifications, the timing of the delivery of equipment, tools and inventory and the time to convert, renovate or build out your BizCard Xpress Franchise. You must comply with all applicable ordinances, building codes and permit requirements and with any lease requirements and restrictions.

You may not open your BizCard Xpress Franchise until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you have completed the Initial Training Program to our satisfaction and have commenced the Pre-Opening Training Program; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered, received and installed your fixtures, equipment, supplies, inventory and related materials. You must be prepared to begin operating your BizCard Xpress Franchise immediately after we state that your BizCard Xpress Franchise is ready for opening.

## Software and Computer Equipment

You are required, at your expense, to purchase or lease, and maintain and use, only such computer(s), hardware (including laptops), software (including point-of-sale software), firmware, web technologies or applications, required dedicated internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as we specify in the Franchise Operations Manual or otherwise in writing (collectively the “**Computer System**”). The Computer System will have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the Internet), and using such protocols as we may reasonably prescribe in the Franchise Operations Manual or otherwise in writing. You will keep your Computer System in good maintenance and repair and, at your expense, promptly make any and all additions, changes, modifications, substitutions, and/or replacements to your Computer System as we direct. You will pay any and all, annual or otherwise, software fees, or other fees, as required by our approved suppliers in order to maintain your Computer System. You acknowledge and agree that our suppliers have the right to increase or decrease the software fees at any time, in their sole discretion, upon written notice to you. You further acknowledge and agree that we reserve the right to change our approved suppliers, including any software suppliers, at any time and in our sole discretion. You may not alter your Computer System, or use alternative software or suppliers of technology, without our prior written approval. If you are in default of any obligations under the Franchise Agreement, we may, in addition to any other remedy we may have under this Agreement, temporarily inhibit your access to all or part of the Computer System, including point-of-sale software, until you have cured such default completely.

We estimate the cost of purchasing the Computer System will range from \$3,200 to \$4,000. This cost is included in the Franchise Equipment Package. The cost to upgrade the hardware and maintain or upgrade the software of the Computer System depends on the needs of the System, as well as technological developments, none of which we can predict at this time and are therefore subject to change. You may be required to upgrade your computer hardware approximately every two to three years due to improvements in the software, advances in technology, and memory requirements. There is no limitation on the frequency or cost of this obligation. Other than as specified in this paragraph, neither we nor any affiliate or third party vendor have any ongoing obligation to provide ongoing maintenance, upgrades or updates to your Computer System. You are required to obtain your own technical support for the Computer System. Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date related problems and attacks by hackers and other unauthorized intruders (“**E-Problems**”). We have taken reasonable steps to prevent E-Problems from materially affecting our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

Upon termination or expiration of this Agreement, all software, disks, tapes and other magnetic storage media provided to you by us must be returned to us in good condition



(reasonable wear and tear excepted). You must delete all software and applications from all memory and storage.

### ***Regional Developer Franchises***

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

### **Pre-Opening Obligations**

Before the opening of your Regional Developer franchise, we (or our designee) will provide the following assistance and services to you:

1. If you choose to open a Pilot Location, we will provide all the pre-opening services listed for Single Unit Franchises above.

2. We loan you one copy of our confidential and proprietary RDO Manual, which contains uniform procedures for the operation of your Regional Developer franchise and the standards and specifications for franchise sales and promotional materials (See Section 7.1 of the Regional Developer Agreement). The RDO Manual contains approximately 102 pages. We will also loan you one copy of the franchise operations manual (“**Franchise Operations Manual**”), which contains uniform procedures for the operation of a BizCard Xpress Franchise and the standards and specifications for products, services and equipment used and sold from a BizCard Xpress Franchise. The table of contents for the RDO Manual is attached as **Exhibit H**.

3. We provide a Regional Developer initial training program (“**RD Training Program**”) within sixty (60) days after signing the Regional Developer Agreement. (See Section 6.1, Regional Developer Agreement).

### **Continuing Obligations**

During the term of the Regional Developer Agreement we (or our designee) are required to provide the following assistance and services to you:

1. If you choose to operate a Pilot Location, provide all the ongoing services listed for Single Unit Franchises above.

2. Provide advice regarding the Regional Developer Franchise’s operation based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone, at our training center in Mesa, Arizona or other locations that we designate, including, if applicable, at your Pilot Location. (See Section 7.5 of the Regional Developer Agreement). There are no additional charges for these services.

3. Provide access to franchise sales advertising and promotional materials, the franchise agreement and Uniform Franchise Disclosure Document, as may be developed and updated by us. (See Sections 3.2, 7.4, 12.10 of the Regional Developer Agreement).

4. Establish operating standards and specifications for the operation of your Regional Developer Franchise in the RDO Manual. We may change or update these procedures, standards and specifications at our discretion. You must strictly follow these procedures, standards and specifications in the RDO Manual and in the Regional Developer Agreement. Failure to do so is grounds for termination of your Regional Developer Agreement. (See Section 7.1 of the Regional Developer Agreement).

5. Hold additional training conferences, conventions, or seminars for all Regional Developers and their Managing Owners. You may be required to attend these conferences. You must pay all your own travel and living expenses. (See Sections 6.3 and 6.4 of the Regional Developer Agreement).

6. Provide you with access to our website and access to communication with us regarding the BizCard Xpress System, the RDO Manual, the Franchise Operations Manual, and other issues affecting the Development Area. (See Section 7.4 of the Regional Developer Agreement).

7. Provide you with guidance concerning marketing and advertising for prospective franchisees, and use of the Marks. (See Sections 3.3, 6.1, 6.3, 6.4 and 9 of the Regional Developer Agreement).

Some Regional Developers will require different amounts of assistance, and our assistance is not intended to be divided equally among all Regional Developer franchises. We may make any determination as to the manner and extent of necessary support for each specific Regional Developer. (See Section 7.4 of the Regional Developer Agreement).

### **RD Training Program**

You must attend and successfully complete to our satisfaction our RD Training Program. Our RD Training Program takes place at our headquarters in Flagler Beach, Florida or at another site we designate. The RD Training Program consists of two days of instruction in Mesa Arizona, or at a site we designate, regarding general franchise sales techniques, orientation to the BizCard Xpress System, legal compliance issues, business operations, and strategies for supporting BizCard Xpress franchise owners. You will also be required to complete and attend the Initial Training Program for franchisees outlined above. We will allow you to return to complete the Initial Training Program at a later time, so long as you complete the program prior to the sale of the first franchise unit in your Development Area. The training material consists of lectures, written, audio and videotaped instruction, as well as hands-on instruction. (See Section 6 of the Regional Developer Agreement).

Only you and/or your Managing Owner (See ITEM 15) may participate in our RD Training Program and our Initial Training Program without charge. You must pay all transportation, lodging and living expenses incurred by you or your Managing Owner when you attend the training program. Unless we give you written permission, you and/or your Managing Owner must complete the RD Training Program before you place your first franchise advertisement or conduct your first sales call with a prospective franchisee. You or your

Managing Owner must complete the RD Training Program and the Initial Training Program to our satisfaction.

You or your Managing Owner must attend, at your expense, every seminar, convention, continuing development program, or regional or national meeting presented by us for the purpose of discussing common objectives for the System, such as advertising programs, new methods and programs in operations, training, management, sales, advertising and sales promotion, to the extent any programs, meetings and seminars are offered by us.

You must attend the RD Training Program after you sign the Regional Developer Agreement and before you begin soliciting franchises, unless we waive the training requirement in writing. We currently anticipate that we will conduct the following training:

### RD TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Welcome and Introduction / Regional Developer Responsibilities	1	.5	Mesa, Arizona or another location we designate
Legal Issues and the Franchise Sales Process	1	.5	Mesa, Arizona or another location we designate
Developing a Compliance System	1	.5	Mesa, Arizona or another location we designate
Demographics and Site Selection	1.5	.5	Mesa, Arizona or another location we designate
Profile of Franchise Buyers	1.5	.5	Mesa, Arizona or another location we designate
Marketing the BizCard Xpress® Franchise	2	.5	Mesa, Arizona or another location we designate
First Impressions	1.5	.5	Mesa, Arizona or another location we designate
Identifying the prospective BizCard Xpress® Franchisee	1.5	.5	Mesa, Arizona or another location we designate
The Franchisee Interview	1.5	.5	Mesa, Arizona or another location we designate
Evaluating Franchise Candidates	1	.5	Mesa, Arizona or another location we designate
Completing the Referral	1	.5	Mesa, Arizona or another location we designate
Consulting with Franchisees	1.5	.5	Mesa, Arizona or another location we designate
<b>Total Hours</b>	<b>16</b>	<b>6</b>	

**Explanatory Notes:**

- (1) Most of these subjects are integrated throughout training program (comprised of 16 hours of classroom training over two days). We plan to be flexible in scheduling training. There currently are no fixed (i.e., monthly or bi-monthly) training schedules.

- (2) We utilize the services of Franchise Growth Systems to oversee our Regional Developer Training. Franchise Growth System has been in business since 2002 and works with franchisors and regional developers to develop franchise systems.
- (3) The RDO Manual will be our primary source of training materials during the RD Training Program.

## **Advertising**

You may only use franchise sales and promotional materials prepared by us. You will have to pay the costs incurred by us in printing advertising and marketing materials on your behalf. (See Section 7.4 of the Regional Developer Agreement).

You may prepare your own advertising and marketing programs and materials, but must obtain our prior written approval of all such programs and materials (including without limitation all related graphics, copy, and scripts). You are responsible for registering any advertisements if your state requires it. We will provide written notice to you of our approval or disapproval of your proposed advertising program or materials within thirty (30) days of their submission by you, and will not unreasonably withhold our approval. If you do not receive our written approval or disapproval within the aforementioned thirty (30) day period, the materials submitted will be deemed disapproved. You agree not to use any materials that we have disapproved. Beginning ninety (90) days after signing the Regional Developer Agreement, you shall spend an amount equal to at least \$500 per month, or such other amounts as we may from time to time reasonably prescribe in the RDO Manual or otherwise, in the Development Area on advertising and/or open house events for prospective franchisees in the Development Area. You shall submit to us an accounting of the amounts spent on franchise development at least during each Calendar Quarter, unless otherwise specified by us. You will be solely responsible and liable to ensure that all advertising, marketing, and promotional materials and activities you prepare comply with applicable federal, state, and local law, and the conditions of any agreements or orders to which you may be subject.

Except as described above, we are not obligated to spend any amount on advertising in the geographical area where your Regional Developer franchise is or will be located. If you choose to operate a Pilot Location, you must comply with the advertising programs and requirements described for Single Unit Franchises above.

## **Schedule for Opening**

Unless we agree to other arrangements, you must complete our RD Training Program and our Initial Training Program and commence operation of your Regional Developer franchise within 60 days of signing the Regional Developer Agreement. Upon your written request, this time may be extended for a reasonable period of time, if factors beyond your control prevent meeting the schedule, so long as you have made reasonable and continuing efforts to comply. (See Section 8.2 of the Regional Developer Agreement).

## **Computer Systems**

You must purchase and use computer hardware and software required by us. Currently, you are required to purchase one computer system based (collectively, the “**Hardware**”) running Microsoft Windows 7 Professional or a more recent Windows operating system. The Hardware, Software, programs, printer and barcode scanner are referred to as the “**Computer System**.” You must update your Computer System, at your expense, as we may require periodically in order to meet our specifications as they evolve. Upgrades, in some cases, may only be available through our suppliers. We may change the designated suppliers periodically on written notice to you. (See ITEM 8).

You must have sufficient computer skills to be able to operate your Computer System and to access e-mail and the Internet. You must have access to the Internet and maintain an e-mail account that allows us to communicate with you on a regular basis. You must check your e-mail regularly.

We have the right to independently access your electronic information and data through our proprietary data management and intranet system and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such communications and computer-related problems.

## **ITEM 12 TERRITORY**

### ***Single Unit Franchises***

The Franchise Agreement for your BizCard Xpress Franchise grants you a protected territory (“**Territory**”) based on the geographic area, the number of qualified event locations and populations properties within that area and other relevant demographic characteristics. We will use commercially reasonable efforts to grant only one license to a franchisee for any area with a population of approximately 30,000 to 60,000 persons in the designated geographical location (“**Population Limit**”). The population statistics used in determining your Territory will be based on numbers derived from the current US Census report and supplemented with other information available and other population statistical sources of our choosing to determine populations. In certain densely populated metropolitan areas, a territory may be small if it has a high population density, while Franchisees operating in less densely populated urban areas may have significantly larger areas. We reserve the right to change, modify, or delete the Population Limit at our sole discretion. You are not prohibited from directly marketing to or soliciting customers whose principal residence is outside of your Territory. You may provide services and sell products to customers located outside of the Territory provided that you (a) may not sell products or services in another Franchisee’s protected territory and (b) follow our off site

policies and procedures in our Franchise Operations Manual. Other than as stated above, the franchise is non-exclusive, and we retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

8. to own, franchise, or operate BizCard Xpress Franchises at any location outside of the Territory, regardless of the proximity to your Center;

9. to use the Marks and the System to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

10. to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering printing or signage services and related products and services, at any location, including within the Territory, which may be similar to or different from the business operated by you;

11. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your BizCard Xpress Franchise, wherever located;

12. to acquire and convert to the System operated by us any businesses offering services and products related to operating printing and signage, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory, provided that in such situations the newly acquired businesses will not be allowed to operate under the Marks in the Territory; and

13. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

Continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency. We do not pay compensation for soliciting or accepting orders inside your Territory.

You may operate the BizCard Xpress Franchise only at the approved location within your Territory. If the approved location has not been determined by the time you sign the Franchise Agreement, you and we must mutually agree upon a location for your BizCard Xpress Franchise. Although we may assist you in selecting a location for your BizCard Xpress Franchise, you are solely responsible for selecting the approved location and negotiating the lease or purchase term. If the lease for your Center expires or is terminated without your fault, or if the site for the BizCard Xpress Franchise is destroyed, condemned, or otherwise rendered unusable, we will allow you to

relocate the BizCard Xpress Franchise to a new site acceptable to us, provided that you will be required to pay us a relocation fee of \$2,500. Relocation for any other reasons will be subject to our approval which may be withheld in our sole discretion. Any relocation will be subject to the site selection and lease provisions stated above. Any relocation will be at your sole expense. Our approval will, among other things, be based on the following factors: where your BizCard Xpress Franchise will be located, whether or not such relocation will infringe upon the rights of other franchisees, and the time it will take to relocate your BizCard Xpress Franchise. If we allow you to relocate your BizCard Xpress Franchise you will be required to pay us a relocation fee (see ITEM 6).

If you wish to purchase an additional BizCard Xpress Franchise you must apply to us, and we may, at our discretion, offer an additional franchise to you. We consider a variety of factors when determining whether to grant additional franchises. Among the factors we consider, in addition to the then current requirements for new BizCard Xpress Franchisees, is whether or not the franchisee is in compliance with the requirements under their current Franchise Agreement.

The Franchise Agreement designates the approved location for your BizCard Xpress Franchise. If no approved location exists at the time you sign the Franchise Agreement, as is typically the case, you and we will agree on the approved location in writing to you after you select and we approve the approved location.

You do not receive the right to acquire additional BizCard Xpress Franchises within the Territory. You are not given a right of first refusal on the sale of existing BizCard Xpress Franchises. You are, however, given the right to sign additional Franchise Agreements and your additional franchise may be in your Territory subject to our approval.

### ***Regional Developer Franchises***

You will be granted an exclusive development area (“**Development Area**”) in which to operate your Regional Developer Franchise. The Development Area will be delineated by zip codes, counties or states, or a map and will include an area that is capable of supporting a minimum of ten BizCard Xpress Franchises. Once established, the size of your Development Area will not be adjusted during the term of your Franchise Agreement even if the residential population increases or decreases. You are not required to reside in or operate your business office in your Development Area; however, we recommend that you do so. We use current U.S. Census data and other software to determine the population base in your Development Area.

You may not advertise the sale of franchises outside of your Development Area without receiving express written permission from us, which we may deny in our discretion. Any inquiries from prospective franchisees residing, or intending to operate a BizCard Xpress Franchise at a location outside the boundaries of your Development Area must be referred to us. We retain the sole right to sell and provide ongoing support services to franchisees located inside your Development Area if you are in default of the Regional Developer Agreement and outside the boundaries of your Development Area or the boundaries of any other Regional Developer’s

exclusive territory, or to delegate rights to another Regional Developer. You are not granted sub-franchise rights by the terms of the Regional Developer Agreement.

To retain your Development Area, you must satisfy a development quota (“**Development Quota**”) in each calendar year based on the total number of BizCard Xpress Franchises sold and BizCard Xpress Franchises open and operating in your Development Area during each calendar year. Your Development Quota will be established at the time you sign the Regional Developer Agreement (See Attachment I of the Regional Developer Agreement). You will be required to pay the Development Quota Shortfall Fee if you fail to meet your Development Quota. The Development Quota Fee shall be due until you have met your Development Quota. We may terminate the Regional Developer Agreement if, in any calendar year, you fail to meet your Development Quota and the total number of BizCard Xpress Franchises you sell in that calendar year, combined with the BizCard Xpress Franchises you sold in the prior calendar year does not equal or exceed the total number of BizCard Xpress Franchises that we agreed you would sell during those two years. These Development Quotas are not and should not be considered financial performance representations for your Regional Developer franchise. We do not furnish or authorize our sales persons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a Regional Developer franchise. Actual results vary from one Regional Developer franchise to another and we cannot estimate the results of any Regional Developer franchise.

We and our Affiliates retain the rights, among others:

1. To use, and to license others to use, the Marks and System for the operation of Regional Developer Franchises at any location outside the Development Area;
2. To solicit prospective franchisees and to grant other persons franchises to operate BizCard Xpress Franchises at locations within and outside the Development Area and on terms and conditions as are contained in the then-current Franchise Agreement as we deem appropriate, and we may own and operate BizCard Xpress Franchises in the Development Area;
3. In the event of an acquisition by us of another business, to use and license the use of alternative proprietary marks or methods in connection with the operation of BizCard Xpress Franchises, which businesses may be the same as, similar to, or different from BizCard Xpress Franchises, or which may be in alternative channels of distribution;
4. To use the Marks and System in connection with some or all of the same products and services offered by BizCard Xpress Franchises, other services and products, promotional and marketing efforts or related items or alternative channels of distribution, including the Internet, at any location, provided that in the event we develop alternative channels of distribution in the future, you may participate in such channels of distribution in your Development Area for an additional fee in our discretion; and
5. To acquire, merge with, or be acquired by any other business, including a business that competes with the BizCard Xpress Franchises or the Regional Developer franchise.



**ITEM 13  
TRADEMARKS**

The Franchise Agreement and/or the Regional Developer Agreement grants you the non-exclusive right and license to operate your BizCard Xpress franchise using our principal Mark listed below. You may also use other future trademarks, service marks, and logos we approve to identify your BizCard Xpress franchise.

We own the following trademark:

Registered Mark	Application/ Registration Number	Application/ Registration Date	Status/Register
<b>BIZCARD XPRESS</b>	4,088,718	January 17, 2012	Registered on the Principal Register

All required affidavits have been filed for the registered service. There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the Marks. No agreement significantly limits our right to use or license the Marks in a manner material to your franchise. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

Your right to use the Marks is derived solely from your Franchise Agreement or Regional Developer Agreement, and is limited to your conduct of business in compliance with the Franchise Agreement or Regional Developer Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of your franchise. Any unauthorized use of the Marks by you will constitute an infringement of our rights in and to the Marks. Your use of the Marks and any goodwill established by them will be for our exclusive benefit, and your Franchise Agreement or Area Development Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of your Franchise Agreement or Regional Developer Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by, and licensed to you under, your Franchise Agreement or Regional Developer Agreement. You may not at any time during or after the term of your franchise contest, or assist any other person in contesting, the validity or ownership of any of the Marks.

You must use the Marks as the sole identification of your franchise, but must also identify yourself as the independent owner of the franchise in the manner we prescribe. You may not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form. You also may not use any Mark with the sale of any unauthorized service or in any manner we have not expressly authorized in writing. You must prominently display the Marks on or with franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that may be required under applicable law.

You must immediately notify us of any apparent infringement of, or challenge to, your use of any Mark, or any claim by any person of any rights in any Mark. You may not communicate with any person other than us and our counsel about the apparent infringement, challenge, or claim. We and our affiliates will have sole discretion to take any action as we deem appropriate in, and the exclusive right to control any litigation or PTO or other proceeding arising out of any apparent infringement, challenge, or claim, or otherwise relating to any Mark. You must sign any instruments and documents, render any assistance, and perform any acts that our or our affiliates' counsel deems necessary or advisable to protect and maintain our or our affiliates' interests in any litigation or PTO or other proceeding related to any Mark, or otherwise protect and maintain our interests in the Marks.

If we decide that it is advisable for us and/or you to modify or discontinue use of any Mark and/or use one or more additional or substitute trade or service marks, then you must comply with our instructions to do so within a reasonable time after receiving notice from us.

We will indemnify you against, and reimburse you for (1) all damages for which you are held liable in any judicial or administrative proceeding arising out of your use of any Mark in compliance with your Franchise Agreement or Regional Developer Agreement; and (2) the costs incurred in defending any claim brought against you or in any proceeding in which you are named as a party arising out of your use of any Mark in compliance with your Franchise Agreement or Regional Developer Agreement, provided that you have timely notified us of the claim or proceeding, and have complied with the Franchise Agreement or Regional Developer Agreement.

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

The information contained in the Franchise Operations Manual and RDO Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, as well as any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not filed an application for copyright registration for the Franchise Operations Manual, the RDO Manual, the Marks, our advertising materials, the content and format of our products, or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“**Copyrighted Works**”) in connection with your operation of your BizCard Xpress Franchise or Regional Developer franchise, but such copyrights remain our sole property.

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

Our Franchise Operations Manual, the RDO Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of and experience in the development, operation and franchising of BizCard Xpress Franchises,

our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of BizCard Xpress Franchises and Regional Developer franchises, and other related materials are proprietary and confidential (“**Confidential Information**”) and are considered to be our property to be used by you only as described in the Franchise Agreement, Regional Developer Agreement, Franchise Operations Manual or RDO Manual. Where appropriate, certain information has also been identified as trade secrets (“**Trade Secrets**”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

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

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

No patents or patents pending are material to us at this time.

We have the right to inspect, copy and use all records with respect to the customers, suppliers, and other services providers of, and related in any way to your BizCard Xpress

Franchise or Regional Developer franchise. This includes, without limitation, all databases (whether in print, electronic, or other form), including, among other things, all names, addresses, phone numbers, e-mail addresses, and customer purchase records. We may use or transfer the records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise. We may contact any or all of your customers, suppliers, and other service providers for quality control, market research, and such other purposes as we deem appropriate, at our sole discretion.

You must disclose to us all ideas, techniques and products concerning the development and operation of your BizCard Xpress Franchise or Regional Developer franchise that you or your employees conceive or develop during the term of the Franchise Agreement or Regional Developer Agreement. You must grant to us and agree to obtain from your owners or employees a perpetual, non-exclusive and worldwide right to use these ideas, techniques and products concerning the development and operation of your BizCard Xpress Franchise or Regional Developer franchise that you or your employees conceive or develop during the term of the Franchise Agreement or Regional Developer Agreement. We will have no obligation to make any lump sum or on-going payments to you with respect to any idea, concept, method, technique or product. You must agree that you will not use nor will you allow any other person or entity to use any of these ideas, techniques or products without obtaining our prior written approval.

#### **ITEM 15**

#### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

##### ***Single Unit Franchises***

The BizCard Xpress Franchise shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a twenty-five percent (25%) ownership interest and voting power in the entity (“**Managing Owner**”). Under certain circumstances we may allow you to appoint a designated manager (“**Designated Manager**”) to run the day to day operations of the BizCard Xpress Franchise. The Designated Manager must successfully complete our training program (see Item 11). We may require that the Designated Manager have an ownership interest in the franchisee. If you replace a Designated Manager for any reason, the new Designated Manager must satisfactorily complete our training program at your own expense.

Certain individuals associated with your BizCard Xpress Franchise, including your owners (and members of their immediate families and households), officers, directors, partners, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a legal or business entity, each individual who owns, directly or indirectly, a 5% or greater interest in you (and, if you are an individual, your immediate family defined as your spouse or domestic partner and any adult children involved in any way with your BizCard Xpress Franchise) must sign the Guaranty and Assumption of Franchisee’s Obligations assuming

and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement. (See **Attachment B** to the Franchise Agreement and our Nondisclosure Agreement attached to this Franchise Disclosure Document as **Exhibit I**). We reserve the right to waive this requirement under certain circumstances, in our sole discretion. Your key employees will be required to sign a Nondisclosure and Noncompete Agreement and to conform to the covenants not to compete described in ITEM 17. (See to **Exhibit I** of this Franchise Disclosure Document.)

In signing the Franchise Agreement, you acknowledge that the risks, financial and otherwise, which are inherent with the beginning of any new business, are yours alone. We, as a matter of policy, will not assist you in any decision-making process that may affect the operations of your BizCard Xpress Franchise. The success or failure of your BizCard Xpress Franchise as a business enterprise is dependent solely on your efforts. The purchase of this franchise should not be considered by anyone who is unfamiliar with standard business practices or is unwilling to accept the responsibilities associated with running a small business.

### ***Regional Developer Franchises***

You, or if you are an entity, your principal owner, must personally participate in the direct operation of the Regional Developer franchise.

In signing the Regional Developer Agreement, you acknowledge that the risks, financial and otherwise, which are inherent with the beginning of any new business, are yours alone. We, as a matter of policy, will not assist you in any decision-making process that may affect your business operations. The success or failure of the Regional Developer franchise as a business enterprise is dependent on your efforts. Purchase of this Regional Developer franchise should not be considered by anyone who is unfamiliar with standard business practices or is unwilling to accept the responsibilities and risks associated with running a small business.

Neither you, nor anyone owning an equity interest in the Regional Developer franchise, may have an interest in or business relationship with any business competing with your Regional Developer franchise or any BizCard Xpress Franchise. Your key employees will be required to sign a Nondisclosure and Noncompete Agreement and to conform to the covenants not to compete described in ITEM 17. (See **Exhibit I** to this Franchise Disclosure Document.) If the Regional Developer is an entity, the entity's principals must sign our standard Guaranty and Assumption of Regional Developer's Obligations attached to the Regional Developer Agreement as Attachment III to **Exhibit C**.

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

***Single Unit Franchises***

You must refrain from using or permitting the use of your BizCard Xpress Franchise for any other purpose or activity that has not been authorized by us at any time without first obtaining our written consent.

You must sell or offer for sale only those services and products which are authorized by us and which meet our standards and specifications. (See ITEM 8). You must follow our policies, procedures, methods, and techniques. You must sell or offer for sale all types of services and products specified by us. We may change or add to our required services and products at our discretion with prior notice to you. (See ITEM 8). You must discontinue selling and offering for sale any services or products which we may, in our discretion, disapprove in writing at any time. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions.

***Regional Developer Franchises***

You may market only BizCard Xpress Franchises specified and approved by us in writing. You must follow our policies, procedures, specifications, sales methods and techniques in marketing franchises and supporting BizCard Xpress franchisees. (See ITEM 8.) We retain the right in our sole discretion to deny final approval to any prospective franchisee you propose to us. We will not be liable to you for any losses or damages you may suffer if we elect to deny approval of any proposed franchisee. We reserve the right, without any limits, to change the authorized goods and services you may provide under your Regional Developer Agreement.

You may perform similar services for other franchise systems or in unrelated business activities, but if you are engaged in any other business activities, you must disclose the activities to us in writing prior to engaging in such business or if presently engaged then before signing the Regional Developer Agreement. However, you may not (a) have any direct or indirect interest in any Competitive Business (as that term is defined in the Regional Developer Agreement), although you may own 5% or less of the stock of any publicly-traded Competitive Business, (b) perform services as a developer, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, (c) divert or attempt to divert any business related to the Regional Developer franchise or any BizCard Xpress Franchise or any of our or your employees to any Competitive Business, or (d) directly or indirectly solicit or employ any person who is employed by us.

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

**These tables list important provisions of the Franchise Agreement, Regional Developer Agreement, and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.**

**FRANCHISE AGREEMENT**

Provision	Section in Franchise Agreement	Summary
a. Length of the term of the franchise	Section 3	Fifteen years.
b. Renewal or extension of the term	Section 3	If you are in good standing you can add two additional terms of five years.
c. Requirements for Franchisee to renew or extend	Section 3	Your successor franchise rights permit you to remain as a franchise after the initial term of your Franchise Agreement expires. You must sign our then-current Franchise Agreement (“ <b>Successor Franchise Agreement</b> ”) for the Successor Term, and this new Franchise Agreement may have different terms and conditions (including, e.g., higher royalty and advertising contributions) from the Franchise Agreement that covered your original term.
d. Termination by franchisee	None	You may terminate the agreement if you are in compliance with it and we are in material breach and we fail to cure that breach within 30 days of receiving written notice.
e. Termination by franchisor without “cause”	Not Applicable	Not Applicable.
f. Termination by franchisor with “cause”	Section 17	We can terminate upon certain violations of the Franchise Agreement by you.
g. “Cause” defined – curable defaults	Section 17	You have three days to cure health, safety, or sanitation law violations or failure to operate safely. You have ten days to cure monetary defaults. You have 30 days to cure the operational default listed in Section 17.2.
h. “Cause” defined - defaults which cannot be cured	Section 17	Non-curable defaults: the defaults listed in Section 17.1.
i. Franchisee’s obligations on termination/non-renewal	Section 10, 12, 14 & 17	Obligations include complete de-identification, payment of amounts due and return of Operations Manual, all Confidential Information, Trade Secrets and records.
j. Assignment of contract by Franchisor	Section 15	No restriction on our right to assign.
k. “Transfer” by Franchisee – defined	Section 15	Includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise.
l. Franchisor approval of transfer by franchisee	Section 15	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Section 15	The proposed transfer is at least one year after effective of the Franchise Agreement; if we have not exercised right of first refusal; new owner must have sufficient business experience and financial resources to operate the franchise; you must pay all amounts due; new owner and employees must complete the Initial Training Program; your landlord must consent to transfer of lease; you must pay transfer fee; you must sign a general release in favor of us; new owner must agree to bring the facility up to current standards; new owner signs a new Franchise Agreement in

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
		the then-current form; you must sign a non-compete agreement not to engage in a competitive business for one year within 15 miles of that franchise or another BizCard Xpress franchise.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 16	We have 30 days to match any offer for your business.
o. Franchisor's option to purchase Franchisee's business	Section 16	We may, but are not required to, purchase your inventory and equipment at fair market value if your Franchise is terminated for any reason.
p. Death or disability of Franchisee	Section 15.9	The agreement must be transferred or assigned to a qualified party within 180 days of death or disability or the agreement may be terminated. Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 calendar days of your death or disability.
q. Non-competition covenants during the term of the franchise	Section 14	You may not participate in a diverting business, have no owning interest in, loan money to, or perform services for competitive business anywhere; You may not interfere with our or our other Franchisees' BizCard Xpress Franchise.
r. Non-competition covenants after the franchise is terminated or expires	Section 14	Owners may not have an interest in any competitive business within 15 miles of any BizCard Xpress franchise for one year.
s. Modification of agreement	Sections 2.3, 3.5 & 21.11	No modifications of Franchise Agreement during term unless agreed to in writing, but Operations Manual subject to change at any time in our discretion. Modifications permitted on renewal.
t. Integration/merger clause	Section 21.5	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section 20	Except for certain claims, all disputes must be mediated and arbitrated in Flagler County, Florida.
v. Choice of forum	Section 20.3	Arbitration must be in Flagler County, Florida, except as provided in a State-Specific Addendum, subject to applicable state law.
w. Choice of law	Section 20.3 & 21.1	Florida law applies, except as provided in a State-Specific Addendum, subject to applicable state law.

### **REGIONAL DEVELOPER AGREEMENT**

<b>Provision</b>	<b>Section in RD Agreement</b>	<b>Summary</b>
a. Length of the term of the franchise	Section 15.1	Fifteen years.



Provision	Section in RD Agreement	Summary
b. Renewal or extension of the term	Sections 15.2	If you are in good standing and you meet other requirements, you may add two Successor Terms of five years.
c. Requirements for Regional Developer to renew or extend	Sections 15.2, 15.3, 15.4	Your successor Regional Developer rights permit you to remain as a Regional Developer after the initial term of your Regional Developer Agreement. You must sign our then-current Regional Developer Agreement (“ <b>Successor Regional Developer Agreement</b> ”) for the Successor Term, and this Successor Regional Developer Agreement may have different royalty and franchise fee splits) from the Regional Developer Agreement that covered your original term.
d. Termination by Regional Developer	Section 16.1	You may terminate the Regional Developer Agreement if you are in compliance with it and we are in material breach and fail to cure that breach within 30 days of receiving written notice.
e. Termination by us without cause	None	Not Applicable.
f. Termination by us with cause	Sections 16.2	We can terminate without any payment to you if you default and fail to cure the default as stated in the Regional Developer Agreement.
g. “Cause” defined – defaults that can be cured	Sections 16.2(d) and (l)	You have 3 days to cure health, safety, or sanitation law violations or failure to operate safely; 10 days to cure monetary defaults; and 30 days to cure operational defaults, attachment of property, appointment of receiver, and other defaults not listed under non-curable defaults

Provision	Section in RD Agreement	Summary
h. "Cause" defined – defaults that cannot be cured	Section 16.2	You fail to timely develop or open the Pilot Center or area office; you abandon, surrender, transfer control or do not actively operate the franchise or lost the right to occupy the Pilot Center or area office; you or any owner make an unauthorized transfer or assignment of the franchise or its assets; you are adjudged a bankrupt, become insolvent, or make an assignment for the benefit of creditors; you use, sell or distribute unauthorized products; you or other owners are convicted of a felony or a crime that adversely affects the reputation of the franchise; you violate any health or safety law or operate the franchise in a way that causes health or safety hazards; you fail on three or more occasions within a 12 month period to comply with Regional Developer Agreement; regardless of whether you cured them.
i. Your obligations on termination	Section 16.3	You must pay all amounts owed, refrain from using our marks, return to us or destroy all customer lists, forms and materials bearing our marks; return RDO Manual and cease using confidential information; abide by post-term non-compete provisions outlined in Regional Developer Agreement; complete the de-identification; and assign phone, fax, and web address to us.
j. Assignment of contract by us	Section 14.1	No restrictions on our right to assign.
k. "Transfer" by you – definition	Section 14.2	Includes voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Regional Developer Agreement, the franchise or interest in the franchise.
l. Our approval of transfer by you	Section 14.3	We have the right to approve all transfers by you.

Provision	Section in RD Agreement	Summary
m. Conditions for our approval of transfer	Sections 14.3, 14.4, 14.5, 14.6	The proposed transfer is at least one year after effective of the agreement; if we have not exercised right of first refusal; New Regional Developer must have sufficient business experience and financial resources to operate the franchise; you must pay all amounts due; new owner and employees must complete the Initial Training Program and Regional Developer Training Program; your landlord must consent to transfer of lease; you must pay transfer fee; you must sign a general release of us; new owner must agree to bring the area office up to current standards; new owner signs our then-current form of Regional Developer Agreement; you must sign a non-compete agreement not to engage in a competitive business for one year within 15 miles of that franchise or another BizCard Xpress franchise. We may also approve the material terms of the transfer, and require that owner subordinate any installment payments to the new owners' obligation to pay us, and guaranty the new owners' obligations to us.
n. Our right of first refusal to acquire franchise	Section 14.7	We have 30 days to match any offer for your Regional Developer franchise. Upon termination, we can buy your assets at fair market value.
o. Our option to purchase your business	None	We can purchase the Regional Developer franchise as outlined in (n) and during the 30 day period after termination or expiration of Regional Developer Agreement; we have a right to purchase assets of the Regional Developer franchise for book value.
p. Your death or disability	Section 14.6	Agreement must be transferred or assigned within 180 days of death or disability or the Regional Developer Agreement may be terminated.
q. Non-competition covenants during the term of the franchise	Section 10.2 ,11.1	Non-involvement in competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.5	You may not have an interest in any competitive business within 15 miles of any BizCard Xpress franchise for one year, except as stated in the State Addendum in <b>Exhibit F</b> to this Franchise Disclosure Document.
s. Modification of the Regional Developer agreement	Section 19.2	No modifications to Regional Developer Agreement unless agreed to in writing, but RDO Manual subject to change.

Provision	Section in RD Agreement	Summary
t. Integration/merger clause	Section 19.9	Only the terms of the Regional Developer Agreement are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section 15.3(b), 18.1	Mediation and Arbitration of certain disputes and litigation of others, will be arbitrated in Flagler County, Florida, except as stated in State Addendum to this Franchise Disclosure Document.
v. Choice of forum	Sections 18.1	Disputes subject to arbitration in Flagler County, Florida, and disputes subject to litigation in Flagler, Florida, except as stated in State Addendum to this Franchise Disclosure Document, subject to applicable state law.
w. Choice of law	Section 18.1	Florida, except as stated in State Addendum to this Franchise Disclosure Document, subject to applicable state law.

**ITEM 18  
PUBLIC FIGURES**

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

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

This ITEM 19 presents information about revenue, expenses, and net income realized by three particular franchises (“**Reporting Group**”) during the period from August 1, 2010 until December 31, 2011 (“**Reporting Period**”). The franchises presented in this ITEM 19 are all operated in the state of Florida and are all owned by our principals (the “**Principal Locations**”). Franchised outlets will share some of the same characteristics as the Principal Locations, including, degree of competition, services or goods sold, and services supplied by us. None of the Principal Locations pay Royalties. Because of the preceding factors, a franchised location will have higher expenses than the Principal Locations and therefore may not perform as well.

There may be other costs and other expenses not identified and that the costs and expenses of Principal Locations that may differ from franchisee owned locations. During the Reporting Period, there were a total of 6 BizCard Xpress Centers (including one affiliate owned location). Of those six, only those Franchises in the Reporting Group were open for a full year or more as of December 31, 2011. We have included Total Income, Total Cost of Goods, Gross Profit, Total Expenses and Net Income information for the Principal Locations. Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Outlet 1	2010	%	2011	%
Ordinary Income/Expense				
Total Income	\$211,755	100%	\$303,374.16	100%
Total Cost of Goods Sale	\$40,867.83	19%	\$84,924.33	28%
Gross Profit	\$170,887.17	81%	\$218,449.83	72%
Total Expense	\$92,631.48	44%	\$112,313.74	37%
Net Income (before taxes and royalty payments)	\$78,255.65	37%	\$106,136.09	35%

Outlet 2	2010	%	2011	%
Ordinary Income/Expense				
Total Income	\$187,566.75	100%	\$217,476.09	100%
Total Cost of Goods Sale	\$32,891.42	18%	\$47,523.53	22%
Gross Profit	\$154,675.33	82%	\$169,952.56	78%
Total Expense	\$82,2114.53	44%	\$85,014.53	39%
Net Income (before taxes and royalty payments)	\$72,560.80	39%	\$84,938.03	39%

Outlet 3	Aug - Dec. 2010	%	2011	%
Ordinary Income/Expense				
Total Income	\$62,036.55	100%	\$207,174.10	100%
Total Cost of Goods Sale	\$10,066.92	16%	\$53,365.28	26%
Gross Profit	\$51,969.63	84%	\$153,808.72	74%
Total Expense	\$32,572.42	53%	\$82,786.46	40%
Net Income (before taxes and royalties payments)	\$19,397.21	31%	\$71,022.60	34%

NOTE: The Total Income shows all revenue derived from the sale of products and services at the Centers. The Gross Profit information shows the aggregate revenues derived from the sale of the products and services, less all the cost of goods sold. The Net Income information shows the aggregate revenues derived from the sale of the products and services, less all expenses, salaries, owner's equity and other operating costs.

Some outlets have earned this amount. Your individual results may differ from the results stated in this financial performance representation. There is no assurance you'll earn as much. Your individual financial results may differ from the results stated in this financial performance representation. You should conduct an independent of the costs and expenses you will incur in operating your Bizcard Xpress Center. Franchisees or former franchisees, listed in the disclosure document may be one source of information.

