

## FRANCHISE DISCLOSURE DOCUMENT

GP Brands, Inc.  
a Florida Corporation  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542  
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Upon becoming a GP Brands franchisee, the franchisee will own and operate a single Goin' Postal shipping Store. Through this Goin' Postal shipping Store, the franchisee will be operating a retail business which primarily involves the packaging and shipping of goods and parcels and offering related postal business services and supplies. The total investment necessary to begin operation of a Goin' Postal Franchise is between \$46,750.00 and \$117,500.00 (see Item 7 below). This includes the sum of \$25,000.00 which must be paid to us as the franchisor.

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

You may have obtained this Franchise Disclosure Document and other disclosure documents by e-mail or other electronic format. 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 James Hall at 4941 4<sup>th</sup> Street, Zephyrhills, Florida 33542 and (813) 782-1500.

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, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: September 29, 2023\*\*

**\*\*See State Effective Date Exhibit which follows immediately after the State Cover Page for Registration and Exemption State Effective Dates; the Issuance Date of this Disclosure Document may not be the same as the Effective Date as reflected in the State Effective Date Exhibit.**

## 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 "E"** 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION (AND IF UNSUCCESSFUL, LITIGATION) ONLY IN FLORIDA. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

**\*See State Effective Date Exhibit which follows immediately after this State Cover Page for Registration and Exemption State Effective Dates; in all other States the Effective Date is the same as the Issuance Date of this Disclosure Document which is September 29, 2023.**

## **STATE EFFECTIVE DATES EXHIBIT**

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 each of the following States having franchise registration and disclosure laws (or requiring an exemption notice under business opportunity laws), with the following Effective Date indicated for each individual State below:

<b><u>State</u></b>	<b><u>Registration Effective Date</u></b>	<b><u>State</u></b>	<b><u>Exemption Effective Date</u></b>
California	N/A	Florida	June 30, 2022
Hawaii	N/A	Nebraska	N/A
Illinois	N/A	Texas	July 8, 2015
Indiana	N/A	Utah	N/A
Maryland	Pending	Kentucky	April 19, 2016
Michigan	April 14, 2022	Connecticut	N/A
Minnesota	N/A	Maine	N/A
New York	N/A	North Carolina	N/A
North Dakota	N/A	South Carolina	N/A
Rhode Island	N/A		
South Dakota	N/A		
Virginia	N/A		
Washington	N/A		
Wisconsin	N/A		

In all other States where filing for the registration or exemption of Goin' Postal franchises, or the renewal of such registration or exemption, is not required, the Effective Date of this Disclosure Document is the Issuance Date of September 29, 2023.

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**Receipts:** Two Receipts appear at the end of this Disclosure Document

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

To simplify the language used in this Disclosure Document, the words “GP BRANDS, INC.”, “GPB”, “we”, “our” and “us”, and the “Franchisor”, all refer to GP Brands Incorporated, the franchisor. “You” and “your” means the person or entity who buys the Goin’ Postal franchise from us.

### **The Franchisor, its Predecessor and Affiliate – General Information**

GP Brands, Inc. is a Florida corporation which was incorporated in Florida on June 18, 2015. We maintain our principal place of business and corporate headquarters at 4941 4<sup>th</sup> Street in Zephyrhills, Florida 33542. We conduct business under the name Goin’ Postal, which is part of the trademarks/service marks our predecessor, Goin’ Postal Franchise Corporation registered and filed for registration with the United States Patent and Trademark Office and which we purchased from Goin’ Postal Franchise Corporation in July, 2015 (see Item 13 of this Disclosure Document). Our Predecessor, Goin’ Postal Franchise Corporation is a Florida corporation which was incorporated in Florida on August 13, 2004. It maintains its principal place of business and corporate headquarters at 4941 4<sup>th</sup> Street in Zephyrhills, Florida 33542. It purchased the trademarks/service marks of the Goin’ Postal franchise chain from its predecessor, Zephyr Brands, Inc. (formerly known as Goin’ Postal, Inc.) which registered and filed for registration with the United States Patent and Trademark Office and which it purchased from Goin’ Postal, Inc. in January, 2007 (see Item 13 of this Disclosure Document). We are not a subsidiary of any entity and as such we do not have a parent.

Agent for service of process in the State of Florida:

Attorney Marty J. Beurmann, GP Brands, Inc., 4941 4<sup>th</sup> Street, Zephyrhills, Florida, 33542.

Agent for service of process in your State:

Various State regulatory agencies may require that we designate an agent for service of process in that particular State. In those instances, the specific agent will be reflected on the Item 23 RECEIPT and/or in the attached **Exhibit “E”**.

### **The Franchisor’s Business**

On July 1, 2015, we purchased the trademarks/service marks, franchise business model and all proprietary IP to sell and support Goin’ Postal franchises as well as the Goin’ Postal shipping store in Zephyrhills, Florida. The aforementioned stores which we acquired from our predecessor Goin’ Postal Franchise Corporation are now owned and operated by us and are businesses of the type being franchised as offered in this Disclosure Document. As a result of our acquisition of the aforementioned stores previously owned and operated by Goin’ Postal Franchise Corporation, there are currently no affiliate owned stores. We intend to expand our ownership of Goin’ Postal Stores in the future.

On January 2, 2007, our predecessor purchased all of the assets of a prior affiliate of theirs, Goin’ Postal Zephyrhills, Inc., consisting of the Goin’ Postal shipping Store in Zephyrhills, Florida, which Goin’ Postal Zephyrhills, Inc. operated since it was incorporated in January 2005 until our purchase of it July 1, 2015. Goin’ Postal Zephyrhills, Inc. was owned by the same individuals who own Goin’ Postal Franchise Corporation. Goin’ Postal Zephyrhills, Inc. was dissolved in mid-2007.

### **Special Industry Regulation**

Various Federal, State, and local laws may govern or impact the operation of your business. Examples include but are not limited to: The United States Postal Service which requires several forms, including forms 1583 and 1583-A. Laws also regulate the shipment of certain items such as firearms, livestock, produce, alcohol and tobacco products. Notary services require training and bonds as regulated by your state of residence. Selling certain services such as money orders or taking credit cards may be impacted by your credit. While we continually negotiate with carriers on behalf of our franchisees, we cannot guarantee the continuation of any retail shipping program you may offer to national chains or on an individual basis.

## **The Franchisee's Business**

Goin' Postal Stores ("Stores") are retail service businesses which offer packaging, shipping and mailing services and various office services, all provided through a variety of carriers, vendors and service providers. Among the office services provided are fax, copying, notary and the sale of office supplies. Goin' Postal Stores are targeted at both business and private customers. With Goin' Postal franchise chain's relationship with the major carriers, The United States Post Office, and various freight companies, Goin' Postal Stores can offer a wide variety of options for consumers.

The market for the services you will be selling is fairly developed and well established, and the goods and services you will offer will be sold to the general public. You will have to compete for a share of this market with other businesses and companies offering the same services, including, for example, UPS Stores and various branch locations of the United States Post Office. Generally, Goin' Postal Stores do a larger volume of business during the Christmas Holiday Season than during other periods of the year.

You will sign a Franchise Agreement (**Exhibit "A"**) for a single Goin' Postal franchise to operate a single Goin' Postal Store at a location of your choice, subject to any territorial rights of other franchisees. Generally Stores are located in high visibility and high traffic areas. While we may advise you against a certain location, you will have the final decision on any currently unrestricted location. Although, with our prior approval and subject to conditions applicable to all Goin' Postal Stores, you may be entitled to purchase and own more than one Goin' Postal Store franchise (See Item 11 and Item 12 of this Disclosure Document), each Goin' Postal Store will be subject to the fees under Item 5 and Item 6 (see immediately below, however, for current franchise fee arrangements offered to franchisees who open additional Stores), require that you sign the Franchise Agreement and all other agreements then in effect, and otherwise be subject to all the terms and conditions of purchasing, owning and operating a Goin' Postal franchise as described in this Disclosure Document (as amended from time to time and in effect at the time of purchase). At the present time, we have implemented a program for those of our franchisees who purchase from us one or more additional Goin' Postal Store franchises. Under this program, the franchise fee payable to us by a franchisee for each additional Store franchise purchased by that franchisee will not exceed the initial franchise fee such franchisee paid to us for the purchase of their initial Goin' Postal Store franchise (see Item 5 for more details).

## **Prior Business Experience of Franchisor, Its Predecessor and Affiliates**

GP Brands, Inc. is owned and operated by the same officers who have operated the Goin' Postal franchise chain through our predecessor Goin' Postal Franchise Corporation, and therefore carries over the knowledge and experience of successful operation of the Goin' Postal franchise chain.

Goin' Postal Franchises were previously sold starting in the beginning of 2004 by Goin' Postal, Inc. corporation which was incorporated in Florida on September 17, 2002 and was originally formed to

own its own Goin' Postal shipping Stores. Goin' Postal, Inc. ceased offering Goin' Postal Franchises around the beginning of September 2004, when Goin' Postal Franchise Corporation took over the Goin' Postal franchising operations (see detailed discussion of the trademark/service marks purchased from Goin' Postal, Inc. under Item 13 of this Disclosure Document). Goin' Postal, Inc. initially established 9 Goin' Postal franchises under a pilot program to determine the viability and market acceptance of the Goin' Postal shipping Stores. The 9 initial pilot franchises each paid a \$10,000.00 initial franchise fee, but do not pay royalties, marketing fees nor any other continuing fees. Goin' Postal, Inc. also established 2 additional Goin' Postal franchises, each of whom pay royalty and marketing fees. Goin' Postal, Inc. transferred all 9 of these pilot franchises and the 2 additional franchises to Goin' Postal Franchise Corporation, and Goin' Postal, Inc. does not operate any Goin' Postal franchises or Stores. On January 2, 2007, Goin' Postal Franchise Corporation purchased from Goin' Postal, Inc. all rights, title and interest in the trademarks used in the Goin' Postal franchise chain. Goin' Postal, Inc., which changed its corporate name on May 30, 2008 to Zephyr Brands, Inc., is privately held by the same individual owners of Goin' Postal Franchise Corporation and GP Brands, Inc., and presently conducts no business operations.

Our predecessor, Zephyr Brands, Inc. (previously known as Goin' Postal, Inc.), operated a shipping Store of the type being franchised as offered in this Disclosure Document for 3 years before that Store became the franchised Store previously operated by our affiliate, Goin' Postal Zephyrhills, Inc., as of January, 2007 owned and operated by Goin' Postal Franchise Corporation, and now, as of July 1, 2015, owned and operated by us.

### **Current and Possible Other Future Franchise Lines**

We currently only offer Goin' Postal as a franchise. We have plans to expand our franchise brands in the future.

### **ITEM 2: BUSINESS EXPERIENCE**

#### **James Hall; Chief Executive Officer**

James Hall served as the General Manager of Goin' Postal Franchise Corporation since January of 2005 through December 2012. In December 2012, James Hall was elected Chief Operations Officer of Goin' Postal Franchise Corporation. In July 2015, James Hall was elected Chief Operations Officer of GP Brands, Inc. In February 2017, Mr. Hall was elected Chief Executive Officer. James Hall is responsible for overseeing day to day operations of the franchise and all aspects of the franchising operation.

#### **Marcus Price: Chief Sales Officer, Director**

Marcus Price served as the President of Goin' Postal Franchise Corporation since its formation in August of 2004 through December 2006, and has been the President of our predecessor, Goin' Postal, Inc. since its formation in September of 2002. In December 2006, Marcus Price was elected Chief Executive Officer of Goin' Postal Franchise Corporation. In July 2015, Marcus Price was elected Chief Executive Officer of GP Brands, Inc. In February 2017, Mr. Price was elected Chief Sales Officer.

Marcus Price formed the first Goin' Postal shipping store in Zephyrhills, Florida in late 2002.



### **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**

#### **Initial Franchise Fee**

To purchase a Goin' Postal Franchise, you will pay an initial lump sum franchise fee of \$15,000.00 which is due at the time you sign and submit the Franchise Agreement. This initial franchise fee is fully earned and non-refundable unless you are rejected by GP Brands, Inc. as a franchisee as a result of your desired territory and/or location not being available, or for any other reason, in which case GP Brands, Inc. will refund the entire amount. The \$15,000.00 franchise fee may be paid by check, credit card (Visa, MasterCard, Amex, Discover), electronic funds transfer or cash. The initial franchise fee is in consideration of administrative and other expenses incurred by us in entering into the Franchise Agreement and for our lost or deferred opportunity to enter into a Franchise Agreement with others. For these reasons, once you have signed your franchise documents, you are bound by the Non-Competition and Non-Solicitation Agreement (see **Exhibit "B"** to this Disclosure Document) until the end of the non-competition term of that Agreement (subject to any applicable State limits under Item 17 or **Exhibit "H"** of this Disclosure Document).

All new purchasers of a Goin' Postal franchise and all existing franchisees who purchase a new additional Goin' Postal Store franchise from us pay this uniform initial franchise fee.

#### **Point Of Sale Systems**

You must purchase two (2) Point of Sale Systems from us with pre-installed software, both of which are included as part of the mandatory Required Minimum Purchases as detailed below. Each Point Of Sale System will be composed of a PC and monitor, Point Of Sale software and hardware (cash drawer, and thermal receipt printer), licensed shipping software, ROIPOS Point of Sale, UPS shipping software, and FedEx shipping software. As more fully discussed in the disclosures under Item 11 presented later in this Disclosure Document, in order for the ROIPOS Point of Sale software programmed into each of your ordered Point of Sale Systems to allow for automatic integrated processing of credit card transactions, you will need to fill out, sign and submit directly to World Pay a Merchant Application, and upon qualifying for these services with World Pay, fill out, sign and submit directly to World Pay its World Pay Payment Solutions Merchant Agreement. If World Pay either rejects your Merchant Application, or you decide not to enter into a Merchant Agreement with World Pay, your ordered Point of Sale Systems will not permit automatic integrated credit card processing. Instead, you will need to purchase a separate credit card processing machine and enter into a merchant service agreement with a company other than World Pay, and you will need to manually type in the dollar amount and other transaction information in order to complete the processing of credit card transactions. You will have an opportunity to complete the World Pay Merchant Application at or before the initial training sessions conducted at our Zephyrhills, Florida Headquarters.

Costs for shipping of the Point of Sale Systems to your location will be charged to your credit card

on file or must otherwise be paid for in advance. If you choose to purchase additional Point of Sale Systems for your Store at the Location, your total system will consist of your two primary Point of Sale Systems, each additional Point Of Sale System, and all networking equipment and configuration. The total cost for each additional Point of Sale System will currently be approximately \$4,000.00 each.

These Point of Sale Systems and Software may be paid for by check, credit card, or through an electronic funds transfer arrangement, and are purchased as part of your Required Minimum Purchases detailed below. Once you pay us the cost for your Required Minimum Purchases, which includes your two Point of Sale Systems (as detailed below), those costs are non-refundable, even if you fail to ultimately open a Goin' Postal Store. Your required Point of Sale Systems, once ordered and paid for, will be shipped to your designated location to arrive just prior to your scheduled dates of the mandatory training session to be conducted by our representative at your Store (see Item 11 later in this Document Disclosure). If you do not open your Store on the date scheduled for it to open, our representative will remove from the Point of Sale Systems, licensed shipping software or other proprietary information, and all of our proprietary software and data will be deleted from each System.

If we are shipping the equipment to a location in Florida, you will also be responsible for applicable sales tax. You will be billed separately for the applicable amount of sales tax due on these purchases upon execution by you of the Franchise Agreement and once your payment for these items is received and processed by us. The invoice for Florida sales tax is due upon receipt, and we reserve the right to bill your credit card on file with us or withdraw the amount due through the use of the electronic funds transfer arrangement you will establish with us.

All new purchasers of a Goin' Postal Franchise, and all existing franchisees who purchase a new additional Goin' Postal Store franchise from us, must purchase two Point of Sale Systems from us as described above for each Goin' Postal Store.

#### **Required Minimum Purchases –**

You must purchase from us for a total cost of \$10,000.00 the following items we require you to have at your Store prior to the time of the final on-site training and Store opening. Your order and payment for these items must be received by us at the time you sign and deliver the Franchise Agreement, to be paid to us together with your initial franchise fee at our Headquarters in Zephyrhills, Florida:

Item	Qty	Total
Point of Sale Systems	2	
Cash Drawers	2	
Bar Code Scanner	2	
Site License	1	
Magnetic Card Swipe	2	
1000 Shipping Forms	1	
Thermal Label Printer	1	
<b>Total</b>		<b>\$10,000.00</b>

The entire \$10,000.00 is due in full at the time of payment of the required initial franchise fee, and may be paid by check, credit card or through an electronic funds transfer arrangement. All new purchasers of a Goin' Postal franchise and all existing franchisees who purchase a new additional Goin' Postal Store franchise from us must purchase from us these required items. We reserve the

right to increase these prices in line with inflation and/or when our costs to purchase these items increases.

**ITEM 6: OTHER FEES**

Item 6 Table  
**Other Fees**

Column 1 Type of fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty <sub>1</sub>	\$525 per month	Payable monthly on the 1 <sup>st</sup> business day of the month	See Note 1 below concerning Royalty payment commencement date. A portion of the Royalty may be used by us for advertising purposes. Payment by electronic funds transfer is mandatory.
Transfer <sub>1</sub>	\$5,000	Prior to consummation of transfer	Payable when you sell or transfer your franchise. No charge if franchise transferred to a corporation which you control.
Conversion <sub>1</sub>	\$5,000	Prior to consummation of conversion	Payable when you convert your independent shipping store into a Goin' Postal Store.
On Site Training at your Location <sub>2</sub>	Varies per location. Additional \$1,000 per each additional training scheduled at your Location.	Payable by you as incurred by us	Includes airfare, lodging, transportation, \$70 per day meal expense, etc.
Relocation <sub>1</sub>	\$500	Prior to consummation of approved relocation	Only required for an approved relocation outside of existing territory
Audit <sub>1</sub>	Cost of audit	Due upon receipt of audit invoice.	Payable only if audit is imposed under Franchise Agreement.
Renewal Fee <sub>1</sub>	None.	N/A	
Annual Technology and Support Fee	\$450 as of January 1, 2023, but may be increased from time to time.	Payable in the first 3 weeks of January each year.	The first two annual billings for this fee are waived.

Classroom Cancellation Penalty <sup>1,4</sup>	Currently \$200 per Person	Payable at time of Cancellation	Payable if you cancel a training week scheduled at our headquarters
Location Cancellation Penalty <sup>1,4</sup>	Currently \$1,500, plus costs of rebooking	Payable at time of cancellation	Payable if you cancel a training session scheduled at your Location or if your Store is not ready to open by your scheduled opening date when our rep arrives.
Liquidated Damages	Varies according to Section 13.5c of Franchise Agreement	Payable upon exercise by us of right to receive	You may be required to pay liquidated damages to us on early termination under Section 13.5 of the Franchise Agreement.

<sup>1</sup> All fees are uniformly imposed and collected by and are payable to GP Brands, Inc. (the entire annual technology fee is paid to us for support and development of various supplied software and initiatives). All fees are non-refundable. Commencing January 1, 2023, all new franchisees purchasing a Goin' Postal franchise during calendar year 2023 will pay a flat \$525.00 per month royalty fee during the initial calendar year (or portion of the 2023 calendar year) of the term of their Franchise Agreement, with the monthly royalty fee increasing during the term of their Franchise Agreement per the table listed below. The monthly royalty fee which will be paid by new franchisees purchasing a Goin' Postal franchise in any calendar year subsequent to 2023 may increase from the 2023 calendar year rate at our discretion.

Calendar Year	Monthly Royalties
2023	\$525.00
2024	\$525.00
2025	\$550.00
2026	\$550.00
2027	\$550.00
2028	\$575.00
2029	\$575.00
2030	\$575.00
2031	\$600.00
2032	\$600.00
2033	\$600.00
2034	\$625.00
2035	\$625.00
2036	\$625.00
2037	\$650.00

Your obligation to pay us the monthly Royalty will begin the first (1<sup>st</sup>) day of the month following the date your Store opens for business. As an example, if your Store opened for business on January 30, 2023, your obligation to begin paying us the initial 2023 calendar year \$525.00 per month Royalty would commence on February 1, 2023. Monthly Royalties are required to be paid by means of an electronic funds transfer payment program whereby we electronically debit from your designated bank account the monthly Royalty obligations. If your Store is located within a State which taxes us on franchise fees, royalties

and/or other amounts you pay to us, your Royalty will be increased to compensate us for the taxes we are required to pay as a result of the operation of your Goin' Postal franchised Store in your State. The proportionate amount of any such taxes paid by us in any given calendar year during the Term of your Franchise Agreement attributable to franchise fees, royalties and other amounts paid by you to us will be divided and apportioned equally among and added to those monthly Royalty obligations which remain due from you to us in the immediately following calendar year for the months which follow the month in which we pay those taxes to the appropriate agency in your State.

<sup>2</sup> You are responsible for travel expenses incurred by or on behalf of our representative when he or she visits your new location for opening and training. These fees are payable as incurred. Travel expenses include 2-way airfare to and from the closest or most convenient airport, and transportation, which must be either a rental car or taxi (under no circumstances may a personal car be provided by you, the owners of your Store if you are an entity, or their affiliates). A hotel room must be provided to our representative in the vicinity of the location of your Store at your expense. Our representative may not stay at your Store or at a personal residence. You must also pay a \$65.00 per diem meal allowance to compensate our representative for meals during the period he or she is in your town to conduct on-site training and assist with opening your Store. All of these fees will vary depending on your location. Upon scheduling your Store opening date and initial on-site training (see Item 11 of this Disclosure Document, under Note 8 of the "Pre-Opening Obligations"), you will be charged a \$1,000.00 travel expense deposit which will be applied toward the cost incurred to book airline tickets, car rentals, hotel rooms, and per diems. Once your Store opening is completed, the exact travel expenses actually incurred by our representative will be calculated and you will either be refunded any unused portion of your advance deposit, or you will be charged for any and all travel expenses in excess of the \$1,000.00 advance deposit.

<sup>4</sup> Cancellation Penalties. Any Franchisee who cancels either the classroom training scheduled at our Headquarters in Zephyrhills, Florida or the on-site training and Store opening scheduled at the Franchisee's Location will be subject to cancellation penalties. A Franchisee who cancels scheduled classroom training at our Headquarters less than one (1) month prior to the scheduled training commencement date will be subject to a \$200.00 cancellation fee per each scheduled attendee to subsidize us for our lost classroom capacity. A Franchisee who cancels on site set up, training and Store opening any time after confirmation of scheduled dates will be subject to a \$1,500.00 cancellation fee to reimburse us for expenses incurred in changing travel plans and to compensate our representative whose travel was cancelled; and you will also owe the costs incurred by us to rebook travel and hotel accommodations for the subsequently scheduled on-site training and Store opening activities. If our representative arrives at your Store location for the scheduled Store opening, and you do not have your Store ready for opening as prescribed in the Store Set-Up Manual and Store opening checklist we will provide to you prior to your scheduling of a Store opening date, our representative may be instructed by us to return to our Headquarters (based upon the representative's report to us on the state of unpreparedness for Store opening), in which case you will be charged the applicable cancellation penalty, you will be required to reimburse us for all travel expenses we incurred for the initial visit to your Store location, and you will be responsible to pay all our travel expenses incurred for a return visit to your Store location.

**ITEM 7:            ESTIMATED INITIAL INVESTMENT****ITEM 7 TABLE:****YOUR ESTIMATED INITIAL INVESTMENT**

(Note 1)

Column 1 <b>TYPE OF EXPENDITURE</b>	Column 2 <b>AMOUNT</b>	Column 3 <b>METHOD OF PAYMENT</b>	Column 4 <b>WHEN DUE</b>	Column 5 <b>TO WHOM PAYMENT IS TO BE MADE</b>	Column 6 <b><u>REFUNDABILITY</u></b>
INITIAL FRANCHISE FEE	\$15,000 (Note 2)	Check or Credit Card	Lump Sum Due due at signing Franchise Agreement	GBP	See Item 5
POINT OF SALE SYSTEMS AND OTHER REQUIRED MINIMUM PURCHASES	\$10,000.00 (Note 2)	Check or Credit Card	Lump Sum Due at signing of Franchise Agreement	GPB	Non-Refundable
YOUR TRAVEL AND LIVING EXPENSES WHILE TRAINING IN FLORIDA	\$500 - \$1,500.00 (Note 3)	Check or Credit Card	As Incurred	Other Vendors	Non-Refundable
TRAVEL AND LIVING EXPENSES OF OUR REPRESENTATIVE AT YOUR LOCATION	\$1,000 - \$1,500 (Note 4)	Check or Credit Card	Upon booking of our travel arrangements	GPB	Non-Refundable
REAL ESTATE – LEASEHOLD PROCUREMENT	\$ 750 - \$6,000 (See Note 5)	(Note 5)	(Note 5)	(Note 5)	Non-Refundable
REMODELING/ DECORATING, LEASEHOLD IMPROVEMENTS AND CONSTRUCTION EXPENSES	\$4,000 - \$40,000 (Note 6)	Payable as incurred to the contractor(s) of your choice. Expenses will vary dependent on amount of work done by you instead of using contractors.			Non-refundable
SIGNS (EXTERIOR)	\$ 1,000 - \$8,000 Note 6	As arranged with GPB or other vendors. The cost of your signs may vary widely depending on your location, lease requirements, landlord and local codes.			Non-Refundable
OTHER EQUIPMENT	\$1,000 - \$6,500 (Note 7)	Payable as incurred or at time of sale; GPB and other vendors.			Non-Refundable
LEGAL & PERMITS	\$500 - \$2,000 (See Note 8)	As arranged with vendors, or governmentally imposed.			Non-Refundable
OPENING INVENTORY	\$2,000 - \$6,000 (Note 9)	Payable as incurred at the time of sale; GPB and other vendors.			Non-Refundable
ADVERTISING	\$1,000 - \$2,000	Payable as arranged with vendors and your choice of advertising media. See Advertising restrictions under Item 8 and Item 11.			Non-Refundable
ADDITIONAL FUNDS – 6 Months (Note 10) (Note 11)	\$10,000 - \$15,000	As incurred	As Incurred	Employees, Suppliers, Utilities	Non-Refundable
TOTAL	\$46,750.00 to \$117,500.00 (Note 11) (Note 12)	This will vary upon your location and your preferences. Does not include real estate purchase costs or ongoing operating expenses.			

Notes:

(1) This particular Item 7 chart estimates the start-up expenses for the first three months of each newly established Goin' Postal Franchise Store.

(2) The Initial Franchise Fee is \$15,000.00. See Item 5 for the conditions when this fee is refundable. Except for the limited refund conditions on the Initial Franchise Fee as described in Item 5 of this Disclosure Document, all other expense items listed in this Item 7 are non-refundable from us. Payments to third party vendors are either non-refundable by such vendor or subject to the particular third party vendor's terms and conditions of refund. GP Brands, Inc. does not finance any fee but your fees can be paid by credit card. You also have the option of ordering additional Point of Sale Systems at your discretion (see Item 5). The payment to GP Brands, Inc. for your Point of Sale Systems and other Required Minimum Purchases is non-refundable. Should you order and pay us for your Required Minimum Purchases (which includes two (2) Point of Sales Systems), such items will be shipped to you once you have scheduled your required training to be conducted at your Store. Should you not complete your purchase of a Goin' Postal franchise or should you otherwise fail to open a Goin' Postal Store subsequent to the time we ship to you the Point of Sale Systems you ordered, all of our proprietary and copyrighted software will be deleted from each Point of Sale System by our representative conducting your on-site training prior to his or her departure from your Store location. You will also be required to remove all of our Marks and logos from your business premises and from all goods, products, equipment, printed materials and other items used or intended to be used in connection therewith, and then return all such items to us. In any event, you will not receive any refund of the amount we received from you for the applicable cost for these items you ordered.

(3) If your Store location is outside the State of Florida or if you will otherwise be required to incur airfare and hotel expenses to attend the required training in Florida, you can expect to incur between approximately \$1,000.00 to \$1,500.00 to travel to and attend the required one week training program at our Headquarters in Zephyrhills, Florida. Some franchisees located within the State of Florida have paid as low as \$100.00 to attend the training at our Headquarters in Zephyrhills, Florida. You will not be permitted to attend this training unless you have first signed and delivered to us the Non-Competition and Non-Solicitation Agreement attached as **Exhibit "B"** to this Disclosure Document and have ordered and paid for your Required Minimum Purchases (see Item 5 of this Disclosure Document).

(4) This line item pertains to those expenses you will pay for our representative to conduct the on-site training at your Store location. The expenses you should expect to incur for traveling to Florida for training at our headquarters in Zephyrhills, Florida are reflected in the line item of this Item 7 table which immediately precedes this line item (see also Note 3 immediately above). These costs include airfare, automobile rental, per-diem meal allowance and hotel expenses.

(5) You will require between 1,000 to 2,000 square feet for your Store location, which you can either lease or purchase. If you do not own adequate retail space, you must lease or purchase the location for your Store. This cost could vary widely from location to location. Rent could vary significantly per year depending on factors such as size, condition and location of the leased premises, and your particular credit standing. These figures do not represent costs you would incur to purchase a location (which could be significantly higher), but represent costs you might expect to incur in securing leasehold premises under a typical landlord/tenant relationship (which could also vary significantly from market to market), such as security deposit and first and last month's rent. Most landlords require an advance payment of first and last months' rent and a security deposit. You will pay your landlord directly for any rent and other lease payments when due, including any advance, upfront payments of first and last month's rent and security deposit.

(6) Included in our estimate for build-out improvements are costs for minor improvements, painting, counters, interior signs, walls, lighting, flooring and for mailboxes. These prices will vary depending upon how much of the work you do yourself and how much you contract out to professionals. Our budget for your mailboxes is based on used boxes from a variety of sources including eBay. New boxes will be significantly more expensive. Counters and walls can be built very inexpensively if you do them yourself. Using contractors could add significantly to your expenses and set up time, and must only involve licensed and bonded companies. If you will require the services of a licensed contractor to complete the necessary interior improvements at your Store, you may incur between \$4,000.00 and \$40,000.00 for these services, depending on the extent and nature of interior improvements necessary to make your location operational as a Goin' Postal Store. Some franchisees who have been able to perform most of the interior improvements at their Store by themselves other than some basic electrical and/or plumbing work have incurred as little as \$500.00 for such basic services. Purchasing materials and tools required to build-out the Store yourself could cost around \$5,000.00. You will also need to purchase exterior signage for your Store both for the building façade and for the roadside pylon or marquis sign if one is available. The signage may be purchased from an approved vendor of your choice (see Item 8 of this Disclosure Document for approval requirement).

(7) In addition to your Point of Sale Systems and other Required Minimum Purchases (see Item 5 of this Disclosure Document), other equipment necessary for operation of your Store such as fax machine, printers, laminators, copiers, etc. can be purchased or leased (using our guidelines found in our Manuals) from your preferred vendor. It will be necessary for you to purchase at least one (1) 150 lb. postal/parcel scale and one (1) once scale. You will find helpful information on purchasing one (1) or more of these scales in our Manuals. You are required to purchase from us the basic start-up equipment, supplies and promotional items designated in this Disclosure Document as the Required Minimum Purchases to assist you with the set-up and opening of your Store (see Item 5 and Item 11 of this Disclosure Document for further details; see also Note 9 of this Item 7 below).

(8) Includes incorporation fee, DBA costs and possible permit fees. The range of costs envision some franchisees who may utilize a low cost service provider to provide these services, and those franchisees who may choose to use a lawyer and incur legal fees to incorporate or establish a business entity (if applicable).

(9) This payment is payable directly to vendors for boxes, stamps, tape, packing materials, etc. and is generally non-refundable. Please see the Owners' Section of our website for a list of available vendors and their websites. You must purchase, as part of the Required Minimum Purchases, a minimum quantity of some basic supplies and inventory to assist you with the opening of your Store (see Item 5 and Item 11 of this Disclosure Document for further details).

(10) You should also anticipate and set up a reserve for miscellaneous ongoing expenses as part of your initial start up expenses, including rent, utilities, telephone, and start-up employment needs. Because these expenses vary considerably depending on your location and the personal features or requirements you establish for your individual Store, estimating the additional requirements is difficult. Anticipated payroll costs alone will vary depending upon the number of employees and compensation arrangements you establish for your Store. We recommend, however, that you establish a reserve of at least six (6) months worth of operating expenses after establishing and preparing your Store to open (more of a reserve may be necessary in high rent markets). It is advisable to establish an operating expense budget and reserve with a professional business advisor.

(11) GP Brands, Inc. relied on its own experience in setting up stores on a small budget to compile these estimates. Your ability to duplicate these estimated costs depends on your business experience, personal desires concerning your Store, and the extent to which you follow the same methods and procedures we used in setting up our own and other Goin' Postal Stores. You should review these figures carefully with a professional business advisor before making any decision to



purchase the franchise. These figures are estimates and GP Brands, Inc. cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow GP Brands, Inc.'s recommended methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

(12) GP Brands, Inc. does not offer direct or indirect financing to franchisees for any items.

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

The internal color and paint schemes for your Store **must** be red, white and blue in accordance with our Store Set-Up Manual. You must follow these required color and paint schemes explicitly and may not deviate from them without our prior written approval. You may, but are not required to, hire professionals to provide build-out and store set up services

As part of the Required Minimum Purchases (see Item 5 of this Disclosure Document) you must purchase at least two (2) Point Of Sale Systems from GP Brands, Inc. for the cost stated in Item 5 above, from which GP Brands, Inc. derives approximately \$1,000.00 in profit. All Goin' Postal franchisees are also required to pay an annual technology fee for support and development of various supplied software and initiatives (see Item 11 for a detailed discussion of this annual software update fee) from which GP Brands, Inc. receives a revenue. Annual software updates are generally completed in January of each year.