Other than the information provided in this Item 19, 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 Elias Papadeas at 99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1

Systemwide Outlet Summary  
For Years 2009-2011

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2009	0	2	+2
	2010*	2	3	+1
	2011	3	5	+2
Company-Owned	2009	0	0	0
	2010	0	0	0
	2011	0	1	+1
Total Outlets	2009	0	2	+2
	2010	2	3	+2
	2011	3	6	+3

\*We have one licensee that operates under the BizCard Xpress trademark that opened in 2010. It is not included in these charts.

Table No. 2

Transfers of Franchised Outlets  
For Years 2009-2011

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
--------------	-------------	----------------------------

State	Year	Number of Transfers
Florida	2009	0
	2010	0
	2011	0
Totals	2009	0
	2010	0
	2011	0

Table No. 3

Status of Franchised Outlets  
For Years 2009-2011

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Florida	2009	0	2	0	0	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	2	0	0	0	0	5
Total Outlets	2009	0	2	0	0	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	2	0	0	0	0	5

Table No. 4

Status of Company-Owned Outlets  
For Years 2009-2011

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Outlets Reacquired From Franchisee</b>	<b>Outlets Closed</b>	<b>Outlets Sold to Franchisee</b>	<b>Outlets at End of Year</b>
Florida	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	1	0	0	0	1
Total Outlets	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	1	0	0	0	1

Table No. 5

Projected Openings as of  
December 31, 2011 for 2011

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchised Outlets in the Next Fiscal Year</b>	<b>Projected New Company-Owned Outlets in the Next Fiscal Year</b>
Arizona	0	1	0
California	0	1	0
Colorado	0	3	0
Florida	0	4	0
Georgia	0	1	0
Illinois	0	1	0
Indiana	0	1	0
Maine	0	1	0
Massachusetts	0	1	0
Michigan	0	4	0
Mississippi	0	2	0
Missouri	0	2	0
New Hampshire	0	1	0



<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchised Outlets in the Next Fiscal Year</b>	<b>Projected New Company-Owned Outlets in the Next Fiscal Year</b>
New Jersey	0	1	0
New York	0	1	0
North Carolina	0	1	0
Tennessee	0	2	0
Texas	0	3	0
Utah	0	1	0
Vermont	0	1	0
Virginia	0	1	0
Washington	0	1	0
<b>Totals</b>	<b>0</b>	<b>35</b>	<b>0</b>

We have no current plans to open any more company-owned BizCard Xpress Franchises, but we reserve the right to do so if an acceptable opportunity arises. The names, addresses and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as **Exhibit D**.

The name and last known address and telephone number of every current Franchisee and every Franchisee/Regional Developer who has had a BizCard Xpress Franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement or Regional Developer Agreement during the one-year period ending December 31, 2011, or who has not communicated with us within 10 weeks of the date of this Franchise Disclosure Document is listed in **Exhibit D**. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with BizCard Xpress. 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. If you buy a BizCard Xpress Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

As of the issuance date of this Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in the Disclosure Document. We do not have any trademark specific franchise organizations.

## **ITEM 21 FINANCIAL STATEMENTS**

**Exhibit A** contains the financial statements required to be included with this Franchise Disclosure Document: unaudited financial statements as of June 15, 2012 and audited financial

statements for the period ending December 31, 2011 and 2010. The franchisor has not been in business for three years or more, and, therefore, cannot include the same financial statements as a franchisor that has been in business for three or more years. Our fiscal year end is December 31st.

## **ITEM 22 CONTRACTS**

Attached are the following agreements proposed for use in connection with our offering of franchises:

### **Exhibit:**

- Exhibit B: Franchise Agreement
- Exhibit C: Regional Developer Agreement
- Exhibit F: State-Specific Addendum
- Exhibit I: Nondisclosure Agreement
- Exhibit K: Form General Agreement

## **ITEM 23 RECEIPT**

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

**EXHIBIT A**

**BIZCARD XPRESS, LLC CORPORATE  
FINANCIAL STATEMENTS**

UNAUDITED FINANCIALS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT.

PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM

**BizCard Xpress LLC**  
**Balance Sheet**  
As of June 15, 2012

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
BizCard Xpress, LLC Checking	366,076.14
<b>Total Bank Accounts</b>	<b>\$ 366,076.14</b>
<b>Other Current Assets</b>	
Note Receivable - Lauderhill	10,710.00
Petty Cash	100.00
Royalties Due	543.00
Suspense	-1,000.00
<b>Total Other Current Assets</b>	<b>\$ 10,353.00</b>
<b>Total Current Assets</b>	<b>\$ 376,429.14</b>
<b>Fixed Assets</b>	
Accumulated Amortisation	-1,121.33
Accumulated Depreciation	-2,472.00
<b>Fixed Assets</b>	
Automobile	20,550.00
Office Equipment	16,476.21
Office Furniture	1,361.92
<b>Total Fixed Assets</b>	<b>\$ 38,388.13</b>
<b>Intangible Assets</b>	
Franchise Development Asset	14,495.76
Web Site	1,496.50
<b>Total Intangible Assets</b>	<b>\$ 15,992.26</b>
<b>Total Fixed Assets</b>	<b>\$ 50,787.06</b>
<b>TOTAL ASSETS</b>	<b>\$ 427,216.20</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	435.00
<b>Total Other Current Liabilities</b>	<b>\$ 435.00</b>
<b>Total Current Liabilities</b>	<b>\$ 435.00</b>
<b>Total Liabilities</b>	<b>\$ 435.00</b>
<b>Equity</b>	
Member Distributions	-107,800.00
Retained Earnings	67,606.02
Net Income	466,975.18
<b>Total Equity</b>	<b>\$ 426,781.20</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 427,216.20</b>

**BizCard Xpress, LLC**

Financial Report

December 31, 2011



**KEZOS & DUNLAVY**  
Certified Public Accountants  
& Business Advisors

**BIZCARD XPRESS, LLC**

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**KEZOS & DUNLAVY**  
Certified Public Accountants  
& Business Advisors

*Report of Independent Auditors*

To the Owners  
BizCard Xpress, LLC  
Flagler Beach, FL

We have audited the balance sheet of BizCard Xpress, LLC as of December 31, 2011, and 2010 and the related statements of operations, members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BizCard Xpress, LLC as of December 31, 2011, and 2010 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

We also audited the adjustments described in Note 5 that were applied to restate the 2011 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

*Kezos & Dunlavy*

St. George, Utah  
June 19, 2012



BIZCARD XPRESS, LLC  
 Balance Sheets  
 As of December 31, 2011 and 2010

Assets	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents	\$ 19,118	\$ 19,469
Accounts receivable, less allowance for doubtful accounts of \$0 at December 31, 2011 and 2010	543	-
Due from franchise owner	22,688	14,500
Prepaid expenses	1,505	-
Total current assets	<u>43,854</u>	<u>33,969</u>
Property and equipment, net	10,599	-
Intangible assets, net	14,870	14,858
Total assets	<u>\$ 69,323</u>	<u>\$ 48,827</u>
<b>Liabilities and Members' Equity</b>		
Current liabilities:		
Accounts payable	\$ 435	\$ -
Total liabilities	<u>435</u>	<u>-</u>
Members' equity:		
Accumulated members' earnings	<u>68,888</u>	<u>48,827</u>
Total members' equity	<u>68,888</u>	<u>48,827</u>
Total liabilities and members' equity	<u>\$ 69,323</u>	<u>\$ 48,827</u>

See accompanying notes to the financial statements.

BIZCARD XPRESS, LLC  
 Statements of Operations  
 For years ending December 31, 2011 and 2010

	2011	2010
Revenue:		
Franchise sales	\$ 122,650	\$ 86,705
Royalty fees	8,994	-
Other income	2,238	2,803
Total revenue	133,882	89,508
Cost of sales	48,600	27,882
Gross profit	85,282	61,626
General and administrative expenses	43,467	6,483
Marketing and promotional expenses	19,527	6,231
Depreciation and amortization expense	2,227	85
Operating income	20,061	48,827
Net income	\$ 20,061	\$ 48,827

See accompanying notes to the financial statements.

BIZCARD XPRESS, LLC  
 Statements of Members' Equity  
 As of December 31, 2011 and 2010

	<b>Members' Interests</b>	<b>Accumulated Members' Earnings</b>	<b>Total</b>
Balances at December 31, 2009	\$ -	\$ -	\$ -
Member's Contributions	-	-	-
Net operating income	-	48,827	48,827
Balances at December 31, 2010	\$ -	\$ 48,827	\$ 48,827
Net operating income	-	20,061	20,061
Balances at December 31, 2011	\$ -	\$ 68,888	\$ 68,888

See accompanying notes to the financial statements.

BIZCARD XPRESS, LLC  
 Statements of Cash Flows  
 For years ending December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Net income	\$ 20,061	\$ 48,827
Adjustments to reconcile net income to net cash used by operating activities		
Depreciation and amortization	2,227	85
Change in operating assets and liabilities		
Receivables	(543)	-
Due from related party	(8,188)	(14,500)
Prepaid expenses	(1,500)	-
Accounts payable	434	-
Net cash provided by operating activities	<u>12,491</u>	<u>34,412</u>
Cash flows from investing activities:		
Purchases of property and equipment	(12,842)	(14,944)
Member's contributions	-	1
Net cash used in investing activities	<u>(12,842)</u>	<u>(14,943)</u>
Net change in cash and cash equivalents	(351)	19,469
Cash and cash equivalents at beginning of period	19,469	-
Cash and cash equivalents at end of period	<u>\$ 19,118</u>	<u>\$ 19,469</u>

See accompanying notes to the financial statements

BIZCARD XPRESS, LLC  
Notes to the financial statements  
December 31, 2011

(1) Nature of Business and Summary of Significant Accounting Policies

*(a) Nature of Business*

BizCard Xpress, LLC (the "Company") was formed on October 10, 2009 in the State of Florida, as a limited liability company. The Company franchises retail outlets that provide a complete array of full service printing and sign services to a variety of business and individual clients. Distributions are made at the discretion of management, based upon available cash flow. The liability of the members of the Company is limited to the members' total capital contributions.

The Company has developed a proprietary system for establishing, operating, managing and marketing the franchised printing and sign company and offers two types of franchises: Single Unit Business Franchises for the right to operate a single business unit in a designated geographic area under the "BizCard Xpress" name and other authorized names and marks using a system of distinctive operating procedures, methods, and standards that the Company has developed, and Regional Developer Franchises for the right to offer franchises for regional marketing opportunities granting the franchisee (the "Regional Developer") the right, in a specific geographic area (the "Regional Territory"), to solicit, recruit, screen, and interview prospective BizCard Xpress franchisees for the Company.

As of December 31, 2011, the Company has sold three single unit franchises (two of which were sold in 2011 and one 2010) and no regional developer Franchises. A member of the Company owns four additional BizCard Xpress locations that were developed prior to when the concept was "franchised"

The company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

*(b) Accounting Standards Codification*

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

*(c) Use of Estimates*

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment; valuation allowances for receivables, and estimated recoverability of intangible assets. Actual results could differ from those estimates.

BIZCARD XPRESS, LLC  
Notes to the financial statements  
December 31, 2011

*(d) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions. As of December 31, 2010 and 2011, the company had cash and cash equivalents of \$19,118 and \$19,469 respectively.

*(e) Accounts Receivable*

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and upon provision/shipment and invoicing of services or materials from the Company's offices. Accounts receivable are recorded at the invoiced amount and do not bear interest although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical collections, customers' current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer's ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of December 31, 2011, management has determined that all receivables are collectible.

*(f) Property and Equipment*

Property and equipment are stated at historical cost and are depreciated using the straight-line method over the estimated useful lives of related assets. The useful lives generally range 5-15 yrs.

*(g) Long Lived Assets*

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

*(h) Intangible Assets*

The Company has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, Intangibles - Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives (such as franchise development costs) are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which the asset is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. Initial web site design costs are amortized over five years using the straight-line method. Costs associated with the acquisition of trademarks, trade names, and operating manuals are capitalized and amortized using the straight-line method over 15 years.

BIZCARD XPRESS, LLC  
Notes to the financial statements  
December 31, 2011

*(i) Revenue Recognition*

The Company's revenues consist of fees from franchisees such as initial fees, royalties, renewal fees, and transfer fees. The franchise agreements offered under the Company's Uniform Franchise Disclosure Document have a term of fifteen years with an option to renew the agreement for two additional five-year terms. The initial fee consists of the "franchise" fee and the costs of building out the franchised location such as leasehold improvements, printing and cutting equipment and printing supplies. The franchise fee has historically ranged from \$19,500 to \$39,000 and is recognized as revenue when the Company has performed substantially all initial services required by the franchise agreement. The fee related to the franchise location build out is deferred until the build out is completed and the franchisee has taken over location. Those initial services are generally considered substantially performed when the franchisee has completed the initial training and the franchisee has opened an office and started operations. The renewal fee is \$2,500 and is recognized as revenue when a renewal agreement with the franchisee becomes effective.

The initial franchise is discounted when a franchisee purchases multiple franchises at the same time.

For franchise offices not yet open as of the end of a reporting period, the portion of the franchise license fee, net of direct costs recognized related to commissions and fees paid is deferred until the office has opened.

Continuing weekly royalty fees are recognized as revenue upon receipt. These weekly royalty fees are based on the franchise agreement and are generally 7% of the franchisee's gross weekly receipts or \$125 per week, which is greater. The Company has the right to collect 2% of franchisee gross revenues for a national advertising fund. As of December 31, 2011, the Company has not collected this fee.

Revenue from materials and services such as training is recognized upon provisioning/shipment and invoicing.

*(j) Income Taxes*

The entity is organized as a limited liability company (LLC) under the laws of the State of Florida. A limited liability company is classified as a partnership for federal and state income tax purposes and, accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

*(k) Advertising Costs*

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2011 and 2010 was \$14,200 and \$4,883 respectively.

BIZCARD XPRESS, LLC  
Notes to the financial statements  
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(l) *Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, pre-paid expenses, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(m) *Concentration of Risk*

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) *Property and Equipment*

Property and equipment consist of the following as of December 31, 2011:

	<b>2011</b>
Office equipment – 5 years	\$ 10,427
Office furniture – 5 years	1,362
	11,789
Less accumulated depreciation	(1,190)
	\$ 10,599

Depreciation expense for the year ended December 31, 2011 was \$1,190.

(3) *Intangible Assets*

Identifiable intangibles assets and their useful lives consist of the following as of December 31, 2011:

	<b>2011</b>	<b>2010</b>
Operating Manuals & Trademarks– 15 years	\$ 14,495	14,495
Website – 5 years	1,497	448
	15,992	14,942
Less accumulated amortization	(1,122)	(85)
	\$ 14,870	14,858

Amortization expense associated with the intangible assets was \$1,037 and \$85 for the years ended December 31, 2011 and 2010 respectively. Estimated amortization expense for is \$1,174 for years 2012 through 2016, and \$9,002 thereafter.

(4) *Due from franchise owner*

The Company sold a single unit franchise in June of 2010. The total sale price of the franchise including franchise fee, build out costs, and an agreed upon lump sum annual royalty of \$6,500 was \$86,705. Payments of \$72,505 were received in 2010. Additional royalties were accrued in 2011, of which partial payments have been received.



BIZCARD XPRESS, LLC

Notes to the financial statements

December 31, 2011

Management has determined that the entire balance of the note is fully collectible. In addition, the Company sold an additional franchise in 2011, for \$67,411 inclusive of franchise fees and build out costs. Payments of \$58,436 have been received as of year end, leaving a remaining balance as outstanding of \$8,975 as of December 31, 2011, which was fully collected in May of 2012.

(5) Restatement

The financial statements for the period ending December 31, 2011 have been restated to reflect a decrease in the fixed assets. Subsequent to the issuance of the original December 31, 2011 report dated April 12, 2012, it was determined that \$14,868 of property and equipment purchased for the build out of a sold franchise outlet had been capitalized as company equipment. The impact on the December 31, 2011 financial statements was to reduce net fixed assets by \$9,519, and reduce current year depreciation expense by \$3,644.

(6) Related Party Transactions

During 2011 and 2010, the Company has not incurred any payroll expenses. A member of the Company owns four separate franchise locations and covers some of the Company's operating costs, which had the Company been required to pay, may have significantly reduced net income. The Company is not expected to reimburse these costs. It is also likely that the Company has also incurred costs related to the running of the member-owned franchise locations, of which it does not expect to be reimbursed.

(7) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(8) Subsequent Events

In May of 2012 the company made the following sales: three territories under regional developer franchise agreements for a total of \$529,271, and a "three-pack" of single unit franchises for \$87,000. In June of 2012, the company made the following sales: two territories under regional developer franchise agreements for a total of \$313,812 and a single unit franchise for \$67,446. The company incurred total broker sales expense of \$292,843 related to the aforementioned regional developer and single unit sales.

BIZCARD XPRESS, LLC  
Notes to the financial statements  
December 31, 2011

(9) Date of Management's Evaluation

Management has reviewed and evaluated subsequent events through June 19, 2012, the date on which the financial statements were issued.

**EXHIBIT B**

**BIZCARD XPRESS**

**FRANCHISE AGREEMENT**

**BIZCARD XPRESS, LLC**  
**EXHIBIT B**  
**FRANCHISE AGREEMENT**

**Franchise #:** \_\_\_\_\_

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

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

**Territory:** \_\_\_\_\_

\_\_\_\_\_

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**ATTACHMENTS:**

- A. Territory and Initial Franchise Fee
- B. Guaranty and Assumption of Franchisee's Obligations
- C. Statement of Ownership
- D. EFT Authorization
- E. Collateral Assignment of Telephone Numbers, Telephone Listings and Internet Addresses

## FRANCHISE AGREEMENT

**THIS FRANCHISE AGREEMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, by and between **BIZCARD XPRESS, LLC**, a Florida limited liability, located at 99 Old Kings Road S., Suite 1, Flagler Beach, FL 32136 (“**Franchisor,**” “we” and “our) and \_\_\_\_\_, located at \_\_\_\_\_ (“**Franchisee,**” “you” and “your”).

### RECITALS

**WHEREAS**, BizCard Xpress, LLC is offering franchises for the use of the trademark **BIZCARD EXPRESS** and related trademarks and service marks for the operation of a business providing printing, signage, and related products and services to the general public (“**BizCard Xpress Business**”).

**WHEREAS**, the BizCard Xpress Businesses are operated under a business format per a unique system with high standards of service, including valuable know-how, information, Trade Secrets, Confidential Information, training methods, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, and research and development (“**System**”).

**WHEREAS**, the distinguishing characteristics of the System include the trademark “**BIZCARD XPRESS**” and other trademarks and trade names, confidential operating procedures, confidential Franchise Operations Manual, standards and specifications for equipment, services and products, methods of service, management and marketing programs and sales techniques and strategies. All of these distinguishing characteristics may be changed, improved, and further developed by Franchisor from time to time. They are Franchisor’s Confidential Information and Trade Secrets and are designated by and identified with the Marks described in this Agreement.

**WHEREAS**, Franchisor continues to use, develop and control the use of the Marks in order to identify for the public the source of services and products marketed under the System, and which represent the System’s high standards of quality, service and customer satisfaction.

**WHEREAS**, Franchisee acknowledges the benefits to be derived from being identified with the System, and also recognizes the value of the Marks and the continued uniformity of image to Franchisee, Franchisor, and other Franchisees of Franchisor.

**WHEREAS**, Franchisee acknowledges the importance to the System of Franchisor’s high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating a BizCard Xpress Business in conformity with the System.

**WHEREAS**, Franchisee recognizes that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to Franchisor’s reasonable present and future requirements regarding the types

of products sold, services offered, advertising used, operational techniques, marketing and sales strategies and related matters.

**WHEREAS**, Franchisee is aware of the foregoing and desires the right to use the System and in association therewith, the right to use the Marks, and wishes to be assisted, trained, and franchised to operate a BizCard Xpress Business pursuant to the provisions and within the Territory specified in this Agreement, subject to the terms and conditions contained in this Agreement.

The parties therefore agree as follows:

## **DEFINITIONS**

For the purposes of this Agreement, the following are hereby defined:

(a) **“Agreement”** - means this agreement, attachments, and all instruments in amendment hereof.

(b) **“Affiliate”** - means any person or entity that controls, is controlled by, or is in common control with, Franchisor or Franchisee.

(c) **“Center”** means the retail store front, commercial facility, or other approved location from which Franchisee sells Products and provides Services in connection with the BizCard Xpress Business.

(d) **“Confidential Information”** - means all knowledge, know-how, standards, methods and procedures related to the establishment and operation of the System and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, Franchisee’s BizCard Xpress Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e-mail addresses, customer purchase records, customer information, customer lists, manuals, promotional and marketing materials, marketing strategies and any other data which Franchisor designates as confidential.

(e) **“Franchise”** - shall mean the business operations conducted or to be conducted using Franchisor’s System and in association therewith the Marks.

(f) **“Franchise Operations Manual”** - means, but is not limited to, collectively, all directives, books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e-mail, Internet or intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of Franchisor for use by franchisees generally or for Franchisee in particular, setting forth information, advice and standards, requirements, marketing information and procedures, operating procedures, instructions or policies relating to the operation of the BizCard Xpress Business or the operation of franchises, as same may be added to, deleted or otherwise amended by Franchisor from time to time. The form and content of the Franchise Operations Manual maintained by Franchisor shall prevail in the event of any dispute regarding the form of or content of the Franchise Operations Manual between Franchisor and Franchisee.



(g) **“Franchisor’s System”** or **“System”** - means the standards, systems, concepts, identifications, methods, and procedures developed or used by Franchisor, or which may hereafter be developed or used by Franchisor, for the sales and marketing of Franchisor’s Services and Products.

(h) **“Gross Revenues”** - means the total selling price of all services and merchandise sold at or from your Center, including the full redemption value of any gift certificate or coupon sold for use at the Center (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation) and all income of every other kind and nature related to the operation of the BizCard Xpress Business, whether for cash or credit and regardless of collection in the case of credit. Gross Revenues do not include:

- a. the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by Franchisee to the appropriate governmental authority; and
- b. all customer refunds, valid discounts and coupons, and credits made by the BizCard Xpress Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

Gross Revenues shall be deemed received by Franchisee at the time the Services or Products from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer’s personal check) actually has been received by Franchisee. Gross Revenues consisting of Products or Services shall be valued at the retail prices applicable and in effect at the time that they are received.

(i) **“Lease”** - means any agreement (whether oral or written) under which the right to occupy a Center has been obtained, and any amendment made thereto from time to time, including without limitation, any offer to lease, license or lease agreement. Franchisee acknowledges and agrees that before any Lease will be accepted by Franchisor, the Lease must incorporate the **“Required Terms.”**

(j) **“Marks”** - shall mean the trademarks **“BIZCARD XPRESS™”** together with such other trade names, trademarks, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise which may be designated by Franchisor from time to time as part of the System for use by franchisees, and not thereafter withdrawn.

(k) **“Products”** - means all supplies, material, equipment, and ancillary items sold, leased, prepared or otherwise dealt with in connection with the BizCard Xpress Business and associated with the Marks.

(l) **“Site Selection Assistance”** – means all services provided by Franchisor relating to the selection and authorization of Franchisee’s Center. Franchisor’s Site Selection Assistance is more fully defined in the Franchise Operations Manual, and Franchisor has the right to modify the site selection services offered by Franchisor periodically in Franchisor’s discretion.

(m) **“Services”** - means the sale and provision of printing and signage services to the general public and related activities conducted or otherwise dealt with in connection with the BizCard Xpress Business and associated with the Marks.

(n) **“Successor Term”** – means the First Successor Term (as defined in Section 3.1 below), the Second Successor Term (as defined in Section 3.1 below) or both the First Successor Term and the Second Successor Term collectively.

(o) **“Trade Secret(s)”** shall mean information, including a formula, pattern, compilation, program, device, method, training technique or process related to the System that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

## **1. COVENANTS, REPRESENTATIONS, AND WARRANTIES OF FRANCHISEE**

Franchisee covenants, represents and warrants as follows and acknowledges that Franchisor is relying upon such covenants, representations and warranties in making its decision to enter into this Agreement.

1.1 Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement, and all related agreements with Franchisor. Franchisee acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the BizCard Xpress Business, Franchisor and this Agreement.

1.2 Franchisee has, or has made, firm arrangements to acquire funds to commence, open and operate the BizCard Xpress Business and it is financially and otherwise able to accept the risks attendant upon entering into this Agreement.

1.3 All statements made by Franchisee in writing in connection with its application for this franchise were, to the best of Franchisee’s knowledge, true when made and continue to be true as of the date of this Agreement.

1.4 There are no material financial obligations of Franchisee, whether actual or contingent, that are outstanding as of the date of this Agreement other than those disclosed to Franchisor by Franchisee in writing.

1.5 Franchisee is not a party to or subject to any court or administrative order or action of any governmental authority which would limit or interfere in any way with the performance by Franchisee of its obligation hereunder.

1.6 Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to Franchisor by Franchisee in writing.

1.7 Franchisee represents that it is not a party to or subject to agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Term or any Successor Terms.

1.8 Franchisee agrees and acknowledges that it has not been induced to enter into this Agreement in reliance upon, nor as a result of, any statements, representations, warranties, conditions, covenants, promises or inducements, whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by Franchisor, its officers, directors, agents, employees or contractors except as provided herein. Franchisee acknowledges that the Franchise has been granted in reliance upon the information supplied to Franchisor in Franchisee's application for a Franchise.

1.9 Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) Franchisee and its owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 1.9.

(d) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of Franchisor's affiliates.

(e) "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental

authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.

## **2. GRANT OF LICENSE**

2.1 Subject to all the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee accepts, for the term of this Agreement, the right and license (“**License**”) to:

(a) Operate one BizCard Xpress Business upon the terms and conditions of this Agreement in the territory described in Attachment A (“**Territory**”);

(b) Use the Marks and the System; and

(c) Offer and market ONLY Franchisor’s approved Services and Products, unless Franchisor approves in writing (such approval to be in Franchisor’s sole and absolute discretion) Franchisee’s request to offer and market complementary and non-competing services or products.

2.2 Franchisee recognizes that variations and additions to the System may be required from time to time in order to preserve and/or enhance the System. Therefore, Franchisor expressly reserves the right to add to, subtract from, revise, modify or change from time to time the System or any part thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such reasonable expenditures as may be necessary to comply pursuant to Section 8.

2.3 Franchisee recognizes that the rights that are granted to Franchisee are for the specific Territory, defined in Section 4.1 below and no other, and cannot be transferred to an alternate Territory, without the prior written approval of Franchisor, which approval may be granted or withheld in Franchisor’s sole discretion.

## **3. TERM OF THE AGREEMENT AND LICENSE**

3.1 This Agreement and the License granted shall become effective on the date this Agreement is executed by Franchisor and shall continue until midnight on the day before the 15th anniversary of the date the Center opened for business (“**Term**”), subject, however, to termination in accordance with the provisions of this Agreement. When the initial Term expires, Franchisee shall have the option, subject to the terms of this Agreement, to extend Franchisee’s rights to operate the BizCard Xpress Business for one additional term (“**First Successor Term**”) of 5 years. When the First Successor Term expires, Franchisee shall have the option to extend Franchisee’s rights to operate the BizCard Xpress Business for an additional term (“**Second Successor Term**”) of 5 years. In the case of each and every Successor Term, Franchisee must pay the Successor Franchise Fee set forth in Section 3.4(b) and otherwise comply with the requirements set forth in this Section 3.

3.2 Franchisor may refuse to renew this Agreement and License if Franchisee has:

(a) Failed to remedy any breach of this Agreement specified by Franchisor in a written notice to Franchisee as per Sections 17.2 or 17.3; or

(b) Committed and received notice of two or more breaches of this Agreement in the 24 months prior to the end of the Term, even if such breaches were timely remedied; or

(c) Franchisee has failed to give Franchisor a written notice of intent to renew no less than six months or more than nine months prior to expiration of the Term; or

(d) Franchisee is not current in payment obligations to Franchisor or to Franchisee's Lessor, suppliers, or trade creditors.

3.3 If Franchisee opts to extend its rights to operate the BizCard Xpress Business at the end of the Term or a Successor Term, and Franchisor consents to such extension, Franchisee shall execute a new Franchise Agreement ("**Successor Franchise Agreement**") and all other agreements in the form then being used by Franchisor in granting new franchises. Franchisor reserves the right to change any term(s) of the Franchise Agreement form to be signed by Franchisee at the time Franchisee extends its rights to operate the BizCard Xpress Business (except as specified below). There shall not, however, be another Initial Franchise Fee charged at the time Franchisee signs Successor Franchise Agreement. **IN FRANCHISOR'S SOLE DISCRETION, FRANCHISEE MAY BE DEEMED TO HAVE IRREVOCABLY DECLINED TO EXTEND ITS RIGHTS TO OPERATE THE FRANCHISE (AND ITS OPTION SHALL THEREUPON TERMINATE) IF IT FAILS TO EXECUTE AND RETURN TO FRANCHISOR THE SUCCESSOR FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY FRANCHISOR WITHIN 30 DAYS AFTER THEIR DELIVERY TO FRANCHISEE, OR FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS ARTICLE 3.**

3.4 As additional conditions to renewal, in Franchisor's sole discretion, Franchisee may be required to:

(a) Execute a general release of all claims Franchisee may have against Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in their corporate and/or individual capacities. This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to Franchisor. Franchisee's failure or refusal to sign such a release in the form presented by Franchisor shall be deemed to be a rejection by Franchisee of its option to extend its rights to operate the BizCard Xpress Business;

(b) Pay the successor franchise fee ("**Successor Franchise Fee**") of \$2,500, which is due and payable to Franchisor at the time of signing a Successor Franchise Agreement;

(c) Upgrade the Center and Vehicle, computer system and vehicles used in operation of the BizCard Xpress Business to Franchisor's then current standards;

(d) Comply with all other provisions contained in the Franchise Operations Manual, as modified periodically by Franchisor in Franchisor's sole discretion;

(e) Provide proof of then current licenses, insurance and permits.

3.5 If Franchisee does not sign a Successor Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

#### **4. TERRITORY**

4.1 During the Term and for so long as Franchisee is in compliance with all of its obligations hereunder, except as otherwise provided in this Agreement, and subject to Franchisor's reservation of rights as set forth in Section 4.2, neither Franchisor nor any Affiliate will establish or license another person or entity to establish a BizCard Xpress Business using the Marks licensed to Franchisee within the Territory encompassed by the boundaries set forth in Attachment A, attached hereto and incorporated herein by reference. You are not prohibited from directly marketing to or soliciting customers outside of your Territory except that you may not directly market or solicit customer located in another Franchisee's protected territory and you must follow our marketing and soliciting policies and procedures in our Franchise Operations Manual. Except as otherwise specifically provided in this Agreement, this Agreement does not restrict Franchisor or its Affiliates and does not grant rights to Franchisee to pursue any of Franchisor's or its Affiliates other business concepts other than the BizCard Xpress Business.

4.2 Franchisee acknowledges that the Franchise granted hereunder is non-exclusive and that Franchisor and its Affiliates retain the exclusive right, among others:

(a) to own, franchise, or operate the BizCard Xpress Business at any location outside of the Territory, regardless of the proximity to your Center;

(b) to use the Marks and the System to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, retail locations and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

(c) to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in

alternative channels of distribution or in the operation of a business offering printing or signage services and related products and services, at any location, including within the Territory, which may be similar to or different from the business operated by you;

(d) to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your BizCard Xpress Franchise, wherever located;

(e) to acquire and convert to the System operated by us any businesses offering services and products related to operating printing and signage, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory; and

(f) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

## **5. FEES**

5.1 Franchisee shall pay \$39,000 and, if due and payable, all applicable federal, state or municipal taxes, as a non-recurring initial franchise fee (“**Initial Franchise Fee**”) to Franchisor upon the execution of this Agreement. If you purchase additional franchises at the same time as your first franchise, we will discount your Initial Franchise Fee to \$29,000 for the second and \$19,000 for the third and each additional franchise that you purchase, payable when you execute each Franchise Agreement. The Initial Franchise Fee shall be paid by means of cashier’s check, money order or wire transfer. The Initial Franchise Fee shall be deemed to have been fully earned by Franchisor and non-refundable when paid.

5.2 Franchisee shall pay to Franchisor a weekly royalty fee (“**Royalty Fee**”) equal to either 7% of Gross Revenue for the previous week or \$125, whichever is greater. The Royalty Fee shall be payable to Franchisor on or before a specified day each week for the preceding calendar week and shall be payable through the entire Term of this Agreement.

5.3 Unless specified otherwise in this Agreement or in the Franchise Operations Manual, all payments to Franchisor required under this Agreement Franchisee shall be made by electronic funds transfer (“**EFT**”) or other similar means utilizing a Franchisor approved computer system or otherwise. The EFT Authorization is attached to the Franchise Agreement as Attachment D. Franchisee agrees to comply with procedures specified by Franchisor and/or perform such acts and deliver and execute such documents, including authorization for direct debits from Franchisee’s business bank operating account, as may be necessary to assist in or accomplish payment. Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to Franchisor and any interest charged due thereon. Franchisee shall make funds available to Franchisor for withdrawal by electronic transfer no later than the due date for payment therefore. If Franchisee has not timely reported the Gross Revenues to Franchisor for any reporting period, then Franchisor shall be authorized, at Franchisor’s option, to debit

Franchisee's account in an amount equal to (a) the fees transferred from Franchisee's account for the last reporting period for which a report of the Gross Revenues was provided to Franchisor as required hereunder or (b) the amount due based on information retrieved from Franchisor approved computer system. Franchisee shall not subordinate to any other obligation its obligation to pay the Royalty Fee or any other fee or charge due Franchisor or any Affiliate of Franchisor under this Agreement.

5.4 Franchisor charges Franchisee a monthly technology fee of \$150 (subject to increase upon the addition of new software, technologies or upgrades) for the monthly maintenance and support of the proprietary Computer System and software. Franchisor currently accesses reports regarding Gross Revenues through the software program for the Center. In the event that the software is not functioning or this feature is not available, Franchisee shall prepare monthly reports regarding Gross Revenues.

5.5 You must purchase from us a franchise equipment package that will be delivered to your Center at a designated time in the build out process prior to the opening of your Center. The franchise equipment package includes all startup items needed for your Center except for: two color copiers, build-out/leasehold improvements, signage, and the vehicle ("**Franchise Equipment Package**") plus, if applicable, an amount determined by us, in our sole discretion, required to cover all sales and/or use taxes imposed by state and local taxing authorities on the equipment and other items that we supply to you as part of your Franchise Equipment Package. You will pay us the Franchise Equipment Package at the time you sign the Franchise Agreement.

## **6. ACCOUNTING, RECORDS, AUDITS AND LATE PAYMENT CHARGES**

6.1 Franchisee shall keep such complete records of its BizCard Xpress Business as a prudent and careful businessperson would normally keep. Franchisee must use the accounting system and the pre-formatted template required by Franchisor, if any. Franchisee shall keep its financial books and records as Franchisor may from time to time direct in the Franchise Operations Manual or otherwise, including retention of all invoices, order forms, payroll records, cash register tapes, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. Franchisee shall advise Franchisor of the location of all original documents and shall not destroy any records without the written consent of Franchisor.

6.2 Franchisee shall prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the BizCard Xpress Business conducted under this Agreement. Franchisee shall maintain an accounting system which accurately reflects all operational aspects of the BizCard Xpress Business including uniform reports as may be required by Franchisor. Franchisee's records shall include tax returns, daily reports, statements of Gross Revenues (to be prepared each month for the preceding month), profit and loss statements (to be prepared at least quarterly), and balance sheets (to be prepared at least annually by an independent Certified Public Accountant).

6.3 Franchisee shall also submit to Franchisor current financial statements and other reports as Franchisor may reasonably request to evaluate or compile research and performance data on any operational or other aspect of the BizCard Xpress Business. Franchisee shall submit



Minimum Individual Marketing Expense statements to Franchisor once each quarter. On or before April 15 of each year, Franchisee shall provide Franchisor with a copy of its federal tax return for the BizCard Xpress Business for the previous tax year.

6.4 The records required under this Section 6 pertain only to Franchisee's operation of the BizCard Xpress Business. Franchisor has no right to inspect, audit or copy the records of any unrelated business activity Franchisee may have. Franchisee shall keep the books and records of the BizCard Xpress Business separate from the records of any unrelated business activity or personal activity.

6.5 From the date Franchisee and Franchisor sign this Agreement until five years after the end of the Term of this Agreement, including every Successor Term, Franchisor or Franchisor's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. Franchisor agrees to do inspections and audits at reasonable times. Franchisee agrees to keep all records and reports for seven years from the date such records are created. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee, Advertising Fee (as defined in Section 11.2) or other amounts required to be paid under this Agreement, Franchisee shall immediately pay the deficiency to Franchisor, without prejudice to any other remedy of Franchisor under this Agreement. If the deficiency for any audit period discloses a deficiency in the amount of any Royalty Fee, Advertising Fee or other amounts due by 2% or more, Franchisee shall, in addition to paying the deficient amount to Franchisor pursuant to the preceding sentence, immediately pay to Franchisor the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. For the purposes of this Section 6.5, an audit period shall be each fiscal year. If an audit discloses an overpayment of any Royalty Fees, Advertising Fees, or other amounts due, Franchisor shall credit the amount of the overpayment to Franchisee's payments of future Royalty Fees and Advertising Fees.

6.6 To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments Franchisee shall also pay, upon demand, a late interest charge equal to the lesser of (i) \$50 per day; or (ii) the highest legal rate permitted by applicable law, on all payments due to Franchisor during the period of time said payments are due and unpaid. Each failure to pay Royalty Fees, Advertising Fees, and other amounts payable to Franchisor when due shall constitute a material breach of this Agreement. Franchisee acknowledges that this Section shall not constitute Franchisor's agreement to accept such payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the BizCard Xpress Business. Further, Franchisee acknowledges that failure to pay all such amounts when due shall, notwithstanding the provisions of this Section, constitute grounds for termination of this Agreement, as provided in this Agreement.

6.7 Any report of Franchisor's auditor rendered from time to time pursuant to this Section 6 shall be final and binding upon all of the parties hereto.

6.8 Franchisee hereby authorizes Franchisor to make reasonable inquiries of Franchisee's bank, suppliers and trade creditors concerning the BizCard Xpress Business and

hereby directs such persons and companies to provide to Franchisor such information and copies of documents pertaining to the BizCard Xpress Business as Franchisor may request.

6.9 Franchisee acknowledges and agrees that Franchisor owns all business records (“**Business Records**”) with respect to customers and/or related to, the BizCard Xpress Business including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines in franchisor’ sole discretion, to be in the best interest of the System.

6.10 If any check or electronic fund transfer payment from Franchisee to Franchisor does not result in the successful conveyance of funds due to insufficient funds, stop payment instructions, or any similar event that is not the fault of Franchisor or a third-party involved in the transaction, Franchisee shall pay, upon demand, a non-sufficient funds fee in the amount of \$100 per incidence..

6.11 If Franchisee pays the Royalty Fee or any other sums due to Franchisor under this Agreement with a check returned for non-sufficient funds or an EFT withdrawal rejected due to insufficient funds, more than one time in any calendar year, in addition to all other remedies which may be available, Franchisor shall have the right to require that Royalty Fee payments and any other sums due to Franchisor under this Agreement be made by certified or cashier’s checks.

6.12 If Franchisee fails to input Gross Revenue information into the Computer System (as defined in Section 8.3(s) below), Franchisee shall pay to Franchisor an amount equal to \$100 per occurrence.

6.13 If Franchisee’s copy of the Franchise Operations Manual is lost, stolen, destroyed, or otherwise made unavailable and Franchisor must provide another copy of the Franchise Operations Manual to Franchisee, Franchisee shall pay Franchisor \$500.

6.14 If Franchisee offers any unauthorized product or service in the operation of the BizCard Xpress Business, and does not cease to offer such product or service within 10 days after receiving notice from Franchisor, Franchisee shall pay to Franchisor \$100 per day until such time that Franchisee ceases to offer the product or service.