You must purchase all merchandise and other items bearing the Goin' Postal Marks, including trademarks, service marks and/or logos, whether for resale, advertising, promotional and/or personal use, from GP Brands, Inc., from which GP Brands, Inc. receives a revenue, or from one or more of our approved vendors which we specifically designate for these purchases. This merchandise and other items includes but is not limited to staff uniforms, shirts and miscellaneous clothing, interior signs, and promotional items including stuffed dolls, figures, mugs, drinking cups, license plates, bumper stickers, buttons, pins, pens, pencils and mouse pads, and business cards, flyers, and other promotional printed materials. No advertising or promotional items or materials may bear the Goin' Postal Marks unless you first obtain our approval for those items and materials and then we order them for you, and at your cost, directly from the manufacturer or other supplier. You are not allowed under any circumstance to purchase from any manufacturer, supplier or other vendor not expressly designated and approved by us in writing for these purposes, any goods, items or materials which bear, contain or display the Goin' Postal Marks, nor are you permitted to create or produce them for yourself.

Your purchase of two Point of Sale Systems and the other Required Minimum Purchases, Goin' Postal uniforms and other Goin' Postal merchandise will represent approximately 9% to 21% of the total cost to establish your Store. Your payment of the annual tech fees, and your purchase of Goin' Postal uniforms and other Goin' Postal merchandise will represent approximately 0.50% of the total cost to operate your Store annually.

Each of your Point of Sale Systems will come loaded with the ROIPOS Point of Sale software. In order to be able to conduct automatic integrated credit card transactions through use of your Point of Sale Systems, you will need to fill out, sign, and submit directly to World Pay a Merchant Application for World Pay Merchant Services. If, upon submitting such Application, World Pay determines you to be qualified to participate in its Merchant Services program, you will be required to then sign up for such services by completing, signing and submitting directly to World Pay a World Pay Payment Solutions Merchant Agreement and pay to World Pay all associated fees and costs it charges to participate in the World Pay Merchant Services program. Should you either be determined by World Pay not to qualify for its Merchant Services program or you choose not to use those services provided by World Pay, you must arrange for

alternative merchant services, purchase your own associated software/hardware to process credit card transactions (which will not integrate with the ROIPOS Point of Sale software programmed in your Point of Sale Systems), and you will not be able to access the automatic credit card processing features of your Point of Sale systems but will instead be required to manually type in the dollar amount of each credit card transaction.

As a Goin' Postal franchisee, you obviously must feature and offer to your customers shipping services in operating your Store, which must include at a minimum FedEx and the United States Postal Services and we prefer that you additionally offer UPS and DHL; or those of the four designated carriers whose services are available to your Store and Location. You will need to set up an account with these required shipping service suppliers and sign agreements with each supplier in order to offer and sell their respective shipping services. We receive no revenues from your use of these required shipping service suppliers.

We do not provide any material benefit to you (example: granting additional franchises) based upon your use of required, approved or recommended sources of supply. We do, however, negotiate purchase arrangements with several suppliers (including price terms and discounts) for the benefit of our franchisees.

Exclusive and Master Accounts. GP Brands is in continuous negotiations with vendors and suppliers of all sorts for the benefit of our franchisees. When benefits are substantial to the Goin' Postal chain, GP Brands may require participation by franchisees in exclusive agreements with particular vendors. Some agreements may impose on the franchisees reasonable criteria (such as minimum operating hours or other reasonable requirements) in order to conform to the minimum standards of such agreement. Additionally, certain vendor agreements may require that GP Brands holds a "master account" for the whole chain. This may have GP Brands providing and guaranteeing payments on behalf of Goin' Postal stores. In the event such an agreement is made you may be required to maintain a deposit or provide payment to us for ultimate payment to a vendor.

GP Brands, Inc. must pre-approve any sign design by an independent sign maker. You may e-mail your sign requests to us for approval. In order to be approved, the independent sign maker must possess all licenses required by such independent sign maker's State and/or local governments, must possess the necessary experience, must not have any outstanding complaints with the Better Business Bureau, and must maintain a website to allow us to verify any information you provide us concerning the sign maker. This is the same approval criteria we will use for evaluating all vendors. All requests for sign design approval must also be accompanied with a proof of such design for our approval. We will evaluate each sign design based upon our adopted color schemes, quality of workmanship and our other specifications we have implemented as set out in our Manuals. We generally respond to sign approval requests by e-mail within 2 to 3 business days following our receipt of the required information and design proofs. You are not required to pay any fee to us in order to secure sign maker approval. You are solely responsible for ensuring that sign designs which are approved by us comply with all lease and applicable legal requirements.

You must follow the same approval process outlined above for sign designs and sign makers when requesting approval of any artwork you desire to use for advertising or display purposes and which was not furnished to you by us via the Owners' Section of our website. All advertising and promotional materials must be approved by us in advance and prior to being released to the public, including items such as apparel (of any sort), print ads, balloons, banners, baseball caps, billboards, brochures, bumper stickers, business cards, buttons and pins, coloring books, flyers, "Frisbees", jackets, magnets and magnetic signs, radio spots/ads, shirts, signage of any sort, sweatshirts, T.V. ads, vinyl decals, websites (see website and Internet restrictions and guidelines in Item 11 of this Disclosure Document), and any and all other materials and items of any sort and in any medium whatsoever which are intended to advertise, market or promote your franchised Store. You must submit a proof of all desired artwork and/or advertising (we will evaluate these items in a manner similar to our evaluation of any proposed sign designs you submit to us as

described above) and you must provide proof that the advertising/artwork vendor meets our approval criteria reflected above. We generally respond to advertising/artwork approval requests by e-mail within 2 to 3 business days following our receipt of the required information and advertising/artwork proofs. You are not required to pay us a fee for securing any advertising/artwork supplier or vendor approval.

All requests for general product/service vendor approval other than those previously discussed above must be submitted in writing (e-mail requests are acceptable) and must provide information supporting such vendor's compliance with our vendor approval criteria described above. We must be able to review a Better Business Bureau report and access a website or other publicly disseminated information to assess the basic strength and credibility of each prospective vendor or supplier. We generally respond to general vendor approval requests by e-mail within 7 business days following our receipt of the required information. You are not required to pay us a fee for securing these approvals.

We will not unreasonably withhold our approval of a vendor so long as the vendor meets our vendor approval criteria described above and will provide you with a brief explanation of the reasons for any disapproval; however, we do reserve the right to limit the number of approved vendors servicing our franchise network and the types of products sold by our franchisees (see Item 16 of this Disclosure Document for restrictions pertaining to products and services you may sell at your Store). You must not order or sell any products or services of the proposed vendor until you receive our written approval of the proposed vendor. Once a vendor or supplier has been approved, we generally will not revoke such previous approval unless we receive continued complaints against such vendor which remain unresolved following notice to the vendor concerning the complaints, or unless we receive other credible information reflecting adversely on such vendor's strength or credibility.

We do not currently have, nor do we participate in, a purchasing or distribution cooperative. We do on occasion negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees.

Except for the ownership interests of Marcus Price, in the Franchisor, GP Brands, Inc., and our affiliate, Bodellie Corporation, as previously disclosed in this Disclosure Document, none of our executive officers own an interest in any supplier from whom you may or are required to purchase any goods or services.

(Item No. 9 is on the next page)

**ITEM 9: FRANCHISEE'S OBLIGATIONS****ITEM 9 TABLE:  
FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition	Section 1 and Section 3 of Franchise Agreement	Items 6, 11 and 12;
b. Pre-opening purchases/leases	Section 5 of Franchise Agreement	Items 8 and 11;
c. Site development and other pre-opening requirements	Section 3 of Franchise Agreement	Items 6, 7 and 11;
d. Initial and ongoing training	Section 4 of Franchise Agreement	Item 11
e. Opening	Not Applicable	
f. Fees	Section 5 of Franchise Agreement	Items 5 and 6
g. Compliance with standards and policies/ Operations Manual	Section 7 of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Section 6 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/ services offered	Section 7 of Franchise Agreement	Item 8, Item 16 and Exhibit F
j. Warranty and Customer Service requirements	Section 7 of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Not applicable	
l. Ongoing product/service purchases	Section 7 of Franchise Agreement	Item 8, Item 16 and Exhibit F
m. Maintenance, appearance and remodeling requirements	Sections 3 and 7 of Franchise Agreement	Item 11
n. Insurance	Section 15 of Franchise Agreement	Items 6, 7 and 8
o. Advertising	Section 8 of Franchise Agreement	Items 6, 7 and 11
p. Indemnification	Section 16 of Franchise Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 7 and 10 of Franchise Agreement	Items 11 and 15: if applicable Exhibit L
r. Records and Reports	Section 5 and Section 9 of Franchise Agreement	Items 6 and 11
s. Inspections and audits	Section 5 and Section 9 of Franchise Agreement	Items 6 and 11
t. Transfer	Section 10 of Franchise Agreement and Exhibit B to Franchise Agreement	Item 17
u. Renewal	Section 2 of Franchise Agreement	Item 17
v. Post-termination obligations	Section 12, 13 and 14 of Franchise Agreement and Non-	Item 17, Exhibit B

	Competition and Non-Solicit Agreement (Exhibit B), Exhibit C to Franchise Agreement	
w. Non-Competition covenants	Section 14 of Franchise Agreement and Non-competition and Non solicit Agreement (Exhibit B)	Item 17, Exhibit B
x. Dispute resolution	Section 18 of Franchise Agreement	Item 17
y. Other Guarantee of franchisee obligations	Section 5 of Franchise Agreement and Continuing Personal Guaranty (Exhibit K)	Item 15, Exhibit K

## ITEM 10: FINANCING

Other than in the event a vendor agreement is made requiring GP Brands to hold a master account to guarantee payment to a vendor, GP Brands, Inc. does not offer direct or indirect financing for any part of the fees or other monetary obligations due or to be incurred by you under the Franchise Agreement or in connection with your purchase of a Goin' Postal franchise. GP Brands, Inc. does not back or guarantee any note or lease you may sign with any third party, or any of your other obligations. We do make available to franchisees upon request, but only after they have become a franchisee, actual sales records from our company-owned Zephyrhills, Florida Store for use by said franchisees in developing a sales forecast or business plan to present to the particular lender of their choice in procuring financing arrangements. However, any franchisee requesting a copy of such financial data must sign some disclaimers associated with the use of our Zephyrhills, Florida Store data, including an acknowledgment that such Store data was not provided to such franchisee in advance of such franchisee's decision to purchase a Goin' Postal franchise, that such data only reflects the results of operations from a Franchisor- owned Store of the type the franchisee will own and operate but it is not a representation or warranty, or even necessarily indicative, of the actual results the franchisee will experience at their particular Store, and that such data was not presented to the franchisee as an "Earnings Claim" or otherwise used by the franchisee or relied upon in making their decision to purchase a Goin' Postal franchise.

You should know, however, that the majority of the financial requirements you will incur as part of this Franchise Agreement, including the initial franchise fee, and equipment, may be financed through many 3<sup>rd</sup> party means, including credit cards, bank loans or business grants. GP Brands, Inc. does not recommend putting your home or any other personal assets at risk by obtaining a home equity or guaranteed loans to finance your new business. Even the best run business can fail due to a wide variety of circumstances.

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

**Except as listed below, GP Brands, Inc. is not required to provide you with any assistance.**  
**Pre-Opening Obligations**

After you sign the Franchise Agreement and submit your initial franchise fee and before you open your new Goin' Postal business, GP Brands, Inc. will:

- 1) If you have not already supplied us with a specific physical address which you desire for your Store location, we will assist you in selecting a business location. Your retail location should have between 1,000 to 2,000 square feet of useable area and must have adequate parking spaces. We may advise you of any concerns we have about your chosen location, and/or we may recommend a location, but you will have the final decision (subject to territorial rights of other franchisees) and under no circumstances do we guarantee the success of any location

you select, whether recommended or approved by us or not, nor will we be held responsible should any chosen location prove to be unsuccessful. Your location decision should take into account factors such as proximity of adequate parking, high traffic and high visibility factors, amount of rent, nature of surrounding businesses, proximity to competitive businesses, rear access, physical characteristics of location and building (including aesthetics and other appearance features), and similar factors. We do not purchase any location for and then lease it to a franchisee, nor do we lease a location for and sublease it to a franchisee.

- 2) Evaluate your desired Store location, and upon our approval of such location (using those factors outlined in “Pre-Opening Obligation #1” immediately above), designate your exclusive territory. (Franchise Agreement - Section 1; see Item 12 for territory disclosures).
- 3) Within 7 days of our receipt of your signed Franchise Agreement and your payment of the initial fees required under Item 5 of this Disclosure Document, GP Brands, Inc. will provide you with access to the Owners’ Section of the GP Brands, Inc. website which contains training materials, artwork and other resources for both setting up and operating your franchised business. This information will be sent to you via e-mail (Franchise Agreement – Section 4.2). Included in these materials will be our Store Set-Up Manual and New Franchisee Primer which contains vital information you will need to successfully set-up your Store and prepare it to open for business, including detailed and precise diagrams, photos, floor plans and instructions for the interior build-out of your Store (including our required red, white and blue color and paint schemes, from which you may not deviate in any respect without our advance written approval), and instructions on how to set up UPS, FedEx and other accounts. Our Store Set-Up Manual and New Franchisee Primer are confidential and proprietary to us, are only loaned to you while you are our franchisee, and remains our property. The current Table of Contents of Our Store Set-Up Manual as of December 31, 2022 is set out below:

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\*Contents of Store Set-Up Manual and page numbers are subject to change, without notice, but any revised Manuals will be available to you via the Owners' Section of our website.

4) Within 7 days of our receipt of a floor plan for your chosen business location, we will provide



you with our suggestions and any required changes we advise. Your floor plan must (i) separate the customer area from the employees only area by a counter; (ii) position the packing table within the employees only area but in plain view from the customer area; (iii) strictly adhere to our red, white and blue color and paint schemes; (iv) clearly set apart from the Goin' Postal Store functions and from all Goin' Postal Marks and in a separate specially designated section of your Store which does not impede or interfere with the Goin' Postal Store business operations any approved adjunct business operation which you are required to operate under another third party's marks as a condition to the approval to conduct such other business within your Store Location (See Item 16 and Exhibit "F" of this Disclosure Document); and (v) otherwise be in compliance with our Store Set-Up Manual (see "Pre-Opening Obligation #3" immediately above). (Franchise Agreement – Section 3). Although our Store Set-Up Manual provides vital and useful information on matters such as: (i) conforming the Store premises to local ordinances and building codes, and obtaining required permits; (ii) constructing, remodeling and decorating the Store premises; (iii) providing for necessary equipment, signs, fixtures, opening inventory, and supplies; and (iv) scheduling the necessary and required training sessions for your owners, manager(s) and primary operator(s), these are primarily your responsibilities, and our assistance is principally provided through e-mail and limited telephone contact, and through the required training sessions.

- 5) After our receipt of your payment for the Required Minimum Purchases, which includes two (2) Point of Sale Systems (see Item 5 of this Disclosure Document), your ordered Point of Sale Systems will be assembled and programmed by us, and available to be shipped to the address you have designated for these items to be shipped prior to the scheduled date of your Store opening. Each Point of Sale System you order from us will consist of the following components:

- PC and Monitor (from independent manufacturer(s) of our choice)
- Cash Drawer (misc. independent manufacturers)
- Receipt Printer (misc. independent manufacturers)
- Software (some proprietary to us and some proprietary to independent third parties: see Item 5 discussion and discussion under this Note 5 and Note 6 immediately below).

Two (2) Point of Sale Systems must be purchased from us as part of the Required Minimum Purchases. We make approximately \$1,000.00 profit from the two (2) Point of Sale Systems purchased as part of the \$10,000.00 Required Minimum Purchases, which is used to offset our costs for assembly, programming, set up and expenses incurred by us. If you desire additional Point of Sale Systems, you can buy them from us at a cost of \$3,350.00 (this current price for additional Point of Sale System is subject to change without prior notice) per each additional system. All Point of Sale Systems must be programmed with our proprietary software and any third party software as necessary (see discussion of ROIPOS Point of Sale software later in this Note 5). Any updating or improvements to the software occurring between your initial purchase and the next ensuing annual upgrade will be at no cost to you. At the first of each year during the term of the Franchise Agreement, your credit card on file (or, at our discretion, your designated account under an electronic funds transfer payment program we have established with you) will be charged for the technology fee. This annual support and development technology fee cost is currently \$450.00 (but may be increased from time to time) and is paid entirely to us. For those Point of Sale Systems you purchase from us, we provide for the replacement, at no cost to you, of any parts or components which become defective within the first twelve months from the date of your purchase and which are reported to us to be defective within that time period. After that initial twelve month period, individual Point of Sale System components or entire Point of Sale Systems needing to be replaced may be purchased from us at our then advertised prices or otherwise replaced or repaired by you at your cost. We provide both phone and online support for software related issues, and provide both phone and online support for problems associated with equipment which we supply to you.

You are responsible for all costs to repair, replace, maintain and remedy all equipment which you purchase from someone other than us. Although you are not contractually obligated to upgrade the hardware components of the Point of Sale Systems, such as the cash register, computer system, etc., it may become necessary for you to do so at some time in the future if any of the annual software upgrades you are required to make (as previously discussed) cause any of your hardware components to be incompatible or otherwise ineffective.