6.15 Franchisee agrees that, during the Term and for three years after the expiration and termination of this Agreement, Franchisee shall supply to Franchisor Franchisee’s then-current home address and home telephone number for purposes of disclosing it as required by law in the Franchise Disclosure Document.

## **7. SERVICES AND ASSISTANCE**

7.1 The Initial Franchise Fee and Royalty Fee are paid for the License, which includes the use of the Marks, the System and the use of Franchisor’s Trade Secrets and

Confidential Information provided pursuant to this Agreement and for certain services, including training, rendered by Franchisor.

7.2 Franchisor shall offer Franchisee initial and continuing services as Franchisor deems necessary or advisable in furthering Franchisee's BizCard Xpress Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Failure by Franchisor to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

7.3 Currently, initial services provided by Franchisor prior to Franchisee opening the BizCard Xpress Business shall include:

(a) Designating Franchisee's Territory as stipulated in Section 4 and on **Attachment A**.

(b) Furnishing Franchisee with specifications for all initial and replacement equipment, inventory and supplies required for the operation of Franchisee's BizCard Xpress Business as stipulated in Section 9.

(c) Providing Franchisee with written site selection guidelines and criteria and provide site selection assistance to determine an acceptable location for Franchisee's Center, as we have outlined in the Franchise Operations Manual.

(d) Authorizing in writing Franchisee's proposed Center in accordance with Section 7.4; and authorizing in writing Franchisee's proposed Center Lease.

(e) Providing an initial training program ("**Initial Training Program**") for Franchisee, Franchisee's Designated Manager (if applicable and as defined in Section 8.8) and up to one additional person, without extra charge, to be completed at least 30 days prior to the opening of its BizCard Xpress Business to the public. The Initial Training Program shall be for approximately ten business days. The Initial Training Program may include a discussion of the System, procedures, methods of training and operation, advertising, sales techniques, promotional ideas, marketing plans, customer relations, instructions on quality standards and practical experience in the operation of a BizCard Xpress Business. If Franchisee desires to bring additional attendees to any Initial Training Program, must train a new Designated Manager, or is otherwise required to send someone to Franchisor's Initial Training Program, Franchisee must pay to \$2,500 to Franchisor per attendee. Franchisee is responsible for all travel, living, and other related expenses associated with the Initial Training Program.

(f) Loaning Franchisee during the Term (including any Successor Terms) one copy of Franchisor's confidential Franchise Operations Manual containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor as further stipulated in this Section 7, and containing information relative to other obligations of Franchisee hereunder. Specifications, standards and operating procedures prescribed from time to time by Franchisor in the Franchise Operations Manual or otherwise communicated to Franchisee in writing shall constitute provisions of this Agreement as if fully set forth herein. Franchisee shall

operate the BizCard Xpress Business strictly in accordance with the Franchise Operations Manual. Failure to comply with the standards set forth in the Franchise Operations Manual shall constitute a material breach of this Agreement. Franchisor reserves the right to provide the Franchise Operations Manual and updates to the Franchise Operations Manual in electronic form or other form determined by Franchisor. Franchisor shall have the right to add to, delete, and otherwise modify, the Franchise Operations Manual from time to time to reflect changes in authorized Products and Services, business image or the operation of the BizCard Xpress Business; provided, however, no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Some of the revisions to the Franchise Operations Manual may include changes with respect to: (i) sales and marketing strategies; (ii) equipment and supplies; (iii) accounting and reporting systems and forms; (iv) insurance requirements; (v) operating procedures; (vi) Services; (vii) Products; and (viii) Site Selection Assistance.

(i) Franchisee covenants to accept, implement and adopt any such modifications at its own cost. Franchisee shall keep its Franchise Operations Manual with replacement pages and insertions as instructed by Franchisor.

(ii) Franchisee hereby acknowledges that the Franchise Operations Manual is loaned to Franchisee and shall at all times remain the sole and exclusive property of Franchisor, and upon termination of this Agreement for any reason whatsoever, Franchisee shall forthwith return the Franchise Operations Manual together with all copies of any portion of the Franchise Operations Manual which Franchisee may have made, to Franchisor.

(g) Providing pre-opening assistance and pre-opening training to Franchisee and Franchisee's Designated Manager (if applicable) ("**Pre-Opening Training Program**") for three to five days, which will occur immediately prior to and immediately following the opening Franchisee's Center. If Franchisee, in Franchisor's sole discretion, requires additional assistance following the completion of Pre-Opening Training, Franchisor may require Franchisee to attend extended Pre-Opening Training and charge Franchisee \$500.00 per day plus travel expenses.

(h) Assisting in the establishment of an advertising cooperative for BizCard Xpress Centers in your region, in accordance with Section 11, if any.

7.4 Franchisee is solely responsible for locating a site from which to operate the Center and negotiating a Lease for the property (if required). As part of the Site Selection Assistance, Franchisor will provide Franchisee with written site selection guidelines and criteria and provide other site selection assistance as Franchisor has outlined in the Franchise Operations Manual. Franchisee acknowledges that Franchisee is responsible for retaining its own legal counsel to negotiate the legal terms of the Lease. The Center site and the Lease are subject to Franchisor's written authorization, which may be granted or denied in Franchisor's sole discretion. Franchisee agrees that the location of the Center is a factor in the potential success of the BizCard Xpress Business and Franchisor may reject any location in its sole discretion. However, Franchisee agrees that Franchisor's assistance in no way constitutes a representation or

warranty with respect to the success or viability of the property or the Lease. Franchisee acknowledges that Franchisor's authorization of the Territory and the specific site for the Center indicates only that Franchisor believes that the site falls within acceptable criteria established by Franchisor as of the approval date. If the Lease for Franchisee's Center expires or is terminated without fault of the Franchisee, or if the site for Franchisee's Center is destroyed, condemned, or otherwise rendered unusable, Franchisor will allow Franchisee to relocate the BizCard Xpress Business to a new site acceptable to Franchisor, provided that Franchisee will be required to pay Franchisor a relocation fee of \$2,500. Relocation for any other reasons will be subject to Franchisor's approval, which may be withheld in Franchisor's sole discretion. Any relocation will be subject to the site selection and lease provisions set forth in this Agreement. Any relocation will be at Franchisee's sole expense.

7.5 Currently, the services provided by Franchisor to Franchisee after Franchisee opens the BizCard Xpress Business shall include:

- (a) Informing Franchisee of mandatory specifications, standards and procedures for the operations of the BizCard Xpress Business;
- (b) Providing advice regarding the operation of the BizCard Xpress Business based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone or other methods in Franchisor's discretion;
- (c) Researching new products, services, and training methods and providing Franchisor with information concerning developments of this research;
- (d) If Franchisor establishes a National Advertising Fund, maintaining and using these funds to develop promotional and advertising programs for BizCard Xpress Franchisees;
- (e) Providing Franchisee with advice and guidance on advertising and marketing;
- (f) Providing additional assistance, in Franchisor's sole discretion. There may be additional charges for these services. If Franchisor provides additional assistance, Franchisor and Franchisee must agree in advance on the charges Franchisee will pay and the length of the visit;
- (g) Providing Refresher Training ongoing training programs to Franchisee, in Franchisor's sole discretion.
- (h) Providing Franchisee with a bookkeeping format for reporting Gross Revenue utilizing forms that Franchisor develops from time-to-time for membership sales, product sales, and general and administrative activities;
- (i) Providing assistance to Franchisee in the development and operation of Franchisee's BizCard Xpress Business by means of periodic visits by one of Franchisor's field representatives, in Franchisor's sole discretion; and

- (j) Allowing Franchisee to continue to use confidential materials and Marks.

7.6 If Franchisee believes Franchisor has failed to adequately provide pre-opening services to Franchisee as provided in this Agreement in Sections 7.3 and 7.4, Franchisee shall notify Franchisor in writing within 30 days following the opening of the BizCard Xpress Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment.

7.7 Franchisor is not obligated to perform services set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. Franchisor does not represent or warrant that any other services will be provided to Franchisee, other than as set forth in this Agreement. To the extent any other services, or any specific level or quality of service is expected, Franchisee must obtain a commitment to provide such service or level of service in writing signed by an authorized officer of Franchisor, otherwise Franchisee acknowledges and agrees that Franchisor shall not be obligated to provide any other services or specific level or quality of services.

## **8. FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS**

8.1 Franchisee shall, consistent with the terms of this Agreement, diligently develop the BizCard Xpress Business and use its best efforts to market and promote the required Services and Products.

8.2 Franchisee shall complete the construction of Franchisee's Center, and shall maintain the Center, in accordance with the following requirements:

- (a) Franchisee shall, at Franchisee's sole cost and expense, complete the interior build-out and install all equipment, furniture and fixtures as specified by Franchisor in the Franchise Operations Manual, and required by this Agreement.

- (b) Franchisee shall purchase Franchise Equipment Package from Franchisor.

- (c) Franchisee must open the BizCard Xpress Business within 240 days immediately following the Effective Date of this Agreement. Franchisee's failure to open the BizCard Xpress Business within this 240 day window is a material breach of the Franchise Agreement, which provides Franchisor with the right to terminate the Franchise Agreement.

- (d) Franchisee must deliver to Franchisor a copy of any proposed Lease, in a form acceptable to Franchisor, and such Lease must incorporate the following terms ("**Required Terms**"):

- (i) A provision reserving to us the right to receive an assignment, for us, an affiliate or another franchisee, of the Lease upon termination or expiration of the Franchise;

(ii) A provision requiring the lessor to give us all sales and other information we request relating to the Center's operation;

(iii) A provision requiring the lessor concurrently to send us a copy of any written notice of a Lease default sent to you and granting us the right (but without any obligation) to cure any Lease default within fifteen (15) business days after the expiration of your cure period (if you fail to do so);

(iv) A provision evidencing your right to display the Marks according to the specifications in the Franchise Operations Manual (subject only to applicable law);

(v) A provision that the Premises may be used only for the operation of the Center; and

(vi) A provision that we be allowed to enter the Premises upon termination or expiration of this Agreement, or any Successor Franchise Agreement, to de-identify the Premises as a BizCard Xpress location.

(e) Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Center's physical facilities, including the layout of the equipment, furnishings, and fixtures. Franchisee must maintain the Center and any parking areas in good and safe condition, as specified in the Franchise Operations Manual. Franchisee must remodel or upgrade the Center at its sole cost and expense in accordance with Franchisor's standards as set forth in the Franchise Operations Manual, which may be modified by Franchisor at any time at Franchisor's discretion

8.3 Subject to the terms of this Agreement, during the Term and any Successor Terms Franchisee shall strictly comply with all present and future standards, specifications, processes, procedures, requirements, and instructions of Franchisor regarding the operation of the BizCard Xpress Business and must comply with the following requirements:

(a) Prior to opening the BizCard Xpress Business, Franchisee must attend and successfully complete all initial training programs. Franchisee may also bring up to one additional person to the Initial Training Program. Franchisee shall be responsible for travel, meals, personal expenses and living expenses incurred. If the Franchisee is not going to be the primary operator of the BizCard Xpress Business, he or she must bring a Designated Manager to the Initial Training Program. If that initial Designated Manager leaves the BizCard Xpress Business, the newly hired Designated Manager must complete the Initial Training Program, prior to assuming duties and responsibilities. If Franchisor does not offer an Initial Training Program in the specified time frame, the newly hired Designated Manager must complete the next available Initial Training Program.

(b) Franchisee or its Designated Manager must attend mandatory annual conferences at such locations as Franchisor may reasonably designate, and Franchisee shall pay all salary and other expenses of each person attending, including any conference fees, travel expenses, meals, living expenses and personal expenses.

(c) Subject to Section 9, any additional required Service or Product introduced into the System by Franchisor must be offered for sale on a continuing basis at the BizCard Xpress Business at the time and in the manner required by Franchisor. Franchisor shall provide Franchisee at least 30 days prior written notice of any new required Service or Product introduced into the System. All equipment, facilities, products, supplies, and other items necessary to add the newly required Services or Products must be acquired, installed, and utilized at the time and in the manner required by Franchisor. The marketing of new Services and Products must begin at the BizCard Xpress Business as reasonably required by Franchisor.

(d) No service or product, except approved Services or Products, may be offered for sale from the Center, unless Franchisee receives the prior written consent of Franchisor (which may be granted or denied in Franchisor's sole discretion).

(e) Only advertising and promotional materials, services, equipment, tools, inventory, products, signage, supplies, and uniforms that meet Franchisor's standards and specifications shall be used at the BizCard Xpress Business. Advertising and promotional materials, services, equipment, inventory, products, signage, and supplies produced or approved by Franchisor for use by Franchisee may be used only in the manner and during the period specified by Franchisor.

(f) Equipment, Services, Products, inventory, supplies, signage and other items must be added, eliminated, substituted and modified at the BizCard Xpress Business as soon as possible in accordance with changes in Franchisor's specifications and requirements.



(g) The BizCard Xpress Business and everything related to the BizCard Xpress Business must be maintained in good condition and must be kept clean, neat and sanitary. All maintenance, repairs and replacements reasonably requested by Franchisor or required in connection with the BizCard Xpress Business must be promptly made.

(h) No alterations of the BizCard Xpress Business materially affecting the image of the BizCard Xpress Business may be made except at Franchisor's request or approval, and any alterations must strictly conform to specifications and requirements established or approved by Franchisor.

(i) The BizCard Xpress Business and the Services provided and Products sold by Franchisee must comply with all applicable federal, state, and local laws, ordinances, rules, regulations and other requirements applicable to the BizCard Xpress Business. Franchisee must obtain all business licenses and permits required by federal, state and local laws, ordinances, rules and regulations before operating its BizCard Xpress Business. If Franchisee does not obtain all required permits and licenses and other certifications necessary to operate its BizCard Xpress Business within six months after Franchisee's execution of the Franchise Agreement, Franchisor may terminate this Franchise Agreement.

(j) Franchisee shall maintain a competent, conscientious, and trained staff, and shall take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service, and meet such minimum standards as Franchisor may establish from time to time in the Franchise Operations Manual or otherwise in writing. Franchisee shall be solely responsible for all employment decisions and functions of the BizCard Xpress Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, record keeping, supervision, and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on this subjects.

(k) All debts and taxes arising in connection with the BizCard Xpress Business, except those duly contested in a bona fide dispute, must be paid when due.

(l) Franchisee will use its best efforts to ensure customer satisfaction; use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as Franchisor deems necessary or appropriate to resolve customer disputes.

(m) Franchisee must keep the business hours that Franchisor specifies in the Franchise Operations Manual.

(n) Franchisee shall, at Franchisor's request, accept debit cards, credit cards, stored value gift cards or other non-cash systems specified by Franchisor to enable customers to purchase the Products and Services offered by the BizCard Xpress BizCard

Xpress Business. Franchisee shall acquire, at its expense, all necessary hardware and software used in connection with these non-cash systems.

(o) Franchisee shall comply with all terms and pay all fees that may be due under a software license agreement for any software that Franchisee is required to use in the operation of its BizCard Xpress Business as prescribed by Franchisor.

(p) Franchisee shall promptly pay to Franchisor any amount equal to all taxes levied or assessed, including, but not limited to, unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipts taxes, taxes on Royalties, or any similar taxes or levies imposed upon or required to be collected or paid by Franchisor by reason of the furnishing or products, intangible property (including trademarks or trade names) or services by Franchisor to Franchisee through the sale, license or lease of property or property rights provided by this Agreement.

(q) In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Center, or any improvements thereon.

(r) Franchisee shall comply with the advertising requirements set out in Section 11.

(s) Franchisee shall, at its expense, purchase or lease, and thereafter maintain and use, only such computer(s), hardware (including laptops), software (including point-of-sale software), firmware, web technologies or applications, required dedicated internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as Franchisor specifies in the Franchise Operations Manual or otherwise in writing (collectively the "**Computer System**"). The Computer System will have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the Internet), and using such protocols as Franchisor may reasonably prescribe in the Franchise Operations Manual or otherwise in writing. Franchisee will keep the Computer System in good maintenance and repair and, at Franchisee's expense, promptly make any and all additions, changes, modifications, substitutions, and/or replacements to your Computer System as Franchisor directs. Franchisee will pay any and all, annual or otherwise, software fees, or other fees, as required by Franchisor's approved suppliers in order to maintain the Computer System. Franchisee acknowledges and agrees that Franchisor's suppliers have the right to increase or decrease the software fees at any time, in their sole discretion, upon written notice to Franchisee. Franchisee further acknowledges and agrees that Franchisor reserves the right to change its approved suppliers, including any software suppliers, at any time and in Franchisor's sole discretion. Franchisee may not alter the Computer System, or use alternative software or suppliers of technology, without Franchisor's prior written approval. If Franchisee is in

default of any obligations under the Franchise Agreement, Franchisor may, in addition to any other remedy Franchisor may have under this Agreement, temporarily inhibit Franchisee's access to all or part of the Computer System, including point-of-sale software, until Franchisee has cured such default completely. Upon termination or expiration of this Agreement, all software, disks, tapes and other magnetic storage media provided to Franchisee by Franchisor must be returned to Franchisor in good condition (reasonable wear and tear excepted) and Franchisee must delete all software and applications from all memory and storage.

(t) Franchisee must sell or offer for sale only those Services and Products which are authorized by Franchisor and which meet Franchisor's standards and specifications. Franchisee must follow Franchisor's policies, procedures, methods, and techniques. Franchisee must sell or offer for sale all types of Services and Products specified by Franchisor. Franchisor may change or add to its required Services and Products at its discretion with prior notice to Franchisee. Franchisee must discontinue selling and offering for sale any services or products which Franchisor may, in its discretion, disapprove in writing at any time. Franchisor reserves the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions.

(u) Franchisee will abide by Franchisor's requirements for alterations, remodeling, upgrading or any other improvements to the Center to achieve the strategic marketing goals of the System. Generally, the standards to comply satisfactorily will not exceed those applicable to new BizCard Xpress Businesses. These requirements will not impose an undue economic burden or occur more frequently than every five (5) years. Franchisee will bear the entire cost of changes or additions, for any changes in, or additions of, equipment, furnishings, fixtures, lighting, carpeting, painting or the taking of other BizCard Xpress Businesses that Franchisor specifies to satisfy its then-current standards for image, positioning, marketing strategy, cleanliness or appearance as reasonably required by Franchisor. Carpet and paint for the Center need to be replaced every 5 years. The Center will be required to be updated, repaired and maintained pursuant to the specifications listed in the Franchise Operations Manual.

(v) You will be required to maintain a membership with the Advertising Specialty Institute ("ASI") and pay the yearly membership fee. This fee is subject to change by ASI.

8.4 In prescribing standards, specifications, processes, procedures, requirements or instructions under Section 8.3 or any other provision of this Agreement, Franchisor shall provide guidance to Franchisee, as required in Franchisor's sole discretion, in determining the prices to be charged by Franchisee for Services and Products. Franchisor shall not have control over the day-to-day managerial operations of the BizCard Xpress Business, and Franchisee shall be free to establish its own prices; provided, however, Franchisor shall have the right to set maximum resale prices as part of any national or regional promotion or multi-area marketing plan.

8.5 Franchisor and Franchisor's representatives shall have the right during business hours upon reasonable notice to Franchisee to inspect the BizCard Xpress Business. Franchisor

and Franchisor's representatives will have the right to observe the manner in which Franchisee is rendering its Services and conducting its operations of the BizCard Xpress Business. Franchisor and Franchisor's representatives shall have the right to discuss with Franchisee, or other personnel Franchisee may designate, all matters that may pertain to compliance with this Agreement and with Franchisor's standards, specifications, requirements, instructions and procedures. Franchisee shall in all respects cooperate with Franchisor's rights under this Section 8.5; provided that Franchisor's exercise of these rights shall not unreasonably interfere with Franchisee's conduct of the BizCard Xpress Business.

8.6 Franchisee agrees to participate in, and, if required, become a member of any advisory councils or similar organizations we form or organize for Center franchises.

8.7 Franchisor may require Franchisee's compliance with the provisions of this Section 8 even if it does not require such compliance by all franchisees.

8.8 Franchisee may or may not function as the on-site supervisor; but will complete the Initial Training Program regardless of whether or not he or she functions in that role. If the Franchisee is not going to function as the on-site supervisor, or if the Franchisee is a legal entity, the Franchisee shall nominate a designated manager ("**Designated Manager**") having the required experience who shall have direct responsibility for all operations of the BizCard Xpress Business, and that Designated Manager shall also complete the Initial Training Program. Any change in the Designated Manager is subject to Franchisor's approval, in Franchisor's sole discretion.

8.9 Franchisee shall at all times have sufficient computer skills to operate Franchisee's computer, understand how to utilize any software Franchisor requires to be used in the BizCard Xpress Business, and to access email and the Internet.

8.10 Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, data-related problems, and attacks by hackers and other unauthorized intruders. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, lessors, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

8.11 Franchisee shall acquire, maintain, and upgrade hardware, software, information processing and communication systems, and Internet and other network access providers, as prescribed in the Franchise Operations Manual and as modified periodically by Franchisor in Franchisor's sole discretion. Franchisee shall comply with any separate software or other license agreements that Franchisor or its designee use in connection with the System. Franchisee shall utilize Franchisor's required software, proprietary database management and intranet system, when available, as the exclusive means for tracking and maintaining customer, vendor, and

related information, and for such other uses as prescribed by Franchisor periodically in the Franchise Operations Manual, in Franchisor's sole discretion. Weekly sales and Royalty reporting may occur through mandatory software including the automatic draft via electronic transfer of Royalty Fees and Advertising Fees.

8.12 Franchisee shall at all times maintain an active email account and shall check the account at least once each day unless Franchisee notifies Franchisor that it will be unable to do so for a period of time (such as due to sickness or vacation). If available, Franchisee shall maintain an email account on Franchisor's proprietary database management and intranet system.

8.13 Franchisee may not open its BizCard Xpress Business until: (1) Franchisor notifies Franchisee in writing that all of Franchisee's obligations have been fulfilled; (2) the initial training program has been completed to Franchisor's satisfaction; (3) all amounts due to Franchisor have been paid; (4) Franchisor has been furnished with copies of all insurance policies and certificates required by Section 12, or other documentation of insurance coverage and payment of premiums that Franchisor may request, in Franchisor's discretion; (5) Franchisee notifies Franchisor that all approvals and conditions set forth in this Agreement have been met; (6) Franchisee has obtained all necessary permits and licenses; (7) Franchisee has provided Franchisor with a fully executed copy of the Lease for Franchisee's Center negotiated in accordance with the terms of Subsection 8.2(d); and (8) Franchisee has ordered, received and installed all equipment, supplies, inventory, tools, products, uniforms and computer hardware and software required by Franchisor. Franchisee shall begin operating the BizCard Xpress Business after Franchisor determines that the BizCard Xpress Business is ready for opening.

## **9. PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES**

9.1 Except as specifically set forth in the Franchise Operations Manual, Franchisee must purchase all Products, Services, equipment, inventory, supplies and software from Franchisor's designated or approved suppliers, manufacturers and distributors. The standards and specifications for equipment, computer hardware and software, inventory, signage, supplies, Services and Products required by Franchisor shall be maintained in the Franchise Operations Manual. Franchisor has the right to require Franchisee to discontinue purchasing any Products, services, equipment, inventory, supplies, hardware or software from a designated or approved supplier, manufacturer or distributor and may designate or approve new suppliers, manufacturers or distributors at any time in Franchisor's sole discretion.

9.2 Franchisee acknowledges and agrees that Franchisor may receive from designated or approved suppliers of Franchisee's Products, services, equipment, inventory, supplies and hardware and software, periodic volume rebates or other revenue or consideration as a result of Franchisee's purchases. Franchisee further acknowledges and agrees that Franchisor shall be entitled to keep for its own use and account such rebates and revenue.

9.3 The names and addresses of Franchisor's required or approved suppliers, manufacturers and distributors shall be maintained in the Franchise Operations Manual. Franchisor reserves the right to approve all of the Products, supplies, Services, equipment, inventory, hardware and software used in connection with Franchisee's BizCard Xpress Business.

9.4 Franchisee may request that Franchisor approve or designate a new supplier by following the procedures, and paying all required fees and expenses associated with Franchisor's inspection of the proposed supplier for approval, as set forth in the Franchise Operations Manual and modified periodically by Franchisor in Franchisor's discretion.

9.5 You must purchase or lease the then current, approved vehicle for your BizCard Xpress Business, or obtain prior approval for use of an alternate vehicle ("**Vehicle**"). We have a list of preferred vehicles for the Vehicle in the Franchise Operations Manual. You will only need one Vehicle for the initial operation of the BizCard Xpress Business and you are required to purchase or lease a second Vehicle when you have achieved \$150,000 in Gross Revenue in a calendar year. You are required to decorate and maintain the Vehicle in accordance with our current standards as provided in the Operations Manual, and at our request, periodically update or improve the decoration of the Vehicle (any such updates or improvements must be made within thirty (30) days of our delivery of notice to you that such updates or improvements must be made).

## **10. MARKS, COPYRIGHTED WORKS AND OWNERSHIP OF IMPROVEMENTS**

10.1 Franchisee acknowledges and agrees that:

(a) Franchisor is the owner or exclusive licensee of all right, title and interest, together with all the goodwill of the Marks. Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the BizCard Xpress Business, and the Products and Services, and that Franchisor desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. In the event that Franchisee acquires any rights, title or interest in the Marks, Franchisee agrees to assign and hereby assigns all such rights, title or interest to Franchisor.

(b) All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Marks or in association with the BizCard Xpress Business ("**Copyrighted Materials**") are the property of Franchisor. Additionally, all Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the property of Franchisor, who shall be entitled to use and license others to use such Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to Franchisor, Franchisee irrevocably assigns and agrees to assign to Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials

warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required in this Subsection 10.1(b).

(c) Franchisee shall not dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Marks or Copyrighted Materials or Franchisor's ownership of the Marks or Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with Franchisor's ownership of the Marks or Copyrighted Materials, nor will it represent that it has any right, title, or interest in the Marks or Copyrighted Materials other than those expressly granted by this Agreement.

(d) Franchisor may, in its sole and absolute discretion, apply to register or register any trademarks or copyrights with respect to the Services, Products and any other products and services and the Copyrighted Materials. Failure of Franchisor to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee shall not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks or any trademark, service mark or logo confusingly similar thereto or any Copyrighted Materials, anywhere in the world.

(e) Upon Franchisor's request, Franchisee shall cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving, and enforcing Franchisor's rights in the Marks and Copyrighted Materials, including but not limited to, executing and delivering to Franchisor such documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the Services and Products and other products and services. Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing such documents.

(f) All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor. This Agreement does not confer any goodwill or other interests in the Marks to Franchisee upon expiration or termination of the Agreement.

**(g) FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS OR COPYRIGHTED MATERIALS.**

10.2 Franchisee acknowledges and agrees that:

(a) Franchisee's right to use the Marks and Copyrighted Materials are derived solely from this Agreement. Franchisee may only use the Marks and Copyrighted Materials in its operation of the BizCard Xpress Business and only in compliance with this Agreement and all applicable standards, specifications, and operating procedures

prescribed by Franchisor in the Franchise Operations Manual and elsewhere from time to time during the Term and any Successor Term. Franchisee shall make every effort consistent with this Agreement to protect, maintain, and promote the Marks as identifying the System and only the System.

(b) Any unauthorized use of the Marks or Copyrighted Materials by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and in and to the Marks and Copyrighted Materials.

(c) Franchisee shall not use any Marks or portion of any Marks as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law.

(d) In order to preserve the validity and integrity of the Marks and Copyrighted Materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its BizCard Xpress Business, upon reasonable notice to Franchisor or its agents, Franchisor shall have the right of entry and inspection of Franchisee's BizCard Xpress Business and operating procedures pursuant to Section 8.5.

(e) Franchisee will safeguard and maintain the reputation and prestige of the Marks and Copyrighted Materials and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Marks. Franchisee will not do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor counsel, procure or assist anyone else to do the same.

(f) Franchisee will use the Marks and Copyrighted Materials only in lettering, logos, print styles, forms, and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, stationery, and promotional items such as clothing, hats, pens, mugs, etc., which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Marks and Copyrighted Materials as provided in the Franchise Operations Manual and otherwise given by Franchisor periodically.

(g) Franchisee will use the following copyright notice at least once on each piece of advertising, promotional, or other material used in connection with the Products and Services:

© (year of first publication). BizCard Xpress, LLC All Rights Reserved.

(h) Franchisee will use the Marks with a superscript "®" or "™", as specified by Franchisor, unless and until advised by Franchisor to use a different notice.

10.3 Franchisee acknowledges and agrees that:

(a) If, in Franchisor's reasonable determination, the use of Marks or Copyrighted Materials in connection with the Services, Products, other products and



services or the BizCard Xpress Business will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Marks or Copyrighted Materials, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify or discontinue use of the Marks or Copyrighted Materials, then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials.

(b) Franchisee shall notify Franchisor within three days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof or the Copyrighted Materials. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks or Copyrighted Materials, Franchisor shall have the sole right, but not the duty, to defend any such action. Franchisor shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks or Copyrighted Materials and shall exercise such right in the sole discretion of Franchisor. Franchisor shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks, Copyrighted Materials or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. At Franchisor's option, Franchisee will join in any action, in which case Franchisor shall bear all the out-of-pocket costs of Franchisee for such participation. If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Franchisor and Franchisee.

10.4 All provisions of this Agreement applicable to the Marks and Copyrighted Materials apply to any and all additional trademarks, service marks, commercial symbols and copyrighted materials authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

10.5 If Franchisee, during the Term of the franchise relationship, or any Interim Period or Successor Term, conceives or develops any improvements or additions to the System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the System or the BizCard Xpress Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the BizCard Xpress Business or any advertising and promotional ideas or inventions related to the BizCard Xpress Business (collectively, the "**Improvements**") Franchisee shall fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor's written approval prior to using such Improvements. Any such Improvement may be used by Franchisor and all other franchisees without any obligation to Franchisee for royalties or other fees. Franchisee shall assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisor, at its discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with

Franchisor in securing such rights. Franchisor may also consider such Improvements as the property and Trade Secrets of Franchisor. In return, Franchisor shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees.

**11. ADVERTISING AND PROMOTION**

11.1 Operating Advertising and Local Advertising.

(a) Franchisee is encouraged to spend between \$1,800 and \$4,400 on advertising during the first three months of operating your BizCard Xpress Franchise.

(b) Unless Franchisor specifies a lesser amount, Franchisee agrees to spend the following on local advertising and promotions within the Territory (“**Local Advertisement Requirement**”):

Time Period	Local Advertisement Requirement
First 12 months of the Franchise Agreement	\$1,000
Each remaining 12-month period until the expiration of the Franchise Agreement	You will be required to spend 2% of your total Gross Revenue of the immediately preceding 12-month period on local advertising over the next 12-month period (“ <b>Local Advertisement Requirement</b> ”). If you fail to spend the Yearly Local Advertising Requirement by the end of the 12-month period, you will be required to pay the difference to the Advertising Fund.

(c) All advertising conducted for the Local Advertising Requirement must be in accordance with the Franchise Operations Manual. Franchisee will receive dollar-for-dollar credit against the Local Advertisement Requirement for any advertising done through a Local Advertising Cooperative in accordance with Section 11.8.

(d) Franchisee is encouraged to list information in a printed and on-line classified directory listing and/or Yellow Pages ad.

(e) Franchisee agrees to participate in all system-wide promotions and advertising campaigns that Franchisor creates. Except for Franchisee’s commitments to participate in system-wide promotions and advertising campaigns and to pay its share of the cost of a classified directory advertisement, Franchisee will have discretion, subject to

Subsection 11.1(f) and Franchisor's approval, over the approach Franchisee takes to local advertising and promotions.

(f) All advertising and promotion by you shall be conducted in a dignified manner and shall conform to the standards and requirements set forth in the Franchise Operations Manual or otherwise. You shall obtain our prior approval of all advertising and promotional plans and materials prior to use if such plans and materials were not prepared by us or previously approved by us. You must order sales and marketing material from us or our designated suppliers. It is a material breach of this Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, including your own website, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must be consistent with our approved standards. For example, you must use specific fonts for particular marketing materials that you must purchase and install on your computers, as set forth in detail in the Franchise Operations Manual. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your BizCard Xpress Franchise, those items or services must be included in your Gross Revenues and will be subject to Royalties and the Advertising Fee (as defined in Section 11.2 below). If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to the Advertising Fund.

(g) Franchisor shall make available to Franchisee all advertising and promotion materials for the BizCard Xpress Business which are used by Franchisor and other franchisees. Franchisee may not develop advertising materials for use in the BizCard Xpress Business without Franchisor's approval. If Franchisor approves the advertising materials prepared by Franchisee in writing, Franchisor may make available to other franchisees such advertising and promotion materials. Franchisee must pay duplication costs of any advertising or promotion material provided by Franchisor.

11.2 Franchisor reserves the right to form an advertising fund ("**Advertising Fund**"). In such event, Franchisee shall remit up to 2% of the Gross Revenues for the preceding week to Franchisor ("**Advertising Fee**") at the same time and in the same manner as the Royalty. Franchisor will provide Franchisee with 30 days prior notice before increasing the Advertising Fee. No action taken by Franchisee shall diminish Franchisee's obligations to pay the Advertising Fee to the Advertising Fund. The Advertising Fee is in addition to Franchisee's obligations in Section 11.1.

11.3 Advertising materials and services will be provided to Franchisee through the Advertising Fund. Franchisor may occasionally provide for placement of advertising, development of promotional materials, and undertaking public relations activities on behalf of the entire System, including franchisees, or on behalf of a particular region, that may not include Franchisee, through the Advertising Fund. Franchisor reserves the right to use the Advertising Fee from the Advertising Fund to place advertising in national media or regional media

(including broadcast, print, electronic or other media) in the future. Franchisee acknowledges that the Advertising Fund is intended to maximize the general brand recognition of the System. Franchisor is not obligated to expend Advertising Funds on Franchisee's behalf or benefit or expend Advertising Funds equivalent or proportionate to Franchisee's Advertising Fees on Franchisee's behalf or benefit.

11.4 National advertising, public relations, and promotions will be started and continued by Franchisor, when, in Franchisor's sole discretion, Franchisor deems that it has accumulated sufficient monies for that purpose. The Advertising Fund will be used to promote the System, Services and Products sold by Franchisees and will not be used for the purpose of selling additional franchises; provided, however, that Franchisee acknowledges and agrees that Franchisor may undertake certain activities using funds from the Advertising Fund that have the effect of increasing the visibility of, and interest in, the System prospective franchisees. Franchisor's accounting and marketing personnel or a representative designated by Franchisor will administer the Advertising Fund. The Advertising Fund will collect Advertising Fees from all franchisees and Franchisor's Affiliated-owned stores. All payments to the Advertising Fund must be spent on advertising, public relations, market research, trade show attendance, goodwill retention programs such as gift card and prepaid membership reimbursement from terminated franchises, promotion, point-of-sale materials, point-of-sale systems, photography and illustrations to be used in promotional materials, marketing of goods and services provided by Franchisor and outside vendors, including but not limited to marketing agencies, and administration of the Advertising Fund, including but not limited to, salaries, overhead, administrative, accounting, collection and legal costs and expenses. The Advertising Funds will be maintained by Franchisor in a separate account. Once per year, an annual un-audited financial statement of the Advertising Fund, at the expense of the Advertising Fund, will be available 120 days after Franchisor's fiscal year end to Franchisee for review once a year upon request.

11.5 The Advertising Fees collected by the Advertising Fund are non-refundable. The Advertising Fund may be terminated at any time by Franchisor, in its sole discretion. In the event that the Advertising Fund is terminated, any remaining balance in the Advertising Fund will be expended as provided for in Section 11.5 or returned to Franchisee on a pro-rata basis.

11.6 Franchisee shall fully participate in all such promotional campaigns, prize contests, special offers, and other programs, national, regional, or local in nature (including the introduction of new Services, Products, new franchises or other marketing programs directed or approved by Franchisor), which are prescribed from time to time by Franchisor. Franchisee shall be responsible for the costs of such participation. Franchisor will EFT debit Franchisee for any costs associated with such promotional programs. In addition, Franchisee shall honor any coupons, gift certificates or other authorized promotional offers of Franchisor at Franchisee's sole cost unless otherwise specified in writing by Franchisor. Franchisee will maintain an adequate supply of marketing brochures, pamphlets and promotional materials as may be required by Franchisor from time to time. The cost for such participation will be applied to Franchisee's Local Advertising Requirement obligation set forth in Section 11.1.

11.7 Franchisor (and any designee of Franchisor) will have no direct or indirect liability or obligation to Franchisee or the Advertising Fund or otherwise with respect to the management, maintenance, direction, administration or otherwise of the Advertising Fund.

Franchisee and Franchisor agree that their rights and obligations with respect to the Advertising Fund and all related matters are governed solely by this Agreement and neither this Agreement or the Advertising Fund creates a trust, fiduciary relationship, or similar arrangement between Franchisor and Franchisee.

#### 11.8 Local Advertising Cooperatives.

(a) Franchisor reserves the right, at the time the Designated Market Area (“DMA”) in which the Center is located encompasses BizCard Xpress Businesses operated by at least two other franchisees or BizCard Xpress Business operators (including Franchisor’s parent or Affiliates), to require the owners in the DMA, with its advice and assistance, form a cooperative advertising association among themselves (“**Local Advertising Cooperative**” or “**Cooperative**”) for the purpose of jointly advertising and promoting their BizCard Xpress Businesses. For each Cooperative that exceeds five members, the members of the Cooperative will prepare governing documents, and Franchisor will approve the governing documents for the Cooperative. Each Cooperative must prepare annual unaudited financial statements and such statements will be made available for review by each member of such Cooperative.

(b) Members of the Cooperative will be responsible for administering the Cooperative. If Franchisor elects to form the Cooperative, or if such Cooperative already exists in the DMA, Franchisee will be required to participate in compliance with the provisions of Franchise Operations Manual, which Franchisor may periodically modify in its discretion. If, in connection with a Cooperative’s formation or functioning, its members are unable to reach agreement with respect to any disagreement over organization, administration, “spill” policy, contribution waivers or exceptions, budget or other matters that the members cannot resolve within 45 days, the issue will be referred to Franchisor for resolution. Franchisor’s decision with respect to the issue’s resolution will be binding on all members of the Cooperative. Local and regional advertising cooperative fees will be established by members of the Cooperative.

(c) Each franchisee in the Cooperative will contribute an amount to the Cooperative for each BizCard Xpress Franchise that the franchisee owns that exists within the DMA. Each BizCard Xpress Franchise owned by Franchisor that exists within the cooperative’s area will contribute to the cooperative on the same basis as franchisees. Franchisee agrees (i) to join, participate in, and actively support any Cooperative established in the BizCard Xpress Business’s DMA, and (ii) to make contributions to each Cooperative on the payment schedule adopted by the Cooperative’s members and at the contribution rate Franchisor approves.

(d) Franchisor shall have the right to form, change, dissolve, or modify the DMA at any time in its sole discretion.

(e) Franchisor shall have the sole right, in its discretion, to form, change, dissolve or merge any Cooperative.

#### 11.9 Internet Website.

(a) Franchisor may establish and maintain an Internet website that provides information about the System and the Services and Products that BizCard Xpress Businesses offer. Franchisor will have sole discretion and control over the website's design and contents. Franchisor may use part of the marketing fees it collects under Section 11.2 to pay or reimburse itself for the costs of maintaining and updating the website, except that Franchisor may not use such marketing fees to pay for those components of the website that are devoted to the sale of BizCard Xpress Business franchises.

(b) The website may include a section that provides the address, telephone number and e-mail address of each Center in the System, including Franchisee's Center.

(c) Franchisee will not have any independent right to advertise its Center on the Internet or establish any website utilizing the Marks without the prior written consent of Franchisor, which may be withheld in Franchisor's sole discretion.

## **12. INSURANCE AND INDEMNITY**

12.1 Franchisee shall, upon commencement of the Term, purchase and at all times maintain in full force and effect insurance policies protecting Franchisee, Franchisor and Franchisor's affiliates, and Franchisor's respective shareholders, directors, employees, and agents against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring at or in connection with the construction and/or operation of Franchisee's BizCard Xpress Franchise. Such policy must be written by an insurer acceptable to Franchisor and conform to Franchisor's standards and minimum amounts of coverages. All insurance policies Franchisee purchases must name us and any affiliate we designate as additional insureds, and provide for 30 days' prior written notice to us of a policy's material modification or cancellation. If Franchisee fails to obtain or maintain the insurance Franchisor specifies, Franchisor may (but need not) obtain the insurance for Franchisee and Franchisee's BizCard Xpress Franchise on Franchisee's behalf and, in such event, Franchisee will reimburse Franchisor for the cost of the insurance plus an administrative fee equal to 10% of the premium. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee must carry a minimum of \$2,000,000 in comprehensive general liability insurance and worker's compensation coverage as required by statute or rule of the state in which Franchisee's BizCard Xpress Franchise is located. This amount may periodically be increased at Franchisor's discretion due to circumstances such as inflation, new risks, and changes in the law. Each policy must contain a waiver by Franchisee and Franchisee's insurer of their subrogation rights against Franchisor and its affiliates, and Franchisor's respective shareholders, directors, employees and agents. Each policy must also name Franchisor, and its affiliates, and Franchisor's respective shareholders, directors, employees and agents, as additional insureds with primary non-contributory coverage.

12.2 Franchisee shall, during the Term and any Successor Terms and after the termination or expiration of this Agreement, indemnify and defend Franchisor, its Affiliates and their respective officers, directors, managers, members, and employees, and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits,

judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by Franchisee or any of its property) (collectively, "**Damages**") for which they are held liable, or which they incur (including travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding or default notices issued as a result of or arising out of:

(a) a breach of this Agreement, or any other agreement between the parties, or any breach of a Lease or other instrument by which the right to occupy any Center or any other premises used by Franchisee to operate the BizCard Xpress Business is held, by Franchisee;

(b) any injury to, or loss of property of, any person in, or on, the Center or any other premises used by Franchisee to operate the BizCard Xpress Business;

(c) Franchisee's taxes, liabilities, costs or expenses of its BizCard Xpress Business;

(d) any negligent or willful act or omission of Franchisee, its officers, directors, managers, members, partners, employees, agents, servants, contractors or others for whom it is, in law, responsible;

(e) any violation of any federal, state or local law, ordinance or regulation imposing requirements or prohibitions on Franchisee in the operation of the BizCard Xpress Business; and

(f) any advertising or promotional material distributed, broadcasted or in any way disseminated by Franchisee, or on its behalf unless such material has been produced, or approved in writing, by Franchisor.

12.3 Franchisor will indemnify Franchisee against, and reimburse Franchisee for (1) all damages for which Franchisee is held liable in any judicial or administrative proceeding arising out of Franchisee's use of any Mark in compliance this Agreement; and (2) the costs incurred in defending any claim brought against Franchisee or in any proceeding in which Franchisee is named as a party arising out of Franchisee's use of any Mark in compliance with this Agreement, provided that Franchisee has timely notified Franchisor of the claim or proceeding, and has complied with this Agreement.

### **13. RELATIONSHIP**

13.1 Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of Franchisor and no training or supervision given by, or assistance from, Franchisor shall be deemed to negate such independence. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. Franchisor and Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them. Franchisee shall conspicuously identify itself in all dealings

with the public as a sole operator that is an entity separate from Franchisor and state that Franchisor has no liability for the BizCard Xpress Business being conducted from the BizCard Xpress Business location. It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of Franchisor and franchisee. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor's control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

13.2 Neither party hereto shall make any agreements, representations or warranties (except by Franchisor in advertising as provided herein) in the name of, or on behalf of, the other party; neither party hereto shall be obligated by, nor have any liability for, any agreements, representations or warranties made by the other (except by Franchisor in advertising as provided herein) nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of Franchisee's BizCard Xpress Business, whether caused by Franchisee's negligent or willful action or failure to act.

13.3 Franchisor shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any value added, sales, use, service, occupation, excise, Gross Revenues, income, property or other tax levied upon Franchisee, Franchisee's property, the BizCard Xpress Business or upon Franchisor in connection with the sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor).

## **14. RESTRICTIVE COVENANTS**

14.1 Franchisee acknowledges and agrees that:

(a) Franchisee's entire knowledge of the operation of the BizCard Xpress Business, the System, and the concepts and methods of promoting the BizCard Xpress Business hereunder, that it has now or obtains in the future, is derived from Franchisor's Confidential Information and Trade Secrets. Franchisee further acknowledges and agrees that all of the Confidential Information and Trade Secrets are the sole property of Franchisor, represent valuable assets of Franchisor and that Franchisor has the right to use the Confidential Information and Trade Secrets in any manner it wishes at any time.

(b) During the Term and any Successor Terms, Franchisee, and Franchisees' owners, Designated Manager, officers, directors, managers, members, partners, and employees who have access to the Confidential Information and Trade Secrets agree that they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any



portion of the Confidential Information and Trade Secrets; and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring employees, Designated Managers, training class attendees, and Franchisee owners who have access to the Confidential Information and Trade Secrets to execute such nondisclosure agreements as Franchisor may require periodically, and provide Franchisor, at Franchisor's request, with signed copies of each of those agreements. Franchisor will be named as a third party beneficiary on such nondisclosure agreements.

(c) After the Agreement expires or is terminated, Franchisee, and Franchisees' owners, Designated Managers and employees who have access to the Confidential Information and Trade Secrets agree that for a period of two years after the termination or expiration of the Agreement (unless such information is a Trade Secret in which case the requirements in this Subsection 14.1(c) will remain in place for as long as such information constitutes a Trade Secret) they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information or Trade Secrets; and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring written non-disclosure agreements for those individuals as Franchisor may require and provide Franchisor, at Franchisor's request, with signed copies of each of those agreements. Franchisor will be named as a third party beneficiary on such nondisclosure agreements.

(d) Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) Confidential Information in the public domain after it was communicated to Franchisee through no fault of Franchisee, its owners, Designated Managers or employees; (b) Confidential Information in Franchisee's possession free of any obligation of confidence at the time it was communicated to Franchisee; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose the information, if Franchisee has notified Franchisor before disclosure and used Franchisee's best efforts, and afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

14.2 Franchisee covenants and agrees that:

(a) During the Term of this Agreement and any Successor Terms thereof, Franchisee, its owners, Designated Managers, officers, directors, managers, members, and partners shall not, without the prior written consent of Franchisor, either individually or in a partnership, corporation, limited liability company, joint venture or other business entity or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder, member, partner or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise,

lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business operating in competition with any business offering printing and/or sign services to the general public (“**Competitive Business**”) as carried on from time to time during the Term of this Agreement, including any Successor Term.

(b) Upon termination or expiration of the Term or any Successor Term, or the transfer, sale or assignment of this Agreement by Franchisee, neither Franchisee, the Designated Manager nor Franchisee’s owners, officers, directors, managers, members, or partners will have any direct or indirect interest (i.e. through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two years, in any Competitive Business in: (1) the Territory or any other franchisee’s territory; (2) within 15 miles of the Territory or any other franchisee's territory; or (3) within 15 miles of any Franchisor or Affiliate-owned BizCard Xpress Business.

14.3 During the Term (including any Successor Term) of this Agreement and for a period of two years thereafter, Franchisee, Franchisee’s owners, officers, directors, managers, members, partners, and the Designated Manager shall not attempt to attain an unfair advantage over other franchisees or Franchisor or any Affiliates thereof by soliciting for employment any person who is, at the time of such solicitation, employed by Franchisor, other franchisees or any Affiliates, nor shall Franchisee, Franchisee’s owners, officers, directors, managers, members, partners, nor the Designated Manager, directly or indirectly induce or attempt to induce any such person to leave his or her employment as aforesaid.

14.4 If any person restricted by this Section 14 refuses to voluntarily comply with the foregoing obligations, the two year period will commence with the entry of any order of a court or arbitrator enforcing this Section 14.

## 15. ASSIGNMENT

15.1 Franchisee acknowledges that Franchisor's obligations under this Agreement are not personal. Franchisor shall have the absolute right, in its sole discretion and at any time, to unconditionally transfer or assign this Agreement or any of its rights or obligations under this Agreement to any person, corporation or other party.

15.2 Franchisor reserves the right to assign the franchise System to anyone, including the operator of a competing national or regional chain or franchise system. Franchisee acknowledges and agrees that Franchisor may sell its assets, the Marks or the System to any third party of Franchisor's choice; may offer its securities privately or publicly; may merge with or acquire other business entities or be acquired by another business entity; may permit and participate in any transfer or distribution of its securities in connection with a spin-off; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without Franchisee's consent and, provided the transferee expressly assumes and undertakes to perform Franchisor's obligations in all material respects, do so free of any responsibility or liability whatsoever to Franchisee after the transaction occurs.

15.3 With regard to any of the above sales, assignment and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks, assets or the System from Franchisor to any other party.

15.4 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. Accordingly, this Agreement, Franchisee's rights and interests hereunder, the property and assets owned and used by Franchisee in connection with the BizCard Xpress Business, and any shares, stock, membership or interest in any corporation, limited liability company, or other entity having an interest in the BizCard Xpress Business, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub-franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of Franchisee if Franchisee is an individual), in whole or in part, in any manner whatsoever without the prior written approval of Franchisor and compliance with all terms of this Section 15. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by Franchisor.

15.5 With and after each valid assignment of this Agreement pursuant to this Section 15, the assignee or assignees of Franchisee shall be deemed to be Franchisee under this Agreement and will be bound by and liable for all of Franchisee's existing and future obligations. No stockholder in any corporation, member in any limited liability company or partner in any partnership which becomes Franchisee shall have any rights under this Agreement by reason of his, her or its stock ownership, membership interest or partnership interest.

15.6 If Franchisee shall at any time determine to sell, in whole or in part, the BizCard Xpress Business, Franchisee shall obtain a bona fide, executed, written offer ("**Purchase Offer**") for the BizCard Xpress Business together with all real or personal property, leasehold

improvements and other assets used by Franchisee in its BizCard Xpress Business from a responsible, arms' length, and fully disclosed purchaser and shall submit an exact copy of such Purchase Offer to Franchisor. Franchisor will have a right of first refusal to purchase the BizCard Xpress Business as provided in Section 16 below.

15.7 No transfer or assignment of this Agreement will be approved by Franchisor or be effective unless and until all the following conditions are satisfied:

(a) The proposed transfer is at least one year after the Center first opened for business, and Franchisee is in full compliance with this Agreement and paying to Franchisor all outstanding debts or amounts owing to Franchisor and any Affiliates or suppliers of Franchisor;

(b) Franchisee being then in full compliance herewith and paying to Franchisor all outstanding debts or amounts owing to Franchisor and any Affiliates or suppliers of Franchisor;

(c) the transferee executing Franchisor's then-current form of franchise agreement (which, in Franchisor's sole discretion, may have terms equal to the remainder of Franchisee's initial Term, or may include a new full length Term, and which may otherwise contain provisions substantially different from those contained herein, including a higher royalty and greater required expenditures for advertising and promotion than are provided hereunder, and such other documents then customarily used by Franchisor to grant franchises, but which shall not require the payment of another Initial Franchise Fee), all other documents as may be reasonably requested by Franchisor and paying to Franchisor a transfer fee ("**Transfer Fee**") equal to 25% of the then-current Initial Franchise Fee at the time of the transfer;

(d) Franchisee's execution of a general release of Franchisor, including its officers, directors, members, agents, and employees and Affiliates from such parties' obligations under the Agreement;

(e) the transferee is purchasing all of Franchisee's assets used in the BizCard Xpress Business in accordance with all applicable bulk sales legislation and assuming all of the liabilities of the BizCard Xpress Business unless such liabilities have been paid prior to the closing of the transaction of purchase and sale or unless the sale is a sale of shares in the capital stock or membership interest of Franchisee;

(f) the transferee shall be an individual, corporation, limited liability company, partnership or other business entity having adequate financial resources who shall meet all criteria established by Franchisor for franchisees. The transferee shall also complete Franchisor's then-current training program established by Franchisor for franchisees unless: (i) the transferee is a current franchisee in good standing in the System, or (ii) the transferee is or has been a Designated Manager for a period of one year or more of a BizCard Xpress Business in good standing;

(g) Franchisee shall, at Franchisor's request, prepare and furnish to the transferee and/or Franchisor such financial reports and other data relating to the BizCard

Xpress Business and its operations as Franchisor deems reasonably necessary or appropriate for the transferee and/or Franchisor to evaluate the BizCard Xpress Business and the proposed transfer. Franchisee authorizes Franchisor to confer with a proposed transferee and furnish it with information concerning the BizCard Xpress Business and the terms and conditions of the proposed transfer, and Franchisor may do so without any liability, except for intentional misstatements made to a transferee;

(h) the parties to the proposed transaction will have entered into a binding agreement subject only to the rights of Franchisor set out in Section 16. Franchisor shall be furnished a copy of this binding agreement, and such agreement shall be subject to Franchisor's approval in writing. Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement;

(i) the proposed transferee or the stockholders, partners, members or owners of a beneficial interest in a proposed corporation, partnership, limited liability company or other entity transferee, provide jointly and severally such personal guarantees as Franchisor may request, guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into;

(j) the proposed transferee shall have demonstrated to Franchisor's satisfaction that it, he or she will meet in all respects Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote its, his or her full time and best efforts to the operation of the BizCard Xpress Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided with all information about the proposed transferee as Franchisor may reasonably require. Because of the Confidential Information and Trade Secrets available to a franchisee, no assignment to a competitor of Franchisor will be permitted;

(k) the Franchisee must pay all costs of Franchisor with respect to (i) the granting of its approval, as hereinbefore contemplated, including but not limited to all of its legal costs with respect to the preparation and execution of the above noted then-current form of Franchise Agreement, and all other documents then customarily used by Franchisor to grant franchises whether or not such transfer is accommodated;

(l) the transferee agrees to bring the Center up to current standards for BizCard Xpress BizCard Xpress Businesses; and

(m) Franchisee signs an agreement not to engage in a competitive business for one year within 15 miles of Franchisee's former Center or another BizCard Xpress Center.

15.8 Notwithstanding anything to the contrary herein contained, Franchisor shall, upon Franchisee's compliance with such requirements as may from time to time be prescribed by Franchisor (including the obtaining of all necessary approvals to the assignment of the Lease, if any, of the Center), consent to an assignment of Franchisee's right, title and interest in and to this Agreement, and the property and assets owned and used by Franchisee in connection therewith

and any other agreement then in effect between Franchisee and Franchisor to a corporation, limited liability company or other business entity which is wholly owned and controlled by Franchisee, subject to the following (provided that such assignment shall in no way release Franchisee from any liability under this Agreement):

(a) Contemporaneously with such assignment and thereafter upon the appointment or election of any person as director, officer, partner or manager of such corporation, limited liability company or other business entity, such corporation, limited liability company, partnership or other business entity shall cause each shareholder, partner, member, manager, director(s) and officer(s) of the corporation, limited liability company, partnership or other business entity to execute a written agreement with Franchisor, personally guaranteeing full payment and performance of Franchisee's obligations to Franchisor and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement or any new current form of Franchise Agreement and jointly and severally liable;

(b) No shares or membership interests in the capital of such corporation, limited liability company, partnership or other business entity shall be issued nor shall Franchisee directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any such shares or membership interests or offer or attempt to do so or permit the same to be done without Franchisor's prior written consent;

(c) The corporation, limited liability company, partnership or other business entity shall maintain stop transfer instructions against the transfer of shares or membership interests on its records subject to the restrictions of this Section and shall have all outstanding shares or membership interest certificates endorsed with the following legend printed conspicuously upon the face of each share or certificate:

*“The transfer of this certificate is subject to the terms and conditions of a certain Franchise Agreement with BizCard Xpress, LLC Reference is made to said Franchise Agreement and to the restrictive provisions of the articles of this corporation.”*

(d) The articles of incorporation, articles of organization, operating agreement, partnership agreement, shareholder agreement, and by-laws of the corporation, limited liability company, partnership or other business entity shall provide that its objectives or business is confined exclusively to the operation of the BizCard Xpress Business as provided for in this Agreement, and recite that the issuance and transfer of any shares, membership interest, partnership interest or other interest is restricted by the terms of this Agreement, and copies thereof shall be furnished to Franchisor upon request;

(e) Franchisor's consent to a transfer of any interest subject to the restrictions of this Section shall not constitute a waiver of any claim it may have against the assignor, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the assignee;

(f) The corporation, partnership, limited liability company or other business entity shall advise Franchisor and keep Franchisor current as to the names and addresses of the directors, officers, members, partners and shareholder of and those persons financially involved in the corporation, partnership, limited liability company or other business entity; and

(g) Franchisee agrees to devote its full time and best efforts to manage the day-to-day operations of the BizCard Xpress Business unless it has an operational partner or Designated Manager approved by Franchisor.

15.9 Upon the death or permanent disability of an individual Franchisee (or the controlling shareholder, member or partner if Franchisee is a legal entity), the personal representative of such person shall transfer all right, title and interest in this Agreement or such interest in Franchisee to any approved third party, which may include an heir or legatee that otherwise satisfies Franchisor's then-current standards and qualifications for new Franchisee. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance, provided such transfer is in accordance with the requirements of this Section 15.9) shall be completed within a reasonable time, not to exceed six months from the date of death or permanent disability (unless extended by probate proceedings), and shall be subject to all the terms and conditions applicable to transfers contained in this Section. Franchisor shall have the right, in Franchisor's sole discretion, to operate the Center or to appoint a representative or designee to operate the Center, for a period of up to 180 days, or until such time as Franchisee's interest shall have been transferred to an approved third party, whichever occurs first. Franchisor or the appointed representative shall be entitled to retain all revenues, and shall pay all operating expenses from the operation of the Center, without the right to seek or require reimbursement by Franchisee's estate or personal representative, during the period of operation of the Center. Failure to transfer the interest in this Agreement or such interest in Franchisee within said period of time shall constitute a breach of this Agreement and shall entitle Franchisor to terminate this Agreement without further notice or the opportunity to cure. For purposes hereof, the term "**Permanent Disability**" shall mean a mental or physical disability, impairment or condition that prevent Franchisee or Franchisee's controlling shareholder, member or partner from performing the essential functions of Franchisee.

15.10 Franchisee shall grant no security interest in any of the assets of the BizCard Xpress Business unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and the option to be substituted as obligor to the secured party and to cure any default of Franchisee, except that any acceleration of indebtedness due to Franchisee's default shall be void.

15.11 Franchisee shall not have the right to grant a subfranchise.

## **16. OPTION TO PURCHASE — RIGHT OF FIRST REFUSAL**

16.1 Unless otherwise explicitly provided by this Agreement, Franchisor shall be entitled to exercise the rights provided in this Section immediately upon:

- (a) The expiration without extension of Franchisee's rights to operate the BizCard Xpress Business or the termination for any reason of this Agreement;
- (b) Any breach, default or other event that gives Franchisor the right to terminate this Agreement, after expiration of any applicable notice and cure period; or
- (c) The receipt by Franchisor of a copy of a Purchase Offer.

16.2 Upon any event described in Subsection 16.1, Franchisor shall have the option to purchase all of Franchisee's rights, title and interest in the BizCard Xpress Business, and all its



improvements, furniture, fixtures, equipment and products, and all of Franchisee's accounts, contract rights, customer and vendor lists, work in progress and other business assets.

16.3 The purchase price for assets itemized in Subsection 16.2 will be, subject to Section 16.4: (i) the current fair market value if Subsection 16.1(a) or 16.1(b) is applicable; or (ii) the price specified in the Purchase Offer received by Franchisee if Subsection 16.1(c) is applicable. If Franchisee and Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by Franchisee and Franchisor and an average of the two appraised values will be binding. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business system licensed to Franchisee.

16.4 If Franchisor elects to exercise any option to purchase provided in this Section 16, Franchisor will have the right to set off all amounts due from Franchisee under the Franchise Agreement or any other agreements between the parties, any commissions or fees payable to any broker, agent or other intermediary and the cost of the appraisal, if any, against any payment. Franchisee shall also have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

16.5 Franchisor will notify Franchisee of its intention to exercise or not exercise its rights to purchase ("**Notice of Intent**") within 30 days following an event described in Subsection 16.1(a) or (b) or within 15 days following an event described in Subsection 16.1(c). The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by Franchisor if Subsection 16.1(a) or 16.1(b) is applicable. In the event Franchisor is purchasing the assets pursuant to Subsections 16.1(a) or (b), Franchisee will have 14 days following receipt of Franchisor's Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Subsection 16.3. If Franchisor declines to exercise its rights under this Section within the 15 or 60 day period described above, as applicable, Franchisee may thereafter sell or dispose of the BizCard Xpress Business to the third party identified in the Purchase Offer in the event of a sale under Subsection 16.1(c), but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, or the Notice of Intent and subject to the prior written permission of Franchisor and satisfaction of the other conditions to assignment set forth in Section 15. If the sale to such third party purchaser is not completed within 90 days after Franchisor delivers the Notice of Intent to Franchisee, Franchisor shall again have the right of first refusal provided in this Agreement.

16.6 If Franchisor provides Franchisee with its Notice of Intent to exercise its rights under this Section 16, the purchase and sale contemplated in this Section shall be consummated as soon as possible. In the event Franchisor is purchasing the assets pursuant to Subsections 16.1(a) or (b), following the delivery of a Notice of Intent as specified in Subsection 16.5, Franchisor or Franchisor's designee shall have the immediate right to take possession of the BizCard Xpress Business and to carry on and develop the BizCard Xpress Business for the exclusive benefit of Franchisor or its designee.

## **17. DEFAULT AND TERMINATION**

17.1 Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its services to Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement and all rights granted Franchisee hereunder (subject to the provisions of applicable state law governing franchise termination and renewal), effective upon receipt of notice by Franchisee, addressed as provided in Section 18, upon the occurrence of any of the following events:

(a) Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of Franchisor's Franchise Operations Manual, Confidential Information or Trade Secrets of Franchisor;

(b) Franchisee voluntarily abandons the BizCard Xpress Business for a period of five consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue operation of the BizCard Xpress Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee;

(c) Franchisee becomes insolvent or is adjudicated a bankrupt; or any action is taken by Franchisee, or by others against Franchisee under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed for Franchisee;

(d) Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersede as or other appeal bond has been filed); or if execution is levied against Franchisee's BizCard Xpress Business or any of the property used in the operation of the BizCard Xpress Business and is not discharged within five days; or if the real or personal property of Franchisee's BizCard Xpress Business shall be sold after levy thereupon by any sheriff, marshal or constable;

(e) Franchisee, the Designated Manager, or any owner of greater than 10% of the Franchisee entity is charged or convicted of any felony charge, or a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof;

(f) Franchisee fails to pay any amounts due Franchisor or its Affiliates or approved suppliers within 10 days after receiving notice that such fees or amounts are overdue;

(g) Franchisee misuses or fails to follow Franchisor's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within 5 days after notification from Franchisor;

(h) Franchisee has received two notices of default with respect to Franchisee's obligations hereunder from Franchisor within a 12 month period, regardless of whether the defaults were cured by Franchisee;

(i) Franchisee sells, transfers or otherwise assigns the BizCard Xpress Business, an interest in the BizCard Xpress Business or Franchisee entity, this Agreement, or a substantial portion of the assets of the BizCard Xpress Business owned by Franchisee without complying with the provisions of Section 15;

(j) Franchisee submits on two or more occasions during the Term a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than 2%, unless Franchisee demonstrates that such understatement resulted from inadvertent error;

(k) Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than five days late on two or more occasions during the Term or any Successor Term unless due to circumstances beyond the control of Franchisee;

(l) Franchisee sells or offers for sale any unauthorized merchandise, product or service or engages in any unauthorized business or under the Marks or under a name or mark which is confusingly similar to the Marks;

(m) Franchisee contests in any court or proceeding the validity of or Franchisor's ownership of the Marks or copyrighted materials;

(n) Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without Franchisor's prior written consent;

(o) Franchisee or its Designated Manager fails to successfully complete Franchisor's training or re-training course(s);

(p) Franchisee receives from Franchisor during the Term and any Successor Term three or more notices of default regardless whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by Franchisee;

(q) Any misrepresentation under Section 1.9 or any violation of Anti-Terrorism Laws by Franchisee, its Designated Manager, its owners, officers, directors, managers, members, partners, agents or employees; or

17.2 Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its services to Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30 day period. In that event, this Agreement will terminate without further notice to Franchisee,

effective upon expiration of the 30 day period. Defaults shall include, but not be limited to, the following:

- (a) Franchisee fails to maintain the then-current operating procedures and standards established by Franchisor as set forth herein or in the Franchise Operations Manual or otherwise communicated to Franchisee;
- (b) Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;
- (c) Franchisee fails or refuses to comply with the then-current requirements of the Franchise Operations Manual;
- (d) Franchisee, or any partnership, joint venture, limited liability company, corporation or other business entity in which Franchisee has a controlling equity interest or which has a controlling equity interest in Franchisee, defaults under any term of the Lease of the Center or any other premises used by Franchisee to operate the BizCard Xpress Business, any other franchise agreement with Franchisor or any other agreement material to the BizCard Xpress Business and such default is not cured within the time specified in such Lease, other franchise agreement or other agreement;
- (e) Franchisee fails, refuses or neglects to submit a statement of monthly revenues accompanying the Royalty Fee or Advertising Fees or any other report required under the Agreement when due;
- (f) Franchisee fails, refuses or neglects to accurately report Gross Revenues, sales information or other information required by Franchisor to be reported; or
- (g) Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within 10 days (or 30 days if this is the first non-compliance or breach) after written notice from Franchisor (which shall describe the action that Franchisee must take) is delivered to Franchisee.

17.3 Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30 day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30 day period, Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than 30 additional days.

17.4 A termination of this Agreement by Franchisee shall be deemed to be a termination without cause, and a breach hereof, by Franchisee. Franchisee agrees that it shall not, on grounds of an alleged nonperformance by Franchisor of any of its obligations or any other reason, withhold payment of any amount due to Franchisor whatsoever or set off amounts owed to Franchisor under this Agreement, against any monies owed to Franchisee, which right of set off is hereby expressly waived by Franchisee.

17.5 No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. Franchisor may apply any payments made by Franchisee against any past due indebtedness of Franchisee as Franchisor may see fit. Franchisor may set off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to Franchisor, and may, at Franchisor's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee.

17.6 Franchisee agrees to pay within five days of the effective date of termination or expiration of the Franchise all amounts owed to Franchisor, the lessor of the Center or other premises used in the BizCard Xpress Business (if applicable) and Franchisee's trade and other creditors which are then unpaid.

17.7 All royalty and advertising contributions, all amounts due for goods purchased by Franchisee from time to time from Franchisor or its Affiliates, and any other amounts owed to Franchisor or its Affiliates by Franchisee pursuant to this Agreement or any other agreement shall bear interest after the due date at the rate of \$50 per day or the highest rate permitted by law, whichever is lower, both before and after default, with interest on overdue interest at the aforesaid rate. The acceptance of any interest payment shall not be construed as a waiver by Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to Franchisor's right to terminate this Agreement in respect of such default.

17.8 Should Franchisee, or any partnership or joint venture or corporation in which Franchisee has a controlling equity interest, be a franchisee pursuant to another Franchise Agreement with Franchisor, respecting another franchised BizCard Xpress Business using the Marks, a default under this Agreement shall constitute a default under such other Franchise Agreement and vice versa, with like remedies available to Franchisor. Should such other Franchise Agreement cease to be valid, binding and in full force and effect for any reason then Franchisor may, at its option, terminate this Agreement and this Agreement shall be forthwith surrendered by Franchisee and terminated, and likewise should this Agreement cease to be valid binding and in full force and effect for any, reason, Franchisor may at its option terminate the other Franchise Agreement and the other Franchise Agreement shall be forthwith surrendered and terminated. In the event that there is more than one Franchisee, or if Franchisee should consist of more than one legal entity, Franchisee's liability hereunder shall be both joint and several. A breach hereof by one such entity or Franchisee shall be deemed to be a breach by both or all.

17.9 Franchisee agrees that upon termination or expiration of this Agreement, it shall take the following action:

- (a) Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings, websites, facsimile numbers, e-mail addresses, the Franchise Operations Manual, and all materials, Products and Services of any kind which are identified or associated with the System and return all these materials and Products to Franchisor;

(b) Immediately turn over to Franchisor all materials, including the Franchise Operations Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information, Trade Secrets and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the BizCard Xpress Business (all of which are acknowledged to be Franchisor's property). Under no circumstances shall Franchisee retain any printed or electronic copies of the Franchise Operations Manual, customer lists, Confidential Information or Trade Secrets or portions thereof upon expiration or termination of this Agreement;

(c) Franchisee hereby acknowledges that all telephone numbers, facsimile numbers, websites and Internet addresses used in the operation of the BizCard Xpress Business constitute assets of Franchisor, and upon termination or expiration of this Agreement, Franchisee shall take such action within five days to assign to Franchisor or its designee as determined by Franchisor, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet and e-mail addresses and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number, facsimile number, and Internet and e-mail addresses, and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Franchisor. Franchisee acknowledges as between Franchisor and Franchisee, Franchisor has the sole rights to, and interest in, all telephone numbers, facsimile numbers, directory listings and Internet addresses used by Franchisee to promote the BizCard Xpress Business and/or associated with the Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Attachment E evidences such appointment;

(d) Make no representation nor state that Franchisee is in any way approved, endorsed or licensed by Franchisor or associated or identified with Franchisor or the System in any manner;

(e) Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the System;

(f) Franchisee shall, at Franchisor's option, immediately assign to Franchisor any interest in which Franchisee has in any Lease for the Center. In the event Franchisor does not elect to exercise its option to acquire the Lease for the Center, then, to the extent, if any, Franchisee is permitted to conduct any business at the Center pursuant to the terms of this Agreement or a separate written agreement with Franchisor, and acknowledging the distinctiveness of Franchisor's interior design and décor, Franchisee shall make such modifications or alterations to the premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of such premises from that of other BizCard Xpress Businesses operating

under the System and Marks, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section, Franchisor shall have the right to enter the Center without being guilty of trespass or any other tort, for the purposes of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand;

(g) Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit copy, or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to use any designation of origin, description, representation, trademark, or trade name which suggests or represents a past or present association or connection with Franchisor, the System or the Marks;

(h) Provide Franchisor the option to purchase as set forth in Section 16; and

(i) Comply with the provisions of Subsections 10.1(c) and (d) and Section 14.

17.10 If, within 30 days after termination or expiration of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the BizCard Xpress Business, which are identified or associated with the System, Franchisor may enter the BizCard Xpress Business, at Franchisee's expense, to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials.

17.11 If, within 30 days after termination or expiration of this Agreement, Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, and in Franchisee's name, place and stead and on Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

17.12 Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination or expiration.

17.13 All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Section 5.2 which requires Franchisee to pay a Royalty Fee and Sections 10, 12, 14 and 16, hereof shall survive termination or expiration of this Agreement.

17.14 In the event that this Agreement expires or is terminated for any reason whatsoever and Franchisor is the lender under any loan agreement ("**Loan**") or the holder of any promissory note ("**Note**") or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever ("**Security Interest**") from

Franchisee concerning assets used at any time by Franchisee in the BizCard Xpress Business or which are situated on the BizCard Xpress Business premises, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

17.15 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions.

17.16 In the event of termination of the Agreement for any reason whatsoever the parties shall accept the default remedies contained herein as full and final satisfaction of all claims. The parties waive, to the extent permitted by law, any claim against the other for punitive or exemplary damages; except for such punitive or exemplary damages for violation of the Lanham Act, trademark infringement or dilution, unauthorized dissemination of the Confidential Information or Trade Secrets or arising under the indemnification set out in Section 12.

17.17 The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law.

17.18 Nothing herein shall prevent Franchisor or Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies. If it is necessary for Franchisor to seek preliminary or permanent injunctive relief, Franchisor may do so without a bond.

17.19 THE PARTIES ACKNOWLEDGE AND AGREE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

17.20 To secure Franchisee's performance under this Agreement and indebtedness for all obligations owed and sums due to Franchisor or its affiliates, Franchisor shall have a lien upon, and Franchisee hereby grants to Franchisor a security interest in, the following collateral and any and all attachments, accessories, additions, accessions, and substitutions to or for it and the cash and non-cash proceeds derived from insurance or the disposition of such collateral: (a) all inventory, equipment, furniture, furnishings, fixtures, and supplies now leased, owned or after-acquired by Franchisee and the BizCard Xpress Business, including but not limited to all inventory, equipment, furniture, furnishings, fixtures, and supplies transferred to or acquired by Franchisee in connection with this Agreement; (b) all accounts of Franchisee and/or the BizCard Xpress Business now existing or subsequently arising, together with all interest in Franchisee and/or the BizCard Xpress Business, now existing or subsequently arising, together with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of Franchisee and/or the BizCard Xpress Business, now existing or subsequently arising; (d) all general intangibles of Franchisee and/or the BizCard Xpress Business, now owned or existing, or



after-acquired or subsequently arising; (e) all of Franchisee's and/or the BizCard Xpress Business interests in the real estate where the BizCard Xpress Business is located; and (f) all improvements to any real estate associated with the BizCard Xpress Business. Franchisee hereby authorizes Franchisor to file and record financing statements, financing statement amendments, continuation financing statements, fixture filings and other documents that Franchisor deems necessary to evidence, perfect and continue the priority of security interests in and to these assets. Franchisee also agrees to execute and deliver any such documents to us upon our request.

17.21 Franchisor has the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the BizCard Xpress Business management (or to appoint a third party to assume its management) for up to 120 consecutive days at a time. If Franchisor (or a third party) assumes the BizCard Xpress Business management, Franchisee agrees to pay Franchisor (in addition to the Royalty and Advertising Fees and other amounts due to Franchisor or its affiliates) an amount equal \$200 per day that Franchisor or a third party manages the BizCard Xpress Business, plus Franchisor's (or the third party's) direct out-of-pocket costs and expenses. If Franchisor (or a third party) assumes the BizCard Xpress Business management, Franchisee acknowledges that Franchisor (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or Franchisee's owners for any debts, losses, or obligations the BizCard Xpress Business incurs, or to any of Franchisee's creditors for any supplies, products, or other assets or services the BizCard Xpress Business purchases, while Franchisor (or the third party) manages it. Franchisor (or a third party) may assume the BizCard Xpress Business management under the following circumstances: (1) if Franchisee abandons or fails to actively operate the BizCard Xpress Business; (2) if Franchisee fails to comply with any provision of this Franchise Agreement and does not cure the failure within the time period specified by the Franchise Agreement or Franchisor; or (3) if this Franchise Agreement is terminated and Franchisor is deciding whether to exercise the option to purchase the BizCard Xpress Business under Section 16. If Franchisor exercises its rights under this Section, it will not affect Franchisor's right to terminate this Agreement under Section 17.

17.22 If Franchisor terminates this Agreement under Section 17 and, for any reason, Franchisee continues to operate the BizCard Xpress Business without Franchisor's prior written consent, Franchisee shall pay to Franchisor \$25,000 in addition to its reasonable attorneys' fees in connection with any action at law to cease the operation of the BizCard Xpress Business.

## **18. CONDEMNATION AND CASUALTY**

18.1 Franchisee shall promptly advise Franchisor upon Franchisee's receipt of a notice of default or termination under Franchisee's Lease or mortgage, and shall promptly provide Franchisor a copy of the notice. Franchisee shall also give Franchisor notice of any proposed taking of the Center or any portion thereof through the exercise of the power of eminent domain at the earliest possible time. If the Center or a substantial part thereof is to be taken, the BizCard Xpress Business may be relocated within the Territory specified in **Attachment A**, or elsewhere with Franchisor's written approval in accordance with Franchisor's relocation procedures set forth in the Franchise Operations Manual. If Franchisee opens a new business as provided above at another location in accordance with Franchisor's standards and general specifications within one year of the closing of the old Center, the new BizCard Xpress Business shall be deemed to

be the BizCard Xpress Business licensed under this Agreement. If a condemnation, Lease termination or mortgage default takes place and a new BizCard Xpress Business does not, for any reason, become the BizCard Xpress Business as provided in this Section 18.1, then the License shall terminate upon notice by Franchisor.

18.2 If the Center is damaged for any reason, Franchisee shall expeditiously repair the damage. If the damage or repair requires closing the BizCard Xpress Business, Franchisee shall immediately notify Franchisor in writing, and shall:

(a) Relocate the BizCard Xpress Business as provided in Section 18.1; or

(b) Repair or rebuild the BizCard Xpress Business at the Center in accordance with Franchisor's then existing standards and general specifications, and reopen the BizCard Xpress Business for continuous business operations as soon as practicable (but in any event within 12 months after closing the BizCard Xpress Business at the Center), giving Franchisor 30 days advance notice of the date of reopening;

(c) If the BizCard Xpress Business is not (or, in the opinion of Franchisor cannot be) reopened in accordance with this Section 18.2, or relocated pursuant to Section 18.1, the License shall terminate upon notice to Franchisee.

18.3 The Term will not be extended by any interruption in the BizCard Xpress Business's operations, except for an act of God that results in the BizCard Xpress Business being closed not less than 60 days nor more than 180 days. Franchisee must apply for any extension within thirty 30 days following the reopening of the BizCard Xpress Business. No event during the Term will excuse Franchisee from paying Royalty Fees or Advertising Fees as provided in this Agreement.

## 19. NOTICES

19.1 Any notice, request, demand, approval, consent or other communication which the parties hereto may be required or permitted to be given hereunder shall be in writing and may be given to the party for whom it is intended by personal delivery, electronic mail provided that the recipient expressly acknowledges receipt of such electronic mail, facsimile transmission or delivering it to such party by mailing it by prepaid registered mail, or by recognized overnight delivery or courier services to:

To Franchisor:

BizCard Xpress, LLC  
99 Old Kings Road S., Suite 1  
Flagler Beach, FL 32136

To Franchisee:

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

Attention: \_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_  
Fax (\_\_\_\_) \_\_\_\_\_

Any such notice or other document delivered personally or by facsimile transmission shall be deemed to have been received by and given to the addressee on the day of delivery and any such other notice or other document mailed as aforesaid, shall be deemed to have been received by and given to the addressee at the earlier of the date of actual receipt of such notice or the 3<sup>rd</sup> business day following the date of mailing, and any delivery made by recognized overnight delivery or courier services shall be deemed to be delivered the next business day. Any party may at any time give notice in writing to any other party of any change of address.

## **20. DISPUTE RESOLUTION**

20.1 All claims or disputes between Franchisee and Franchisor or its Affiliates arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this Agreement, shall be submitted first to mediation prior to a hearing in binding arbitration or a trial court proceeding. Such mediation shall take place in Flagler Beach, Florida (or Franchisor's then-current headquarters) under the auspices of the Judicial Arbitration and Mediation Service ("JAMS"), in accordance with JAMS's Commercial Mediation Rules then in effect. Franchisee may not commence any action against Franchisor or Franchisor's Affiliates with respect to any such claim or dispute in any court unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by JAMS and the mediator's fees. Franchisor reserves the right to specifically enforce its right to mediation. Prior to mediation, and before commencing any legal action against Franchisor or Franchisor's Affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies in detail, the precise nature and grounds of such claim or dispute. Franchisor shall not be required to first attempt to mediate a controversy, dispute or claim against Franchisee through mediation as set forth in this Section 20.1 if such controversy, dispute or claim concerns an allegation by Franchisor that Franchisee has violated (or threaten to violate, or pose an imminent risk of violating): (a) any of Franchisor's federally protected intellectual property rights in the Marks, the System, or in any of Franchisor's trade secrets or confidential information; (b) any claims pertaining to or arising out of any warranty issued; or (c) any of the restrictive covenants contained in this Agreement.

20.2 The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation or mediation pursuant to Section 20.1. Franchisor will provide a procedure for internal dispute resolution as set forth in the Franchise Operations Manual, and the parties acknowledge and agree that this procedure may be revised periodically in Franchisor's discretion.