The licensed shipping software, has been in use by Goin' Postal stores for approximately fourteen years. The ROIPOS Point of Sale software forming a part of the Point of Sale System you will purchase from us is made and developed by us, and has been used by us for approximately five years, and was used by our predecessor for close to two years. The UPS proprietary software and FedEx proprietary software components of your Point of Sale System have been used by those independent companies for approximately twelve years and have been used by us for approximately nine years and by our predecessor for close to two years. Each Point of Sale System will be used by you to "ring up" sales, price shipping rates, price products, track inventory, collect and maintain customer information, access our website, receive and send franchise related e-mails and for related functions. We will only have direct access to the information and data stored in your Point of Sale System(s) when you have granted such access to us as part of any request you make for us to provide technical support with respect to any of your Point of Sale Systems. However, your access to use licensed software is controlled by your use of an activation code which we provide you. This activation code is what validates your rights to access and use, and receive updates to, the proprietary software.

In order for you to fully utilize the automatic credit card features associated with the World Pay ROIPOS Point of Sale software programmed into each Point of Sale System you order from us, you must submit a Merchant Application directly to World Pay, be accepted by World Pay, and then sign a Merchant Agreement with World Pay. Your acceptance under the World Pay merchant services program is entirely controlled by and within the discretion of World Pay. Your failure to apply for or to be accepted in the World Pay merchant services program will result in you having to purchase a separate credit card swipe machine, enter into alternative merchant service arrangements, and manually type and enter the dollar amount of each credit card transaction processed as part of the business of your Store.

(For provisions covering the Point of Sale System, see Franchise Agreement – Section 4.2 and Section 5.1).

- 6) At the time we ship you your ordered Point of Sale Systems, we will also ship to you the mandatory start-up equipment, supplies, promotional items, and items of retail inventory you are required to purchase from us as part of the Required Minimum Purchases (see discussion under Item 5 of this Disclosure Document), to assist you with the set-up and opening of your Store. You will incur an additional charge for the actual items we supply to you, and you will be responsible for the costs to ship them to you. These items will be shipped using the same carrier used to ship you your Point of Sale Systems and will either be charged to your UPS or FedEx account established for your Store, or if no such account has been set up by you at that time, we will either bill your credit card on file or perform an electronic funds transfer for the purchase costs and shipping costs incurred to send you these mandatory Store set-up items.
- 7) Within 1 to 2 weeks from the time you have purchased or signed a lease for your chosen business location (or sooner if you already own your approved location), you will need to schedule with us the dates for your mandatory initial training session at our Zephyrhills, Florida Headquarters (Franchise Agreement Section 4.1). Initial training dates are booked on a "first-come, first-served" basis and you must request a desired initial training date reservation by e mail sent to [josh@goinpostal.com](mailto:josh@goinpostal.com). No initial training dates are established or otherwise

available to you unless and until confirmed by us in writing by means of e-mail sent from us to you specifying the dates of your initial training. You will not be able to attend this initial training unless you have ordered and paid for your Required Minimum Purchases (see discussion under Item 5 of this Disclosure Document) and unless you first sign the Non-Competition and Non-Solicitation Agreement (**Exhibit “B”** to this Disclosure Document) and deliver it to us before your scheduled training dates or unless you sign the Non-Competition and Non-Solicitation Agreement when you arrive at our headquarters for your scheduled training and before the start of training. You will not be permitted to participate in the training at our headquarters unless all owners, managers and primary operators have signed the Non-Competition and Non-Solicitation Agreement. If you cancel your scheduled training at our headquarters less than one (1) month prior to your scheduled training commencement date, you will be subject to a \$200.00 cancellation fee per each scheduled attendee to subsidize us for our lost classroom capacity. At the one week initial training session you are required to schedule and attend at our Headquarters in Zephyrhills, Florida, you will receive approximately 40 hours of classroom training (8 hours M, Tu, W and F; & 10 hours Th) in all aspects of your new business including:

ITEM 11 TABLE

**TRAINING PROGRAM – AT OUR HEADQUARTERS**

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Introductory Matters	0.5	-0-	Our Headquarters
UPS, FedEx, DHL	2.0	-0-	Our Headquarters
USPS	1.0	-0-	Our Headquarters
Shipping Basics	1.0	-0-	Our Headquarters
Insurance	1.0	-0-	Our Headquarters
Shipping Forms	1.0	-0-	Our Headquarters
GP Rate Pro	1.0	-0-	Our Headquarters
POS Systems	1.0	-0-	Our Headquarters
GP Owners' Website	3.0	-0-	Our Headquarters
Fed Ex Processing	1.0	-0-	Our Headquarters
UPS Processing	1.0	-0-	Our Headquarters
DHL Processing	1.0	-0-	Our Headquarters
USPS Processing	1.0	-0-	Our Headquarters
Freight	3.0	-0-	Our Headquarters
eBay	1.0	-0-	Our Headquarters
Copiers	2.0	-0-	Our Headquarters
International Shipping	3.0	-0-	Our Headquarters

Mailboxes	2.0	-0-	Our Headquarters
Pitney Bowes	0.5	-0-	Our Headquarters
Merchant Services	1.0	-0-	Our Headquarters
Packaging and Box Building	2.0	-0-	Our Headquarters
Shipping Accounts	3.0	-0-	Our Headquarters
Role Play/ Customer Care	3.0	-0-	Our Headquarters
Actual Customer Interaction		4.0	Company Owned Store
TOTAL	36.0	4.0	

NOTE: All times and training subjects are subject to adjustment by our trainer based on personal needs of franchisees as deemed necessary by our trainer.

GP Brands, Inc. does not charge you for your initial training at our Headquarters, but you are responsible for the costs of your travel, lodging, meals, etc. for attending your training in Florida and for the costs outlined above in Item 6 OTHER FEES for our representative when he or she is on-site to conduct the second required training session at your Store location. Our representative who conducts the training at your Store must sign off on your competency prior to you being able to open your Store without supervision (see Note 8 below).

While your main training will be at our Headquarters in Zephyrhills, Florida, our rep will also go over the training again while on-site at your Store.

- 8) Within 1 to 2 weeks after you inform us that your Store at your chosen location is substantially set up and ready to open for business, you will need to schedule with us a 5 to 6 day period during which a GP Brands, Inc. representative will be at your chosen location to help you with opening your Store and training your staff. It is our standard practice to schedule the training at your location during a period which is 2 to 3 weeks subsequent to completion of your training at our Headquarters in Zephyrhills, Florida (Franchise Agreement – Section 4.1). Final on-location training and Store opening dates are booked on a “first come, first-served” basis and you must request a final on-location training and Store opening date reservation by e-mail sent to [josh@gpbrands.com](mailto:josh@gpbrands.com). No final on-location training and Store opening dates are established or otherwise available to you unless and until confirmed by us in writing by means of e-mail sent from us to you specifying the dates of your final on-location training and Store opening. This on-site training consists of approximately 53 hours of on-the-job training at your Store, including approximately 30 hours of actual live customer interaction and processing actual customer transactions, and is generally conducted Monday through Friday, for approximately 8 to 10 hours per day. See the Table below which highlights the training which will be conducted on-site at your Store. If you fail to show the level of competency necessary to open and run your Store without supervision, you will not be permitted to open your Store for business at that time and you will be required to attend a second week of training at our Headquarters in Zephyrhills, Florida at your sole cost. We have not yet needed to impose upon any franchisee this second week of training at our Headquarters. Do not book final on-location training dates and Store opening dates unless and until you are absolutely certain that you can keep those specific dates. In the case of your Store opening dates, your location must be ready

to receive the GP Brands, Inc. representative and be suitable to serve customers during the week of the GP Brands, Inc. representative's visit. Be advised that if you cancel final on- location training dates and/or Store opening dates after you have booked them and after those specific dates have been confirmed by GP Brands, Inc. in writing, a \$1,500.00 penalty may be levied at GP Brands, Inc. discretion for the resultant necessary alterations in scheduling, traveling, and lodging (the various GP Brands, Inc. representatives' schedules and flights, car rentals, and lodging plans will have to be canceled and rearranged). You will also be responsible for all the costs necessary to rebook travel and living accommodation for our representative to make a return or alternate visit to your Store location. Should your Store not be in a ready-to-open condition and it therefore becomes necessary for our representative to make a return trip to your Store to oversee the opening of it, you will be assessed and charged the \$1,500.00 penalty, plus all travel and living expenses of our representative to make both the initial trip and this return trip.

ITEM 11 TABLE

**TRAINING PROGRAM – AT YOUR STORE**

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Introductory Matters	-0-	0.5	Your Store
UPS, FedEx, DHL	-0-	1.0	Your Store
USPS	-0-	4.0	Your Store
Shipping Basics	-0-	0.5	Your Store
Insurance	-0-	0.5	Your Store
Shipping Forms	-0-	1.0	Your Store
GP Rate Pro	-0-	2.0	Your Store
POS Systems	-0-	2.0	Your Store
GP Owners' Website	-0-	0.5	Your Store
Fed Ex Processing	-0-	0.5	Your Store
UPS Processing	-0-	0.5	Your Store
DHL Processing	-0-	0.5	Your Store
USPS Processing	-0-	1.0	Your Store
Freight	-0-	0.5	Your Store
EBay	-0-	0.5	Your Store
Copiers	-0-	-0-	Your Store
International Shipping	-0-	1.0	Your Store
Mailboxes	-0-	1.0	Your Store

Pitney Bowes	-0-	0.5	Your Store
Merchant Services	-0-	-0-	Your Store
Packaging and Box Building	-0-	1.0	Your Store
Shipping Accounts	-0-	-0-	Your Store
Role Play/ Customer Care	-0-	4.0	Your Store
Actual Customer Interaction	-0-	30.0	Your Store
TOTAL	-0-	53.0	

NOTE: All times and training subjects are subject to adjustment by our trainer based on personal needs of franchisees as deemed necessary by our trainer.

9. Franchisees, on average, typically open their franchised Stores for business 6 to 10 weeks after they have signed both a Franchise Agreement and have signed a lease on their chosen location. The factors which may affect this time period are your ability to procure a location and sign a lease, scheduling conflicts or other matters which affect the scheduling of your required training, your ability to procure any necessary financing, construction related delays (including obtaining required building permits), zoning and local ordinances, weather conditions, and installation of equipment, fixtures, signs and similar items. However, your obligation to begin paying the monthly Royalty to us may actually commence sooner than the date you open your Store for business (see explanation under Note 1 of Item 6 of this Disclosure Document), so it is incumbent upon you to proceed expeditiously to both initiate and complete the required steps to establish your Store location, set-up your Store, complete your mandatory training and schedule your Store opening date.

### **Post-Opening Obligations**

Once your Goin' Postal Store is open for business and during the operation of your Store, GP Brands, Inc. will:

- 1) Develop new products and methods and provide you with information about developments (Franchise Agreement – Section 4.2).
- 2) Give you online access by means of a password to our Operations Manual which contains mandatory and suggested specifications, standards and procedures (Franchise Agreement – Section 4.2). This Operations Manual is confidential and proprietary to us, is only loaned to you while you are our franchisee, and remains our property. GP Brands, Inc. will modify this manual from time-to-time and you will be expected to follow the evolving guidelines, methods, and policies as they appear in this manual, but the modifications will not alter your status and rights under the Franchise Agreement. The current Table of Contents of our online Operations Manual as of December 31, 2022 is set out below:

### **Goin' Postal Operations Manual**

#### **Chapter 1 Company Policies**

Chapter 2 Day-to-Day Basics	17
Chapter 3 Shipping Basics	20
Chapter 4 HAZMAT, Restricted and Prohibited Items	28
Chapter 5 Packaging	33
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Chapter 7 United States Postal Service	62
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Chapter 10 United Parcel Service (UPS)	114
Chapter 11 Freight Services	126
Chapter 12 Third Party Insurance	131
Chapter 13 GP Rate Pro	146
Chapter 14 Computers/ Software	202
Chapter 15 Pitney Bowes	212
Chapter 16 Processing Packages	219
Chapter 17 Mailboxes	224
Chapter 18 Marketing	230
Last page:	237

\*Contents of Operations Manual and page numbers are subject to change, without notice, but any revised Operations Manuals will be available to you via the Owners' Section of our website.

3) GP Brands, Inc. will provide a reasonable level of telephone support during our normal business hours (Eastern Standard Time) to assist with resolving operating problems and for any general or technical questions you may have (Franchise Agreement – Section 4.2). Your Operations Manual (including updates posted within the Owners' Section of our website) is your primary source of information concerning your Store operation and you are responsible for reading and becoming familiar with the Operations Manual. You may, subject to room and availability, and at your sole cost and expense schedule additional training for one or more of your employees at our Headquarters in Zephyrhills, Florida. We have no obligation or responsibility to train your employees once those individuals you sent for the two (2) "Pre-Opening" training sessions (see discussion under "Pre-Opening Obligations #7" and "Pre-Opening Obligation #8" above) have completed such training. We do not provide assistance in the actual hiring of your employees.

4) GP Brands, Inc. will make available via a password all its resources via the secure, password protected Owners' Section of the website (Franchise Agreement – Section 4.2). This secure, password protected Owners' Section may only be accessed through use of a password which we provide you. You may not provide your password and may not provide access to, or copies of any materials within, our Owners' Section without our prior written and informed consent. Within this Owners' Section, you will find a variety of materials aimed at assisting you in improving and developing your franchised business (including concepts for community events and related activities to foster the reputation and goodwill of your franchised business within your locality), as well as various materials we have prepared to improve and develop the Goin' Postal chain as a whole. Most of the information you will need concerning administrative, bookkeeping, accounting and inventory control procedures are covered for you in the Operations Manual and were covered in your training sessions.

5) **Advertising Assistance; Compliance:**

**(a) General Advertising Assistance:** GP Brands, Inc. will provide artwork for your advertising which may be downloaded via the Owners' Section of the website or which may otherwise be ordered directly from us. GP Brands, Inc. must approve any and all advertising materials not developed or provided by us in advance and in writing (Franchise Agreement – Section 4.2, Section 5.1 and Section 8). See Item 8 of this Disclosure Document for information on obtaining approval for use of advertising and artwork which has not been furnished to you by us. Currently, we charge all our franchisees a Royalty. This Royalty must be paid to us by you solely by means of an electronic funds transfer payment program we will require you to establish with us, and a portion of the Royalty may be used by us, as described in Section 8 of the Franchise Agreement, for public relations, advertising, testing and marketing new programs, product and services, promotional programs and related items. Currently, all advertising materials available to you on our website have been prepared by us in-house. All franchisees agree as part of becoming a Goin' Postal franchisee that they, their employees and their Stores may be photographed and used by us in our website, advertising and promotional materials. The portion of Royalties of all franchisees allocated by us for advertising, marketing and promotional purposes will be pooled and once a sufficient level of funds have been allocated for such purposes, are intended to be used to produce TV, radio and print ads on a national level, which ads will also be available to you free of charge on the Owners' Section of our website for you to download and use or run at your discretion, at your cost, in your own markets. We provide you with free access to the Owners' Section of our website, by use of a password we provide you, where you will be provided various advertising materials and resources. The use of all Royalties and the administration of the use of those funds will be determined by us, and the expenditure of funds for advertising and marketing purposes will be reflected on the annual audited financial statements prepared by our independent CPA as part of the yearly updates we make to this Disclosure Document. A copy of any particular annual audit will be made available within a reasonable amount of time following your written request. Currently, we have no money accumulated in an advertising fund out of prior Marketing Fees and Royalties received by us in the past. As the total amount of Royalties which we would generally allocate for advertising and other marketing purposes have been insufficient to provide for any significant media production, we did not establish or maintain an advertising fund for any national marketing during the 2019 calendar year. We have found that the in-house advertising materials we currently make available to you at no charge have proven both adequate and successful. From January 1, 2013 through December 31, 2013, our predecessor expended approximately \$72,510.00 to develop network-wide franchisee advertising materials such as website design, pay per click advertising, and print advertising. These expenditures have been out of general sales revenues received by our predecessor which are separate from the franchisee advertising fund and these expenditures have been in addition to the small amount of the advertising fund established in prior years by franchisee Marketing Fees and Royalties. Beginning January 1, 2006, our predecessor implemented a flat \$200.00 per month fee which was paid by all new franchisees instead of the separate percentage Royalty and Marketing Fee payments. Commencing January 1, 2008, this flat monthly Royalty was increased to \$300.00 per month during the 2008 calendar year, with an approximate 5% increase each subsequent calendar year through the term of the Franchise Agreement (see Item 6). Commencing January 1, 2014, our predecessor ceased implementing a year-by-year Royalty increase, and for new Goin' Postal franchises purchased during calendar year 2014, a flat monthly Royalty of \$400.00 per month was imposed during the entire initial term of the Franchise Agreement. Commencing January 1, 2015, our predecessor re-implemented the yearly Royalty increase at an approximate 5% increase each calendar year for Goin' Postal Franchisees through the term of the Franchise Agreement, which we have implemented into our current franchise chain. Prior to January 1, 2006, our predecessor provided existing and new franchisees with an election to either pay a \$200.00 per month Royalty, or to pay a percentage Royalty and percentage Marketing Fee. All of those franchisees have elected to pay the flat fee Royalty. If your Store is located in a State which imposes an income tax or other tax on the franchise fees and Royalties you pay to us, your monthly Royalty obligations to us will increase on a pro rata basis commensurate with the amount of taxes we pay to your State (see discussion under Item 6 above).