20.3 To protect from violations that would cause immediate loss and damages or irreparable harm, Franchisor and Franchisee shall each have the right to seek from a state or federal court located in Daytona, Florida:

- (a) injunctive relief and any related incidental damages;

- (b) an action for disputes or claims related to or based on the Marks; and
- (c) issues related to the disclosure of or misuse of Confidential Information or Trade Secrets.

20.4 Except as otherwise provided in this Section, including the mediation requirement of Section 20.1, any controversy or dispute arising out of, or relating to the Franchise or this Agreement including, but not limited to, any claim by Franchisee or any Persons in Privity with or claiming through, on behalf of or in the right of Franchisee, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by Franchisor, or its subsidiaries or Affiliates, and Franchisee; any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor; any claim of breach of this Agreement; and any claims arising under State or Federal laws, shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. **“Persons in Privity”** with or claiming through, on behalf of or in the right of Franchisee include but are not limited to, spouses and other family members, domestic partners, heirs, executors, representatives, successors and assigns. Subject to this Section, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules (in effect as of the date the demand for arbitration is filed) of, and under the auspices of, the American Arbitration Association. The arbitration, which shall be held before a single arbitrator, shall be held in the Orlando, Florida office of the American Arbitration Association, or at such other location as shall be mutually agreed upon by the parties in writing. However, arbitration will not be required to be used for any dispute which involves the type of disputes identified in Section 20.3. The parties expressly consent to personal jurisdiction in the State of Florida and agree that such court(s) will have exclusive jurisdiction over any determination of the “prevailing party” in accordance with such issues not subject to arbitration.

20.5 A single arbitrator shall be selected by the parties from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking method. Subject to the provisions contained in Section 20.3, the parties each shall bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such court and to the propriety of venue of such court for the purpose of carrying out this provision; and they waive any objections that they would otherwise have concerning such matters.

20.6 Parties to arbitration under this Agreement shall not include, by consolidation, joinder or in any other manner, any person other than Franchisee and any Person in Privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor, unless both parties consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Franchisee

or any Person in Privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor.

20.7 The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between Franchisor and Franchisee and no other franchisees or area developers, if any. Franchisee agrees not to join or attempt to join other franchisees, area developers (if any), or other third-parties in any arbitration proceeding and to refrain from participating in any “class action” litigation or arbitration proposed or asserted by one or more other franchisees.

20.8 Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

## 21. MISCELLANEOUS

21.1 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other applicable federal law, this Agreement shall be interpreted under the laws of the State of Florida, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Florida, which laws shall prevail in the event of any conflict of law; provided, however, the parties expressly agree that this Agreement is not intended to confer on any Franchisee that is not a resident of the State of Florida the benefit of any Florida law providing specific protection to franchisees residing or operating in the State of Florida. **FRANCHISEE AND FRANCHISOR HAVE NEGOTIATED REGARDING A FORUM IN WHICH TO RESOLVE ANY DISPUTES WHICH MAY ARISE BETWEEN THEM AND HAVE AGREED TO SELECT A FORUM IN ORDER TO PROMOTE STABILITY IN THEIR RELATIONSHIP. THEREFORE, IF A CLAIM IS ASSERTED IN ANY LEGAL PROCEEDING INVOLVING FRANCHISEE, ITS OFFICERS, DIRECTORS, MANAGERS, MEMBERS, OR PARTNERS AND FRANCHISOR, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, EMPLOYEES OR AFFILIATES, BOTH PARTIES AGREE THAT THE EXCLUSIVE VENUE FOR DISPUTES BETWEEN THEM SHALL BE IN THE STATE OF FLORIDA AND EACH WAIVE ANY OBJECTION EITHER MAY HAVE TO THE PERSONAL JURISDICTION OF OR VENUE IN THE STATE OF FLORIDA. FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION FRANCHISEE MAY HAVE TO EITHER THE JURISDICTION OR VENUE IN SUCH COURT.**

21.2 All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; all partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

21.3 If either party institutes a legal proceeding, including a permitted court proceeding or arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law.

21.4 No failure, forbearance, neglect or delay of any kind on the part of Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by Franchisee or Franchisor's other franchisees shall preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of Franchisor's right to enforce that provision at any future time. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon Franchisee or Franchisor or effective unless in writing signed by Franchisee and Franchisor's Chief Executive Officer, President or Vice President, except that a waiver need be signed only by the party waiving.

21.5 This Agreement, together with the Franchise Operations Manual, any written related agreements, all Exhibits, Attachments, and the State Addenda attached to the Disclosure Document as Exhibit E, constitutes the entire understanding and agreement between Franchisee and Franchisor and supersedes all prior understandings, whether oral or written, pertaining to this Agreement, the License, the System or the BizCard Xpress Business. Nothing in the agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document.

21.6 The headings of the sections hereof are for convenience only and do not define, limit or construe the contents of the sections of such Sections or other Sections. The term "**Franchisee**" as used herein is applicable to one or more persons, a corporation, limited liability company, a partnership or other business entity, as the case may be, and the singular usage (where applicable) includes the plural and the masculine and neuter usages (where applicable) include the other and the feminine. The term "**Lease**" shall include a sublease, and a renewal or extension of a lease or sublease.

21.7 When calculating the date upon which or the time within which any act is to be done pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded; if the last day of such period is a non-business day, the period in question shall end on the next business day. Time shall be of the essence of this Agreement and of every part thereof.

21.8 Neither party hereto shall be liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, lockouts and other labor relations, fires, riots, wars, terrorist attacks, embargoes and civil commotion, or acts of God ("**Force Majeure Event**"). Any such delay shall extend performance only so long as such event is in progress except such Force Majeure Event will not affect or

change Franchisee's obligation to pay Royalty Fees and Advertising Fees when due. Notwithstanding the foregoing, if there is a Force Majeure Event, Franchisor may, in its sole discretion, elect to waive the Royalty Fees and Advertising Fees during the period of delay caused by the Force Majeure Event or such shorter period.

21.9 Franchisee shall execute and deliver such further instruments, contracts, forms and other documents, and shall perform such further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained. Franchisee hereby irrevocably appoints Franchisor as its attorney, which appointment is coupled with an interest, and hereby empowers Franchisor to execute such instruments regarding the Marks for and in Franchisee's name in order to give full effect to Sections 10, 12, 15, and 17 of this Agreement. Franchisee hereby declares that the power of attorney herein granted may be exercised during any subsequent legal incapacity on its part.

21.10 This Agreement shall be binding upon, and subject to Section 15 hereof, shall inure to the benefit of, Franchisor's and Franchisee's successors and permitted assigns.

21.11 This Agreement may only be modified or amended by a written document executed by Franchisee and Franchisor. Franchisee acknowledges that Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Franchise Operations Manual unilaterally under any conditions and to the extent in which Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks, and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination. Notwithstanding anything herein to the contrary, Franchisor shall have the right unilaterally to reduce the scope of any covenants of Franchisee contained in this Agreement upon notice to Franchisee, whereupon Franchisee shall comply therewith as so modified.

21.12 From time to time, Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of Franchisor or independent contractors which Franchisor has contracted with to provide such services. Franchisee agrees in advance to any such delegation by Franchisor of any portion or all of its obligations and duties hereunder.

## **22. ACKNOWLEDGEMENT**

BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT:

1. NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS AGREEMENT, OR ADDENDA, IF APPLICABLE, IS BINDING ON FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT, AND

2. FRANCHISEE HAD A COMPLETE COPY OF THIS AGREEMENT, WITH ALL BLANKS FILLED IN, IN ITS POSSESSION FOR A PERIOD OF TIME NOT LESS THAN FIVE FULL BUSINESS DAYS, DURING WHICH TIME FRANCHISEE HAD THE

OPPORTUNITY TO SUBMIT THE SAME FOR PROFESSIONAL REVIEW AND ADVICE OF FRANCHISEE'S CHOOSING PRIOR TO FREELY EXECUTING THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE TIME AND OPPORTUNITY TO INVESTIGATE FRANCHISOR'S BIZCARD XPRESS BUSINESS AND TO CONSULT WITH LEGAL AND FINANCIAL ADVISORS OF ITS CHOICE; AND

3. FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE SYSTEM AND RECOGNIZES THAT THE BIZCARD XPRESS BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT AND ITS SUCCESS INVOLVES SUBSTANTIAL BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BIZCARD XPRESS BUSINESS. FRANCHISEE HEREBY ASSUMES THE RESPONSIBILITY FOR ITS SUCCESS OR FAILURE OF THE BIZCARD XPRESS BUSINESS VENTURE; AND

4. FRANCHISOR HAS NOT PROVIDED ANY STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION OF ACTUAL, AVERAGE, PROJECTED, FORECASTED OR POTENTIAL PURCHASES, SALE, COST, EARNINGS, INCOME OR PROFITS TO FRANCHISEE; AND

5. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY ASSURANCE, WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, EARNINGS OR SUCCESS OF THE BIZCARD XPRESS BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon Franchisor when executed or initialed by Franchisor's authorized representative.

[Signatures on following page]



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

BIZCARD XPRESS, LLC

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

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

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_

Individually

OR:  
(if a corporation or partnership)

\_\_\_\_\_  
Company Name

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

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

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

ATTACHMENT A  
TO FRANCHISE AGREEMENT

TERRITORY

1. Territory.

The Territory set forth in Section 4.1 of the Agreement shall be the geographic area described below as depicted on the following map:

To be signed and dated when Territory is determined.

2. Franchising Opening Schedule. In signing the foregoing Agreement to which this Exhibit A is attached, you acknowledge that:

- A. You have purchased the Franchise to which the Agreement corresponds as one of a group of \_\_\_\_\_ (\_\_\_\_\_) Center franchises;
- B. The Franchise to which this Agreement corresponds constitutes Franchise number \_\_\_\_\_ (\_\_\_\_\_) of the group of Franchises mentioned above.
- C. You must open each Franchise mentioned above within a certain time period specified by us, the length of which depends upon the number of Franchises you have purchased and the number of these Franchises that you have developed and opened for business before developing and opening the Franchise to which the Agreement corresponds. You shall open your first Center within ninety (90) days after signing its corresponding Franchise Agreement. If you purchase multiple Center Franchises, you shall open the second Center within nine (9) months of opening the first Center, and the third and each additional Center within six (6) months of opening the previous Center to be opened.

FRANCHISOR:

FRANCHISEE:

BIZCARD XPRESS, LLC

\_\_\_\_\_

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

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

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

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

ATTACHMENT B  
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Franchise Agreement executed between \_\_\_\_\_ (“**Franchisee**”) and BizCard Xpress, LLC (“**Franchisor**”) on \_\_\_\_\_, 201\_\_ (“**Agreement**”) each of the undersigned hereby personally and unconditionally:

1. Guarantees to Franchisor and its successors and assigns, for the Term, including all Interim Periods and Successor Terms thereof, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to, the terms of Section 14.

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by Franchisor of the foregoing undertaking;

2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and

5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

6. His or her direct and immediate liability under this guaranty shall be joint and several;

7. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

8. Such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

9. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of

any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the Term, including renewals thereof.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed.

GUARANTOR(S) (Including Spouses):

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTACHMENT C  
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

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

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

Form of Ownership  
(Check One)

Individual     Partnership     Corporation     Limited Liability Company

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

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

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

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

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

Name	Title

Members, Stockholders, Partners

Name	Address	Percentage Owned

Franchisee acknowledges that this Statement of Ownership applies to the BizCard Xpress Business authorized under the Franchise Agreement.

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

\_\_\_\_\_

Date

\_\_\_\_\_

Name

ATTACHMENT D  
TO FRANCHISE AGREEMENT

BY AND BETWEEN BIZCARD XPRESS, LLC  
AND \_\_\_\_\_ (“FRANCHISEE”)

EFT AUTHORIZATION AGREEMENT  
(DIRECT DEBITS)

The undersigned depositor (“**Depositor**”) hereby authorizes BizCard Xpress, LLC (“**Company**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“**Depository**”) to debit such account pursuant to Company’s instructions.

_____ Depository	_____ Branch
_____ Address	_____ City, State, Zip Code
_____ Bank Transit/ABA Number	_____ Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor’s termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor’s account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

_____ Depositor	_____ Depository
By: _____ Title: _____	By: _____ Title: _____
Date: _____	Date: _____



ATTACHMENT E  
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS AND  
TELEPHONE LISTINGS AND INTERNET ADDRESSES

THIS ASSIGNMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_ , in accordance with the terms of the BizCard Xpress, LLC Franchise Agreement (“**Franchise Agreement**”) between \_\_\_\_\_ (“**Franchisee**”) and BizCard Xpress, LLC (“**Franchisor**”), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a BizCard Xpress Business (“**Franchise Business**”) located at \_\_\_\_\_.

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Telephone Numbers and Listings**”) and (2) those certain Internet website addresses, including any social media websites such as Twitter, Facebook, MySpace and others (“**URLs**”) associated with Franchisor’s trade and service marks and used from time to time in connection with the operation of the Franchise Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as “**Telephone Company**”) and/or Franchisee’s Internet service provider (“**ISP**”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without extension), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings and the URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers and Listings and the URLs, and Franchisee irrevocably appoints Franchisor as Franchisee’s true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor’s exclusive rights in and to the Telephone Numbers and Listings and the URLs upon such

termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

ASSIGNEE:

ASSIGNOR:

BIZCARD XPRESS, LLC

\_\_\_\_\_

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

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

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

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

**EXHIBIT C**

**BIZCARD XPRESS**

**REGIONAL DEVELOPMENT AGREEMENT**

**BIZCARD XPRESS, LLC**

**EXHIBIT C**

**REGIONAL DEVELOPER AGREEMENT**

**Regional Developer:** \_\_\_\_\_

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

**Development Area:** \_\_\_\_\_

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### ATTACHMENTS:

Attachment I	Rider to Regional Developer Agreement
Attachment II	Statement of Ownership
Attachment III	Guaranty & Assumption of Regional Developer’s Obligations
Attachment IV	Collateral Assignment of Telephone Numbers, Telephone Listings and Internet Addresses
Attachment V	Non-Disclosure and Non-Competition Agreement

## REGIONAL DEVELOPER AGREEMENT

This Regional Developer Agreement (“**Agreement**”) is entered into and made effective as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_ by and between BizCard Xpress, LLC, a Florida limited liability company, located 199 Old Kings Road South, Suite 1, Flagler Beach, FL 32136 (“**Franchisor**”) and \_\_\_\_\_, located at \_\_\_\_\_ (“**Regional Developer**”).

**WHEREAS**, Franchisor has developed a system using the service mark “BIZCARD XPRESS” and related trade names and trademarks (“**Marks**”) for the operation of a business offering printing and sign services made available to the public in as little as one hour, and offers a complete array of business and promotional products and services (“**BizCard Xpress Business**”); and

**WHEREAS**, the system includes printing and sign services and Franchisor’s proprietary operating and marketing procedures, business format, specifications for equipment and supplies, procedures and confidential information (collectively, the “**System**”); and

**WHEREAS**, Franchisor has also developed a system for Regional Developers to market and provide site selection and support services to franchisees operating in designated geographic territories (“**System**”). The System includes proprietary operating and marketing procedures, business format, specifications for equipment and supplies, procedures, confidential information and trade secrets;

**WHEREAS**, Regional Developer desires to act as a special agent to Franchisor within a certain geographic area, enabling Regional Developer to market franchises for Franchisor and to develop, support and provide services to BizCard Xpress Businesses within such geographical area and establish and operate one pilot business (“**Pilot Center**”) that operates as both a regular BizCard Xpress Business and training facility, under the terms and conditions contained in this Agreement (“**Regional Developer Business**”); and

**WHEREAS**, Franchisor is willing to grant Regional Developer the right to serve as a Regional Developer, enabling Regional Developer to market franchises for, and to provide site selection and support services to, BizCard Xpress Businesses within a certain geographical area, under terms and conditions in this Agreement.

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

### 1. DEFINITIONS

1.1 “**Calendar Quarter**” shall mean the periods ending on March 31, June 30, September 30 and December 31 of each Sales Period.

1.2 “**Development Area**” is the geographical area described in the attached Attachment I.

1.3 “**Franchise Agreement**” means the forms of agreement (including, without limitation, franchise agreements and any exhibits, riders, collateral assignments of lease or sublease, and personal guarantees used in connection therewith) used by Franchisor from time to time in the granting of franchises for the ownership and operation of BizCard Xpress Businesses. Regional Developer acknowledges that Regional Developer will use Franchisor’s then-current form of Franchise Agreement and that Franchisor may, from time to time, modify or amend in any respect the form of Franchise Agreement and related agreements, including without limitation modifying fees, customarily used in awarding BizCard Xpress Business franchises.

1.4 “**Franchisee**” means any person, corporation, partnership or other entity who has entered into a Franchise Agreement with Franchisor.

1.5 “**Initial Franchise Fee**” means that amount paid by a Franchisee to purchase the rights to operate a BizCard Xpress Business, as more specifically identified in ITEM 5 of Franchisor’s Disclosure Document. The Initial Franchise Fee does not include any amounts paid by Franchisee to Franchisor for equipment, inventory or other expense items.

1.6 “**Prime Lease**” shall mean a lease of commercial space (“**Premises**”) entered into by the Regional Developer, as tenant, for Premises located within the Development Area.

1.7 “**Regional Developer Manual**” means the Regional Developer Manual, technical bulletins or other written materials covering the proper operating and marketing techniques of a Regional Developer Business and standards and specifications for implementing the System.

1.8 “**Center**” means the retail store front, commercial facility, or other approved location from which Franchisee sells Products and provides Services in connection with the BizCard Xpress Business.

1.9 “**Sales Period**” means each calendar year during the Initial Term of this Agreement.

1.10 “**Services**” means all services performed by a Franchisee at a Center.

## 2. **SCOPE OF APPOINTMENT**

2.1 Appointment of Regional Developer/Scope of Operations. Franchisor appoints Regional Developer, and Regional Developer agrees to perform its obligations, in accordance with the terms and conditions of this Agreement, and only within the Development Area, to: (1) solicit prospective Franchisees located in the Development Area for BizCard Xpress Businesses (“**Referral Services**”) as described in Section 8.3, (2) perform certain site acquisition and development services described in Section 8.4 (“**Site Services**”); (3) at Regional Developer’s election, establish and operate one BizCard Xpress Business in the Development Area, (4) to render sales and ongoing marketing support and other services (“**Support Services**”) to BizCard Xpress Businesses located within the Development Area as those services are described in Section 8.5.

2.2 Rights and Limitations to Development Area. During this Agreement's Initial Term and any Interim Period, Franchisor will not establish and license any other Regional Developer to act as special agent to perform Referral Services or to thereafter render Site Services and Support Services to Franchisees within the Development Area; provided, however, that Franchisor shall retain such rights in the Development Area as described in Section 2.3.

2.3 Reservation of Rights to Franchisor. Regional Developer acknowledges that the Agreement granted hereunder is nonexclusive and Franchisor (on behalf of itself, its affiliates and designees), retains the right to do the following:

(a) To use, and to license others to use, the Marks and System for the operation of other Regional Developer Businesses at any location outside of the Development Area, wherever located;

(b) To solicit prospective Franchisees and to grant other persons franchises to operate BizCard Xpress Businesses at such locations within and outside of the Development Area and on such terms and conditions as are contained in the then-current Franchise Agreement as Franchisor deems appropriate and to own and operate such BizCard Xpress Businesses within the Development Area (subject to its obligation to compensate Regional Developer, as set forth in Section 5.2);

(c) In the event of an acquisition or merger, to use and license the use of alternative proprietary marks or methods in connection with the operation of BizCard Xpress Businesses, which businesses may be the same as, or similar to, or different from BizCard Xpress Businesses, or which may be in alternative channels of distribution;

(d) To use the Marks and System in connection with some or all of the same Services offered by BizCard Xpress Businesses, or other services, promotional and marketing efforts or related items or alternative channels of distribution, at any location; provided, however, that in the event alternative channels of distribution are developed, the Regional Developer may participate in such channel of distribution for an additional fee in the Franchisor's discretion; and

(e) To acquire, merge with, or be acquired by any other business, including a business that competes with the BizCard Xpress Business or the Regional Developer Business.

2.4 Opening a Pilot Center. Upon execution of this Agreement, Regional Developer may, but is not required to, execute a Franchise Agreement to open one standard BizCard Xpress Business. The Initial Franchise Fee for the BizCard Xpress Business is included in the price of the Development Fee if Regional Developer executes a Franchise Agreement contemporaneously with the Regional Developer Agreement. Otherwise, Regional Developer will be required to pay the initial franchise fee for the BizCard Xpress Business if not executed contemporaneously with the Franchise Agreement.

### 3. **FRANCHISE SALES PROCEDURES**



3.1 Development Quota. Regional Developer agrees to comply with the development quota set forth in **Attachment I** to this Agreement (“**Development Quota**”) with respect to each Sales Period. The determination as to whether Regional Developer has met its Development Quota for any Sales Period under this Agreement shall be based on the total number of BizCard Xpress Businesses purchased and paid for and open and operating by Franchisees within the Development Area by the end of a Sales Period. Regional Developer agrees that during the Initial Term of this Agreement and any Interim Period it will at all times faithfully, honestly, and diligently perform its obligations hereunder and will continuously exert its best efforts to promote and enhance the development and operation of BizCard Xpress Businesses within the Development Area. If Regional Developer fails to fulfill its obligations under the Development Quota, Regional Developer shall pay to Franchisor a weekly fee of \$250 per week per BizCard Xpress Business that Regional Developer is deficient under the Development Quota (“**Deficiency Payment**”). The Deficiency Payment shall remain due until Regional Developer fulfills its obligations under the Development Quota. The Deficiency Payment is to compensate the Franchisor for lost revenues resulting from Regional Developer’s failure to fulfill its obligations under the Development Quota.

3.2 Franchise Registration and Disclosure. Neither Regional Developer nor any employee or representative of Regional Developer shall solicit prospective Franchisees of BizCard Xpress Businesses until Franchisor has registered its current Uniform Franchise Disclosure Document (“**FDD**”) in applicable jurisdictions in the Development Area, if required, and has provided Regional Developer with the requisite documents, or at any time when Franchisor notifies Regional Developer that its registration is not then in effect or its documents are not then in compliance with applicable law. If at any time during this agreement, Franchisor shall for more than ninety (90) days fail to register a current FDD for the Development Area, then the Development Quota shall be suspended for such time until the FDD is properly registered, unless the reason for Franchisor’s failure to register is due to or a result of the Regional Developer not providing information to the Franchisor necessary to register on a timely basis. If Regional Developer’s activities pursuant to this Agreement require the preparation, amendment, registration or filing of information or any disclosure or other documents, all requisite disclosure documents, ancillary documents and registration applications shall be prepared and filed by Franchisor or its designee, and registration secured before Regional Developer may solicit prospective Franchisees of the BizCard Xpress Businesses in the Development Area. Costs of such registration applicable to Regional Developer shall be borne by Franchisor. However, Regional Developer shall at its expense:

(a) Prepare and forward to Franchisor verified financial statements of Regional Developer in such form and for such periods as shall be designated by Franchisor, including, if required by state law, audited financial statements appropriate to comply with applicable federal or state disclosure, filing or other legal requirements;

(b) Promptly provide all information reasonably required by Franchisor to prepare all requisite disclosure documents and ancillary documents for the offering of franchises throughout the Development Area;

(c) Execute all documents required by Franchisor for the purpose of registering Regional Developer and Franchisor to offer franchises throughout the Development Area.

(d) Register in all states requiring registration of independent franchise brokers.

Regional Developer agrees to review all information pertaining to Regional Developer prepared to comply with legal requirements for selling franchises in the Development Area and verify its accuracy if so requested by Franchisor. Regional Developer acknowledges that Franchisor, its affiliates or its assignees, shall not be liable to Regional Developer for any errors, omissions or delays that may occur in the preparation or filing of such materials.

3.3 Advertising, Recruiting, and Screening. Regional Developer shall be responsible for advertising for, recruiting, screening and reviewing prospects for BizCard Xpress Businesses within the Development Area. Regional Developer shall provide prospective franchisees with written information, approved by Franchisor, regarding a BizCard Xpress Business, or via the telephone, face-to-face meetings or by visiting other BizCard Xpress Businesses within the Development Area. Regional Developer shall submit a qualified applicant (“**Applicant**”) for a BizCard Xpress Business franchise to Franchisor for approval. Regional Developer further agrees that all Applicants submitted to Franchisor by Regional Developer, if an individual, or the Designated Manager of the Applicant, if the Applicant is not an individual, shall be individuals who are of good character, have adequate financial resources and meet Franchisor’s criteria for Franchisees or Designated Facility Directors of Franchisees. (“**Designated Manager**” is defined in Section 7.3(c) of the Franchise Agreement). An application for a franchise received by Regional Developer shall be submitted to Franchisor with all information relating to the Applicant, the Designated Manager of the Applicant, if applicable, the Applicant’s proposed franchise territory, if known, and all other information customarily required by Franchisor concerning Applicants, including such financial statements and other information as Franchisor may reasonably require. Franchisor shall have the right to revise the information required to be submitted by the Regional Developer by updating the Regional Developer Manual from time to time in Franchisor’s sole discretion.

3.4 Franchisor’s Approval of Prospective Franchisees. By delivery of written notice to Regional Developer, Franchisor shall approve or disapprove Applicants to become Franchisees. Franchisor agrees to exert reasonable efforts to deliver such notification to Regional Developer within ten (10) business days after the later of: (a) receipt by Franchisor of a complete application, financial statement and other materials regarding the Applicant requested by Franchisor; or (b) the personal interview of Applicant by Franchisor, if any. Franchisor may require, at Applicant’s expense, a personal face-to-face interview with Applicant at Franchisor’s home office or another site at Franchisor’s discretion. Franchisor shall determine whether the Applicant possesses sufficient financial and managerial capability and has satisfied the other criteria then utilized by Franchisor in the granting of franchises. Franchisor may refuse to grant a franchise to an Applicant for any reason or no reason at all in Franchisor’s sole discretion. The grant of the franchise shall be effective only upon and after the full execution of the then-current Franchise Agreement by Franchisor and the Applicant.

#### 4. **PAYMENTS TO FRANCHISOR**

4.1 Development Fee. The Regional Developer fee (“**Development Fee**”) shall be payable to the Franchisor by Regional Developer in consideration of Regional Developer’s appointment as exclusive Regional Developer within the Development Area and shall be based on the number of BizCard Xpress Businesses in the Development Areas as set forth in the attached **Attachment I**. The Development Fee is payable upon execution of this Agreement. The Initial Developer Fee is fully earned by the Franchisor upon receipt and is nonrefundable once paid. The Regional Developer acknowledges that the Development Fee does include the cost of the Initial Franchise Fee for the Pilot Center only if the Franchise Agreement is executed at the same time as the Regional Developer Agreement.

4.2 To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments Regional Developer shall also pay, upon demand, a late interest charge equal to the lesser of (i) \$50 per day; or (ii) the highest legal rate permitted by applicable law, on all payments due to Franchisor during the period of time said payments are due and unpaid. Regional Developer acknowledges that this Section shall not constitute Franchisor’s agreement to accept such payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Regional Developer’s operation of the Regional Developer Franchise. Further, Regional Developer acknowledges that failure to pay all such amounts when due shall, notwithstanding the provisions of this Section, constitute grounds for termination of this Agreement, as provided in this Agreement.

#### 5. **COMMISSIONS PAYABLE TO REGIONAL DEVELOPER**

5.1 Referral Services Commissions and Conditions of Payment. During the Initial Term of this Agreement and any Interim Period, Regional Developer shall be paid a commission, as set forth in this Section, based on a percentage of Initial Franchise Fees paid by each Franchisee for the purchase of a franchise for a BizCard Xpress Business to be located within the Development Area (“**Referral Services Commissions**”). Payment is conditioned upon the satisfactory fulfillment of the following conditions (“**Franchise Sales Conditions**”):

(a) Franchisee executes a Franchise Agreement with Franchisor and an Initial Franchise Fee has been paid in full and actually received by Franchisor. Franchisor shall not be deemed to have received any fees that have been deferred as a condition of registration in a State, or paid into escrow or a State-imposed impound account, if applicable, until such fees have actually been received by Franchisor;

(b) The sale for which the Initial Franchise Fee has been paid is not a resale of any existing BizCard Xpress Business, or any interest therein; and Regional Developer has complied with all of its other obligations under this Agreement with respect to such sale and verified the same to Franchisor, in writing in a form prescribed by Franchisor.

5.2 Referral Services Commission Payments. The Referral Services Commission shall be an amount equal to fifty percent (50%) of the Initial Franchise Fees paid to Franchisor, after any payments to outside or third-party brokers. The Referral Services Commissions will be payable to Regional Developer within thirty (30) days after the Franchise Sales Conditions

have been fulfilled, provided that the Initial Franchise Fees have not been deferred or deposited into an escrow or impound account, in which case, the Referral Services Commission will be payable to Regional Developer within thirty (30) days after Franchisor has received the funds. Regional Developer shall not receive any Referral Services Commission for franchises sold on or before the date of this Agreement or for BizCard Xpress Businesses owned and operated by Franchisor, its affiliates or designees (“**Company Businesses**”) in the Development Area, if any.

5.3 Commission on Royalty Payments. Franchisor shall pay to Regional Developer a percent of the royalties (“**Royalties**”) actually received from each Franchisee in the Development Area during the previous franchise settlement period (“**Royalty Commission**”). The Royalty Commission is equal to 3/7 of the Royalties received by Franchisor which is equal 3% of the Gross Revenues of the Franchisees in the Development Area. Royalty Commissions are paid on monies received by Franchisor and not by Gross Revenue generated by Franchisees in the Development Area. Regional Developer shall be entitled to receive Royalty Commissions each franchisee settlement period unless Regional Developer has an outstanding notice of default or has failed to perform in any material respect the services described in Section 8 during the prior month including, but not limited to, the conducting of periodic inspections, consultations and the filing of written reports as required by Section 8.6. Regional Developer agrees that (i) Franchisor’s duty to pay the Royalty Commissions shall arise only upon Franchisor’s actual receipt in Franchisor’s bank account of the Royalties to which the compensation owed to Regional Developer corresponds; (ii) Regional Developer’s compensation shall be calculated based on the actual amount paid to and received from a Franchisee by Franchisor at any one time, rather than the total amount owed under such Franchisee’s Franchise Agreement; and (iii) all payments of compensation to Franchisee shall be made in Franchisor’s general payroll payment schedule within thirty (30) days of the date that the payment to which such compensation corresponds clears Franchisor’s bank account.

5.4 No Commissions Before Training. Regional Developer shall not be entitled to share in or receive any Royalty Commissions from any fees paid to Franchisor by Franchisees in the Development Area prior to the time Regional Developer completes both the initial Regional Developer training program and the initial Franchisee training program and commences full performance of the services set forth in Section 8.

5.5 Commissions on Other Franchisor Revenue. Under no circumstances shall Regional Developer be entitled to receive any commissions on any other revenue paid to Franchisor or Franchisor’s affiliates by any Franchisee or third-party vendor.

5.6 Commissions on Default Status. Regional Developer shall not be entitled to share in or receive and shall forfeit any Royalty Commissions from any fees paid to Franchisor by Franchisees in the Development Area for the period that the Regional Developer has been issued a notice of default and such default remains uncured.

5.7 Commission After Termination. All payments under this Section 5 shall immediately and permanently cease after the expiration or termination of this Agreement, although Regional Developer shall receive, within thirty (30) days in which this Agreement

terminates or expires, all amounts that have accrued to Regional Developer as to the effective date of expiration or termination.

5.8 Application of Payments. Franchisor's payments to Regional Developer shall be based on amounts actually collected from Franchisees for Royalties made in accordance with Section 5.3, not on payments accrued, due or owing, but if any payments by Franchisees to Franchisor have been deposited into an escrow account, payments to Regional Developer will be made after Franchisor has received the funds from escrow. In the event of termination of a Franchise Agreement for a BizCard Xpress Business within the Development Area under circumstances entitling Franchisee to the return of all or part of the Initial Franchise Fee or Royalty (or in the event that Franchisor becomes legally obligated or decides in its sole discretion to return part or all of the Initial Franchise Fee or Royalty), Franchisor may deduct the portion of the amount to be returned to Franchisee in the same proportion as Regional Developer shared in the Initial Franchise Fee or Royalty from any future amounts owed to Regional Developer. Franchisor shall apply any payments received from a Franchisee to any past due indebtedness of that Franchisee for Royalties, marketing contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of that Franchisee to Franchisor or its affiliates. To the extent that such payments are applied to a Franchisee's overdue Royalties, Regional Developer shall be entitled to its pro rata share of such payments, less its pro rata share of the costs of collection paid to third parties, including attorney's fees and any other costs of settlement.

5.9 Setoffs. Regional Developer shall not be allowed to set off amounts owed to Franchisor for fees or other amounts due hereunder, against any monies owed to Regional Developer by Franchisor, which right of set off is hereby expressly waived by Regional Developer. Franchisor shall be allowed to set off amounts owed to Regional Developer for Referral Services Commissions, Royalties, or other amounts due hereunder, against any monies owed to Franchisor by Regional Developer, including setting off amounts owed to Regional Developer for Referral Services Commissions, Deficiency Payments, or Royalties against monies owed to Franchisor for Referral Services Commissions which were paid to Regional Developer before Franchisee failed to successfully complete Franchisor's initial training program.

## 6. **TRAINING ASSISTANCE**

6.1 Regional Developer Training. Within sixty (60) days after the date of execution of this Agreement, Franchisor shall furnish the Regional Developer and/or if Regional Developer is a partnership, corporation, or other entity, an individual designated by Regional Developer who owns at least five (5%) of the ownership interest in the Regional Developer, has signed the Regional Developer Agreement, and who has been approved by Franchisor, who shall be designated as the operating principal ("**Operating Principal**") shall attend, at Regional Developer's sole cost and expense, the Regional Developer Initial Training Program, which may include topics such as marketing, franchise sales, franchise law compliance, site selection criteria, lease negotiation, BizCard Xpress Business equipment guidelines and business operations, and franchise business consulting as Franchisor in its sole discretion deems advisable, furnished at such place and time as Franchisor may designate. Immediately following or prior to the Regional Developer Initial Training Program, Regional Developer will

be required to attend Franchisee training at our headquarters or at a site we designate with other Franchisees (“**Franchise Training Program**”). Franchisor will allow Regional Developer to return to complete the Franchise Training Program at a later time, so long as Regional Developer completes that program prior to selling the first Franchise unit in the Development Area. Regional Developer may not begin offering Referral Services, Site Services or Support Services in the Development Area until Regional Developer has satisfactorily completed the Regional Developer Training unless Regional Developer receives written authorization to begin its Referral Services, Site Services, and Support Services at an earlier date from Franchisor.

6.2 Length of Training. The initial training program for a Regional Developer consists of approximately two days of instruction at Franchisee’s headquarters, or at a site Franchisor designates, regarding the general franchise sales techniques, orientation to the BizCard Xpress system, legal compliance issues, business operations, and strategies for supporting BizCard Xpress franchise owners (“**Regional Developer Initial Training Program**”). No tuition or fee shall be charged for the Regional Developer Initial Training Program. However, Regional Developer shall be responsible for all travel and living expenses incurred in connection with attendance at both parts of the Regional Developer Initial Training Program. Regional Developer must also attend the initial training program for its Pilot Center.

6.3 Additional Training. The Regional Developer Initial Training Program will be made available to replacement or additional Operating Principals and other management personnel during the Initial Term of this Agreement and any Interim Period. Franchisor reserves the right to charge a tuition or fee in an amount payable in advance for such training. Regional Developer will be responsible for all travel and living expenses incurred by its personnel in connection with attendance at the training program. Further, the availability of the training programs will be subject to space considerations and prior commitments to new BizCard Xpress Business Franchisees and Regional Developers.

6.4 Seminars and Ongoing Training. From time to time, Franchisor may present seminars, conventions or continuing development programs for the benefit of the Regional Developer. Regional Developer or its Operating Principal shall be required to attend any ongoing mandatory seminars, conferences, industry conventions or programs as may be offered by Franchisor. If Regional Developer fails to attend a mandatory seminar, convention or program without obtaining Franchisor’s prior written approval of the absence and fails to arrange for attendance at an alternate time, Regional Developer shall be required to make up the missed program at a time and place designated by Franchisor and pay Franchisor a fee equal to Franchisor’s then-current fee, as set forth in the Regional Developer Manual. Franchisor shall give Regional Developer at least sixty (60) days prior written notice of any seminar, convention or program that is deemed mandatory. Regional Developer will be responsible for all travel and living expenses associated with attendance at any ongoing training program.

## 7. **FRANCHISOR’S OPERATING ASSISTANCE**

7.1 Regional Developer Manual. Regional Developer agrees that the Regional Developer Manual and other written materials, including information posted on Franchisor’s website and information sent to Regional Developer by electronic and regular mail, Regional

Developer Manual, written procedures, memoranda and their supplements loaned to Regional Developer by Franchisor (collectively, the “**Regional Developer Manual**”) shall remain the sole property of Franchisor and must be returned to Franchisor at Franchisor’s direction. Franchisor shall, in addition to providing the Regional Developer training program, loan to Regional Developer during the Initial Term and any Interim Period hereof one copy of its Regional Developer Manual to assist Regional Developer and its employees in the conduct of the Regional Developer Business contemplated by this Agreement. Franchisor may prescribe mandatory and suggested standards and operating procedures for Regional Developer in the Regional Developer Manual, which may be modified from time to time by Franchisor. Regional Developer shall keep its copy of the Regional Developer Manual current. In the event of a dispute relating to the Regional Developer Manual, the master copy that Franchisor maintains at its principal office shall be controlling. Regional Developer may not at any time copy any part of the Regional Developer Manual, unless approved in writing by Franchisor. In the event Regional Developer’s copy of the Regional Developer Manual is lost, destroyed or damaged, Regional Developer shall be obligated to obtain from Franchisor, at Franchisor’s then applicable charge, a replacement copy of the Regional Developer Manual. The Regional Developer Manual and other writings communicated to Regional Developer shall constitute material provisions of this Agreement as if fully set forth within its text. At any time in Franchisor’s discretion, Franchisor may convert the Regional Developer Manual to an exclusively electronic format and require Regional Developer to access the document through the Internet or an intranet created and supported by Franchisor.

7.2 Trade Secrets. Regional Developer, its members, shareholders, partners, and guarantors, if any, acknowledge that the contents of the Regional Developer Manual and Regional Developer’s knowledge of Franchisor’s processes, services, Services, know-how and the System, are secret, unique and confidential and contain trade secrets and other material proprietary to Franchisor. Regional Developer acknowledges that its entire knowledge of the operation of the BizCard Xpress Business is and shall be derived from information disclosed to Regional Developer by Franchisor and such information is proprietary, confidential and a Trade Secret of Franchisor. “**Trade Secrets**” refer to the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures or improvements regarding the BizCard Xpress Business that is valuable and secret in the sense that it is not generally known to competitors of Franchisor. Regional Developer shall maintain the absolute confidentiality of all such Trade Secrets during and after the Initial Term of this Agreement, and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Regional Developer agrees not to disclose the contents of the Regional Developer Manual, to unauthorized persons and to use Regional Developer’s best efforts to prevent unauthorized disclosure to any person, and Regional Developer acknowledges that such disclosure would cause irreparable harm to Franchisor and the System. Regional Developer agrees to return the Regional Developer Manual to Franchisor on the termination of this Agreement or at such times as may otherwise be directed by Franchisor. Regional Developer shall not copy or otherwise duplicate any other proprietary materials.

7.3 Franchise Operations Manual. Franchisor agrees to loan Regional Developer one copy of the Franchise Operations Manual used to operate BizCard Xpress Businesses. Regional Developer agrees that Sections 7.1 and 7.2 apply equally to Regional Developer’s use of the Franchise Operations Manual.

7.4 Operating Assistance. Franchisor will make available the following services during the Initial Term of this Agreement and any Interim Period:

(a) Upon the reasonable request of Regional Developer, consultation by telephone regarding advice related to franchise sales, site selection, Franchisee support and other required assistance. In providing assistance, Franchisor will be reasonably accessible during normal business hours by phone, fax, e-mail, or other means of communication reasonably determined by Franchisor. If Regional Developer requests additional, special, on-premises training of its personnel or other assistance in operating its Regional Developer Business and/or Pilot Center, Regional Developer agrees to pay for all expenses for that training or assistance, including any per diem costs assessed by Franchisor and any wages or compensation owed to, and travel, and living expenses incurred by Franchisor's personnel. Franchisor shall have the right to charge Regional Developer a fee and be reimbursed for all related expenses including travel, lodging, and meals, for any assistance or services requested by Regional Developer and not specifically required to be performed by Franchisor under this Agreement. Regional Developer understands and acknowledges that different Regional Developers will require different levels of service and support and that Franchisor makes no warranties or guarantees that Regional Developer will receive the same level of service and support as any other Regional Developer; and

(b) Franchisor will provide guidance concerning marketing and advertising and use of the Marks. Franchisor will also provide Regional Developer with access to franchise sales advertising and promotional materials, the Franchise Agreement and FDD documents, as may be developed and updated by Franchisor, the reasonable cost of which may be passed on to Regional Developer. Franchisor shall update old franchise sales and promotional materials or develop new franchise sales and promotional materials from time to time, in Franchisor's sole discretion.

(c) Franchisor shall provide access to its website and access to communications with Franchisor regarding the System, the Regional Developer Manual, the Franchise Operations Manual, Franchisor, and Franchisees in the Development Area, in a manner Franchisor determines in its sole discretion.

7.5 Establishment of Regional Office. While Regional Developer is not required to lease or buy space to establish a Regional Office initially, Franchisor reserves the right to require Regional Developer to establish a Regional Office, at a time Franchisor deems necessary to support its growth. When Franchisor makes this request, and in addition to performing Franchisor's other obligations as set forth in this Agreement, Franchisor will assist you in establishing any regional sales, administrative, and training office ("**Regional Office**") and provide any written specifications that Franchisor may have for the construction or remodeling of Regional Developer's Regional Office, and a list of all required equipment, inventory and supplies. Franchisor will also, to the extent Franchisor deems necessary or appropriate, advise Regional Developer about conforming the Regional Office location to local ordinances and building codes, and obtaining required health, building, and sign permits for the location. Regional Developers will be solely liable for its compliance with all applicable business ordinances and building codes, and for obtaining all necessary health, building, sign,



and other permits, licenses and bonds, as may be required for the operation of the Regional Office.

## 8. REGIONAL DEVELOPER'S OBLIGATION

8.1 Hiring and Training of Employees of Regional Developer. Regional Developer shall hire a sufficient number of employees to perform Regional Developer's duties under this Agreement, shall be exclusively responsible for the terms of their employment and compensation, and shall implement a training program for employees to ensure their compliance with Franchisor's requirements; provided that Regional Developer shall not employ any person whom Franchisor, in its sole discretion, has determined to be unfit to represent Franchisor in the marketing of BizCard Xpress Business franchises or in furnishing services to Franchisees. BizCard Xpress Corporate may require that the employees attend required training and receive applicable certifications through our proprietary training program, BizCard Xpress University at the Regional Developer's expense in order to provide services to the Franchisees in the Development Area.

8.2 Commencement of Business. Unless otherwise agreed to in writing by Franchisor and Regional Developer, Regional Developer shall complete the Regional Developer Initial Training Program within sixty (60) days from the date of this Agreement. Immediately before or following or prior to the Regional Developer Initial Training Program, Regional Developer will be required to attend the Initial Training Program for Franchisees. Franchisor will allow Regional Developer to return to complete the Initial Training Program for Franchisees, so long as Regional Developer completes the program prior to the sale of the first BizCard Xpress Business in the Development Area. The obligations of Regional Developer, including Referral Services, Site Services, and Support Services, shall begin on the date Regional Developer completes both the Regional Developer Initial Training Program and Initial Training Program for Franchisees to Franchisor's satisfaction or the date Regional Developer receives written authorization from Franchisor that Regional Developer may begin offering such Referral Services and Support Services. Regional Developer will also, at Regional Developer's expense, and within thirty (30) days of the Effective Date of this Agreement, purchase or otherwise obtain for use in connection with the Regional Developer Business (a) computer hardware and software that comply with the standards and specifications of Franchisor; (b) business cards and stationery; (c) an e-mail address; and (d) any other items required by the Regional Developer Manual.

8.3 Referral Services. Regional Developer shall perform Referral Services to solicit and identify prospective franchisees for BizCard Xpress Businesses to be located within the Development Area. Regional Developer acknowledges and agrees that Regional Developer shall be solely responsible for retaining and paying for any third-party franchise sales brokers ("**Broker**") used by Regional Developer in the Development Area; provided, however, that Regional Developer shall not use the services of any Broker until the Broker has been approved in writing by Franchisor, the Broker has entered into a formal brokerage contract with Franchisor and/or Regional Developer, the Broker has completed and submitted a salesperson disclosure form in a format approved by Franchisor, if required, and Broker has provided Franchisor and Regional Developer with written evidence that the Broker has satisfied all legal requirements imposed on Brokers in each of the states in the Development Area. Regional

Developer shall also be responsible for reimbursing Franchisor for the legal and related costs incurred by Franchisor for filing any related amendments to the Franchisor's registration in the registration states located in the Development Area. Franchisor may pay third party brokers directly out of Regional Developer's Referral Services Commission if such brokers are utilized by to perform Referral Services in the Development Area.

8.4 Site Services. Regional Developer shall provide Franchisee with written site selection guidelines and criteria and provide such other site selection assistance to determine an acceptable location for Franchisee's Center, as outlined in more detail in the Regional Developer Manual.

8.5 Pre-Opening and Opening Support Services. Regional Developer shall perform the pre-opening and opening Support Services with respect to Franchisees of BizCard Xpress Businesses located in the Development Area, including but not limited to the following:

(a) Provide advice to Franchisees regarding Franchisor's standards and specifications for the equipment, supplies and materials used in, and Services offered for sale by, the BizCard Xpress Business and advice regarding the selection of Franchisor-approved suppliers for the purchasing of such items used in connection with the BizCard Xpress Business;

(b) Initial training assistance of up to two (2) days at Franchisor's corporate headquarters or other location designated by Franchisor;

(c) Provide guidance to Franchisees in implementing advertising and marketing programs, and operating and sales procedures; and

(d) Identify sources for services, in accordance with Franchisor's standards, to be used by Franchisees in connection with the pre-opening and opening Support Services provided by Regional Developer.

8.6 Ongoing Support Service. With respect to Franchisees of BizCard Xpress Businesses located in the Development Area, Regional Developer shall perform the ongoing Support Services on behalf of Franchisor necessary to permit the Franchisees to perform their obligations to Franchisor under the Franchise Agreements, including, but not limited to the following:

(a) Provide monthly on-site consultation and telephone consultations, as required, regarding the continuing operation and management of the BizCard Xpress Business and advice regarding business services, Services quality control, and customer relations issues;

(b) Provide on-going updates of information, training and programs regarding Services, business operations in general, BizCard Xpress Businesses and the System, including without limitation, information about special or new services or Services offered by Franchisor;

(c) Provide advice and assistance to Franchisee in connection with the development of and improvements to Franchisee's BizCard Xpress Business in all areas of

operation, including, but not limited to advertising, marketing, financial and operational controls, and customer service;

(d) Conduct at least one (1) quality and service inspection and franchise business consultation of each BizCard Xpress Business per month in the Development Area in the manner and frequency as required by Franchisor from time to time, said inspections to be verified by written reports in a form acceptable to Franchisor;

(e) Provide access to advertising and promotional materials as may be developed by Franchisor from time to time;

(f) At the discretion of the Franchisor, establish an advertising cooperative for all BizCard Xpress Businesses located in the Development Area using forms and procedures supplied by Franchisor;

(g) Submit periodic reports to Franchisor on activities in the Development Area, using procedures and forms prescribed by Franchisor, and as required in the Regional Developer Manual;

(h) Identify sources for services, in accordance with Franchisor's standards, to be used by Franchisees in connection with the operation of their BizCard Xpress Businesses and the ongoing Support Services provided by Regional Developer;

(i) Take such action as Franchisor shall reasonably request to enforce Franchisees' compliance with their Franchise Agreements; and

(j) When formed in Franchisor's discretion, manage one or more advertising cooperatives formed and operating in the Development Area in compliance with the Regional Developer Manual, as modified periodically in Franchisor's discretion.

8.7 Dealings with Franchisees. Regional Developer acknowledges that it is being delegated certain responsibilities of Franchisor under the Franchise Agreement in the Development Area. The responsibilities to Franchisees are to be performed by Regional Developer as described in this Agreement or as set forth in the Regional Developer Manual or other reasonable standards and specifications as may be provided by Franchisor from time to time in Franchisor's sole discretion, and the responsibilities to Franchisees will not materially change during the Initial Term of this Agreement or any Interim Period. In providing services to Franchisees of BizCard Xpress Businesses located in the Development Area, Regional Developer shall in all respects comply with the terms and conditions of any Franchise Agreement or other agreements in effect between Franchisee and Franchisor. Regional Developer understands, however, that its rights as a Regional Developer are only by virtue of this Agreement and that it is not in any manner a party, third party beneficiary or holder of any other right, title or interest in or to any Franchise Agreement. Similarly, no Franchisee is a third party beneficiary of this Agreement or any other agreement between Franchisor and Regional Developer. Regional Developer agrees that it may not under any circumstances sell any Services or other items to, or collect any money for any reason from, Franchisees without Franchisor's prior written consent, which consent may be withheld for any reason in Franchisor's sole discretion.

8.8 Regional Developer Inspections. Regional Developer shall ascertain through field audits, franchise business consultations, reviews and inspections, that each Franchisee in the Development Area has complied satisfactorily with all of the terms and conditions of the Franchise Agreement, specifications, standards, operating procedures, the Franchisee's Operations Manual, that the Franchisee is not selling any services other than Services, and that Franchisee is complying in all respects with Franchisor's requirements with regard to the use of the Marks, and shall promptly notify Franchisee in writing, with a copy and evaluation report to Franchisor, of any deficiencies; provided, however, Regional Developer understands and acknowledges that its inspections and reports are advisory only and that Franchisor shall have: (a) all of the right to inspect and ascertain compliance of all Franchisees as if this Agreement were not in effect; (b) the sole right to send notices of default to Franchisee; (c) the sole right to terminate a Franchise Agreement for failure to cure such defaults (if an opportunity to cure is granted); and (d) the sole right to take any legal action with respect to any default or any violation of a Franchise Agreement. If Regional Developer believes that any Franchisee in the Development Area has breached a Franchise Agreement with Franchisor, Regional Developer shall document in writing all facts related to the alleged breach and shall request in writing that Franchisor investigate such alleged breach. If, as a result of Franchisor's investigation, Franchisor determines that there is a breach by Franchisee of its Franchise Agreement with Franchisor, Franchisor shall, in its sole discretion, take such action as it deems appropriate. The Regional Developer shall take such action as Franchisor directs in support of such action.

## 9. MARKS

9.1 Ownership and Goodwill of Marks. Regional Developer acknowledges that its right to use the Marks is derived solely from this Agreement and, if applicable, the BizCard Xpress Franchise Agreement for the Pilot Center, (unless such rights are granted under a separate written agreement with Franchisor) and is limited to operating as a Regional Developer pursuant to and in compliance with this Agreement. Any unauthorized use of the Marks by Regional Developer shall constitute a breach hereof and an infringement of Franchisor's rights in and to the Marks. Regional Developer acknowledges and agrees that its usage of the Marks and any goodwill established thereby shall inure to Franchisor's exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon Regional Developer.

9.2 Limitations on Use. Regional Developer shall not use any Mark (a) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Regional Developer under this Agreement and the Franchise Agreement for the BizCard Xpress Business), (b) in connection with unauthorized services, (c) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system, or (d) in any other manner not expressly authorized in writing by Franchisor. Regional Developer agrees to give such notices of trademark and service mark registration as Franchisor specifies and to use and obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law. Regional Developer further agrees that no service mark other than "BIZCARD XPRESS" or such other Marks as may be specified by Franchisor shall be used in the marketing, promotion or operation of the Regional Developer Business and the Pilot Center.

9.3 License to Use Name. Regional Developer has the right to use the trade name “BIZCARD XPRESS” in the operation of its Regional Developer Business, but none of the words “BIZCARD XPRESS” may be used in the legal name of the entity used to conduct the Regional Developer Business. Regional Developer may not register or attempt to register in its own name any trade name using the words “BIZCARD XPRESS.” When this Agreement expires or is terminated, Regional Developer must execute any assignment or other documents Franchisor requires to transfer to Franchisor any rights Regional Developer possesses in a trade name utilizing “BIZCARD XPRESS” or any other Mark Franchisor owns.

9.4 Discontinuance of Use of Marks. If it becomes advisable at any time, in Franchisor’s sole discretion, for Franchisor or Regional Developer to modify or discontinue use of any Mark or use one or more additional or substitute trade or service marks, Regional Developer agrees to comply, at its own expense, with Franchisor’s directions to do so within a reasonable time after receiving notice.

9.5 Notification of Infringements and Claims. Regional Developer shall within three (3) days notify Franchisor of any apparent infringement of or challenge to Regional Developer’s use of any Mark, or claim by any person of any right in any Mark, and Regional Developer shall not communicate with any person other than Franchisor or its counsel in connection with any such matter. Regional Developer may not settle any claim without Franchisor’s written consent. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. Regional Developer agrees to execute any and all instruments and documents, render such assistance and perform such acts as, in the opinion of Franchisor or Franchisor’s counsel, may be necessary or advisable to protect and maintain Franchisor’s interests in the Marks.

## 10. **CONFIDENTIAL INFORMATION**

10.1 Confidential Information. Franchisor possesses certain proprietary confidential information consisting of the methods, techniques, formats, specifications, procedures, information, systems, methods of business management, sales and promotion techniques and knowledge of the experience in the operation and franchising of BizCard Xpress Businesses (“**Confidential Information**”). Franchisor shall disclose the Confidential Information to Regional Developer in the training program, the Regional Developer Manual, the Operations Manual for the Pilot Center, and in guidance furnished to Regional Developer during the Initial Term and any Interim Period hereof. Regional Developer has not acquired any interest in the Confidential Information, other than the right to utilize it in the Development Area in the execution of Regional Developer’s duties hereunder during the Initial Term of this Agreement and any Interim Period, and Regional Developer acknowledges that the Confidential Information is proprietary, includes trade secrets of Franchisor and is disclosed to Regional Developer solely on the condition that Regional Developer agrees, and Regional Developer (and its shareholders, partners, members and managers if Regional Developer is a corporation, partnership or limited liability company) does hereby agree that Regional Developer: (a) shall not use the Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Confidential Information during and after the Initial Term of this

Agreement; (c) shall not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information. Regional Developer agrees that Franchisor shall have the perpetual right to use and authorize other BizCard Xpress Business Franchisees and Regional Developers to use, and Regional Developer shall fully and promptly disclose to Franchisor, all ideas, concepts, methods and techniques relating to the development and operation of a BizCard Xpress Business or Regional Developer's activities howsoever conceived or developed by Regional Developer or its employees or the BizCard Xpress Businesses serviced by Regional Developer during the Initial Term of this Agreement and any Interim Period. Regional Developer acknowledges that any such ideas, concepts, methods and techniques shall be the property of Franchisor and Franchisor may utilize or disclose such information to Franchisees or other agents as it determines to be appropriate.

10.2 Non-Disclosure and Non-Competition Agreement. Franchisor reserves the right to require Regional Developer to have each of its shareholders, officers, Developers, partners, employees, members and managers, anyone Regional Developer may send to training, and if Regional Developer is an individual, Regional Developer's spouse, to execute a Non-Disclosure and Non-Competition Agreement in a form attached to this Agreement as **Attachment V**.

## 11. **EXCLUSIVE RELATIONSHIP**

11.1 Exclusive Relationship. Franchisor has entered into this Agreement with Regional Developer on the condition that, except as Franchisor shall approve in writing, Regional Developer will deal exclusively with Franchisor insofar as any business defined below as a Competitive Business. Franchisor acknowledges that Regional Developer may perform similar services for other franchise systems or engage in unrelated business activities, however, without violating the terms of this Agreement. If the Regional Developer is engaged in any other business activities, Regional Developer shall disclose such business activities to Franchisor in writing prior to signing this Agreement. Regional Developer acknowledges and agrees that Franchisor would be unable to protect its Confidential Information and would be unable to encourage a free exchange of ideas and information among Regional Developers and Franchisor if Regional Developers were permitted to hold interests in any Competitive Business. Regional Developer therefore agrees that, after the Effective Date of this Agreement, without the prior written approval of Franchisor, which approval may be withheld by Franchisor in Franchisor's sole discretion, neither Regional Developer, Regional Developer's shareholders, members or partners who participate in the management of Regional Developer, nor Regional Developer's spouse, and, if applicable, the Operating Principal, shall:

(a) Have any direct or indirect interest as a disclosed or beneficial owner in a "**Competitive Business**", which shall be defined as a business operating or granting franchises or licenses to others to operate a business deriving more than ten percent (10%) of its gross receipts from the sale of Services;

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

(c) Divert or attempt to divert any business related to, or any customer or account of, the Regional Developer Business, Franchisor's business or any other BizCard Xpress Regional Developer's or Franchisees' BizCard Xpress Business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Franchisor, another Regional Developer, or any Franchisee licensed by Franchisor, to any Competitive Business by any direct inducement or otherwise;

(d) Directly or indirectly solicit or employ any person who is employed by Franchisor, another Regional Developer, or a Franchisee.

Notwithstanding the foregoing, (i) Regional Developer shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent five percent (5%) or less of that class of securities issued and outstanding; (ii) any BizCard Xpress Businesses in good standing governed by a Franchise Agreement between Regional Developer or its affiliate and Franchisor shall be excluded from the definition of Competitive Business; and (iii) Regional Developer will not be deemed to be operating a Competitive Business, as that term is defined above, if Regional Developer temporarily operates a BizCard Xpress Business that had been assigned by a Franchisee under an approved Assignment, for a period of not more than ninety (90) consecutive days following the default by the Franchisee under the terms of its Assignment. If Regional Developer operates any BizCard Xpress Business for a period longer than one hundred and eighty (180) consecutive days, then Franchisor will have the right to require that Regional Developer sign the Franchisor's then-current form of Franchise Agreement to govern the operation of such BizCard Xpress Business.

## 12. OPERATING STANDARDS

12.1 Standards of Service. Regional Developer shall at all times give prompt, courteous and efficient service to BizCard Xpress Business Franchisees in the Development Area. Regional Developer shall, in all dealings with such Franchisees, prospective Franchisees and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct.

12.2 Compliance with Laws and Good Business Practices. Regional Developer shall secure and maintain in force all required licenses, permits and certificates relating to Regional Developer's activities hereunder and shall operate in full compliance with all applicable laws, ordinances and regulations. Regional Developer acknowledges being advised that many jurisdictions have enacted laws concerning advertising, sale, renewal, termination and continuing relationship between parties to a franchise agreement, including without limitation, laws concerning disclosure requirements. Regional Developer agrees promptly to become aware of, and to comply with, all such laws and legal requirements in force in the Development Area and to utilize only such forms of FDDs that Franchisor has approved for use in the applicable jurisdiction.

12.3 Accuracy of Information. Before it markets or solicits prospective Franchisees, Regional Developer shall each time take reasonable steps to confirm that the information provided by or prepared by Regional Developer and included in any written materials,

agreements and other documents related to the offer or sale of franchises is true, correct and not misleading at the time of such offer or sale, and the offer or sale of such franchise will not at the time be contrary to or in violation of any applicable state law relating to the registration of the franchise offering. Franchisor shall provide Regional Developer with any changes to its disclosure documents and other agreements on a timely basis, and shall, upon request, provide Regional Developer with confirmation that the information contained in any written materials, agreements or documents being used by the Regional Developer are true, correct and not misleading, except for information specifically relating to disclosures regarding Regional Developer. If the Regional Developer notifies Franchisor of an error in any information in Franchisor's documents, Franchisor shall have a reasonable period of time to attempt to correct any deficiencies, misrepresentations or omissions in such information.

12.4 Notification of Litigation. Regional Developer shall notify Franchisor in writing within three (3) days of the commencement of any action, suit, arbitration, proceeding or investigation, and of the issuance of any order, writ, injunction, award or decree, by any court, agency or other governmental instrumentality that names Regional Developer (or its Operating Principal) or otherwise concerns the operation or financial condition of Regional Developer, the Regional Developer Business or any Franchisee.

12.5 Ownership and Management of Business. Regional Developer's Business shall at all times be under the direct, day-to-day, supervision of Regional Developer or an Operating Principal designated by Regional Developer and approved in writing by Franchisor. The Operating Principal shall not be required to own an equity interest in the Regional Developer Business. Regional Developer or its Operating Principal shall at all time during the Initial Term of this Agreement and any Interim Period own and control the Regional Developer Business. Upon the request of Franchisor, Regional Developer shall promptly provide satisfactory proof of such ownership. Regional Developer represents that the Statement of Ownership, attached to this Agreement as **Attachment II**, is true, complete, and accurate and not misleading. Regional Developer shall promptly provide Franchisor with written notification if the information contained in the Statement of Ownership changes at any time during the Initial Term of this Agreement or any Interim Period and shall comply with the applicable transfer provision contained in Section 14. If Regional Developer is not an individual, all individuals owning more than a five percent (5%) equity interest in the Regional Developer, as well as the Operating Principal, shall execute the Guaranty and Assumption of Regional Developer's Obligations attached hereto as **Attachment III** and incorporated herein by this reference.

12.6 Entity Ownership. Each shareholder, member, or partner of the corporation, limited liability company, or partnership that is granted the rights to serve as the Regional Developer hereunder shall be a party to a shareholders' agreement, operating agreement, or partnership agreement that shall provide, inter alia, that upon any dissolution of the corporation, limited liability company, or partnership, or upon any divorce decree among the parties who are also shareholders, members, or partners, that ownership of the shares, membership interest, or partnership interest shall be transferred to the shareholder, member, or partner for agreed upon consideration that has primary responsibility for sales and marketing activities, typically the President, following any such dissolution or decree. The form and content of the shareholders' agreement, operating agreement, or partnership agreement must be approved by Franchisor



prior to execution. Regional Developer's failure to comply with this Section 12.6 shall constitute a material default of this Agreement.

12.7 Conflicting Interests. Regional Developer shall at all times faithfully, honestly and diligently perform its obligations hereunder and continuously exert its best efforts to promote, enhance and service BizCard Xpress Businesses in the Development Area. Regional Developer shall not engage in any other business or other activity, directly or indirectly, including operating a BizCard Xpress Business, which requires any significant management responsibility, time commitments, or otherwise may conflict with Regional Developer's obligations hereunder, without the prior written approval of Franchisor, which approval may be withheld by Franchisor in Franchisor's sole discretion.

12.8 Non-Competition. Regional Developer has specifically acknowledged that, pursuant to this Agreement, Regional Developer will receive valuable specialized Confidential Information and information regarding the business of Franchisor, and its System. Regional Developer covenants that during the Initial Term of this Agreement and subject to the post term provisions contained herein, except as otherwise approved in writing by Franchisor, Regional Developer shall not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partners or corporations:

(a) Divert or attempt to divert any business or customer of the BizCard Xpress Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Marks or the System; or

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by Regional Developer or any other Regional Developer or Franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

12.9 Insurance. Regional Developer shall at all times during the Initial Term of this Agreement and any Interim Period maintain in force, at Regional Developer's sole expense, insurance for the Regional Developer Business of the types, in the amounts, and under such terms and conditions as Franchisor may from time to time reasonably prescribe in the Regional Developer Manual or otherwise. All of the required insurance policies shall name Franchisor and its designees as additional insureds, contain a waiver of the insurance company's right of subrogation against Franchisor, and provide that Franchisor will receive thirty (30) days' prior written notice of termination, expiration or cancellation of any such policy.

12.10 Proof of Insurance Coverage. Regional Developer shall provide proof of insurance to Franchisor prior to commencement of operations of its Regional Developer Business. This proof shall include a provision requiring the insurer to inform Franchisor in the event any policies lapse or are cancelled. Franchisor has the right to change the minimum amount of insurance Regional Developer is required to maintain by giving Regional Developer prior reasonable notice. Noncompliance with the insurance provisions set forth herein shall be deemed a breach of this Agreement; in the event of any lapse in insurance coverage, in addition to all other remedies, Franchisor shall have the right to demand that Regional Developer cease

operations of the Regional Developer Business until coverage is reinstated, or, in the alternative, Franchisor may, but is not obligated to, pay any delinquencies in premium payments and charge the same back to Regional Developer.

12.11 Advertising in Development Area. Beginning sixty (60) days after the Effective Date, Regional Developer shall spend an amount equal to at least \$500 per month, or such other amounts as Franchisor may from time to time reasonably prescribe in the Regional Developer Manual or otherwise, in the Development Area on advertising and/or open house events for prospective franchisees in the Development Area. Regional Developer shall submit to Franchisor an accounting of the amounts spent on franchise development at least during each Calendar Quarter, unless otherwise specified by Franchisor. The Regional Developer agrees to list its Regional Developer Business telephone numbers in the white pages and in the classified telephone directories, as directed by Franchisor, in the Development Area.

12.12 Approval of Advertising. Regional Developer shall not use any advertising or promotional materials that Franchisor has not approved. The Regional Developer acknowledges and understands that certain states require the filing of franchise sales advertising materials with the appropriate state agency within prescribed time frames prior to dissemination to prospective Franchisees. The Regional Developer agrees to fully and timely comply with such filing requirements at Regional Developer's own expense unless such advertising has been previously filed with the state by Franchisor. Franchisor may charge Regional Developer for the costs incurred by Franchisor in printing advertising and marketing materials supplied by Franchisor to Regional Developer at Regional Developer's request, or for expenses incurred by Franchisor to file Regional Developer's proposed advertising material with the appropriate State authority.

12.13 Accounting, Bookkeeping and Records. Regional Developer shall maintain at its Regional Developer Business premises in the Development Area all original invoices, receipts, checks, contracts, licenses, acknowledgement of receipt forms and bookkeeping and business records as Franchisor may require from time to time. Regional Developer shall furnish to Franchisor, within ninety (90) days after the end of Regional Developer's fiscal year, a balance sheet and profit and loss statement for the Regional Developer Business for such year (or monthly or quarterly statement if required by Franchisor, in which case such statements shall also reflect year-to-date information). In addition, upon request of Franchisor, within ten (10) days after such returns are filed, exact copies of federal and state income, sales and any other tax returns and such other forms, records, books and other information as Franchisor may periodically require regarding the Regional Developer Business shall be furnished to Franchisor. Regional Developer shall maintain all records and reports of the Regional Developer Business conducted pursuant to this Agreement for at least two (2) years after the date of termination or expiration of this Agreement.

12.14 Reports. Regional Developer shall, as often as required by Franchisor, deliver to Franchisor a written report of the Regional Developer Business activities during such period as required in Sections 8.4 and 8.5, in such form and in such detail as Franchisor may from time to time specify, including information about efforts to solicit prospective Franchisees and the status of the BizCard Xpress Businesses in the Development Area. Regional Developer shall, as often as required by Franchisor, during the Initial Term of this Agreement and any

Interim Period, deliver to Franchisor the Quality and Service inspection reports required in Section 8.6 for each Franchisee in the Development Area, in such form and in such detail as Franchisor may from time to time specify.

12.15 Computer and Communication Requirements. Regional Developer, at its expense, shall purchase or lease, and thereafter maintain, such computer hardware, software, firmware, required dedicated telephone and power lines, modem(s), printer(s), and other computer-related accessories or peripheral equipment as Franchisor specifies in the Regional Developer Manual or otherwise in writing. Regional Developer's computer systems shall have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the Internet), and using such protocols (e.g. TCP/IP), as Franchisor may reasonably prescribe in the Regional Developer Manual or otherwise in writing. Franchisor shall have the right from time to time and at any time to retrieve data and information from Regional Developer's computer system; and to use such information for any purpose both during and after this Agreement. Regional Developer shall keep its computer system in good maintenance and repair and, at its expense, shall promptly install such additions, changes, modifications, substitutions, and/or replacements to the computer hardware, software, firmware, telephone and power lines, and other computer-related facilities, as Franchisor directs from time to time in the Regional Developer Manual. Regional Developer shall not update, modify, enhance, or upgrade any computer hardware or software without Franchisor's written consent, which shall not be unreasonably withheld. Regional Developer shall be solely responsible for protecting Regional Developer's computer, electronic and communication systems from viruses, computer hackers, and other computer-related and technology-related problems, and Regional Developer hereby releases Franchisor from any and all claims it may have as the result of viruses, hackers, or other computer-related or technology-related problems.

12.16 Operating a Terminated BizCard Xpress Business. In the event a Franchise Agreement for a BizCard Xpress Business operating in the Development Area is terminated for any reason, Regional Developer shall have the right, upon approval by Franchisor, to operate the BizCard Xpress Business, at Regional Developer's sole cost and expense, for as long as Franchisor approves. If Regional Developer elects not to operate the BizCard Xpress Business, Franchisor may operate the BizCard Xpress Business, at Franchisor's sole cost and expense. If Regional Developer elects to operate the BizCard Xpress Business, Regional Developer shall sign a then-current form of Franchise Agreement with Franchisor, but Regional Developer shall not be required to pay an Initial Franchise Fee for the BizCard Xpress Business only the applicable Transfer Fee (as such term is defined in the Franchise Agreement). For so long as the BizCard Xpress Business is operated by Franchisor, Regional Developer, or another Franchisee, the BizCard Xpress Business shall count as satisfying Regional Developer's Development Quota. If Regional Developer later elects to close the BizCard Xpress Business for any reason, and is granted written permission to do so by Franchisor, in its sole discretion, Regional Developer shall be required to open or cause to be opened, a replacement BizCard Xpress Business in the Development Area to satisfy Regional Developer's Development Quota.

12.17 Representation Regarding Terrorist Activity. Regional Developer and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such

compliance, Regional Developer and its owners certify, represent, and warrant that none of their property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that Regional Developer and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) Regional Developer and its owners certify that none of them, their respective employees, or anyone associated with Regional Developer is listed in the Annex to Executive Order 13224. Regional Developer agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) Regional Developer and its owners certify that it and they have no knowledge or information that, if generally known, would result in Regional Developer, its owners, their employees, or anyone associated with Regional Developer to be listed in the Annex to Executive Order 13224.

(c) Regional Developer and its owners are solely responsible for ascertaining what actions it and they must take to comply with the Anti-Terrorism Laws, and Regional Developer and its owners specifically acknowledge and agree that its and their indemnification responsibilities set forth in this Agreement pertain to its and their obligations under this Section.

(d) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Regional Developer, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Regional Developer has entered with the Franchisor or any of the Franchisor’s affiliates.

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

12.18 You must purchase or lease the then current, approved vehicle for your Regional Developer Business, or obtain prior approval for use of an alternate vehicle (“**Vehicle**”). We have a list of preferred vehicles for the Vehicle in the Franchise Operations Manual. You will only need one Vehicle for the operation of the Regional Developer. You are required to decorate and maintain the Vehicle in accordance with our current standards as provided in the Operations Manual, and at our request, periodically update or improve the decoration of the Vehicle (any such updates or improvements must be made within thirty (30) days of our delivery of notice to you that such updates or improvements must be made).

### 13. **INSPECTIONS AND AUDITS**

13.1 Inspections and Audits. To determine whether Regional Developer is complying with this Agreement, Franchisor or its designee shall have the right at any time during normal business hours, and with twenty-four (24) hours prior notice to Regional Developer, to enter the premises in which Regional Developer is then keeping its business records and inspect, and conduct an audit of, the Regional Developer Business records, bookkeeping and accounting records, invoices, payroll records, time cards, check stubs, bank deposits, receipts, sales tax records and returns and other business records and documents of the Regional Developer Business. Regional Developer and its employees shall fully cooperate with representatives of Franchisor in making, conducting, supervising or observing any such inspection or audit.

#### 14. **TRANSFERS**

14.1 Transfers by Franchisor. The Regional Developer acknowledges that Franchisor maintains a staff to manage and operate the BizCard Xpress franchise system and that staff members can change from time to time. Regional Developer represents that it has not signed this Agreement in reliance on any shareholder, director, officer, or employee remaining with Franchisor in that capacity. Franchisor may change its ownership or form or assign this Agreement and any other agreement without restriction at any time and thereby be released from any further liability or obligations to Regional Developer.

14.2 Transfers by Regional Developer. Regional Developer agrees that the rights and duties created by this Agreement are personal to Regional Developer (or its shareholders or partners if Regional Developer is a corporation or partnership) and that Franchisor has entered into this Agreement in reliance upon Franchisor's perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Regional Developer (or its shareholders, members, managers or partners). Accordingly, without the prior written consent of Franchisor, neither this Agreement (or any interest therein), nor any part of all of the ownership of Regional Developer may be transferred. Any unauthorized transfer shall constitute a breach of this Agreement and be void and of no effect. As used in this Agreement, the term "**Transfer**" shall mean and include the voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition by Regional Developer (or any of its owners) of any interest in: (1) this Agreement; (2) the ownership of Regional Developer; or (3) the assets of the Regional Developer Business.

14.3 Conditions for Approval of Transfer. Franchisor may, in its sole discretion, approve a proposed Transfer only if Regional Developer (and its owners) is in full compliance with all the terms of this Agreement. The proposed transferee and its owners must be individuals of good moral character and otherwise meet Franchisor's then applicable standards for Regional Developers. If the Transfer is of the Regional Developer Business, or a Controlling Interest (as defined below) in Regional Developer, or is one of a series of transfers (regardless of the time period over which such transfers occur) which in the aggregate transfer the rights of the Regional Developer, assets of the Regional Developer Business or a Controlling Interest in Regional Developer, all of the following conditions must be met before or concurrently with the effective date of the Transfer:

(a) The transferee has sufficient business experience, aptitude and financial resources to act as a Regional Developer, agrees to be bound by all the terms and conditions of the then-current form of Agreement), and, with its Operating Principal, must have completed Franchisor's training program to Franchisor's satisfaction;

(b) Regional Developer has paid all amounts owed to Franchisor or its affiliates and third party creditors and submitted to Franchisor all required reports and statements;

(c) Regional Developer has paid Franchisor a transfer fee ("**Transfer Fee**") in an amount of \$15,000;

(d) The parties to the proposed transaction will have entered a binding agreement subject only to the rights of the Franchisor. Franchisor shall be furnished a copy of this binding agreement ("**Purchase Offer**") at least sixty (60) days prior to the closing of the transaction, and such Purchase Offer shall be subject to the Franchisor's approval in writing. The Regional Developer must advise each prospective transferee of this provision and the other terms of this Agreement;

(e) Regional Developer (and its transferring owners) executes a general release, in form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective shareholders, officers, directors, employees and agents;

(f) The transferee executes a Regional Developer Agreement in the form then-currently offered by Franchisor, the term of which will end on the expiration date of this Agreement and the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects. If a new Regional Developer Agreement is signed, however, the transferee will not be required to pay any additional Development Fee;

(g) Franchisor approves the material terms and conditions of such transfer, including, without limitation, that the price and terms of payment are not so burdensome as to affect adversely the transferee's business as a Regional Developer of Franchisor;

(h) If Regional Developer (and the transferring owners) finances any part of the sale price of the transferred interest, Regional Developer and its owners agree that all obligations of the transferee under any promissory notes, agreements or security interests shall be subordinate to the transferee's obligations to pay fees, and other amounts due to Franchisor and its affiliates and otherwise to comply with this Agreement; and

(i) The Regional Developer (and its transferring owners) executes a non-competition covenant in favor of Franchisor and the transferee with terms and the same as those set forth in Section 16.5.

A person will be deemed to have a "**Controlling Interest**" in Regional Developer if that person has the right to vote twenty-five percent (25%) or more of the voting securities or other forms of ownership interest of a corporation, partnership, or other form of entity, to

receive twenty-five (25%) or more of the net profits of any such entity, or is otherwise able to direct or cause direction of that entity's management or policies.

14.4 Transfer to an Entity. If the Regional Developer is an individual in full compliance with this Agreement, the Regional Developer may transfer this Agreement to an entity controlled by the Regional Developer with Franchisor's prior written approval. The Transfer Fee described in Section 14.3(c) will be waived by Franchisor and all owners of such entity shall sign a Guaranty and Assumption of Regional Developer's Obligations attached hereto as **Attachment III**.

14.5 Franchisor's Approval of Transfer. Franchisor has thirty (30) days from the date of written notice to approve or disapprove, in writing, of Regional Developer's proposed Transfer. Written notice shall mean and include all documentation necessary to evaluate the transferee. Regional Developer acknowledges that the proposed transferee shall be evaluated for approval by Franchisor based on the same criteria as is currently being used to assess new Regional Developers of Franchisor and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law. Franchisor may review all information regarding the Regional Developer Business that Regional Developer gives the transferee and give the transferee copies of any reports that Regional Developer has given Franchisor or Franchisor has made regarding the Regional Developer Business.

14.6 Death or Disability of Regional Developer. Upon the death or permanent disability of Regional Developer (or an Operating Principal of Regional Developer), the personal representative of such person shall transfer, after approval in writing by Franchisor, his or her interest in Regional Developer to a third party. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed six (6) months from the date of death or permanent disability (unless extended by probate proceedings), and shall be subject to all the terms and conditions applicable to transfers contained in this Section. Failure to transfer the interest in this Agreement or such interest in Regional Developer within said period of time shall constitute a breach of this Agreement. For purposes hereof, the term "**Permanent Disability**" shall mean a mental or physical disability, impairment or condition that prevents Regional Developer or the Operating Principal from performing the essential functions of the Regional Developer.

14.7 Right of First Refusal. In the event Regional Developer (or, if applicable, an equity owner) wishes to sell, transfer, gift, assign or otherwise dispose of any interest in this Agreement, a Controlling Interest in any entity that owns it, or all or a substantial portion of the assets of the Regional Developer Business, Regional Developer agrees to grant to Franchisor a thirty (30) day right of first refusal to purchase such rights, interest or assets on the same terms and conditions as are contained in the written offer to purchase submitted to Regional Developer by a bona fide proposed purchaser. The following additional terms and conditions shall apply:

(a) Regional Developer shall notify Franchisor of such offer by sending a written notice to Franchisor, enclosing a copy of the written offer signed by the bona fide proposed purchaser;

(b) The thirty (30) day right of first refusal period will run concurrently with the period in which Franchisor has to approve or disapprove the proposed transferee;

(c) Such right of first refusal arises for each proposed Transfer and any material change in the terms or conditions of the proposed Transfer, even if to the same bona fide proposed purchaser, shall be deemed a separate offer for which a new thirty (30) day right of first refusal shall be given to Franchisor;

(d) If the consideration or manner of payment offered by a third party is such that Franchisor may not reasonably be required to furnish the same, then Franchisor may purchase the interest which is proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by Franchisor, whose determination will be binding upon the parties. All expenses of the appraiser shall be paid for equally between Franchisor and Regional Developer; and

(e) If Franchisor chooses not to exercise its right of first refusal, Regional Developer shall be free to complete the sale, transfer or assignment, subject to compliance with Sections 14.3 and 14.5. Absence of a reply to Regional Developer's notice of a proposed sale within the thirty (30) day period is deemed a waiver of such right of first refusal but not a waiver of the required compliance with Sections 14.3 and 14.5.

## 15. TERM AND EXPIRATION

15.1 Term. The primary term of this Agreement ("**Initial Term**") is for a period of fifteen (15) years from the Effective Date, unless sooner terminated as provided herein.