We will allocate as we deem necessary or appropriate a portion of such monthly flat fee Royalty payments for advertising and marketing purposes. Once allocated, no portion of the advertising or marketing fund will be paid to us or any affiliate for providing any goods or services related to the advertising fund. Any monies allocated by us to the advertising fund in any year which are not spent for advertising and marketing purposes during such year will remain in such advertising fund and continue to accrue for future advertising and marketing functions. No monies in the advertising fund are used by us to promote the sale of additional Goin' Postal franchises (though a portion of the Initial Franchise Fee and/or Royalty Fees not allocated to the advertising fund may be used for such purposes). You are not required to join or participate in any local, regional or national advertising cooperative. You are not required to participate in any other advertising fund beyond any advertising fund we determine to establish from and out of a portion of the monthly Royalties you pay us. We do not maintain any advertising council, and all decisions on how best to use the

advertising fund and the methods and modes of advertising are made solely by us. Upon and with our prior review and approval, you may develop and use your own local advertising material. All advertising materials you develop and desire to use must be submitted to us prior to your use for our review and approval (see Item 8 of this Disclosure Document above; see also the "Internet and Franchisee Website Restrictions which appear in this Item 11 below). All franchisees, except the 9 pilot franchisees initially started by our predecessor and our three (3) company owned Stores, pay the \$200.00 per month flat fee Royalty presently being charged to those franchisees who became Goin' Postal franchisees prior to December 31, 2007, or pay the \$400.00 per month flat fee Royalty (with calendar year increases of approximately 5% for those franchisees purchasing a Goin' Postal franchise between January 1, 2008 and December 31, 2013) currently being charged to all new franchisees from and after January 1, 2015. All franchisees who became Goin' Postal franchisees from January 1, 2014 through December 31, 2014 pay a flat \$400.00 per month Royalty during the entire initial term of the Franchise Agreement (see Item 6 of this Disclosure Document above). All franchisees who submit Franchise Agreements commencing January 1, 2023 through December 31, 2023 to establish a new Goin' Postal Store or to purchase an existing Goin' Postal Store will pay a flat \$525.00 per month Royalty with calendar year increases.

**(b) Franchisee Advertising and Marketing**

All marketing and promotion of your Goin' Postal Store must conform to our standards and specifications. You must submit samples of all advertising and promotional materials that we have not prepared or have not previously approved. Your Store must participate in promotions we institute from time-to-time.

We will have the sole discretion in determining the form of advertising, any particular advertising media, and the location and territorial coverage of such advertising, and we are not obligated to spend any amount on advertising in the Territory where your particular Goin' Postal Store is or will be located. Upon and with our prior review and approval, you may develop and use your own local advertising material. All advertising materials you develop and desire to use must be submitted to us prior to your use for our review and approval (see Item 8 of this Disclosure Document above; see also the "**Internet and Franchisee Website Restrictions**" which appear in this Item 11 below). You shall obtain our prior written approval of all advertising or other marketing or promotional programs regarding your Goin' Postal Store, including, without limitation, "Yellow Pages" advertising, newspaper ads, flyers, brochures, coupons, direct mail pieces, Internet advertising, including sites on the worldwide web (see **Internet and Franchisee Website Restrictions** below), specialty and novelty items and radio and television advertising. You shall also obtain our prior written approval before using any promotional materials as may be provided by other vendors (see Item 8 of this Disclosure Document above for vendor approval requirements). All images or designs for local advertising, marketing or promotional materials approved by Franchisor shall be deemed the intellectual property of the Franchisor for use throughout the franchise chain at the sole discretion of the Franchisor. Franchisee shall be responsible

for ensuring that any licensing agreements for any vendor used by the Franchisee for production of advertisement or marketing materials include the Franchisor as co-license holder. You acknowledge that advertising and promoting your Goin' Postal Store in accordance with our standards and specifications is an essential aspect of the Goin' Postal Franchise System, and you agree to comply with all advertising standards and specifications. You shall display all required promotional materials, signs, point of purchase displays and other marketing materials in your Goin' Postal Store in the manner prescribed by us. You shall participate in any promotions we may institute from time-to-time (Sections 6 and 8 of the Franchise Agreement).

**(c) Internet Advertising**

We intend to advertise the Goin' Postal Franchise System and the products and services which all Goin' Postal Stores offer on the website we maintain at [www.goinpostal.com](http://www.goinpostal.com) (the "Goin' Postal Website"). We have set up a "Store location" page on the Goin' Postal Website which shows the name addresses and other contact information of all Goin' Postal franchisees and their respective Store locations.

You are restricted from independently establishing a presence on, or independently marketing your Goin' Postal Store using, the Internet without our prior written consent. The Goin' Postal Website we maintain at the uniform resource locator ("URL") [www.goinpostal.com](http://www.goinpostal.com) and the additional Internet website at URL [www.goingpostalfranchisecorporation.com](http://www.goingpostalfranchisecorporation.com) provide information about the Goin' Postal Franchise System, Goin' Postal franchises, and the products and services that each of the Goin' Postal Stores provide. We retain the sole right to market on the Internet, including, without limitation, the use of websites, domain names, URL's, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content on our Internet marketing programs and you must follow our intranet and Internet usage rules, policies and requirements as contained in the Operations Manual. We retain the sole right to use the Goin' Postal Marks and our copyrighted materials on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Goin' Postal Website and the additional Internet website at URL [www.goinpostalfranchisecorporation.com](http://www.goinpostalfranchisecorporation.com).

**ITEM 12: TERRITORY**

Once you have furnished to us in writing a specific physical address for your desired Store location and we have notified you in writing that we approve such Store location, GP Brands, Inc. will provide you with a protected territory outlined by geographical features such as roads and state, city and county lines, or by means of a designated circular area defined by an established radius allocated to you by us at our discretion. Currently, franchise territorial boundaries are established by a one (1) mile radius within city/metropolitan/urban areas and a five (5) mile radius in rural areas, with a minor +/- variance (to the extent reasonably practical) so as to make use of existing streets or other well known landmarks lying at the outer perimeters of such radius to provide a more easily recognizable and supportable territorial description.

The standard territory allocation may be reduced by us if your desired Store location is in an area of extremely high population density, such as Manhattan (New York City), New York, downtown Los Angeles, California, downtown Seattle, Washington, downtown Boston, Massachusetts, downtown Chicago, Illinois or Washington, D.C. If GP Brands, Inc. receives a signed Franchise Agreement from a prospective Franchisee residing (or wanting to locate their franchised Store) within one of those areas of extremely high population density, the prospective Franchisee must approve in writing the reduced territory assigned by GP Brands, Inc. prior to GP Brands, Inc. accepting the Franchise Agreement and accepting the prospective Franchisee as a Goin' Postal Franchisee.

GP Brands, Inc. will not allow another Franchisee to open a Goin' Postal Store under its Goin' Postal Marks or under another competing trademark owned by GP Brands, Inc. or one of our affiliates within your territory.

GP Brands, Inc. will not open any Franchisor owned Shipping Stores which sells shipping and packaging services to the general public or small businesses (and would therefore compete with your Store), either under our Mark or under another mark, within your territory.

You may open additional Stores within and up to the boundaries of your protected territory only upon the prior written approval of GP Brands, Inc. and, if so approved, only by executing the Franchise Agreement in effect at that time and by paying the full franchise fee and other fees (including the cost to purchase the two Point of Sale Systems and other Required Minimum Purchases) in effect at such time for each additional Store (see Item 5 for a discussion of current discounts on franchise fees for additional Stores). Upon opening of additional Stores, we will endeavor to expand your protected territory around the new Store(s) as long as it doesn't encroach on another franchisee's protected territory or that territory associated with a Franchisor owned (or affiliate owned) Store. You may not open another shipping Store under our trademark or another competing name or mark owned by us within or outside of your territory without our prior approval and without executing the GP Brands, Inc. Franchise Agreement in effect at that time for that Store and paying all fees required by us at that time.

Franchisor owned and/or Franchisor affiliate owned Stores exist with their own protected territory as do other franchisee owned Stores. Franchisor owned Stores abide by the same rules and obligations as laid out in this UFDD.

We may not modify the protected territory assigned to you without your prior permission (although you forfeit and lose all such territorial rights upon the occurrence of any default or other action resulting in termination of the Franchise Agreement – see Item 17 and **Exhibit “A”** of this Disclosure Document). You may, at the request of GP Brands, Inc., allow another franchisee to open a Store within your territory. If you approve the request, the protected territory will be reapportioned to provide protection for both you and the new franchisee.

Your territory is granted by us based on the specific Store location address you provide us on signing the Franchise Agreement, or shortly thereafter, and which we in turn approve and assign to you with the granted territory. You do not have a protected territory or any rights to any specific territory unless and until you have submitted to us, in writing, a specific physical address for your Store, and we, in turn, submit to you, in writing, our approval of that specific physical address. Your protected territory will be established using the criteria described earlier in this Item 12 based upon and around the approved specific physical Store address. You will operate from that one approved location and must receive our permission before relocating. Should the location cease to be available, we will use our best efforts to reassign an amended territory around a new location within your territory, subject to limitations imposed by existing territories which may then be established for other Stores owned by other franchisees, by the Franchisor or by Franchisor affiliates. Once your territory has been assigned, the only conditions you must meet in order to keep these territorial rights is to be a Goin' Postal franchisee in good standing and otherwise be in compliance with your obligations under the Franchise Agreement (see Item 9, Item 17 and **Exhibit “A”** of this Disclosure Document), under the Non-Competition and Non-Solicitation Agreement (see **Exhibit “B”** of this Disclosure Document) and under each of the other agreements you are required to sign as part of becoming a Goin' Postal franchisee (see Item 22 for a list of those agreements).

We may, at our sole discretion, approve a relocation of your business within your territory without your incurring a relocation fee. Should you require relocation outside of your territory, a \$500 relocation fee will be assessed to provide you with a new one; provided a territory is reasonably available and not already protected. All relocations selected by you and approved by us are subject to the then existing territorial

rights of other franchisees and Franchisor/affiliate owned Stores.

You will have no restrictions on soliciting business from outside your territory by direct or indirect contact such as telephone, or mail. A Goin' Postal franchisee may operate a Goin' Postal "mobile shipping store" (a vehicle outfitted with a Point of Sale System, a scale and the ability to serve customers and receive payment for shipping services at a remote location) within the protected territory assigned to such franchisee. You may not under any circumstance operate a pick up or delivery service within the protected territory of another franchisee.

We will not solicit orders for our company/affiliate owned Stores within your or another franchisee's territory. Except through conducting our online stores as more fully explained later, we will not establish other channels of distribution of the goods and services which we franchise to you under the Franchise Agreement using the Marks except through franchised Goin' Postal Stores, including affiliate-owned Stores and those Goin' Postal Stores we may establish ourselves (subject to the restrictions described above). You have the right to purchase other non-protected territories by signing our then current franchise agreement and paying to us the franchise fees (including the Required Minimum Purchases) in effect at the time for each new territory you intend to purchase (see Item 5 for a discussion of current discounts on franchise fees for additional Stores). By purchasing this option, you are agreeing to establish, in each new territory you have acquired per the requirements in the immediately preceding sentence, an approved Store location and then open an additional Store at such approved location within the new territory within 6 months of the signing of the then current franchise agreement. Failure on your part to establish and open such additional Store in such new territory within said 6 month period will result in a forfeiture of both the territory and the franchise fees you paid to us for that territory. No franchisee has any contractual option or right of first refusal to acquire the franchise of any other franchisee or to acquire additional franchises, whether in your territory, contiguous territories, or elsewhere, other than the ability to purchase a non-protected territory as expressed in the preceding sentences. You may also negotiate with us the expansion and enlargement of the specific territory applicable to an existing Store owned by you (in instances where you do not desire or intend to open an additional Store), and any such territorial expansion approved by us will require as a condition to such approval that you first pay to us such additional fee as we determine reasonable based upon the scope and extent of the desired expansion and the level of existing territorial protection we have already allocated to other of our Goin' Postal franchisees in the general vicinity of your existing Store and your desired new territorial expansion.

Territories do not transfer with the sale of an existing Store. Upon the sale of an existing Goin' Postal Store, the existing territory allocated to that Store will no longer be valid or applicable, and the new owner(s) of such Store will be assigned and allocated a new territory having the defined limits and parameters prescribed in this Disclosure Document and the Franchise Agreement (as then in effect; see Exhibit "A" of this Disclosure Document). No purchaser of an existing Store may move or otherwise relocate the Store from its current Location or outside of the current territory assigned to such Store without the prior written approval of GP Brands, Inc. and without executing the then current Franchise Agreement and paying the applicable initial franchise fee and other costs and fees associated with procuring such an approved new territory.

### **ITEM 13: TRADEMARKS**

GP Brands, Inc. grants you the right to operate a Goin' Postal shipping Store under our current and future "Marks". By "Marks", GP BRANDS, INC. means trademarks, service marks, names, slogans, taglines and logos owned (now and in the future) by us, including in particular, but not limited to, the registered Marks "Goin' Postal" (see class distinctions for this Mark described below), the registered Mark "Goin' Postal Your Friendly Neighborhood Shipping Center" and associated design as shown below (and each separate element of such Mark), the registered Mark depicted by our Goin' Postal parcel deliveryman and associated design as shown below (and each separate element of such Mark), the registered Mark "Delivering the Best of America" and associated design as shown below (and each separate element of

such Mark), the registered Mark “Postage for Patriots” and associated design as show below (and each separate element of such Mark), and the presentation of our composite Mark appearing on the Cover Page of this Disclosure Document and enlarged immediately below (and each separate element of our composite Mark). The predecessor of GP BRANDS, INC., Goin’ Postal, Inc., registered the Mark “Goin’ Postal Your Friendly Neighborhood Shipping Center” and associated design on the United States Patent and Trademark Office principal register effective April 18, 2006 (see detailed information of this registered Mark below). Other than the Mark we filed with the United States Patent and Trademark Office principal register on October 7, 2009 (see detailed information below for the Mark bearing Registration Number 3887679), our predecessor, Goin’ Postal, Inc. also filed registration applications for each of the other Marks described below on the United States Patent and Trademark Office principal register. On January 2, 2007, Goin’ Postal Franchise Corporation purchased from Goin’ Postal, Inc. all of the Marks initially filed for registration by Goin’ Postal, Inc. On July 1, 2015, we purchased from Goin’ Postal Franchise Corporation all of the aforementioned Marks and we are now the sole owner of them. All Marks owned by us and which we will license to you under the Franchise Agreement you will sign (see **Exhibit “A”** to this Disclosure Document) and which you will use to identify your Store as a Goin’ Postal franchised business are now registered (see dates of registration for each reflected below) on the United States Patent and Trademark Office principal register. There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, The Trademark Administrator of your or any other State or any Court; no pending infringement, opposition or cancellation; and no pending material litigation involving the principal trademarks to be used by you in owning and operating a Goin’ Postal franchised Store. We have filed all required affidavits for each of the Marks filed with the United States Patent and Trademark Office and none of our registered Marks have yet required renewal or are required to be renewed at this time. If our right to use the trademark, “Goin’ Postal”, in the designated classes of services for which it is registered is challenged, you may have to change to an alternative trademark, which may increase your expenses. On July 1, 2015, our predecessor, Goin’ Postal Franchise Corporation (see Item 1 of this Disclosure Document for disclosures pertaining to Goin’ Postal Franchise Corporation) entered into an Assignment of Trademark with us, and GP BRANDS, INC. is now the sole and exclusive owner of the Marks and has the exclusive rights to establish Goin’ Postal franchises through use of the Marks depicted and/or described below.