15.2 Successor Term. At the end of the Initial Term, Regional Developer shall have the option to extend its rights to operate the Regional Developer Business rights for two additional terms of five years ("**Successor Term**") so long as Regional Developer:

(a) Provides written notice to Franchisor at least one hundred eighty (180) days prior to the expiration of the Initial Term of this Agreement of Regional Developer's intentions to continue to serve as an regional director for Franchisor;

(b) at least sixty (60) days prior to expiration of the Initial Term, executes the form of Regional Developer Agreement then in use by Franchisor ("**Successor Regional Developer Agreement**"), which agreement may contain terms which are materially different from those in this Agreement; however, commission percentages and definition of the Development Area will not be altered;

(c) upon execution of a Successor Regional Developer Agreement, Regional Developer pays a renewal Regional Developer fee ("**Successor Regional Developer Fee**") of \$2,500;

(d) has complied with all provisions of this Agreement during the Initial Term. "**Compliance**" shall mean, at a minimum, that Regional Developer has not received any



written notification from Franchisor of breach hereunder more than three (3) times during the Initial Term regardless of whether such breach was cured by Regional Developer;

(e) is not in default or under notification of breach of this Agreement at the time it gives notice under Section 15.4;

(f) Executes a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective shareholders, officers, directors, employees and agents arising out of or relating to this Agreement; and

(g) has met its Development Quotas in the Initial Term and has agreed on a new development quota (“**New Development Quota**”) for the Successor Term in accordance with Section 15.3.

### 15.3 New Development Quota.

(a) Upon the extension of Regional Developer’s rights to operate the Regional Developer Business, Franchisor will determine whether the population within the Development Area has increased and whether or not the Development Area is at full capacity with respect to the number of Franchisees located within the Development Area. In the event that the Development Area is not at full capacity, the Regional Developer and the Franchisor will agree to a New Development Quota for the Successor Term at least ninety (90) days prior to expiration of the Initial Term.

(b) In the event that the Development Area is at full capacity at the time of the extension of Regional Developer’s rights to operate the Regional Developer Business, Regional Developer agrees to maintain the number of Franchisees as determined by the Franchisor within the Development Area during the Successor Term or until such time as Franchisor determines, in Franchisor’s discretion, that the Development Area is no longer at full capacity.

15.4 Exercise of Regional Developer’s Option to Extend Rights to Operate Regional Developer Business. Regional Developer may exercise its option to extend its rights to operate the Regional Developer Business by giving written notice of such exercise to Franchisor not more than one hundred and eighty (180) days, or less than one hundred and twenty (120) days prior to the expiration of the Initial Term.

15.5 Conditions of Refusal. Franchisor shall not be obligated to offer Regional Developer an extension of Regional Developer’s rights to operate the Regional Developer Business upon the expiration of this Agreement if the Regional Developer fails to comply with any of the above conditions for the extension of its rights to operate the Regional Developer Business. Upon expiration, the terms of Section 5.8 may apply. In such event, except for failure to execute the then-current Regional Developer Agreement, Franchisor shall give Regional Developer notice of expiration, and such notice shall set forth the reasons for such refusal to offer an extension of Regional Developer’s rights to operate the Regional Developer Business. Upon the expiration of this Agreement, Regional Developer shall comply with the provisions of Section 16.3 and 17.4.

15.6 Interim Period. If Regional Developer does not sign the Successor Regional Developer Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor, this Agreement may be treated either as (a) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (b) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Regional Developer shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

## 16. **TERMINATION**

16.1 By Regional Developer. Regional Developer may terminate this Agreement at any time during the Initial Term or any Interim Period, if Franchisor is in material breach of the Regional Developer Agreement and fails to cure that breach within 30 days of receiving written notice.

### 16.2 By Franchisor With Cause.

Franchisor shall have the right to terminate this Agreement effective upon delivery of written notice of termination to Regional Developer without any payment to Regional Developer, unless otherwise noted below (subject to any state laws to the contrary, where state law shall prevail) if Regional Developer (or any of its shareholders, members, owners, managers, or partners, or the Operating Principal):

(a) Fails to satisfactorily complete the training program as provided in Section 6.1;

(b) Has made any material misrepresentation or omission in its application to be a Regional Developer or in operating as a Regional Developer;

(c) Fails to:

(1) meet the Development Quota set forth in Attachment I ("**Deficient Sales Period**"); and

(2) the total number of BizCard Xpress franchises sold in the Deficient Sales Period, combined with the previous Sales Period, does not equal or exceed the total number of BizCard Xpress franchises agreed to be sold as set forth in the Development Quota, Attachment I, for those two Sales Periods;

(d) Fails to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to Regional Developer;

(e) Surrenders, transfers control of or makes an unauthorized transfer of this Agreement or an ownership interest in Regional Developer or abandons or fails actively to operate the Regional Developer Business contemplated hereunder;

(f) Is convicted by a trial court of or pleads no contest to a felony, or to any other crime or offense that is, in the opinion of Franchisor, likely to adversely affect the goodwill associated with the Marks, or engages in any conduct which may adversely affect the reputation of BizCard Xpress Businesses or the goodwill associated with the Marks;

(g) Is declared bankrupt or insolvent or voluntarily institutes a bankruptcy proceeding under the Bankruptcy Code or is adjudicated bankrupt as a result of an involuntary petition in bankruptcy being filed against it. (This provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.);

(h) Abandons or ceases to operate the Regional Developer Business or, if applicable, Pilot Center for a period of twenty (20) consecutive days or any shorter period that indicates an intent by Regional Developer to discontinue operation of the Regional Developer Business or Pilot Business unless precluded from doing so by an event beyond Regional Developer's reasonable control (other than for financial reasons) or abandons any Premises of a BizCard Xpress Business owned by Regional Developer for more than ten (10) consecutive days;

(i) Has received three (3) notices of default from Franchisor within an eighteen (18) month period, regardless of whether the defaults were cured by Regional Developer;

(j) Defaults under the terms of any other agreement between Regional Developer and Franchisor, including but not limited to any Franchise Agreement governing the operation of any BizCard Xpress Business, wherever located;

(k) Fails to comply with any requirement under the federal or state franchise laws, including, but not limited to, communicating in written, verbal, or other form to any prospective Franchisee any information or presentation which states or suggests a specific level or range of potential or actual sales, income, gross or net profits, product costs, labor costs, or other operating costs unless that information or presentation is identical to that contained in Franchisor's disclosure documents; or Fails to pay any amounts due Franchisor or its affiliates within ten (10) days after receiving notice that such fees or amounts are overdue.

**16.3 Rights and Obligations of Regional Developer Upon Termination or Expiration.**  
Upon termination of this Agreement, whether pursuant to Section 16.1, 16.2 or upon expiration of this Agreement pursuant to Section 15, Regional Developer agrees:

(a) To pay Franchisor within fifteen (15) days after the effective date of termination or expiration of this Agreement, such fees, amounts owed for purchases by Regional Developer from Franchisor or its affiliates, interest due to any of the foregoing and all other amounts owed to Franchisor or its affiliates which are then unpaid;

(b) To refrain from, directly or indirectly at any time or in any manner (except with respect to BizCard Xpress Businesses owned and operated by Regional Developer) identifying itself or any business as a current Regional Developer or authorized agent of Franchisor or its affiliates, use any Mark, any colorable imitation thereof or other indicia of a BizCard Xpress Business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that suggests or indicates a connection or association with Franchisor or its affiliates;

(c) To immediately deliver to Franchisor all past and present franchise sales leads and records and all contracts, acknowledgments or receipt, and other information and records related to Franchisees of Franchisor in the Development Area;

(d) To immediately deliver to Franchisor all advertising materials, the Regional Developer Manual, the Franchise Operations Manual, all other manuals, forms, disclosure documents, franchise sales brochures and other materials containing any Mark or otherwise identifying or relating to the sale of service of BizCard Xpress Businesses;

(e) To refrain from communicating, in any manner, with Franchisees concerning Franchisor or obligations arising from this Agreement or the Franchise Agreement, except as expressly authorized by Franchisor;

(f) To take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to Regional Developer's use of any Mark;

(g) To notify the telephone company and all telephone directory publishers of the termination or expiration of Regional Developer's right to use any telephone number, any regular, classified or other telephone directory listings associated with any Mark, and any Internet address, including any social media pages, and to authorize transfer thereof to Franchisor or its designee. Regional Developer acknowledges that, as between it and Franchisor, Franchisor has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers, directory listings and Internet addresses associated with any Mark. Regional Developer authorizes Franchisor, and hereby irrevocably appoints Franchisor and any of its officers as Regional Developer's Attorney-in-Fact, which appointment is coupled with an interest, to direct the telephone company, all telephone directory publishers, and all Internet service providers to transfer any telephone, telecopy or facsimile machine numbers, directory listings and Internet addresses relating to the Regional Developer Business to Franchisor at its direction, should Regional Developer fail or refuse to do so, and the telephone company, all telephone directory publishers, and all Internet service providers may accept such direction or this Agreement as conclusive evidence of Franchisor's exclusive rights in such telephone numbers, directory listings, and Internet addresses and Franchisor's authority to direct their transfer. Such appointment is evidenced by Attachment IV; and

(h) Furnish Franchisor, within thirty (30) days after the effective date of termination or expiration, with evidence satisfactory to Franchisor of Regional Developer's compliance with the foregoing obligations.

16.4 Confidential Information. Regional Developer agrees that, upon termination or expiration of this Agreement, Regional Developer shall immediately cease to use any Confidential Information disclosed pursuant to this Agreement or as a result of its relationship with Franchisor in any business or otherwise (except in connection with the operation of a BizCard Xpress Business pursuant to a Franchise Agreement with Franchisor) and return to Franchisor all copies of the Regional Developer Manual, the Franchise Operations Manual, and any other confidential materials which have been loaned to Regional Developer by Franchisor.

16.5 Covenant Not to Compete. During the Initial Term of this Agreement, any Interim Period and upon termination or expiration of this Agreement, Regional Developer (and its shareholders, officers, directors, owners, members, managers or partners, and the spouses of these individuals and Regional Developer (collectively “**Bound Parties**”)) agrees that, for the greater of (i) a period of two (2) years commencing on the effective date of termination or expiration, or (ii) the period of time after the termination or expiration during which Regional Developer is receiving any commissions pursuant to Section 5, neither Regional Developer nor any Bound Party shall have any direct or indirect interest (through an immediate family member of Regional Developer or any Bound Party or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business located in any Development Area in which Franchisor or its affiliates or Regional Developers conduct business at the time of termination. The restrictions of this Section shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. Regional Developer and each Bound Party expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

16.6 No Further Right to Payment. Upon expiration or termination of this Agreement, Regional Developer remains liable to Franchisor for all amounts due to Franchisor on the date of termination. Regional Developer shall have no further right to receive payment of Referral Services Commissions or Royalty Commissions from Franchisor, except for those Referral Services Commissions or Royalty Commissions which have been fully earned by Regional Developer up through the date of such termination and except for those commissions described in Section 5.7, if applicable. For purposes of this Agreement, “**fully earned**” Referral Services Commissions shall mean commissions due to franchise sales for which all conditions described in Section 5.1 have been met or fulfilled for the purchase of a franchise for a BizCard Xpress Business to be located within the Development Area by Regional Developer. The term “**fully earned**” Royalty Commissions shall mean those Royalty Commissions accrued up through the date of termination which are otherwise owed to Regional Developer. Franchisor shall have the right to immediately assume control of and manage all franchise deals in the Development Area and to receive all Royalty Commissions from Franchisees in the Development Area. Any fully earned Referral Services Commissions or Royalty Commissions due to Regional Developer will be paid by Franchisor in accordance with the provisions of Section 5.

16.7 Continuing Obligations. All obligations of Franchisor and Regional Developer and the Bound Parties that expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

16.8 State and Federal Law. The parties acknowledge that in the event that the terms of this Agreement regarding termination or expiration are inconsistent with applicable state or federal law, such law shall govern Regional Developer's rights regarding termination or expiration of this Agreement.

16.9 Attorney's Fees. Regional Developer shall pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by Franchisor in successfully enforcing, issuing notices of default, or obtaining any remedy arising from the breach of, this Agreement. The existence of any claims, demands or actions which Regional Developer may have against Franchisor, whether arising from this Agreement or otherwise, shall not constitute a defense to Franchisor's enforcement of Regional Developer's or any Operating Principal's representations, warranties, covenants, agreements or obligations herein.

16.10 Franchisor has the right (but not the obligation), under the circumstances described below, to assume the Regional Developer Franchise management (or to appoint a third party to assume its management) for up to 120 consecutive days at a time. If Franchisor (or a third party) assumes the Regional Developer Franchise management, Regional Developer agrees to forfeit the Royalty Commission. If Franchisor (or a third party) assumes the Regional Developer Franchise management, Regional Developer acknowledges that Franchisor (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to Regional Developer or Regional Developer's owners for any debts, losses, or obligations the Regional Developer Franchise incurs, or to any of Regional Developer's creditors for any supplies, products, or other assets or services the Regional Developer Franchise purchases, while Franchisor (or the third party) manages it. Franchisor (or a third party) may assume the Regional Developer Franchise management under the following circumstances: (1) if Regional Developer abandons or fails to actively operate the Regional Developer Franchise; or (2) if Regional Developer fails to comply with any provision of the Regional Developer Agreement and does not cure the failure within the time period specified by the Regional Developer Agreement or Franchisor. If Franchisor exercises its rights under this Section, it will not affect Franchisor's right to terminate this Agreement under this Section.

## 17. **RELATIONSHIP OF THE PARTIES**

17.1 Relationship of the Parties. It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, that the parties are independent contractors and that Franchisor appoints Regional Developer as its special agent for a particular purpose and that nothing in this Agreement is intended to make either party a general agent, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. Regional Developer shall conspicuously identify itself in all dealings with Franchisees, prospective Franchisees, lessors, contractors, suppliers, public officials and others as the owner of its own business under a Regional Developer Agreement with Franchisor, and

shall place such other notices of independent ownership required by Franchisor on signs, forms, stationery, advertising and other materials.

17.2 Payment of Third-Party Obligation. Neither Franchisor nor Regional Developer shall make any express or implied agreements, guaranties or representations, or incur any debt, in the name of or on behalf of the other or represent that their relationship is other than franchisor and special agent, and neither Franchisor nor Regional Developer shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized hereunder, nor shall Franchisor be obligated for any damages to any person or property directly or indirectly arising out of the operations of Regional Developer's business, unless (and then only to the extent) caused by Franchisor's negligent or willful action or failure to act.

17.3 Use of Independent Contractors. Regional Developer may delegate its duties hereunder to independent contractors provided that Regional Developer receives written approval from Franchisor prior to any such delegation of duties and complies with all state laws requiring broker registration for such persons. Franchisor reserves the right at any time, and in Franchisor's sole discretion, to withdraw the approval of any independent contractor engaged by Regional Developer to fulfill its duties and obligations under this Agreement in Franchisor's sole discretion, and Regional Developer agrees to terminate its relationship with the independent contractor immediately upon the receipt of written notice from Franchisor.

17.4 Indemnification. Regional Developer agrees to indemnify, defend, hold harmless and reimburse Franchisor and its affiliates, and their respective stockholders, directors, officers, employees, agents and assignees ("**Indemnified Parties**") for, and hold the Indemnified Parties harmless against, any loss, liability, taxes or damages (actual or consequential) and all reasonable costs and expenses of defending any claim brought against any of them or any action in which any of them is named as a party (including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses), including any claim or suit brought by a Franchisee operating in the Regional Developer's Development Area, which any of them may suffer, sustain or incur by reason of, arising from or in connection with any acts, omissions or activities of Regional Developer or any of its employees or independent contractors unless (and then only to the extent) caused by the Indemnified Party's gross negligence. Each Indemnified Party shall have the right to defend any such claim against it at Regional Developer's expense and agree to settlements or take any other remedial, corrective or other actions. This indemnity shall continue in full force and effect, subsequent to and notwithstanding the expiration or termination of this Agreement.

## 18. **DISPUTES**

18.1 Mediation. All claims or disputes between Regional Developer and Franchisor or its Affiliates arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this Agreement, shall be submitted first to mediation prior to a hearing in binding arbitration or a trial court proceeding. Such mediation shall take place in Flagler, Florida (or Franchisor's then-current headquarters) under the auspices of the Judicial Arbitration and Mediation Service ("**JAMS**"), in accordance with

JAMS's Commercial Mediation Rules then in effect. Regional Developer may not commence any action against Franchisor or Franchisor's Affiliates with respect to any such claim or dispute in any court unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by JAMS and the mediator's fees. Franchisor reserves the right to specifically enforce its right to mediation. Prior to mediation, and before commencing any legal action against Franchisor or Franchisor's Affiliates with respect to any such claim or dispute, Regional Developer must submit a notice to Franchisor, which specifies in detail, the precise nature and grounds of such claim or dispute. Franchisor shall not be required to first attempt to mediate a controversy, dispute or claim against Regional Developer through mediation as set forth in this Section 18.1 if such controversy, dispute or claim concerns an allegation by Franchisor that Regional Developer has violated (or threaten to violate, or pose an imminent risk of violating): (a) any of Franchisor's federally protected intellectual property rights in the Marks, the System, or in any of Franchisor's trade secrets or confidential information; (b) any claims pertaining to or arising out of any warranty issued; or (c) any of the restrictive covenants contained in this Agreement.

18.2 Internal Dispute Resolution Procedure. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation or mediation pursuant to Section 18.1. Franchisor will also provide a procedure for internal dispute resolution as set forth in the Regional Developer Operations Manual, and the parties acknowledge and agree that this procedure may be revised periodically in Franchisor's discretion.

18.3 Exceptions. To protect from violations that would cause immediate loss and damages or irreparable harm, Franchisor and Regional Developer shall each have the right to seek from a state or federal court located in Flagler, Florida:

- (a) injunctive relief and any related incidental damages;
- (b) an action for disputes or claims related to or based on the Marks; and
- (c) issues related to the disclosure of or misuse of Confidential Information or Trade Secrets.

18.4 Arbitration. Except as otherwise provided in this Section, including the mediation requirement of Section 18.1, any controversy or dispute arising out of, or relating to the Regional Developer franchise or this Agreement including, but not limited to, any claim by Regional Developer or any Persons in Privity with or claiming through, on behalf of or in the right of Regional Developer, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by Franchisor, or its subsidiaries or Affiliates, and Regional Developer; any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor; any claim of breach of this Agreement; and any claims arising under State or Federal laws, shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. **“Persons in Privity”** with or claiming through, on behalf of or in the right of Regional Developer include but are not limited to, spouses and other family members, domestic partners, heirs, executors,



representatives, successors and assigns. Subject to this Section, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules (in effect as of the date the demand for arbitration is filed) of, and under the auspices of, the American Arbitration Association. The arbitration, which shall be held before a single arbitrator, shall be held in the Flagler, Florida office (or nearest office) of the American Arbitration Association, or at such other location as shall be mutually agreed upon by the parties in writing. However, arbitration will not be required to be used for any dispute which involves the type of disputes identified in Section 18.3. The parties expressly consent to personal jurisdiction in the State of Florida and agree that such court(s) will have exclusive jurisdiction over any determination of the “prevailing party” in accordance with such issues not subject to arbitration

18.5 Arbitration Requirements. A single arbitrator shall be selected by the parties from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking method. Subject to the provisions contained in Section 19.3, the parties each shall bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such court and to the propriety of venue of such court for the purpose of carrying out this provision; and they waive any objections that they would otherwise have concerning such matters. Parties to arbitration under this Agreement shall not include, by consolidation, joinder or in any other manner, any person other than Regional Developer and any Person in Privity with or claiming through, in the right of or on behalf of Regional Developer or Franchisor, unless both parties consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Regional Developer or any Person in Privity with or claiming through, in the right of or on behalf of Regional Developer or Franchisor

18.6 No Class Actions. The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between Franchisor and Regional Developer and no other franchisees or Regional Developers, if any. Regional Developer agrees not to join or attempt to join other franchisees, Regional Developers (if any), or other third-parties in any arbitration proceeding and to refrain from participating in any “class action” litigation or arbitration proposed or asserted by one or more other Regional Developers

18.7 Legal Costs. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of one year from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding

18.8 Limitation of Claims. Regional Developer and the Bound Parties agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. Any claims between the parties must be commenced within one (1) year from the occurrence of the facts giving rise to such claim, or such claim shall be barred. The parties understand that such time limit may be shorter than otherwise allowed by law. Regional Developer and the Bound Parties agree that their sole recourse for claims arising between the parties shall be against Franchisor or its successors and assigns. Regional Developer and the Bound Parties agree that the shareholders, directors, officers, employees and agents of the Franchisor and its affiliates (other than Regional Developer) shall not be personally liable nor named as a party in any action between the Franchisor and Regional Developer or any Bound Party. The parties further agree that, in connection with any such proceeding, each must submit or file any claim, which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim in which it relates. Any such claim, which is not submitted or filed as described above, will be forever barred. The parties agree that any proceeding will be conducted on an individual, not a class-wide basis, and that a proceeding between Franchisor and Regional Developer or the Bound Parties may not be consolidated with any other proceeding between Franchisor and any other person or entity. No party will be entitled to an award of punitive or exemplary damages (provided that this limitation shall not apply to statutory penalties such as those set forth in 15 U.S.C. § 1117 (a)). No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

18.9 Forum Consent. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other applicable federal law, this Agreement shall be interpreted under the laws of the State of Florida, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Florida, which laws shall prevail in the event of any conflict of law; provided, however, the parties expressly agree that this Agreement is not intended to confer on any Regional Developer that is not a resident of the State of Florida the benefit of any Florida law providing specific protection to franchisees and Regional Developers residing or operating in the State of Florida. **REGIONAL DEVELOPER AND FRANCHISOR HAVE NEGOTIATED REGARDING A FORUM IN WHICH TO RESOLVE ANY DISPUTES WHICH MAY ARISE BETWEEN THEM AND HAVE AGREED TO SELECT A FORUM IN ORDER TO PROMOTE STABILITY IN THEIR RELATIONSHIP. THEREFORE, IF A CLAIM IS ASSERTED IN ANY LEGAL PROCEEDING INVOLVING REGIONAL DEVELOPER, ITS OFFICERS, DIRECTORS, MANAGERS, MEMBERS, OR PARTNERS AND FRANCHISOR, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, EMPLOYEES OR AFFILIATES, BOTH PARTIES AGREE THAT THE EXCLUSIVE VENUE FOR DISPUTES BETWEEN THEM SHALL BE IN THE STATE OF FLORIDA AND EACH WAIVE ANY OBJECTION EITHER MAY HAVE TO THE PERSONAL JURISDICTION OF OR VENUE IN THE STATE OF FLORIDA. REGIONAL DEVELOPER IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION REGIONAL DEVELOPER MAY HAVE TO EITHER THE JURISDICTION OR VENUE IN SUCH COURT.**

## 19. MISCELLANEOUS PROVISIONS

19.1 Invalidity. If any provision of this Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to eliminate the invalid element and, as so modified, such provision shall be deemed part of this Agreement as though originally included. The remaining provisions of this Agreement shall not be affected by such modifications.

19.2 Modification. No amendment, waiver or modifications of this Agreement shall be effective unless it is in writing and signed by the party or parties against whom such amendment or waiver is to be enforced. Regional Developer acknowledges that Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Regional Developer Manual unilaterally under any conditions and to the extent in which Franchisor deems necessary to protect, promote, or improve the Marks and the quality of the System.

19.3 Attorneys' Fees. In the event of any dispute between the parties to this Agreement, including any dispute involving an officer, director, employee or managing agent of a party to this Agreement, in addition to all other remedies, the non-prevailing party will pay the prevailing party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in any legal action or other proceeding as a result of such dispute, plus interest at the lesser of \$50 per day or the highest rate allowable by law, accruing from the first date such dispute was submitted to any dispute resolution process including mediation, arbitration or litigation.

19.4 Injunctive Relief. Nothing herein shall prevent Franchisor or Regional Developer from seeking injunctive relief in appropriate cases to prevent irreparable harm.

19.5 No Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by Regional Developer or Franchisor shall be considered to imply or constitute a further waiver by Franchisor or Regional Developer of the same or any other condition, covenant, right, or remedy.

19.6 Effective Date. Regardless of the date first written above, this Agreement shall not be effective until executed by Franchisor as evidenced by dating and signing by an officer of Franchisor.

19.7 Review of Agreement. Regional Developer acknowledges that it had a copy of this Agreement in its possession for a sufficient period of time to thoroughly examine its provisions and understand its obligations, during which time Regional Developer has had the opportunity to submit the same for review and advice by a professional, such as attorney or an accountant, of Regional Developer's choosing prior to freely executing this Agreement.

19.8 Entire Agreement. This Agreement (which includes the Attachments expressly incorporated) contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter covered by this Agreement. However, nothing in this Agreement or any related agreement is intended to disclaim the Franchisor's representations made in the Franchise Disclosure Document. Regional Developer agrees and

understands that Franchisor shall not be liable or obligated for any oral representations or commitments made prior to the execution hereof or for claims of negligent or fraudulent misrepresentation and that no modifications of this Agreement shall be effective except those in writing and signed by both parties. Franchisor does not authorize and will not be bound by any representation of any nature other than those expressed in this Agreement. Regional Developer further acknowledges and agrees that no representations have been made to it by Franchisor regarding projected sales volumes, market potential, revenues, profits of the Regional Developer Business, or operational assistance other than as stated in this Agreement or in any disclosure document provided in connection with this Agreement. Regional Developer acknowledges and agrees that any delegation of Franchisor's duties and obligations to Regional Developer does not assign or confer any right under any Franchise Agreement (unless entered into between Regional Developer and Franchisor) upon Regional Developer, and the Regional Developer is not a third party beneficiary of any Franchise Agreement between Franchisor and a Franchisee who is not also the Regional Developer. Any policies that Franchisor adopts and implements from time to time are subject to change, are not a part of this Agreement, and are not binding on Franchisor.

19.9 Notices. All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, by electronic mail provided that the recipient of such electronic mail expressly acknowledges in writing the receipt of the electronic mail, or by an overnight delivery service providing documentation of receipt, to addresses set forth in the first paragraph of this Agreement, or, with respect to notices to Regional Developer, to the address of the Regional Developer Business as listed in Franchisor's business records, or at such other addresses as Franchisor or Regional Developer may designate from time to time, and shall be deemed delivered (a) on the date shown on the return receipt or in the courier's records as the date of delivery, or (b) on the date of first attempted delivery, if actual delivery cannot for any reason be made.

19.10 ACKNOWLEDGEMENT. BEFORE SIGNING THIS AGREEMENT, REGIONAL DEVELOPER SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL. REGIONAL DEVELOPER ACKNOWLEDGES THAT:

(a) THE SUCCESS OF THE REGIONAL DEVELOPER BUSINESS VENTURE INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON REGIONAL DEVELOPER'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE REGIONAL DEVELOPER BUSINESS, AND

(b) REGIONAL DEVELOPER HAS ENTERED INTO THE REGIONAL DEVELOPER AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE PROPOSED REGIONAL DEVELOPER BUSINESS, AND NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED BY THE FRANCHISOR OR ITS OFFICERS, DEVELOPERS, EMPLOYEES OR AGENTS AS TO REVENUE, PROFITS OR SUCCESS WHICH THE REGIONAL DEVELOPER OR ANY GUARANTOR MIGHT BE EXPECTED TO REALIZE, NOR HAS ANYONE MADE ANY OTHER WARRANTY OR REPRESENTATION WHICH IS NOT

EXPRESSLY SET OUT IN THE REGIONAL DEVELOPER AGREEMENT TO INDUCE THE REGIONAL DEVELOPER OR THE GUARANTOR TO EXECUTE THE REGIONAL DEVELOPER AGREEMENT, AND

(c) NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT, AND IN ANY DISCLOSURE DOCUMENT SUPPLIED TO REGIONAL DEVELOPER IS BINDING ON FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

(d) REGIONAL DEVELOPER ACKNOWLEDGES RECEIPT OF THE DISCLOSURE DOCUMENT, REGIONAL DEVELOPER AGREEMENT, FINANCIAL STATEMENTS AND OTHER CONTRACTS AT LEAST TEN (10) BUSINESS DAYS PRIOR TO EXECUTION HEREOF OR PAYMENT OF ANY MONIES.

**[Signatures on Following Page]**

**IN WITNESS WHEREOF**, the parties hereto have executed, sealed and delivered this Agreement in counterparts on the date first mentioned above.

**FRANCHISOR:**

**BIZCARD XPRESS, LLC**

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

\_\_\_\_\_  
[Printed name]

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

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

**REGIONAL DEVELOPER:**

\_\_\_\_\_  
[Printed name]

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

\_\_\_\_\_  
[Printed name]

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

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

**ATTACHMENT I**

**TO**

**REGIONAL DEVELOPER AGREEMENT**

**ATTACHMENT I  
RIDER  
TO REGIONAL DEVELOPER AGREEMENT**

1. ***Development Area.*** The Development Area referred to in Section 1.1 of the Agreement shall be the following geographic area and as depicted on the map below:

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2. ***Development Fee.*** The Development Fee payable to the Franchisor by the Regional Developer under Section 4.1 of the Agreement is based on the total development of \_\_\_\_\_ BizCard Xpress Businesses and is:

\$\_\_\_\_\_.

Unless otherwise agreed, the Development Fee is payable in cash, certified funds or by wire transfer. The Franchisor and the Regional Developer agree that, once paid, the Development Fee will not be subject to change for any reason.

3. ***Development Quotas.*** Regional Developer shall satisfy the following cumulative Development Quotas by the last day of each Sales Period during the Initial Term of this Agreement:



<b>Year</b>	<b>Date Sales Period Begins</b>	<b>Date Sales Period Ends</b>	<b>BizCard Xpress Businesses Sold in the Development Area</b>	<b>BizCard Xpress Businesses Open and Operating in the Development Area</b>
201__				
201__				
201__				
201__				
201__				
201__				
201__				

The first Sales Period commences on the first day of the Sales Period for which minimums have been indicated above.

**FRANCHISOR:**

**BIZCARD XPRESS, LLC**

By: \_\_\_\_\_  
 \_\_\_\_\_  
 [printed name]

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

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

**REGIONAL DEVELOPER:**

\_\_\_\_\_  
 [printed name]

By: \_\_\_\_\_  
 \_\_\_\_\_  
 [printed name]

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

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

**ATTACHMENT II  
TO  
REGIONAL DEVELOPER AGREEMENT**

**STATEMENT OF OWNERSHIP**

**ATTACHMENT II  
TO REGIONAL DEVELOPER AGREEMENT**

**STATEMENT OF OWNERSHIP**

**Regional Developer:**

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**Trade Name (if different from above):**

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**Form of Ownership  
(Check One)**

Individual    Partnership    Corporation    Limited Liability Co.    Other  
(explain)

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

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

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

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

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

Name	Title

**Members, Stockholders, Partners**

Name	Address	Percentage Owned

Regional Developer acknowledges that this Statement of Ownership applies to the BizCard Xpress Regional Developer Business authorized under the Regional Developer Agreement. Use additional sheets if necessary. Any and all changes to the above information must be reported to the Franchisor in writing.

\_\_\_\_\_

Date

\_\_\_\_\_

Name

**ATTACHMENT III**

**TO**

**REGIONAL DEVELOPER AGREEMENT**

**GUARANTY AND ASSUMPTION OF REGIONAL  
DEVELOPER'S OBLIGATIONS**

**ATTACHMENT III  
TO REGIONAL DEVELOPER AGREEMENT**

**GUARANTY AND ASSUMPTION OF  
REGIONAL DEVELOPER'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution of the above Regional Developer Agreement (“**Agreement**”) by **BizCard Xpress, LLC** (“**Franchisor**”), each of the undersigned (“**Guarantors**”) personally and unconditionally (1) guarantees to Franchisor and its affiliates and their successors and assigns, for the Initial Term of the Agreement, any Interim Period and thereafter as provided in the Agreement, that the Regional Developer, as defined in the Agreement (“**Regional Developer**”), shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (2) agrees personally to be bound by, and to be personally liable for the breach of, each and every provision in the Agreement.

1. **Waiver**. Each of the undersigned waives:

(a) Acceptance and notice of acceptance by Franchisor and its affiliates of the foregoing undertakings;

(b) Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

(c) Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

(d) Any right he or she may have to require that an action be brought against Regional Developer or any other person as a condition of liability; and

2. **Consents**. Each of the undersigned consents and agrees that:

(a) His or her direct and immediate liability under this guaranty shall be joint and several;

(b) He or she shall render any payment or performance required under the Agreement upon demand if Regional Developer fails or refuses punctually to do so;

(c) Such liability shall not be contingent or conditioned upon pursuit by Franchisor or its affiliates of any remedies against Regional Developer or any other person;

(d) Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor or its affiliates may from time to time grant to Regional Developer or to any other person, including without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the Initial Term of the Agreement and any Interim Period; and

(e) He or she shall be bound by the restrictive covenants and confidentiality provisions contained in Sections 10 and 11 and Sections 16.4 and 16.5 of the Agreement, and the indemnification provisions contained in Section 17.4 of the Agreement; and

(f) The provisions contained in Section 18 and the costs and attorney's fees provision contained in Section 19.3 of the Agreement shall govern this Guaranty and such provisions are incorporated into this Guaranty by this reference.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature, effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

**Percentage of Ownership Interest  
in Regional Developer**

**GUARANTOR(S)**

\_\_\_\_\_

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

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

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

**Percentage of Ownership Interest  
in Regional Developer**

\_\_\_\_\_  
[Telephone Number]

\_\_\_\_\_

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

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

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

**Percentage of Ownership Interest  
in Regional Developer**

**GUARANTOR(S)**

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**SPOUSES:**

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**ATTACHMENT IV**

**TO**

**REGIONAL DEVELOPER AGREEMENT**

**COLLATERAL ASSIGNMENT OF TELEPHONE  
NUMBERS, TELEPHONE LISTINGS, AND  
INTERNET ADDRESSES**

**ATTACHMENT IV  
TO REGIONAL DEVELOPER AGREEMENT**

**COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS,  
TELEPHONE LISTINGS, AND INTERNET ADDRESSES**

This Assignment is entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, in accordance with the terms of that certain BizCard Xpress regional developer agreement (“**Regional Developer Agreement**”) between \_\_\_\_\_ (“**Regional Developer**”), and BizCard Xpress, LLC, a Florida limited liability company (“**Franchisor**”), executed concurrently with this Assignment, under which Franchisor granted Regional Developer the right to own and operate as a BizCard Xpress Regional Developer franchise located in \_\_\_\_\_ (“**Development Area**”).

FOR VALUE RECEIVED, Regional Developer hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Addresses, Numbers and Listings**”) and (2) those certain Internet websites utilizing any of the trademarks owned or licensed by Franchisor, including social media websites, and those website addresses (“**URLs**”) associated with Franchisor’s trade and service marks and used from time to time in connection with the operation of the Regional Developer business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and the listing agencies with which Regional Developer has placed telephone directory listings (all such entities are collectively referred to herein as “**Telephone Company**”) and Regional Developer’s Internet service provider (“**ISP**”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Regional Developer Agreement (without the extension of Regional Developer’s rights to operate the Regional Developer Business), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Addresses, Numbers and Listings and the URLs, and, in such event, Regional Developer shall have no further right, title or interest in the Addresses, Numbers and Listings and the URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

Regional Developer agrees and acknowledges that as between Franchisor and Regional Developer, upon termination or expiration of the Regional Developer Agreement, Franchisor shall have the sole right to and interest in the Addresses, Numbers and Listings and the URLs, and Regional Developer appoints Franchisor as Regional Developer’s true and lawful attorney-in-fact to direct the Telephone Company and the ISP to assign the same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Regional Developer shall immediately notify the Telephone Company and the ISP to assign the Addresses, Numbers and Listings and the URLs to Franchisor. If Regional Developer fails to promptly direct the Telephone Company and the ISP to assign the Addresses, Numbers and Listings and the URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may

accept Franchisor's written direction, the Regional Developer Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Addresses, Numbers and Listings and the URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Regional Developer. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Regional Developer Agreement, Franchisor's execution of such forms or documentation on behalf of Regional Developer shall effectuate Regional Developer's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Regional Developer Agreement.

**ASSIGNEE:**

**ASSIGNOR:**

**BIZCARD XPRESS, LLC**

**REGIONAL DEVELOPER**

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

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

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

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

**ATTACHMENT V**

**TO**

**REGIONAL DEVELOPER AGREEMENT**

**NON-DISCLOSURE AND**

**NON-COMPETITION AGREEMENT**

**ATTACHMENT V  
REGIONAL DEVELOPER AGREEMENT**

**NON-DISCLOSURE AND NON-COMPETITION AGREEMENT**

This Non-Disclosure and Non-Competition Agreement (“**Agreement**”) is made and entered into the \_\_\_\_ day of \_\_\_\_\_, 201\_\_ by and between **BizCard Xpress, LLC**, a Florida limited liability company (“**Company**”), located at 99 Old Kings Road South, Suite 1, Flagler, Florida 32136, and \_\_\_\_\_ (“**Regional Developer Affiliate**”), an individual residing at \_\_\_\_\_.

**RECITALS**

A. The Company is engaged in the business of selling franchises for the operation of BizCard Xpress Businesses (“**Services**”) using the trademark “BIZCARD XPRESS” (“**Franchise Business**”). The Franchise Business and the Regional Developer Business (as defined below) are operated under the Company’s trademark “BIZCARD XPRESS” and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively “**Marks**”);

B. The Company has developed methods for establishing, operating and promoting Regional Developer Businesses pursuant to the Company’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Company (“**Confidential Information**”) and such Confidential Information as may be further developed from time to time by the Company;

C. The Company and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of Services, which goodwill and reputation have been and will continue to be of major benefit to the Company;

D. Regional Developer (as defined below) is in the business (“**Regional Developer Business**”) of offering Referral Services, Site Services, and Support Services (as defined in the Regional Developer Agreement).

E. Regional Developer Affiliate desires to become involved with the Company in the capacity of an officer, partner, director, agent, employee or as a beneficial owner of \_\_\_\_\_ (“**Regional Developer**”), or is an immediate family member of a principal owning Regional Developer, and will become privileged as to certain Confidential Information, and Regional Developer Affiliate may or may not have signed the Regional Developer Agreement or the Guaranty and Assumption of Regional Developer’s Obligations Agreement; and Regional Developer Affiliate and the Company have reached an understanding with regard to non-disclosure by Regional Developer Affiliate of Confidential Information and with respect to non-competition by Regional Developer Affiliate with the Company and other franchisees of the Company. Regional Developer Affiliate agrees to the terms of this Agreement as partial consideration for the Company’s willingness to allow Regional Developer Affiliate to engage in a business relationship with Company or a franchisee of the Company using the Company’s Confidential Information.

**NOW THEREFORE**, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Regional Developer Affiliate and the Company, intending legally to be bound, agree as follows:

1. Confidential Information. Regional Developer Affiliate and the Company acknowledge that the Confidential Information which is developed and utilized in connection with the operation of Regional Developer is unique, exclusive property and a trade secret of the Company. Regional Developer Affiliate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Company. Regional Developer Affiliate further acknowledges that the Company has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Company has taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

2. Customer Lists and Operations Manuals as Trade Secrets. Regional Developer Affiliate acknowledges and agrees that the Confidential Information, including “**Trade Secrets**”, as used in this Agreement, also includes, without limitation, formulas, lists of customers, supplier information and any and all information contained in the Company’s Regional Developer Manual and Franchise Operations Manual, which may be provided as one or more separate manuals, written instructional guides, CD Rom, or other communications from the Company, which may be changed or supplemented from time to time, and any information of whatever nature that gives the Company and its affiliates an opportunity to obtain an advantage over its competitors that do not have access to, know or use such lists, written materials, formulas or information.

3. Non-Disclosure of Confidential Information. Regional Developer Affiliate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company, the Regional Developer, or the Regional Developer, any of the Confidential Information of the Company or its affiliates.

4. Non-Competition Covenant. Regional Developer Affiliate acknowledges that, in addition to the license of the Marks hereunder, Franchisor has also licensed commercially valuable information which comprises and is a part of the System, including without limitation, proprietary processes, operations, marketing and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all regional directors and franchisees of the Company using the Marks and System. Regional Developer Affiliate therefore agrees that other than in engaging in the Regional Developer Business licensed under a Regional Developer Agreement, neither Regional Developer Affiliate nor any member of Regional Developer Affiliate’s immediate families, will during the Initial Term of this Agreement or any Interim Period:

(a) have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business, as defined in the Regional Developer Agreement;

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

(c) divert or attempt to divert any business related to, or any customer or account of the Regional Developer Business, the Company's business, the business of any affiliate of the Company or any franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Company or another regional director or franchisee licensed by Company, to any Competitive Business by any direct inducement or otherwise.