**Our composite Mark is depicted as follows:**



Word Mark GOIN' POSTAL  
 Goods and Services IC 016. US 002 005 022 023 029 037 038 050. G & S: Light weight protective packaging, namely, paper for packaging and wrapping, plastic bubble packs for wrapping or packaging, mailing bags, and envelopes used for the delivery, mailing and shipping of documents and goods, notebooks, binders, greeting cards, postcards, calendars, decals, bumper stickers, pens. FIRST USE: 20041030. FIRST USE IN COMMERCE: 20041030  
 Standard Characters Claimed  
 Mark Drawing Code (4) STANDARD CHARACTER MARK  
 Serial Number 78856562  
 Filing Date April 7, 2006  
 Current Basis 1A  
 Original Filing Basis 1A  
 Published for Opposition May 22, 2007  
 Registration Number 3274805  
 International Registration Number 1510334  
 Registration Date August 7, 2007  
 Owner (REGISTRANT) GOIN' POSTAL FRANCHISE CORPORATION CORPORATION FLORIDA 4941 4TH STREET ZEPHYRHILLS FLORIDA 33542  
 (LAST LISTED OWNER) GP BRANDS, INC. CORPORATION FLORIDA 4941 4TH STREET ZEPHYRHILLS FLORIDA 33542  
 Assignment Recorded ASSIGNMENT RECORDED  
 Attorney of Record Marty Beurmann  
 Prior Registrations 3083574  
 Type of Mark TRADEMARK  
 Register PRINCIPAL  
 Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20170727.  
 Renewal 1ST RENEWAL 20170727  
 Live/Dead Indicator LIVE

Word Mark GOIN' POSTAL  
 Goods and Services IC 025. US 022 039. G & S: Clothing, namely shirts, pants, shorts, skirts, dresses, pajamas, underwear, jackets, belts, caps, wraps, aprons, bandanas, bathing suits, and hats. FIRST USE: 20041030. FIRST USE IN COMMERCE: 20041030  
 Standard Characters Claimed  
 Mark Drawing Code (4) STANDARD CHARACTER MARK  
 Serial Number 78978228  
 Filing Date April 7, 2006  
 Current Basis 1A  
 Original Filing Basis 1A  
 Published for Opposition June 5, 2007  
 Registration Number 3283156  
 International Registration Number 1508191  
 Registration Date August 21, 2007  
 Owner (REGISTRANT) GOIN' POSTAL FRANCHISE CORPORATION CORPORATION FLORIDA 4941 4TH STREET ZEPHYRHILLS FLORIDA 33542  
 (LAST LISTED OWNER) GP BRANDS, INC. CORPORATION FLORIDA 4941 4TH STREET ZEPHYRHILLS FLORIDA 33542  
 Assignment Recorded ASSIGNMENT RECORDED  
 Attorney of Record Marty Beurmann  
 Prior Registrations 3083574  
 Type of Mark TRADEMARK  
 Register PRINCIPAL  
 Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20170728.  
 Renewal 1ST RENEWAL 20170728  
 Live/Dead Indicator LIVE

Word Mark DELIVERING THE BEST OF AMERICA  
 Goods and Services IC 016. US 002 005 022 023 029 037 038 050. G & S: [Light weight protective packaging, namely, paper for packaging and wrapping, plastic bubble packs for wrapping or packaging, mailing bags and envelopes used for the delivery, mailing and shipping of documents and goods, greeting cards, postcards, posters, calendars, books, namely, address books, note books, appointment books, decals, bumper stickers, book covers in the nature of binders, bookmarks, pens, stamps, namely, sealing stamps, photos]. FIRST USE: 20040630. FIRST USE IN COMMERCE: 20040630  
 IC 025. US 022 039. G & S: [Clothing, namely, shirts, shorts, skirts, dresses, pajamas, underwear, jackets, caps, aprons, bandanas, and hats]. FIRST USE: 20040630. FIRST USE IN COMMERCE: 20040630  
 IC 035. US 100 101 102. G & S: Retail store services featuring mailing, shipping, and packing supplies, stamps, money orders, greeting cards, postcards, novelties, promotional products, photo gifts, lottery tickets, bumper sticker, mugs, license plates, pens, clothing, and hats; Copying of documents services; auction listing services in the nature of advertising the auctions of

others; Mail sorting, handling and receiving; arranging for pickup, delivery, storage and transportation of documents, packages, freight and parcels via ground and air carriers; computerized tracking and tracing of packages in transit; information management services, namely, shipment processing, preparing shipping documents and invoices, tracking documents, flat-sized mail, packages and freight over computer networks, intranets and internets; monitoring and tracking of package shipments; transportation logistics services, namely, arranging the transportation of goods for others and planning and scheduling shipments for users of transportation services; order fulfillment services; outsourcing in the field of mail sorting, handling, receiving and mailroom functions; business consulting in the economic and efficient operation of a company's or firm's outgoing mail functions; arranging and managing shipping and delivery of goods and parcels for others by air, rail, boat and motor vehicle. FIRST USE: 20040630. FIRST USE IN COMMERCE: 20040630

IC 039. US 100 105. G & S: Packing of goods for transport by air, rail, boat and motor vehicle; Postal services, namely, flat-sized mail and parcel delivery, packaging articles for transportation; supply chain, and logistics services, namely, storage, transportation and delivery of documents, packages, raw materials, and other freight for others by air, rail, ship or truck; warehousing services, namely, storage, distribution, pick-up, and packing for shipment of documents, packages, raw materials, and other freight for others; transportation and delivery services, namely, same day shipment services; private mailbox rental. FIRST USE: 20040630. FIRST USE IN COMMERCE: 20040630

Standard Characters Claimed

Mark Drawing Code (4) STANDARD CHARACTER MARK

Serial Number 78856660

Filing Date April 7, 2006

Current Basis 1A

Original Filing Basis 1A;1B

Published for Opposition May 29, 2007

Registration Number 3360732

Registration Date December 25, 2007

Owner (REGISTRANT) GOIN' POSTAL FRANCHISE CORPORATION CORPORATION FLORIDA 4941 4TH STREET ZEPHYRHILLS FLORIDA 33542

(LAST LISTED OWNER) GP BRANDS, INC. CORPORATION FLORIDA 4941 4TH STREET ZEPHYRHILLS FLORIDA 33542

Assignment Recorded ASSIGNMENT RECORDED

Attorney of Record Marty Beurmann

Description of Mark Color is not claimed as a feature of the mark.

Type of Mark TRADEMARK. SERVICE MARK

Register PRINCIPAL

Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20180106.

Renewal 1ST RENEWAL 20180106

Live/Dead Indicator LIVE

Word Mark GP

Goods and Services IC 016. US 002 005 022 023 029 037 038 050. G & S: Light weight protective packaging, namely, paper for packaging and wrapping, plastic bubble packs for wrapping or packaging, mailing bags and envelopes used for the delivery, mailing and shipping of documents and goods, greeting cards, postcards, posters, calendars, books, namely, address books, note books, appointment books, decals, bumper stickers, book covers in the nature of binders, bookmarks, pens, stamps, namely, sealing stamps, photos. FIRST USE: 20040106. FIRST USE IN COMMERCE: 20040106

IC 025. US 022 039. G & S: Clothing, namely shirts, pants, shorts, skirts, dresses, pajamas, underwear, jackets, belts, caps, wraps, aprons, bandanas, bathing suits, and hats. FIRST USE: 20040630. FIRST USE IN COMMERCE: 20040630

IC 035. US 100 101 102. G & S: Retail store services featuring mailing, shipping, and packing supplies, stamps, money orders, greeting cards, postcards, novelties, promotional products, photo gifts, lottery tickets, bumper sticker, mugs, license plates, pens, clothing, and hats; Copying of documents services; auction listing services in the nature of advertising the auctions of others; Mail sorting, handling and receiving; arranging for pickup, delivery, storage and transportation of documents, packages, freight and parcels via ground and air carriers; computerized tracking and tracing of packages in transit; information management services, namely, shipment processing, preparing shipping documents and invoices, tracking documents, flat-sized mail, packages and freight over computer networks, intranets and internets; monitoring and tracking of package shipments; transportation logistics services, namely, arranging the transportation of goods for others and planning and scheduling shipments for users of transportation services; order fulfillment services; outsourcing in the field of mail sorting, handling, receiving and mailroom functions; business consulting in the economic and efficient operation of a company's or firm's outgoing mail functions; arranging and managing shipping and delivery of goods and parcels for others by air, rail, boat and motor vehicle. FIRST USE: 20040106. FIRST USE IN COMMERCE: 20040106

IC 039. US 100 105. G & S: Packing of goods for transport by air, rail, boat and motor vehicle; Postal services, namely, flat-sized mail and parcel delivery, packaging articles for transportation; supply chain, and logistics services, namely, storage, transportation and delivery of documents, packages, raw materials, and other freight for others by air, rail, ship or truck; warehousing services, namely, storage, distribution, pick-up, and packing for shipment of documents, packages, raw materials, and other freight for others; transportation and delivery services, namely, same day shipment services; private mailbox rental. FIRST USE: 20040106. FIRST USE IN COMMERCE: 20040106

Mark Drawing Code (3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS

Design Search Code 02.01.31 - Men, stylized, including men depicted in caricature form



02.09.05 - Humans, including men, women and children, depicted running; Running, humans  
 09.03.25 - Bath robes; Costumes (Halloween or masquerade); Jump suits; Kimonos; Leotards; Robes; Surgical gowns;  
 Suspenders (clothing); Uniforms; Vestments  
 09.05.01 - Caps, including visors, military caps and baseball caps  
 19.07.05 - Boxes, gift-wrapped; Gift-wrapped boxes  
 Serial Number 78856614  
 Filing Date April 7, 2006  
 Current Basis 1A  
 Original Filing Basis 1A  
 Published for Opposition May 29, 2007  
 Registration Number 3279690  
 Registration Date August 14, 2007  
 Owner (REGISTRANT) GOIN' POSTAL FRANCHISE CORPORATION CORPORATION FLORIDA 4941 4TH STREET  
 ZEPHYRHILLS FLORIDA 33542  
 (LAST LISTED OWNER) GP BRANDS, INC. CORPORATION FLORIDA 4941 4TH STREET ZEPHYRHILLS FLORIDA 33542  
 Assignment Recorded ASSIGNMENT RECORDED  
 Attorney of Record Marty Beurmann  
 Description of Mark Color is not claimed as a feature of the mark. The mark consists of delivery man carrying package.  
 The stippling is for shading purposes only.  
 Type of Mark TRADEMARK. SERVICE MARK  
 Register PRINCIPAL  
 Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20170728.  
 Renewal 1ST RENEWAL 20170728  
 Live/Dead Indicator LIVE

Word Mark GOIN' POSTAL YOUR FRIENDLY NEIGHBORHOOD SHIPPING CENTER  
 Goods and Services IC 039. US 100 105. G & S: transportation services, namely arranging and managing shipping and  
 delivery of goods and parcels for others by air, rail, boat and motor vehicle; packing of goods for transport by air, rail, boat and  
 motor vehicle. FIRST USE: 20040920. FIRST USE IN COMMERCE: 20040920  
 Mark Drawing Code (3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS  
 Design Search Code 24.09.05 - American flags ; Flags, American  
 26.13.21 - Quadrilaterals that are completely or partially shaded  
 26.17.13 - Letters or words underlined and/or overlined by one or more strokes or lines ; Overlined words or letters ; Underlined  
 words or letters  
 Serial Number 78372054  
 Filing Date February 23, 2004  
 Current Basis 1A  
 Original Filing Basis 1A  
 Published for Opposition May 31, 2005  
 Registration Number 3083574  
 International Registration Number 1508945  
 Registration Date April 18, 2006  
 Owner (REGISTRANT) Goin' Postal Inc CORPORATION FLORIDA 38439 5th Ave Zephyrhills FLORIDA 33542  
 (LAST LISTED OWNER) GP BRANDS, INC. CORPORATION FLORIDA 4941 4TH STREET ZEPHYRHILLS FLORIDA 33542  
 Assignment Recorded ASSIGNMENT RECORDED  
 Attorney of Record Marty Beurmann  
 Disclaimer NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "Friendly Neighborhood Shipping Center" APART  
 FROM THE MARK AS SHOWN  
 Description of Mark Color is not claimed as a feature of the mark.  
 Type of Mark SERVICE MARK  
 Register PRINCIPAL  
 Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20161015.  
 Renewal 1ST RENEWAL 20161015  
 Live/Dead Indicator LIVE

We do not claim as part of our registered trademark/service mark the use or depiction of the United States  
 flag. Our postal deliveryman drawing and our slogan, "Delivering the Best of America", both of which are  
 part of our composite Mark, are part of our registered trademark/service mark. Our Mark, "Goin' Postal" is  
 registered under international classes IC16, IC 25, IC 35 and IC39. However, we do claim at this time the  
 specific use of the United States flag as part of our composite Mark depicted above, and in our slogans,

“Don’t Go it Alone...Go with Goin’ Postal”, “Sometimes, Goin’ Postal is the Only Way” and “Relieve Stress by Goin’ Postal”. We also claim as part of our Marks all trademark/service mark rights in and to each separate element of our Marks, including the text only elements of our Marks as they exist without any design elements, each independent design element of our composite Mark depicted above (other than the United States flag as used independent of our composite Mark), and all trademark/service mark rights resulting from any future amendments to any registered Marks filed with the United States Patent and Trademark Office or to any common law Marks.

We also have trademarks registered on the United States Patent and Trademark Office principal register for the trademark “Hut No. 8 Est. 2008” (Registration Number 4375928), the trademark “It’s Not Just A Style, It’s A Lifestyle...” (Registration Number 3660769), the trademark “Hut No. 8” Registration Number 3663326), and the trademark “Brand Name Clothing Exchange” (Registration Number 4089220), all of which are unassociated with and inapplicable to your Goin’ Postal franchise and in which you will not have or possess any rights under this Disclosure Document or as part of your purchase of a Goin’ Postal franchise. You will, however, be subject to the same restrictions concerning your duplication or infringing of such trademarks.

You must follow our rules when you use these Marks. You cannot use our name or Marks as part of a corporate name or with modifying words, designs or symbols except for those which GP BRANDS, INC. licenses to you as part of a franchise grant in accordance with this Disclosure Document and the Franchise Agreement. You may not use GP BRANDS, INC.’s name or Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You may not use GP BRANDS, INC.’s name, the “Goin’ Postal” name or any of GP BRANDS, INC.’s Marks in a domain name, “URL” or as part of a website or other Internet presence.

No agreements limit GP BRANDS, INC.’s right to use or license the use of GP BRANDS, INC.’s Marks in a manner material to Goin’ Postal franchises.

You must notify GP BRANDS, INC. immediately when you learn about an infringement of or challenge to your use of our Marks. GP BRANDS, INC. will take the action we think appropriate, and we have the right to control any administrative proceedings or litigation involving our Marks. While GP BRANDS, INC. is not required to defend you against a claim against your use of our Mark, GP BRANDS, INC. will reimburse you for your liability and reasonable costs in connection with defending, or participating in our defending, GP BRANDS, INC.’s Marks. To receive reimbursement you must have notified GP BRANDS, INC. immediately when you learned about the infringement or challenge.

You must modify or discontinue, at your expense, the use of a Mark if GP BRANDS, INC. modifies or discontinues it. If this happens, you must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business.

GP BRANDS, INC. does not know of any superior prior rights or infringing uses that could materially affect your use of GP BRANDS, INC.’s Marks in connection with the operation of your Goin’ Postal Store within your State. When we refer to “our Marks/marks”, “our Marks/marks filed for registration” or a similar phrase, we are also including all non-registered trademarks and service marks, all trade names, and all common law marks, and rights therein, we have by virtue of our using them in interstate commerce (together with the associated rights to exclude others from using the same or confusingly similar marks for similar products or services within the area of geographic and market influence of us, our affiliates and/or our franchisees).

#### **ITEM 14: PATENTS AND COPYRIGHTS**

GP Brands, Inc. currently holds no patents to its business or to the Goin’ Postal franchises we offer, nor do we have any pending patent applications. You do not receive the right to use apart from your operating a Goin’ Postal franchise under this Disclosure Document or the Franchise Agreement any copyrighted materials produced for Goin’ Postal Stores, including proprietary information that is published in our

confidential manuals and other materials and our proprietary computer software. We claim a copyright in numerous materials, including, without limitation, our Goin' Postal deliveryman drawing, our Manuals, our website addresses [www.goinpostal.com](http://www.goinpostal.com), [www.goinpostalfranchisecorporation.com](http://www.goinpostalfranchisecorporation.com), [www.gppostal.com](http://www.gppostal.com), [www.hutno8.com](http://www.hutno8.com) and all materials maintained by us in, on and at such website addresses (including advertising materials). You must treat the information contained in the software, websites, Manuals and other manuals or supplemental material supplied by us as confidential trade secrets and must use all reasonable efforts to maintain this information as secret and confidential. The software, websites, and Manuals are our property and you may not duplicate, copy, disclose or disseminate the contents of the software, websites and Manuals at any time, without our prior written consent. We may modify or supplement the software, websites and Manuals upon notice or delivery to you. Upon the termination or non-renewal of your franchise, you must return all Manuals, website materials and software to us. All information about our Methods or Systems revealed in the Manuals or in our websites (including in particular but not limited to our password protected website Owners' Section) constitutes confidential trade secrets, and you must at all times maintain, protect and safeguard the confidential nature of those materials.

You must not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for your personal benefit or for the benefit of any other person, partnership, association or corporation, any confidential information, knowledge or know-how concerning the method of operation of your Store which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of the Franchise Agreement, including information, knowledge, or know-how regarding our Systems and Methods. You may divulge this confidential information during the term of the Franchise Agreement only to those of your employees who must have access to it in order to operate your Store.

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

As an individual franchisee or as an "Owner" (an "Owner" is anyone owning an equity interest in a franchisee which is a business entity) of a franchisee which is a business entity (such as a corporation, partnership, or limited liability company), you have no obligation to personally participate in the everyday running of your franchised business, although it is your personal obligation to see that the franchise obligations and responsibilities under this Disclosure Document and the Franchise Agreement are performed. We do require on-site supervision of your Store by at least one primary operator. Your designated primary operator(s) must be a manager, an Owner or an employee, who has successfully completed all of our required franchise training programs. Your designated primary operator does not have to be an Owner if franchisee is a business entity. Irrespective of who serves as your designated primary operator(s), and irrespective of the fact that each person you designate to serve as a primary operator must successfully complete all of our required franchise training programs, you are personally responsible for any reports of service problems or violations of this Disclosure Document or the Franchise Agreement, no matter who actually commits the breach.

As your representatives, your chosen manager or other primary operator, as well as any 10% or greater percentage Owner in the franchisee entity (if applicable), must sign an agreement assuming and agreeing to be bound by this Disclosure Document and the Franchise Agreement, and the Non-Competition and Non-Solicitation Agreement (or other agreement to not disclose any sensitive or confidential information to any third party). You will sign the Non-Competition and Non-Solicitation Agreement irrespective of whether you are a primary operator.