5. Post-Termination Covenant Not to Compete. Upon termination or expiration of this Agreement for any reason, Regional Developer Affiliate agrees that, for a period of two years commencing on the effective date of termination or expiration, or the date on which Regional Developer Affiliate ceases to conduct business with Regional Developer, whichever is later, Regional Developer Affiliate will not have any direct or indirect interest (through any immediate family member of Regional Developer Affiliate or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business, located in any Development Area in which Franchisor or its affiliates or Regional Developers conduct business at the time of termination, except to the extent Regional Developer Affiliate continues to operate one or more BizCard Xpress Businesses pursuant to one or more separate Franchise Agreements for so long as that Franchise Agreement or those Franchise Agreements remain in place. The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding. Regional Developer Affiliate expressly acknowledges that he or she possesses skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive him or her of his or her personal goodwill or ability to earn a living.

6. Injunction. Regional Developer Affiliate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled. Regional Developer Affiliate agrees that the Company may obtain such injunctive relief, without posting a bond or bonds totaling \$500 or more, but upon due notice, and Regional Developer Affiliate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Regional Developer Affiliate.

7. Reasonableness of Restrictions. Regional Developer Affiliate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause

substantial and irreparable injury to Company, and that Company would not have entered into a business relationship with Regional Developer Affiliate or this Agreement without receiving Regional Developer Affiliate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Regional Developer Affiliate, Regional Developer Affiliate, for value, voluntarily waives such defenses as Regional Developer Affiliate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of the Company; it being specifically understood and agreed between the parties that no action or lack of action on the part of the Company will entitle or permit the Regional Developer Affiliate to disclose any such Confidential Information in any circumstances.

8. Effect of Waiver. The waiver by Regional Developer or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Regional Developer Affiliate and the Company and their respective heirs, executors, representatives, successors and assigns.

10. Entire Agreement. This instrument contains the entire agreement of Regional Developer Affiliate and the Company relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

11. Governing Law. This instrument shall be governed by and construed under the laws of the state of Florida.

12. Jurisdiction and Venue. In the event of a breach or threatened breach by Regional Developer Affiliate of this Agreement, Regional Developer Affiliate hereby irrevocably submits to the jurisdiction of the state and federal courts of Florida, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Florida. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Flagler, Florida. Notwithstanding the foregoing, in the event that the laws of the state where the Regional Developer Affiliate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

13. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

14. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall



recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

**IN WITNESS WHEREOF**, the parties have signed this Agreement on the date first above written.

**COMPANY:**

**BIZCARD XPRESS, LLC,**

A Florida limited liability company

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

Title \_\_\_\_\_

Date \_\_\_\_\_

**REGIONAL DEVELOPER AFFILIATE:**

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

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

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

**EXHIBIT D**

**BIZCARD XPRESS**

**LIST OF CURRENT FRANCHISEES AND  
REGIONAL DEVELOPERS**

**AND**

**FORMER FRANCHISEES AND FORMER  
REGIONAL DEVELOPERS**

## **Franchisees**

**There are currently 5 operational franchisees for BizCard Xpress as of December 31, 2011.**

### **FLORIDA**

\*\*BizCard Xpress of Flagler Beach, FL  
99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136  
386-439-2161  
Contact: Lee

BizCard Xpress of Orange City, FL  
1209 Saxon Blvd. Orange City, FL 32763  
386-218-5940  
Contact: Randy

\*BizCard Xpress of Ormond Beach, FL  
500 W. Granada Blvd  
Ormond Beach, FL 32174  
386-672-6653  
Contact: Guy

\*BizCard Xpress of Palm Coast, FL  
3 Cypress Branch Way  
Palm Coast, FL 32164  
386-445-6300  
Contact: Daniela

\*BizCard Xpress of Sanford, FL  
1744 Rinehart Rd  
Sanford, FL 32771  
407-688-8902  
Contact: Fort

BizCard Xpress of Tavares  
336 W. Burleigh Blvd  
Tavares, FL  
352-508-5248  
Contact: Sid

\*\*This Center is under common control with the Franchisor  
\*indicates franchises owned by our principals

### **Regional Developers**

**We do not currently have any Regional Developers as of December 31, 2011.**

**Former Franchisees:**

None

**EXHIBIT E**

**BIZCARD XPRESS**

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

**EXHIBIT E**

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

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<b>CALIFORNIA</b>	<p>Commissioner of Corporations 320 W. 4<sup>th</sup> Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500</p> <p>Or</p> <p>One Sansome Street, Suite 600 San Francisco, California 94105-2980 (415) 972-8559</p> <p>Or</p> <p>1350 Front Street, Room 2034 San Diego, California 92101-3697 (619) 525-4233</p> <p>Or</p> <p>1515 K Street, Suite 200 Sacramento, California 95814-4052 (916) 445-7205</p> <p>Toll-Free Number: 1-866-275-2677</p>	<p>Corporations Commissioner 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677</p> <p>(619) 525-4233</p> <p>(916) 445-7205</p>
<b>HAWAII</b>	<p>Commissioner of Securities Business Registration Division Securities Compliance Branch Dept. of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722</p>	<p>Hawaii Commissioner of Securities Same Address</p>
<b>ILLINOIS</b>	<p>Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 217-782-4465</p>	<p>Illinois Attorney General Same Address</p>
<b>INDIANA</b>	<p>Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204</p>	<p>Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204</p>

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
	317-232-6681	
<b>MARYLAND</b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
<b>MICHIGAN</b>	Michigan Department of Attorney General 670 G. Mennen Williams Building 525 West Ottawa Lansing, Michigan 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
<b>MINNESOTA</b>	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 651-296-4026	Minnesota Commissioner of Commerce Same Address
<b>NEW YORK</b>	Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 212-416-8222	Secretary of State of New York One Commerce Plaza 99 Washington Avenue Albany, New York 12231
<b>NORTH DAKOTA</b>	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	North Dakota Securities Commissioner Same Address
<b>OREGON</b>	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 503-378-4387	
<b>RHODE ISLAND</b>	Division of Business Regulation Building 69 1511 Pontiac Avenue Cranston, RI 02920-4407 401-222-3048	Director of the Rhode Island Department of Business Regulation Building 69 1511 Pontiac Avenue Cranston, RI 02920-4407 401-222-3048
<b>SOUTH DAKOTA</b>	Department of Revenue and Regulation Division of Securities 445 E. Capitol Avenue Pierre, SD 57501-3185 605-773-4823	Director of South Dakota Division of Securities Same Address
<b>VIRGINIA</b>	Director, Division of Securities and Retail Franchising State Corporation Commission 1300 E. Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219
<b>WASHINGTON</b>	Department of Financial Institutions	Director, Dept. of Financial Institutions

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
	Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 360-902-8762	Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
<b>WISCONSIN</b>	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address



**EXHIBIT F**

**BIZCARD XPRESS**

**STATE-SPECIFIC ADDENDUM**

**BIZCARD XPRESS, LLC**

**MULTI-STATE ADDENDUM**

The following modifications are made to the BizCard Xpress, LLC (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to Franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated \_\_\_\_\_, 201\_\_.

The following states have or that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your Franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, Tit. 6, Ch. 25, Sections 2551-2556], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/1-44], INDIANA [Stat. Sections 23-2-2.7 and 23-2-2.5], IOWA [Code Sections 523H.1-523H.17], MARYLAND [MD. CODE ANN., BUS. REG. §§14-201 TO 14-233 (2004 Repl. Vol.)], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-517-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03].

Depending on state law, the provisions of this State-Specific Addendum (“**State Addendum**”) may apply to modify the Franchise Disclosure Document that was given to you, as well as the Franchise Agreement, and any applicable Addenda, Exhibits, Appendices, or mutually-agreed modifications thereto. Specifically, this State Addendum will apply to your Franchise Agreement only if the jurisdictional requirements of a listed state’s laws are met independently and without reference to this Addendum, to the Franchise Agreement, or to the FDD. For purposes of the State Addendum, the “**Franchisor’s Choice of Law State**” is Florida and “**Supplemental Agreements**” mea Regional Developer Agreement, and Statement of Franchisee. In the event of any inconsistency between the provisions of the Franchise Agreement, FDD, or Supplemental Agreements and this Addendum, the terms of this State Addendum shall control. Nothing in this State Addendum, the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreements should be interpreted or construed as providing an independent basis for Franchisee’s assertion that any particular state law or provision applies to the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreements that would not otherwise apply due to the jurisdictional requirements of such state law or provision.

**CALIFORNIA**

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

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

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement or Supplemental Documents contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

California Corporations Code section 31125 requires the Franchisor to give the Franchisee a disclosure document, approved by the department of corporations, prior to a solicitation of a proposed material modification of an existing franchise.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the franchise. Such provisions may not be enforceable under California law.

Under California civil code section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration. The arbitration will occur at Franchisor's Choice of Law State. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as business and professions code section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement or Supplemental Agreements restricting venue to a form outside the State Of California.

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

The General Release contained in the Supplemental Agreements is hereby modified as follows:

With respect to those claims being released pursuant to this Release, Franchisee, for itself and themselves, and on behalf of each of the constituents identified in this Release, acknowledge that it is releasing unknown claims and waives all

rights it has or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. Franchisee acknowledges that this general release extends to claims which Franchisee does not know or suspect to exist in favor of Franchisee at the time of executing this Release Agreement, which if known by Franchisee may have materially affected its or their decision to enter into this Release. It is understood by Franchisee that the facts in respect of which this Release is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. Franchisee, therefore, expressly assumes the risk of the facts turning out to be so different and agrees that this Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

Franchisee, for itself and themselves, and on behalf of its Constituents, acknowledge that it is familiar with Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Our website has not been reviewed or approved by the California Department Of Corporations. Any complaints concerning the content of this website may be directed to the California Department of Corporations at [www.corp.ca.gov](http://www.corp.ca.gov).

#### Fee Deferral

Item 5 and 7 of the Franchise Disclosure Document, the Franchise Agreement and Supplemental Agreements are hereby amended to state that the Initial Franchise Fee, and if applicable, the Development Fee will be deferred until the Franchisor has completed all of its pre-opening obligations.

#### HAWAII

The following is added to the Cover Page:

**THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS**

**PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.**

Registered agent in the state authorized to receive service of process:

Commissioner of Securities  
335 Merchant Street  
Honolulu, Hawaii 96813

The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration:

1. This proposed registration is effective in the following states:  
**California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin**
2. This proposed registration is or will shortly be on file in the following states:  
**California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin**
3. States which have refused, by order or otherwise, to register these franchises are:  
None
4. States which have revoked or suspended the right to offer the franchises are:  
None
5. States in which the proposed registration of these franchises has been withdrawn are:

#### Fee Deferral

Item 5 and 7 of the Franchise Disclosure Document, the Franchise Agreement and the Regional Developer Agreement are hereby amended to state that the Initial Franchise Fee and all initial payments will be deferred until the Franchisor has completed all of its pre-opening obligations.

#### ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The Franchise Disclosure Document and Franchise Agreement are amended accordingly.

The governing law or choice of law clause described in the Franchise Disclosure Document and contained in the Franchise Agreement is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.” The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such the Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the Franchise Disclosure Document is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the Franchise Disclosure Document is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act”.

The termination and non-renewal provisions in the Franchise Agreement and the Franchise Disclosure Document may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

#### Fee Deferral

Payment of the Initial Franchise Fee, Development Fee and software setup is deferred until all of our initial obligations under the Franchise Agreement or Supplemental Agreements have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement or Regional Developer Agreement. This requirement has been imposed by the Illinois Attorney General’s Office based on our financial condition.

## INDIANA

Item 8 of the Franchise Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the Franchise Disclosure Document is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your franchise agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in ITEM 17.r. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

No competing business for two (2) years within the Protected Territory.

The “Summary” column in ITEM 17.t. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in ITEM 17.v. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in the Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in ITEM 17.w. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document, the Franchise Agreement, or Florida law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:  
No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

## **MARYLAND**

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and or assignment, will not apply to liability under the Maryland Franchise Registration and Disclosure Law.

Representations in the Franchise Agreement and Supplemental Agreements are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement and Supplemental Agreements are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise. Item 17 of the Franchise Disclosure Document is hereby amended to the extent required under the Maryland Franchise Registration and Disclosure Laws.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 *et seq.*).

### **Fee Deferral**

Item 5 and 7 of the Franchise Disclosure Document, the Franchise Agreement and Supplemental Agreements are hereby amended to state that the Initial Franchise Fee, Development Fee and all initial payments paid to Franchisor will be deferred until the Franchisor has completed all of its pre-opening obligations.

## **MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING**

**PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

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

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- (h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to



purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise  
670 Law Building  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

### **MINNESOTA**

Despite anything to the contrary in the Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J. prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to arbitration.
4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice

for non-renewal of the Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the Franchise Disclosure Document and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your franchise, are hereby deleted from the Franchise and Area Development Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:  
No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

## **NEW YORK**

The following is added to the Risk Factors on the cover page:

**THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE STATED IN THIS PROSPECTUS.**

Item 3 of the Franchise Disclosure Document is modified to read as follows:

Other than described in ITEM 2, neither BizCard Xpress, LLC, its predecessor, a person identified in ITEM 2, or an affiliate offering franchises under BizCard Xpress, LLC's principal trademark has an administrative, criminal or civil action pending against it alleging a fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither BizCard Xpress, LLC, its predecessor, a person identified in ITEM 2, or an affiliate offering franchises under BizCard Xpress, LLC's principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten-year period immediately preceding the 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 a violation of a franchise, antifraud or securities law; fraud, embezzlement fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither BizCard Xpress, LLC, its predecessor, a person identified in ITEM 2, or an affiliate offering franchises under BizCard Xpress, LLC's principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state, 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 injunction or restrictive order relating to any business activity as a result of an action brought by a public agency or department, including without limitation, an action affecting a license as a real estate broker or sales agent.

Item 4 of the Franchise Disclosure Document is modified to read as follows:

Other than as described in ITEM 4 of the BizCard Xpress, LLC Franchise Disclosure Document, neither BizCard Xpress, LLC, its affiliate, its predecessor, officers or general partner during the 10 year period immediately before the date of the Franchise Disclosure Document: (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 U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

The following sentence is added to the end of the first paragraph of ITEM 5 of the Franchise Disclosure Document:

We may use the proceeds from your payment of the Initial Franchise Fee to defray our costs and expenses for providing training and assistance to you; for commission payments to brokers involved in the sale of a franchise to you; for general working capital purposes; and for other expenses.

The first paragraph of Item 17 of the Franchise Disclosure Document is modified to read as follows:

**THESE TABLES LIST CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT.**

Item 17.w. of the Franchise Disclosure Document is revised to read as follows:

The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the GBL of the State of New York, Section 33. This language has been included in this Franchise Disclosure Document as a condition of registration. The Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions.

The Franchise Agreement requires that the law of Franchisor's Choice of Law State governs the Franchise Agreement and Supplemental Agreements. The Franchise Agreement and Supplemental Agreements are hereby amended to state that the choice of law provision contained in the Franchise Agreement and Supplemental Agreements should not be considered a waiver of any rights conferred by the provisions of Section 33 of the New York State General Business Law.

The Franchise Agreement is hereby amended to state that Franchisee shall not be required to indemnify Franchisor for any liabilities which arose as a result of Franchisor's breach of this Agreement or other civil wrongs committed by Franchisor.

The Franchise Agreement and the Supplemental Agreements are hereby amended to state that the choice of law provision requiring Franchisor's Choice of Law State contained in the Franchise Agreement and any Supplemental Agreements shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Section 33 of the New York State General Business Law. This language has been included in this Franchise Disclosure Document as a condition of registration. Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement including all choice of law provisions, are fully enforceable. Franchisor and Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and the Supplemental Agreements and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions.

FRANCHISOR REPRESENTS THAT IT HAS NOT KNOWINGLY OMITTED FROM THE FRANCHISE DISCLOSURE DOCUMENT ANY MATERIAL FACT, NOR DOES THE FRANCHISE DISCLOSURE DOCUMENT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

### **NORTH DAKOTA**

Sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, the Franchise Agreement, and the and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be

enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

### **RHODE ISLAND**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The Franchise Disclosure Document, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

### **VIRGINIA**

Item 17(h). The following is added to Item 17(h):

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a Franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to Franchisee under the franchise, that provision may not be enforceable.”

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

Additional Disclosure. The following statements are added to Item 17.h. Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and development agreement do 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.

### **Fee Deferral**

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement. Item 5 and 7 and the Franchise Agreement are hereby amended accordingly.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor under the area development agreement in accordance with this paragraph. Only after the franchisor has completed its pre-opening obligations under the franchise agreement for a particular Center being developed may the franchisor collect from the franchisee a pro-rata, per Center share of the development fee. Item 5 and 7 and the Regional Developer Agreement are hereby amended accordingly.

## **WASHINGTON**

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

## **Fee Deferral**

Item 5 and 7 of the Franchise Disclosure Document, the Franchise Agreement and Supplemental Agreements are hereby amended to state that the Initial Franchise Fee, Development Fee and all initial payments paid to Franchisor will be deferred until the Franchisor has completed all of its pre-opening obligations and the franchise is open for business.

**WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**FRANCHISOR:**

**FRANCHISEE:**

**BIZCARD XPRESS, LLC**

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

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

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

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

**EXHIBIT G**

**BIZCARD XPRESS**

**FRANCHISE OPERATIONS MANUAL**

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**EXHIBIT H**  
**BIZCARD XPRESS**  
**REGIONAL DEVELOPER**  
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**EXHIBIT I**  
**BIZCARD XPRESS**  
**NONDISCLOSURE AGREEMENT**

**The Franchise Agreement and the Regional Developer Agreement provide that the franchisee or Regional Developer must sign a Nondisclosure Agreement in a form satisfactory to BizCard Xpress, LLC, in certain circumstances. Following are the forms of Nondisclosure Agreement that BizCard Xpress, LLC uses as of the date the Franchise Disclosure Document was prepared. They are subject to change at any time.**

## EXHIBIT I

### NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure Agreement (“**Agreement**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_ by and between **BizCard Xpress**, LLC a Florida limited liability company (“**Company**”), located at \_\_\_\_\_ and \_\_\_\_\_ (“**Associate**”), who resides or has a principal place of address at \_\_\_\_\_.

#### RECITALS

A. The Company is engaged in the business of selling franchises for the operation of a business offering professional printing and signage business services and the sale of related products (“**Franchise Business**”). The Franchise Business is operated under the Company’s primary trademark “**BIZCARD XPRESS™**” and other service marks, trademarks, logo types, designs, and other commercial symbols (collectively “**Marks**”).

B. The Company has developed methods for establishing, operating and promoting Franchise Businesses pursuant to the Company’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Company (“**Confidential Information**” and “**Trade Secrets**”) and such Confidential Information and Trade Secrets as may be further developed from time to time by the Company.

C. The Company and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of its System, which goodwill and reputation have been and will continue to be of major benefit to the Company.

D. Associate desires to become involved with the Company or a franchisee of the Company in the capacity of an officer, partner, director, agent, manager, employee, Designated Center Developer or as a beneficial owner of the Franchise Business, or is an immediate family member or domestic partner of a principal owning an interest in the Franchise Business, and will become privileged as to certain Confidential Information and Trade Secrets. Associate may or may not have signed the Franchise Agreement or Guaranty and Assumption of Franchisee’s Obligations form.

E. Associate and the Company have reached an understanding with regard to nondisclosure by Associate of Confidential Information and Trade Secrets and with respect to noncompetition by Associate with the Company and other franchisees of the Company. Associate agrees to the terms of this Agreement as partial consideration for the Company’s willingness to allow Associate to engage in a business relationship with Company or a franchisee of the Company using the Company’s Confidential Information and Trade Secrets.

**NOW THEREFORE**, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Company, intending legally to be bound, agree as follows:

1. Definitions.

(a) “**Associate**” shall mean the individual or entity described on page 1 of this Agreement and the Associate’s managers, officers, beneficial owners, directors, employees, partners, members, principals and immediate family members.

(b) “**Competitive Business**” as used in this Agreement means any business operating in competition with or similar to the Franchise Business, and specifically offering business card services as its primary business; provided, however, Associate will not be prohibited from owning not more than a total of 5% of the stock of any company which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934.

(c) “**Confidential Information**” shall mean without limitation, all knowledge, know-how, standards, formulas, methods and procedures related to the establishment and operation of the Franchise Business and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchise Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e-mail addresses, customer purchase records, mail lists, manuals, promotional and marketing materials, marketing strategies and any other data and information which the Company or its affiliates designate as confidential including all information contained in the Company’s Operations Manual, which may be provided as one or more separate manuals, written instructional guides, CD Rom, or other communications from the Company or its affiliates, which may be changed or supplemented from time to time.

(d) “**Designated Territory**” shall have the meaning defined in the Franchise Agreement.

(e) “**Franchise Agreement**” shall mean the franchise agreement between the Company and \_\_\_\_\_, dated \_\_\_\_\_, as amended or renewed from time to time.

(f) “**Term**” shall have the meaning defined in the Franchise Agreement.

(g) “**Trade Secret(s)**” shall mean information, including a formula, pattern, compilation, program, device, method, technique or process related to the Franchise Business that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(h) All other capitalized terms not defined in this Agreement shall have the meaning given to them in the Franchise Agreement.

2. Confidential Information and Trade Secrets. Associate and the Company acknowledge that the Confidential Information and Trade Secrets which are developed and utilized in connection with the operation of the Franchise Business are unique and the exclusive property of the Company or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information and Trade Secrets would be wrongful and would cause irreparable injury and harm to the Company or its affiliates. Associate further acknowledges that the Company or its affiliates has expended a great amount of effort and

money in obtaining and developing the Confidential Information and Trade Secrets, that the Company or its affiliates has taken numerous precautions to guard the secrecy of the Confidential Information and Trade Secrets, and that it would be very costly for competitors to acquire or duplicate the Confidential Information and Trade Secrets.

3. Nondisclosure of Confidential Information and Trade Secrets. During the Term and any Successor Term of the Franchise Agreement and for a period of one year after the expiration or termination of the Franchise Agreement (unless such information is a Trade Secret in which case the requirements in this Section 3 will remain in place for as long as such information constitutes a Trade Secret), Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Franchise Business, any of the Confidential Information or Trade Secrets of the Company or its affiliates.

4. Exceptions to Disclosing Confidential Information. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) information that was in the public domain prior to being communicated to the Associate through no fault of the Associate; (b) information that entered the public domain after it was communicated to the Associate through no fault of the Associate; (c) information that was in the Associate's possession free of any obligation of confidence at the time it was communicated to the Associate; or (d) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that the Associate is legally compelled to disclose the information, if the Associate has notified the Company before disclosure and used the Associate's best efforts, and afforded the Company the opportunity, to obtain an appropriate protective order or other assurance satisfactory to the Company of confidential treatment for the information required to be so disclosed.

5. Noncompetition Covenant. Associate acknowledges that the Company must be protected against the potential for unfair competition by Associate's use of the Confidential Information and Trade Secrets in direct competition with the Company. Associate further acknowledges that the Confidential Information and Trade Secrets would not have been divulged to the Associate absent the Associate's agreement to strictly comply with the provisions of this Agreement. Associate therefore agrees that, other than the Franchise Business licensed under the Franchise Agreement, Associate will not during the Term and Successor Term of the Franchise Agreement:

(a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business;

(b) perform services as a manager, officer, beneficial owner, director, principal, employee, partner, member, consultant, representative, agent or otherwise for a Competitive Business; or

(c) divert or attempt to divert any business related to, or any customer or account of the Franchise Business, the Company's business, the business of any affiliate



of the Company or any other franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Company or another franchisee licensed by Company, to any Competitive Business by any direct inducement or otherwise.

6. Post-Termination Covenant Not to Compete. Upon termination or expiration of the Franchise Agreement for any reason, Associate agrees that, for a period of one year commencing on the effective date of termination or expiration of the Franchise Agreement, Associate will not have any direct or indirect interest (through any immediate family member of Associate or its beneficial owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business, located or operating: (a) within 15 miles of Franchisee's Center or any other franchisee's Center; or (b) within 15 miles of any Center owned by Company or Company's Affiliate.

The restrictions of this Section 6 will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding.

The parties have attempted in this Agreement to limit the Associate's right to compete only to the extent necessary to protect the Company from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the provision of Sections 5 and 6 are disputed at any time by the Franchisee, a court or arbitrator, as the case may be, may modify Sections 5 and 6 to the extent that it deems necessary to make such provisions enforceable under applicable law. **THE ASSOCIATE EXPRESSLY ACKNOWLEDGES THAT THE ASSOCIATE POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS DESCRIBED ABOVE WILL NOT DEPRIVE ASSOCIATE OF THE ABILITY TO EARN A LIVING.**

7. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled. Associate agrees that the Company may obtain such injunctive relief, without posting a bond or bonds. Associate's sole remedy, in the event of the entry of such injunctive relief, shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate. In any litigation, arbitration or other proceeding concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated, arbitrated or otherwise relating to any claimed "prior breach" on the part of the Company; it being specifically understood and agreed between the parties that no action or lack of action on the part of the Company will entitle or permit the Associate to disclose any such Confidential Information and Trade Secrets in any circumstances.

6. Effect of Waiver. The waiver by Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and the Company and their respective heirs, executors, representatives, successors and assigns.

8. Entire Agreement. This instrument contains the entire agreement of Associate and the Company relating to the matters stated herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

9. Governing Law. This instrument shall be governed by and construed under the laws of the State of Florida without regard to Florida's conflict of laws rules.

10. Jurisdiction and Venue. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Florida, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Florida. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Florida. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

11. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

12. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

**IN WITNESS WHEREOF**, the parties have signed this Agreement on the date first above written.

**COMPANY:**

**ASSOCIATE:**

**BIZCARD XPRESS, LLC**

\_\_\_\_\_

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

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

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

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

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

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

**EXHIBIT J**  
**BIZCARD XPRESS**  
**STATEMENT OF FRANCHISEE**

**EXHIBIT J**

**STATEMENT OF FRANCHISEE**

**[Note: Dates and Answers Must be Completed in the Prospective Franchisee’s Own Handwriting]**

In order to make sure that no misunderstanding exists between you, the Franchisee, and us, BizCard Xpress, LLC (also called “**BizCard Xpress**”, the “**Franchisor**” or “**we**”), and to make sure that no violations of law might have occurred, and understanding that we are relying on the statements you make in this document, you assure us as follows:

A. The following dates are true and correct:

	Date	Initials	
1.	_____, 201____	_____	The date on which I received a Franchise Disclosure Document regarding the BizCard Xpress Franchise.
2.	_____, 201____	_____	The date of my first face-to-face meeting with Marketing Representative to discuss a possible purchase of a BizCard Xpress Franchise.
3.	_____, 201____	_____	The date on which I received a completed copy (other than signatures) of the Franchise Agreement or the Regional Developer Agreement which I later signed.
4.	_____, 201____	_____	The date on which I signed the Franchise Agreement or the Regional Developer Agreement.
5.	_____, 201____	_____	The earliest date on which I delivered cash, check or other consideration to the Marketing Representative or an officer of Franchisor.

B. Representations.

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, “side agreements,” options, rights-of-first-refusal or otherwise have been made to or with me with respect to any matter (including but not limited to advertising, marketing, site location, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise), nor have I relied in any way on the same, except as expressly stated in the Franchise Agreement or an attached written Addendum signed by me and BizCard Xpress, except as follows:

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(If none, you should write NONE in your own handwriting and initial.)

2. No oral, written, visual or other promises, agreements, commitments, representation, understandings, “side agreements” or otherwise which expanded upon or were inconsistent with the Franchise Disclosure Document, the Franchise Agreement, the Regional Developer Agreement or any attached written addendum signed by me and an officer of BizCard Xpress, were made to me by any person or entity, nor have I relied in any way on same, except as follows:

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(If none, you should write NONE in your own handwriting and initial.)

3. No oral, written, visual or other claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise) which stated or suggested a specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) from the BizCard Xpress Franchise was made to me by any person or entity, nor have I relied in any way on same, except as follows:

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(If none, you should write NONE in your own handwriting and initial.)

4. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including but not limited to my obtaining financing, or my fully performing any of my obligations), nor have I relied in any way on same, except as expressly stated in the Franchise Agreement, the Regional Developer Agreement, or any attached written addendum signed by me and BizCard Xpress:

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(If none, you should write NONE in your own handwriting and initial.)

5. The individuals signing for me constitute all of the executive officers, partners, shareholders, investors and/or principals. Each of such individuals has reviewed the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement or the Regional Developer Agreement, each attached written Addendum and any personal guaranties.

6. I have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and BizCard Xpress has strongly recommended that I obtain such independent advice. I have also been strongly advised by BizCard Xpress to discuss my proposed purchase of BizCard Xpress Franchise with any existing BizCard Xpress franchisees prior to signing any binding documents or paying any sums and BizCard Xpress has supplied me with a list of all existing franchisees if any exist.

7. I understand that a) entry into any business venture necessarily involves some unavoidable risk of loss or failure; b) while the purchase of a franchise may improve the chances for success, the purchase of a BizCard Xpress Franchise or any other franchise is a speculative investment; c) investment beyond that outlined in the Franchise Disclosure Document may be required to succeed; d) there exists no guaranty against possible loss or failure in this or any other business; and e) the most important factors in the success of any BizCard Xpress Franchise, including the one to be operated by me, are my personal business skills, which include marketing, sales, and management, sound judgment, and extremely hard work.

If there are any matters inconsistent with the statements in this document or if anyone has suggested that you sign this document without all of its statements being true, correct and complete, immediately inform our president.

You understand and agree that we do not furnish, or authorize our salespersons, brokers or others to furnish any oral or written information concerning actual or potential sales, costs, income, expenses,

profits, cash flow, tax effects or otherwise (or information from which such items might be ascertained), from franchise or non-franchised units, that no such results can be assured or estimated, and that actual results will vary from unit to unit.

You understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

**FRANCHISEE:**

\_\_\_\_\_ Date

\_\_\_\_\_ Date

**EXHIBIT K**

**BIZCARD XPRESS**

**FORM OF TRANSFER AGREEMENT**



**EXHIBIT K**

**BIZCARD XPRESS**

**GENERAL RELEASE AGREEMENT**

The Franchise Agreement and the Regional Developer Agreement provide that the franchisee or Regional Developer must sign a General Release in a form satisfactory to BizCard Xpress, LLC, in certain circumstances. Following are the forms of General Release that BizCard Xpress, LLC uses as of the date the Franchise Disclosure Document was prepared. They are subject to change at any time.

**BIZCARD XPRESS, LLC**  
**GENERAL RELEASE AGREEMENT**  
**(for Regional Developer Franchises)**

THIS GENERAL RELEASE AGREEMENT (“Release”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between BizCard Xpress, LLC, a Florida limited liability company (“Franchisor”), and \_\_\_\_\_, a \_\_\_\_\_ corporation/limited liability company/partnership (circle one) (“Franchisee”), and each shareholder/member/partner of Franchisee and his or her spouse (individually, an “Owner,” and collectively, the “Owners”) (collectively, Franchisor, Franchisee, and the Owners are referred to hereinafter as the “Parties”).

WITNESSETH

WHEREAS, the Parties previously entered into that certain Regional Developer Agreement dated \_\_\_\_\_, 201\_\_ (the “Agreement”), granting Franchisee a single Regional Developer franchise of Franchisor for a specific Term (as defined in the Agreement); and

WHEREAS [NOTE: Describe the circumstances relating to the release.]

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other valuable consideration, the Parties hereby agree as follows:

1. Recitals. The foregoing Recitals are incorporated into and made part of this Release.

2. Release. Franchisee, each Owner and his or her spouse, and their present or former affiliated entities, officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through them (the “**Releasing Entities**”), hereby fully release Franchisor and its present or former officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, and Franchisor’s affiliates and their respective present or former officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through Franchisor (the “**Released Entities**”) from any and all liabilities, claims, demands, debts, damages, obligations and causes of action of any nature or kind, whether presently known or unknown, which the Releasing Entities may have against the Released Entities as of the date this Agreement is executed

3. Miscellaneous.

A. This Release contains the entire agreement and representations between the Parties hereto with respect to the subject matter hereof. This Release supersedes and cancels any prior understanding or agreement between the parties hereto whether written or oral, express or implied. No modifications or amendments to this Release shall be effective unless in writing, signed by all Parties.

B. In the event any provision hereof, or any portion of any provision hereof shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability shall not affect the remaining portion of any provision, or of any other provision hereof, and each provision of this Agreement shall be deemed severable from all other provisions hereof.

C. This Release shall be governed by the laws of the State of Florida. Any litigation or court action arising under or related to this Release shall be filed in state or federal court in Flagler County, Florida.

D. In the event a court action is brought to enforce or interpret this Release, the prevailing Party in that proceeding or action shall be entitled to reimbursement of all of its legal expenses, including, but not limited to, reasonable attorneys' fees and court costs incurred. The prevailing Party shall be entitled to reimbursement of all such expenses both in the initial proceeding or action and on any appeal therefrom.

E. This Release is binding on the Parties hereto and their respective successors, heirs, beneficiaries, agents, legal representatives, and assigns, and on any other persons claiming a right or interest through the Parties.

F. This Release may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original.

IN WITNESS WHEREOF, the Parties affix their signatures and execute this Release as of the day and year first above written.

**FRANCHISOR:**

BIZCARD XPRESS, LLC

**a Florida limited liability company**

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

**FRANCHISEE:**

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

**OWNERS:**

_____	Owner's Residential Address:	Owner's %
Signature of Owner	_____	Ownership:
_____	_____	_____ %
Printed/Typed Name of Owner	Owner's Title/Position with Franchisee:	
_____	_____	
Signature of Owner's Spouse	Date: _____, 201__	
_____		
Printed/Typed Name of Spouse		

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

**BIZCARD XPRESS, LLC**

**GENERAL RELEASE AGREEMENT**  
**(for Single Unit Franchises)**

**THIS GENERAL RELEASE AGREEMENT (“Release”)** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between BizCard Xpress, LLC, a Florida limited liability company (“**Franchisor**”), and \_\_\_\_\_, a \_\_\_\_\_ corporation/limited liability company/partnership (circle one) (“**Franchisee**”), and each shareholder/member/partner of Franchisee and his or her spouse (individually, an “**Owner**,” and collectively, the “**Owners**”) (collectively, Franchisor, Franchisee, and the Owners are referred to hereinafter as the “Parties”).

WITNESSETH

WHEREAS, the Parties previously entered into that certain Franchise Agreement dated \_\_\_\_\_, 201\_\_ (the “**Agreement**”) granting Franchisee a single Business franchise of Franchisor for a specific Term (as defined in the Agreement); and

WHEREAS [NOTE: Describe the circumstances relating to the release.]

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other valuable consideration, the Parties hereby agree as follows:

1. Recitals. The foregoing Recitals are incorporated into and made part of this Release.

2. Release. Franchisee, each Owner, and their present or former affiliated entities, officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through them (the “**Releasing Entities**”), hereby fully release Franchisor and its present or former officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, and Franchisor’s affiliates and their respective present or former officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through Franchisor (the “**Released Entities**”) from any and all liabilities, claims, demands, debts, damages, obligations and causes of action of any nature or kind, whether presently known or unknown, which the Releasing Entities may have against the Released Entities as of the date this Agreement is executed.

3. Miscellaneous.

- A. This Release contains the entire agreement and representations between the Parties hereto with respect to the subject matter hereof. This Release supersedes and cancels any prior understanding or agreement between the parties hereto whether written or oral, express or implied. No modifications or amendments to this Release shall be effective unless in writing, signed by all Parties.
- B. In the event any provision hereof, or any portion of any provision hereof shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability shall not affect the remaining portion of any provision, or of any other provision hereof, and each provision of this Agreement shall be deemed severable from all other provisions hereof.
- C. This Release shall be governed by the laws of the State of Florida. Any litigation or court action arising under or related to this Release shall be filed in state or federal court in Flagler County, Florida.
- D. In the event a court action is brought to enforce or interpret this Release, the prevailing Party in that proceeding or action shall be entitled to reimbursement of all of its legal expenses, including, but not limited to, reasonable attorneys' fees and court costs incurred. The prevailing Party shall be entitled to reimbursement of all such expenses both in the initial proceeding or action and on any appeal therefrom.
- E. This Release is binding on the Parties hereto and their respective successors, heirs, beneficiaries, agents, legal representatives, and assigns, and on any other persons claiming a right or interest through the Parties.
- F. This Release may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original.

IN WITNESS WHEREOF, the Parties hereto affix their signatures and execute this Release as of the day and year first above written.

**FRANCHISOR:**  
**BIZCARD XPRESS, LLC**  
**a Florida limited liability company**

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

**FRANCHISEE:**

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

**OWNERS:**

_____	Owner's Residential Address:	Owner's %
Signature of Owner	_____	Ownership:
_____	_____	_____ %
Printed/Typed Name of Owner	Owner's Title/Position with Franchisee:	
_____	_____	
Signature of Owner's Spouse	Date: _____, 201__	
_____		
Printed/Typed Name of Spouse		

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**EXHIBIT L**  
**BIZCARD XPRESS**  
**RECEIPT**



**EXHIBIT L**  
**RECEIPT**  
**(Retain This Copy)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If BizCard Xpress, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

**New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.**

**Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.**

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on **Exhibit E**.

<b>The name, principal business address and telephone number of each franchise seller offering the franchise is:</b>	
	Elias Papadeas , LLC 99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136, (800) 591-0113
	Daniela Morello, LLC 99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136, (800) 591-0113

Issuance Date: April 15, 2012 (for registration state effective dates see State Effective page at the beginning of this Disclosure Document).

I received a disclosure document issued April 15, 2012 included the following exhibits:

- Exhibit A: Financial Statements
- Exhibit B: Franchise Agreement
- Exhibit C: Regional Developer Agreement
- Exhibit D: List of Current Franchisees and Regional Developers and Former Franchisees and Former Regional Developers
- Exhibit E: List of State Administrators and Agents for Service of Process
- Exhibit F: State-Specific Addendum
- Exhibit G: Franchise Operations Manual Table of Contents
- Exhibit H: Regional Developer Operations Manual Table of Contents
- Exhibit I: Nondisclosure Agreement
- Exhibit J : Statement of Franchisee
- Exhibit K: Form General Agreement
- Exhibit L: Receipt

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Date	Signature	Printed Name
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Date	Signature	Printed Name
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**EXHIBIT L  
RECEIPT  
(Our Copy)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If BizCard Xpress, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

**New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.**

**Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.**

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on **Exhibit E**.

<b>The name, principal business address and telephone number of each franchise seller offering the franchise is:</b>	
	Elias Papadeas , LLC 99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136, (800) 591-0113
	Daniela Morello, LLC 99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136, (800) 591-0113

Issuance Date: April 15, 2012 (for registration state effective dates see State Effective page at the beginning of this Disclosure Document).

I received a disclosure document issued April 15, 2012 that included the following exhibits:

- Exhibit A: Financial Statements
- Exhibit B: Franchise Agreement
- Exhibit C: Regional Developer Agreement
- Exhibit D: List of Current Franchisees and Regional Developers and Former Franchisees and Former Regional Developers
- Exhibit E: List of State Administrators and Agents for Service of Process
- Exhibit F: State-Specific Addendum
- Exhibit G: Franchise Operations Manual Table of Contents
- Exhibit H: Regional Developer Operations Manual Table of Contents
- Exhibit I: Nondisclosure Agreement
- Exhibit J : Statement of Franchisee
- Exhibit K: Form General Agreement
- Exhibit L: Receipt

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Date	Signature	Printed Name
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Date	Signature	Printed Name
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Please sign this copy of the receipt, date your signature, and return it to BizCard Xpress, LLC 99 Old Kings Road South, Suite 1, Flagler Beach, FL 32136.