If you are a partnership, limited liability company or corporation, all of your Owners (partners, members or shareholders, as the case may be), and their respective spouses, must personally guaranty payment and performance of your obligations under the Franchise Agreement, Non-Competition and Non-Solicitation Agreement and, if applicable, the Domain Name License Agreement. Those individuals may also be required to sign a confidentiality and non-disclosure agreement upon our request.

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

You must sell and offer all services designated by GP Brands, Inc. to be core services of your Goin' Postal franchise Store business and required of all franchisees (see Item 8 and Item 9). These core services are UPS, FedEx (or whatever combination of UPS and/or FedEx we may specify at any time), and The United States Postal Service shipping and mailing services. Since our principal business is the franchising of Goin' Postal Stores as outlined in this Disclosure Document, we will not change these core authorized goods and services absent a cessation of our conduct of this business. We may add to or suggest additional goods and services to the list of pre-approved services and products, and we reserve our right to require reasonable criteria (such as minimum operating hours or other reasonable requirements) when required for chain wide vendor agreements that substantially benefit the Goin' Postal chain.

You must receive approval for the sale of any services and products not on our pre-approved list of services and products and for those services and products on our pre-approved list which specify “with our approval”. Upon our approval of any new service or product, we will make the information available to other franchisees for the expansion of the chain and product offerings.

Though you are not required to use World Pay as your provider of merchant services such as credit card transactions, debit card transactions, electronic check services and related merchant services, your purchased Point of Sale Systems will not be able to automatically process and account for credit card transactions if you do not use World Pay (due to each Point of Sale System being programmed with ROIPOS Point of Sale software), and in addition to procuring alternate merchant service arrangements, you will need to purchase a separate credit card swipe machine (and any associated items) and manually type the dollar purchase amount into your Point of Sale System for each credit card transaction.

You will see a current list of our Pre-Approved Services and Products in **Exhibit “F”** attached to this Disclosure Document. A clear distinction is reflected on the **Exhibit “F”** list of Pre-Approved Services and Products between those services and products you may offer in connection with your Goin’ Postal Store and through use of our Marks, and those which you may only offer, with our prior written approval, as a separately delineated and independent adjunct business which you may not offer or conduct through use of our Marks or offer or conduct as part of the products and services available as part of your Goin’ Postal Store operations. Any approved independent business offering which you may not offer or conduct under the Goin’ Postal name or through use of any of our Marks must be located in a separate clearly delineated section of your Store, may not comprise more than 49% of the total revenues generated from all business activities conducted at your Store Location, and must have a clear and conspicuous disclaimer in form and content as the following: “\_\_\_\_\_ **[name or title of such independent business] is not sponsored or endorsed by, nor is it affiliated with, GP Brands, Inc., the Goin’ Postal Franchise Network, or this independently owned and operated Goin’ Postal Franchised Store”.**

Franchise purchasers may under the limitations stated in this paragraph, sell ink and toner supplies and a larger scale selection of office supplies as an adjunct aspect of your Goin' Postal Shipping Store and solely to the extent your inventory of such items for resale to your customers are purchased from and supplied by a vendor specified or approved in writing by GP Brands, Inc.

You must use the approved location solely as a Goin' Postal Store in strict accordance with the Franchise Agreement, the Store Set-Up Manual, the Operation Manuals, our Standards and Specifications, our Systems and Methods, and with any other agreements you will enter into with us as part of your being granted a Goin' Postal franchise.

## ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

Item 17 Table:

### THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document. See Exhibit “H” (if applicable) attached to this Disclosure Document for important information concerning the application of many of the provisions set out in the table below in your particular State.

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 2	15 years (see, however, Section 2.1 and Section 12 of Franchise Agreement)
b. Renewal or extension of the term	Section 2	If you are in good standing, you can renew for successive periods of 15 years each as stated in the Franchise Agreement
c. Requirements for franchisee to renew or extend	Section 2	Sign new franchise agreement. <b>By signing the then current franchise agreement on renewal, franchisees may be asked to sign an agreement with materially different terms and conditions than their original agreement.</b> No renewal fee required to renew. No existing uncured defaults and must be current with all financial obligations to us and to third parties. Sample “Release” you may have to sign appears in Exhibit H under “Maryland” heading.
d. Termination by franchisee	Section 12.1	Franchisor must be in material default, you must give us notice and opportunity to cure.
e. Termination by GP Brands, Inc. without cause	Not Applicable	Not Applicable
f. Termination by GP Brands, Inc. with cause	Section 12.2 Section 12.3 Section 12.4 Section 12.5	GP Brands, Inc. can terminate only if you default
g. “Cause” defined curable defaults	Section 12.3	You have 30 days to cure: any default not listed in Sec. 12.4 (“two strike” grace limit)
h. “Cause” defined – Non-curable defaults	Section 12.4	Non-curable defaults: Conviction of felony, abandonment, trademark misuse and unapproved transfers; exceeding “two strike” grace on repeated curable defaults (even if cured); non-payment of fees and/or failure to file reports; see other non-curable defaults under Section 12.4 of Franchise Agreement.

i. Franchisee's obligations on termination/non-renewal	Section 13 and Section 14 – See Exhibit B – Non-Competition and Non Solicitation Agreement	Obligations include complete deidentification and dissociation and payment of amounts due (also see “r”, below) and you must cease use of our Marks and proprietary items; cease further involvement in any retail shipping business, if applicable; payment of liquidated damages, if
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		applicable
j. Assignment of contract by GP Brands, Inc.	Section 11.1	No restriction on GP Brands, Inc.'s right to assign Franchise Agreement
k. Transfer by franchisee – defined	Section 11.2	Includes transfer of Franchise Agreement or assets or ownership change
l. GP Brands, Inc.' approval of transfer by franchisee	Section 11.2 and Section 11.3 – see also required Addendum attached as Exhibit B to Franchise Agreement	GP Brands, Inc. has the right to approve all transfers, but will not unreasonably withhold approval when conditions for transfer are met
m. Conditions for GP Brands, Inc.'s approval of transfer	Section 11.3 – see also required Addendum attached as Exhibit B to Franchise Agreement	New franchisee qualifies, transfer fee paid, purchase agreement approved, existing franchisee and new franchisee sign required Addendum (Exhibit B to Franchise Agreement), training arranged, release signed by you and current franchise agreement signed by new franchisees (also see "r" below). Upon approved transfer, new franchisee, receives a new 15 year term. A sample Release you must sign appears in Exhibit "H" under "Maryland" heading.
n. GP Brands, Inc.'s right of first refusal to acquire franchisee's business	Section 11.5	GP Brands, Inc. has the right to match any offer for your business
o. GP Brands, Inc.'s option to purchase franchisee's business	Section 13.2 Section 14.6	GP Brands, Inc. can acquire tangible assets of franchised Store upon termination of Franchise Agreement
p. Death or disability of franchisee	Section 11.4	Franchisee must be assigned by estate to approved buyer or heir who qualifies as a franchisee within 6 months and new franchise agreement must be signed.
q. Non-competition covenants during the term of the franchise	Section 10.2 Section 12.4 – See Exhibit B – Non-Competition and Non-Solicit Agreement	No involvement in competing business anywhere in US
r. Non-competition covenants after the franchise is terminated or expires	Section 13 and 14 See Exhibit B – Non-competition and Non-solicit Agreement	No competing business for 2 years (including after assignment or transfer) anywhere in U.S.
s. Modification of the agreement	Section 18 and Section 21	No modifications generally, but Manuals and training are subject to change.
t. Integration/merger clause	Section 21	Only the terms of the Franchise Agreement are binding (subject to state law). Any
		representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable.

u. Dispute resolution by arbitration or mediation	Section 20	Except for certain claims involving our intellectual property rights, all disputes can be mediated in Florida ( <b>see Exhibit “h” if applicable</b> )
v. Choice of forum	Section 20	Litigation must be in Florida ( <b>see Exhibit H if applicable</b> )
w. Choice of law	Section 20	Florida law applies ( <b>see Exhibit H if applicable</b> )

#### **ITEM 18: PUBLIC FIGURES**

GP Brands, Inc. does not use any public figure to promote its franchise.

#### **ITEM 19: FINANCIAL PERFORMANCE REPRESENTATION**

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

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting James Hall, CEO , at 4941 4<sup>th</sup> Street, Zephyrhills, Florida 33542or (813) 782-1500, the Federal Trade Commission, and the appropriate state regulatory agencies.

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#### **ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1  
**Systemwide Outlet Summary  
For years 2020 to 2022**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	141	130	11
	2021	130	131	1
	<b>2022</b>	<b>131</b>	<b>128</b>	<b>3</b>
	2020	1	1	0



Company-Owned	2021	1	1	0
	<b>2022</b>	<b>1</b>	<b>1</b>	<b>0</b>
Total Outlets	2020	142	131	11
	2021	131	132	1
	<b>2022</b>	<b>132</b>	<b>129</b>	<b>3</b>

Table No. 2  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
AK	2020	0
	2021	0
	2022	0
AL	2020	1
	2021	0
	2022	0
AR	2020	0
	2021	1
	2022	0
AZ	2020	0
	2021	0
	2022	0
CA	2020	0
	2021	0
	2022	1
CO	2020	0
	2021	0
	2022	0
CT	2020	0
	2021	0
	2022	0
DE	2020	0
	2021	0
	2022	0
FL	2020	4
	2021	4
	2022	0
GA	2020	0
	2021	0
	2022	0
HI	2020	0
	2021	0
	2022	0
	2020	1
IA	2021	0

	2022	0
ID	2020	0
	2021	0
	2022	0
IL	2020	0
	2021	0
	2022	0
IN	2020	0
	2021	0
	2022	0
KS	2020	0
	2021	0
	2022	0
KY	2020	0
	2021	0
	2022	0
LA	2020	0
	2021	0
	2022	0
MA	2020	0
	2021	0
	2022	0
MD	2020	0
	2021	0
	2022	0
ME	2020	0
	2021	0
	2022	0
MI	2020	0
	2021	0
	2022	0
MN	2020	0
	2021	0
	2022	0
MO	2020	0
	2021	0
	2022	0
MS	2020	0
	2021	0
	2022	0
MT	2020	0
	2021	0
	2022	0
NC	2020	0
	2021	1
	2022	1
ND	2020	0
	2021	0
	2022	0
	2020	0

NE	2021	0
	2022	0
NH	2020	0
	2021	0
	2022	0
NJ	2020	0
	2021	0
	2022	0
NM	2020	0
	2021	0
	2022	0
NV	2020	0
	2021	0
	2022	0
NY	2020	0
	2021	0
	2022	0
OH	2020	0
	2021	0
	2022	1
OK	2020	0
	2021	0
	2022	0
OR	2020	0
	2021	0
	2022	0
PA	2020	0
	2021	1
	2022	0
RI	2020	0
	2021	0
	2022	0
SC	2020	1
	2021	0
	2022	0
SD	2020	0
	2021	0
	2022	0
TN	2020	1
	2021	0
	2022	2
TX	2020	3
	2021	0
	2022	0
UT	2020	0
	2021	0
	2022	0
VA	2020	0
	2021	0
	2022	0
	2020	0

VT	2021	0
	2022	0
WA	2020	0
	2021	0
	2022	0
WI	2020	0
	2021	1
	2022	0
WV	2020	0
	2021	1
	2022	0
WY	2020	0
	2021	0
	2022	0
Total	2020	11
	2021	9
	2022	5

Table No. 3  
**Status of Franchised Outlets**  
**For years 2020 to 2022**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquire by Franchisor	Ceased Operation Other Reasons	Outlets at End of Year
AK	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
AL	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
AR	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
AZ	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
CA	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	1	0	0	0	0	8
CO	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

CT	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
DE	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2020	29	0	5	0	0	0	24
FL	2021	24	1	0	0	0	0	25
	2022	25	1	1	0	0	0	25
GA	2020	7	0	1	0	0	0	6
	2021	6	0	1	0	0	0	5
	2022	5	0	0	0	0	0	5
HI	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
IA	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
ID	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
IL	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
IN	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
KS	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
KY	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
LA	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
MA	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

MD	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
ME	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	1	0	0	3
MI	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
MN	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
MO	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
MS	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
MT	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
NC	2020	15	1	1	0	0	0	15
	2021	15	0	0	0	0	0	15
	2022	15	0	1	0	0	0	14
ND	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
NE	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
NH	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
NJ	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NM	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

NV	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
NY	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
OH	2020	4	0	0	1	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
OK	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
OR	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
PA	2020	8	0	2	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	1	0	0	5
RI	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
SC	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	1	0	0	0	2
SD	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
TN	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	1	0	0	0	5
TX	2020	15	0	2	0	0	0	13
	2021	13	0	0	0	0	0	13
	2022	13	0	1	0	0	0	12
UT	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
VA	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

VT	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
WA	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
WI	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
WV	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
WY	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	2020	141	2	12	1	0	0	130
	2021	130	1	0	0	0	0	131
	2022	131	4	5	2	0	0	128

Table No. 4

**Status of Company-Owned Outlets  
For Years 2020 to 2022**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquire dFrom Franchisee	Outlets Closed	Outlets Soldto Franchisee	Outlets at End of Year
FL	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

Table No. 5

**Projected Openings As Of December 31, 2022**

Column 1	Column 2	Column 3	Column 4
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State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company- Owned Outlet In The Next Fiscal Year
Alabama	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	2	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	0	6	0
Georgia	0	2	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	1	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
Nevada	0	0	0
North Dakota	0	0	0
North Carolina	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	3	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	0	0
Washington	0	0	0
Wisconsin	0	0	0
West Virginia	0	0	0

Wyoming	0	0	0
Totals	0	14	0

## LIST OF CURRENT GP BRANDS, INC., GOIN' POSTAL FRANCHISEES AS OF DECEMBER 31, 2022

Goin' Postal Las Vegas Cheyenne, 10040 W Cheyenne Ave., Ste 170, Las Vegas, NV 89129, 702-233-3011  
 Goin' Postal Clovis, JenKel Enterprises, Inc., 1840 Shaw Ave., Ste 105, Clovis, CA 93611, 559-324-0400  
 Goin' Postal Winston-Salem, Winston-Salem Pack & Ship, 5335 Robinhood Village Dr, Winston-Salem, NC 27106, 336-499-2660  
 Goin' Postal Plainwell, WEE POSTAL LLC, 409 Oaks Crossing, Plainwell, MI 49080, 269-685-8015  
 Goin' Postal Centennial Hills, Aim High Enterprise LLC, 6955 N Durango Dr, Ste 1115, Las Vegas, NV 89149 702-953-6352  
 Goin' Postal Bastrop, Maren Management LLC, 201 Hunters Crossing Blvd, Ste 10, Bastrop, TX 78602 512-321-3000  
 Goin' Postal Norway, ME 231 Main St, Norway, ME, 4268, 207-744-0099  
 Goin' Postal Frisco, Wataizo Investments, 9201 Warren Parkway, Ste 200, Frisco, TX 75035, 214-705-0067  
 Goin' Postal Warminster, 2058 County Line Rd, Huntingdon Valley, PA 19006, 215-674-9796  
 Goin' Postal Warrenton, Dandl, LLC, 281 W Veterans Memorial Pkwy, Warrenton, MO 63383, 636-456-1853  
 Goin' Postal Ann Arbor, SKN GROUP, 4860 Washtenaw Ave, Ste I, Ann Arbor, MI 48108, 734-961-9747  
 Goin' Postal Bellevue, 14725 NE 20th St, Ste D, Bellevue, WA 98007, 425-747-8222  
 Goin' Postal Presque Isle, 26 North St, Presque Isle, ME, 4769, 207-760-8080  
 Goin' Postal Scottsburg, Postman Plus Inc., 1609 W McClain Avenue, Scottsburg, IN 47170, 812-752-4142  
 Goin' Postal Palm Harbor, JBSI, Inc., 1334 Tampa Rd, Palm Harbor, FL 34683, 727-772-0424  
 Goin' Postal Lewistown, Rebecca C. Brittain, 129 S Main St, Ste 800, Lewistown, PA 17044, 717-248-9997  
 Goin' Postal Vidor, RKM Woods, LLC, 111 N Main St, Vidor, TX 77662, 409-783-0001  
 Goin' Postal Whitsett, 952 Golf House Rd W, Ste I, Whitsett, NC 27377, 336-449-4152  
 Goin' Postal Mt. Pleasant PA, 324 Countryside Plaza, Mt. Pleasant, PA 15666, 724-204-4490  
 Goin' Postal Linden Oaks, 1370 NC-24, Ste 87, Cameron, NC 28326, 910-835-4266  
 Goin' Postal Cary, SmitAadi Corporation, 10030 Green Level Church Road, Ste 802, Cary, NC 27519, 919-267-4749  
 Goin' Postal Palm Harbor, Postal 1 Inc., 35595 US Highway 19 N, Palm Harbor, FL 34684, 727-437-0242  
 Goin' Postal Auburn, 5 coronas Inc., 9 N River Rd, Auburn, ME 4210, 207-784-9900  
 Goin' Postal Aiken, Nation Quality Associates, Inc., 141 Jefferson Davis Hwy, Aiken, SC 29801, (803) 845-5001  
 Goin' Postal Platte City, Sunshine Solutions Inc, 1302 Platte Falls Rd, Ste D, Platte City, MO 64079, 816-858-7234  
 Goin' Postal Jacksonville St Augustine Rd, 6271 St Augustine Rd, Ste 24, Jacksonville, FL 32217, 904-731-9659  
 Goin' Postal Norwood, Young H Express LLC, 463 Livingston St, Ste 102, Norwood, NJ 7648, 201-660-7900  
 Goin' Postal Greensburg, 1909 N. Greensburg Crossing, Greensburg, IN 47240, 812-663-8318  
 Goin' Postal Clemmons, 6255 TownCenter Dr, Clemmons, NC 27012, 336-712-0505  
 Goin' Postal New Port Richey, Bogin Postal, LLC., 9119 Ridge Rd, New Port Richey, FL 34654, 727-847-7799  
 Goin' Postal Mission, 8205 N Doffing Rd, Ste C, Mission, TX 78574, 956-583-2850  
 Goin' Postal St Petersburg, 1700 66th St N, Ste 104, St. Petersburg, FL 33710, 727-347-7447  
 Goin' Postal Lake St. Louis, 8651 Highway N, Ste 100, Lake St Louis, MO 63367, 636-625-3080  
 Goin' Postal Kissimmee, Shanandale Enterprise Corporation, 1431 Simpson Rd, Kissimmee, FL 34744, 407-344-5531  
 Goin' Postal Coalinga, 187 E Polk St., Coalinga, CA 93210, 559-934-1600  
 Goin' Postal Fargo, DNA SHIPPING INC, 4265 45th St S, Ste 111, Fargo, ND 58104, 701-356-7447  
 Goin' Postal Franklin NC, Goin' Postal Franklin, LLC, 353 Carolina Mountain Dr, Franklin, NC 28734, 828-349-2700  
 Goin' Postal Ardmore, DBM Investments LLC., 720 N Commerce St, Ardmore, OK 73401, 580-224-2661  
 Goin' Postal Piqua, 1268 E Ash St, Piqua, OH 45356, 937-916-3036  
 Goin' Postal Fergus Falls, Michelle I Stigen, 825 N Tower Rd, Fergus Falls, MN 56537, 218-998-4006  
 Goin' Postal Marrero, 2201 Barataria Blvd, Ste N, Marrero, LA 70072, 504-875-4080  
 Goin' Postal Fallbrook, 1374 S Mission Rd, Fallbrook, CA 92028, 760-728-1188  
 Goin' Postal Orlando Winter Garden Road, Calderon Homayden USA, LLC, 6570 Old Winter Garden Rd, Orlando, FL 32835, 407-985-5131  
 Goin' Postal Orlando.Orange Blossom, 12397 S Orange Blossom Trl, Ste 21, Orlando, FL 32837, 407-674-8921  
 Goin' Postal Oviedo, Salas Salazar LLC., 89 Alafaya Woods Blvd, Oviedo, FL 32765, 407-542-7462  
 Goin' Postal Albany, Hickory Postal Station LLC, 630 NW Hickory St, Ste 120, Albany, OR 97321, 541-704-9020  
 Goin' Postal Fairview, Anderson Shipping Service, LLC, 7012 City Center Cir, Fairview, TN 37062, 615-266-2685  
 Goin' Postal Jacksonville, JSL Business Service, LLC, 7643 Gate Pkwy, Ste 104, Jacksonville, FL 32256, 904-998-9600  
 Goin' Postal Hiawassee, M Sams Holdings, LLC, 101 S Main St, Ste 8, Hiawassee, GA 30546, 706-896-1844  
 Goin' Postal Centralia, Paradyce Industries, Inc., 411 E Union St, Centralia, WA 98531, 360-736-4474  
 Goin' Postal King, KLNK Carolina, LLC, 124 5 Forks St, Suite B, King, NC 27021, 336-985-3024  
 Goin' Postal Madison, Roger Enterprise LLC, 7169 US-72, Suite A, Madison, AL 35758, 256-258-7706  
 Goin' Postal Morgantown, VCVANA Ventures, LLC, 210 Crossings Blvd, Ste 5, Elverson, PA 19520, 610-286-1688  
 Goin' Postal Martinsburg, 839 Winchester Ave, Martinsburg, WV 25401, 304-267-6600  
 Goin' Postal Vidalia, 117 Meadows St, Vidalia, GA 30474, 912-538-8103

Goin' Postal Flowery Branch, Hawkeye Discoveries Corp, 7433 Spout Springs Rd, Ste 101, Flowery Branch, GA 30542, 770-965-6577

Goin' Postal Ephrata, JLB Enterprises, LLC., 159 Basin St SW, Ephrata, WA 98823, 509-754-1314

Goin' Postal West Bloomfield, Gregory Adnan Gabbara, 4301 Orchard Lake Rd, Ste 180, West Bloomfield, MI 48323, 248-539-8800

Goin' Postal Omaha, Goin' Postal, 663 N. 132nd Street, Omaha, NE 68154, 402-496-0066

Goin' Postal Lakebay, Barton Endeavors, LLC, 9013 Key Peninsula Hwy N, Ste E, Lakebay, WA 98349, 253-313-0240

Goin' Postal Hope Mills, WJ McDougald Inc., 3059 N Main St, Ste 19, Hope Mills, NC 28348, 910-433-4646

Goin' Postal Jacksonville.NC, Flamingo Post, Inc., 1250 Western Blvd, Ste L2, Jacksonville, NC 28546, 910-238-4668

Goin' Postal Brentwood, GP Brentwood LLC, 6688 Nolensville Pk, Ste 108, Brentwood, TN 37027, 615-283-3528

Goin' Postal Mount Airy, A & B HULL Enterprise LLC, 707 W Pine St, Ste 600, Mount Airy, NC 27030, 336-789-1414

Goin' Postal Superior, Perfetti Enterprises LLC, 816 Tower Ave, Superior, WI 54880, 715-392-SHIP (7447)

Goin' Postal Pineville, Lowery and Sicuro, LLC, 3770 Monroe Hwy 165, Ste C, Pineville, LA 71360, 318-528-8718

Goin' Postal Clifton, Bearcat Holdings LLC, 3239 Jefferson Ave, Cincinnati, OH 45220, 513-376-6587

Goin' Postal Fenton, 1114 N Leroy St, Fenton, MI 48430, 810-208-7155

Goin' Postal Clayton, Michele Investors, LLC, 74 Rickman St, Clayton, GA 30525, 706-782-0875

Goin' Postal Elko, SarDesSo, Inc., 1910 Idaho Street, Ste 102, Elko, NV 89801, 775-401-6650

Goin' Postal Bainbridge, 806 Loop Ave, Ste A, Bainbridge, GA 39819, 229-246-8400

Goin' Postal Naples West, Goin' Postal Jaruka of SWF LLC, 4888 Davis Blvd, Naples, FL 34104, 239-430-4646

Goin' Postal Fargo Downtown, Lee Logistics LLC, 19 8th St S, Fargo, ND 58103, 701-566-8774

Goin' Postal Dripping Springs, Butterfield Ventures LLC, 11601 US-290, Ste A101, Austin, TX 78737, 512-297-2811

Goin' Postal Childersburg, Go-Po1, LLC, 1205 17th St SW, Childersburg, AL 35044, 256-346-3572

Goin' Postal St. Joseph, Good News Transport, LLC, 3831 Frederick Ave, St. Joseph, MO 64506, 816-259-5400

Goin' Postal Columbia City, 1080 Spartan Drive, Ste A, Columbia City, IN 46725, 260-248-8608

Goin' Postal Pembroke Pines, YP & PM, LLC, 10850 Pines Blvd, Pembroke Pines, FL 33026, 954-589-0436

Goin' Postal Woodlake, A&A Postal Services, inc., 245 N Valencia Blvd, Ste B, Woodlake, CA 93286, 559-769-7788

Goin' Postal Omaha Midtown Crossing, Westroads Business Center, LLC., 3157 Farnam Street, Ste 7104, Omaha, NE 68131, 531-329-3860

Goin' Postal Miami Flagler, Investment Ship Solutions, LLC, 10780 W Flagler St, Ste 10, Miami, FL 33174, 786-773-3023

Goin' Postal Morrisville, Starimp Enterprises, LLC, 2121 TW Alexander Dr, Ste 124, Morrisville, NC 27560, 919-973-4271

Goin' Postal Camp Lejeune, Flamingo Post, Inc, 84 Holcomb Blvd, Camp Lejeune, NC 28547, 910-750-0541

Goin' Postal Corsicana, Dighton-Kirk, LLC., 1107 W 7th Ave, Corsicana, TX 75110, 903-467-3005

Goin' Postal Green, Luvlife, LLC, 4601 Carnes Rd, Ste 8, Roseburg, OR, 97471, 541-679-5711

Goin' Postal Jackson, 11310 Prospect Dr, Ste 10, Jackson, CA, 95642, 209-223-3456

Goin' Postal Jacksonville TX, 1656 S Jackson St, Jacksonville, TX 75766, 903-284-4379

Goin' Postal Westhaven, 188 Front St, Ste 116, Franklin, TN 37064, 615-599-8997

Goin' Postal West Monroe, Just for Jada, LLC, 2916 Cypress St, Ste 2, West Monroe, LA 71291, 318-654-7381

Goin' Postal Katy Freeway, Chomi Ventures LLC, 21927 Katy Fwy, Katy, TX 77450, 832-437-3203

Goin' Postal Sugarmill, Dimissimo, LLC, 7789 S Suncoast Blvd, Homosassa, FL 34446, 352-503-6854

Goin' Postal Saint Cloud, Magik Enterprise Inc., 1372 S Narcoossee Rd, St Cloud, FL 34771, 407-593-9999

Goin' Postal Harvest, Cat's Boxes LLC., 5638 AL-53, Ste B, Harvest, AL 35749, 256-858-6500

Goin' Postal Roseburg, LuvLife LLC, 780 NW Garden Valley Blvd, Ste 64, Roseburg, OR 97471, 541-900-1518

Goin' Postal Lakeland, JAM Retail, Inc., 304 E Pine St, Lakeland, FL 33801, 863-688-1174

Goin' Postal West Des Moines, Cactus Ventures, LLC., 650 S Prairie View Dr, Ste 125, West Des Moines, IA 50266, 515-564-SHIP (7447)

Goin' Postal Dunnellon, Turrielurrie Enterprises, 11150 N Williams St, Ste 108, Dunnellon, FL 34432, 352-465-7442

Goin' Postal Stone Oak, Andre for Shipping Services, LLC., 18866 Stone Oak Pkwy, Ste 103, San Antonio, TX 78258, 210-483-8868

Goin' Postal North Port, WPE Enterprises of North Port, LLC, 13624 Tamiami Trail, North Port, FL 34287, 941-423-5993

Goin' Postal San Antonio, Trinity for Shipping Services, LLC., 9827 Potranco Rd, Ste 103, San Antonio, TX 78251, 210-680-8700

Goin' Postal North Augusta, Sebastian Paul Holdings, LLC., 111 E Marion Ave, North Augusta, SC 29841, 803-441-8442

Goin' Postal Pecos, Pecos Shipping, LLC, 215 W 2nd St, Pecos, TX 79772, 432-447-0572

Goin' Postal Bakersfield, B Burt and Investment Properties, Inc., 11000 Brimhall Rd, Ste E, Bakersfield, CA 93312, 661-587-5222

Goin' Postal Easton, Lehigh Valley Shipping, LLC, 2430 Butler Street, Ste 2, Easton, PA 18042, 484-373-3120

Goin' Postal Wausau, Rebos, LLC, 607 24th Ave, Ste 12, Wausau, WI 54401, 715-843-0707

Goin' Postal San Marcos, GPS, LLC., 630 Nordahl Rd, Ste B, San Marcos, CA 92069, 760-975-3358

Goin' Postal Gold Canyon, EDH Enterprises, 6499 S Kings Ranch Rd, Ste 6, Gold Canyon, AZ 85118, 480-288-8950

Goin' Postal Orlando, Rialan USA, LLC., 5833 S Goldenrod Rd, Ste B, Orlando, FL 32822, 321-424-5726

Goin' Postal Spring Hill, All Boxed Up, Inc., 2398 Commercial Way, Spring Hill, FL 34606, 352-683-1774

Goin' Postal Teays Valley, Excellence in Turner Enterprises, 117 WV-34, Hurricane, WV 25526, 681-235-2657

Goin' Postal St. Augustine, Biz Assist St. Augustine, Inc., 2465 US-1 South, St. Augustine, FL 32086, 904-794-1234

Goin' Postal Buckeye, Heather's Cozy Corner, LLC., 805 N Jackrabbit Trail, Ste 105, Buckeye, AZ 85326, 623-248-0689

Goin' Postal Mocksville, Warrior Services, Inc., 195 Cooper Creek Dr, Ste 101, Mocksville, NC 27028, 336-753-1156

Goin' Postal Wesley Chapel, Postal Store APL, LLC., 2653 Bruce B Downs Blvd, Ste 108A, Wesley Chapel, FL 33544, 813-973-7781

Goin' Postal Cool Springs, The Mailhouse, LLC., 625 Bakers Bridge Ave, Ste 105, Franklin, TN 37067, 615-778-0444

Goin' Postal Bushnell, B&Q Hamilton Holdings, LLC., 424 Etheredge St, Bushnell, FL 33513, (352) 569-4341

Goin' Postal Monroe, Royal Express Postal, LLC., 1800 Forsythe Ave, Ste 2, Monroe, LA 71201, 318-570-2132

Goin' Postal Farragut, Moorefield Holding Co., 11519 Kingston Pike, Farragut, TN 37922, 865-288-7708

Goin' Postal Lima, Roundabout Shipping, LLC, 2344 Shawnee Rd, Lima, OH 45805, 419-223-0100  
 Goin' Postal Kernersville, Brannock, LLC., 119S. Main St, Kernersville, NC 27284, 336-793-2739  
 Goin' Postal Lake St. Louis, CJM Enterprise, LLC, 1200 Lake Saint Louis Blvd., Lake St. Louis, MO 63367, 636-265-1997  
 Goin' Postal Orlando.Andover Lakes, U Post, LLC., 10226 Curry Ford Rd, Ste 107, Orlando, FL 32825, 407-745-4004  
 Goin' Postal Alexander City, Kebar Enterprises, LLC., 2036 Cherokee Rd., Alexander City, AL 35010, 256-234-3737  
 Goin' Postal Cedar City, Cedar Shipping Services, LLC, 124 S Main St, Cedar City, UT 84720, 435-586-3401  
 Goin' Postal Lake Nona, Mr. Shipper Express Services, LLC, 9145 Narcoossee Rd, Ste 106, Orlando, FL 32827, 407-704-8660  
 Goin' Postal Vallejo, Goin Postal Vallejo, 1748 Toulumne Street, Vallejo, CA 94589  
 Goin' Postal Griffin, GEDS, Inc., 426 N Expy, Griffin, GA 30223, 770-229-2929  
 Goin' Postal South Austin, Austin Quick Losistics, 9300 S I-35 Frontage Rd., Ste A-500, Austin, TX 78748, 512-292-9488

## **FRANCHISE TERMINATIONS INCLUDING NONRENEWALS AND TRANSFERS**

The name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every Franchisee who has had a Store franchise terminated, canceled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the period from January 1, 2022 through December 31, 2022, or who has not communicated with us within ten (10) weeks of December 31, 2022, are as follows:

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

### **Terminations**

Goin' Postal Seagoville, Seagoville Shipping Centre, LLC., 103 N. Kaufman St, Seagoville, TX 75159, 972-287-MAIL (6245)  
 Goin' Postal Reidsville, JEC Enterprise of North Carolina, LLC., 1431 Freeway Drive, Reidsville, NC 27320, 336-394-4540  
 Goin' Postal Lafayette, David Chapman, 643 Highway 52 By Pass W, Lafayette, TN 37083, 615-688-7447  
 Goin' Postal Piedmont, 2xD Joy Management Group, Inc., 7740 Augusta Road, 1-A, Piedmont, SC 29673, 864-299-8000  
 Goin' Postal Coral Springs, LG3114USA, LLC, 7902 Wiles Road, Coral Springs, FL 33067, 954-906-8821

### **Non-Renewal**

Goin' Postal Topsham, Crafts Self Storage Inc., 7 Center Park Rd, Topsham, ME 4086, 207-729-0018  
 Goin' Postal Gettysburg, Karbear Packing/Shipping, Inc., 1863 Gettysburg Village Dr., Ste 995, Gettysburg, PA 17325, 717-334-6899

### **Transfers**

Goin' Postal Cool Springs, Johnston Business Services, Inc., 625 Bakers Bridge Ave, 105, Franklin, TN, 37067, 615-778-0444  
 Goin' Postal Farragut, F & B, LLC, 11519 Kingston Pike, Farragut, TN, 37922, 865-288-7708  
 Goin' Postal Lima, Innovative Advertising Solutions LLC, 2344 Shawnee Rd, Lima, OH, 45805, 419-223-0100  
 Goin' Postal Kernersville, Popovich LLC, 119S. Main Street, Kernersville, NC, 27284, 336-793-2739

Except for confidentiality obligations pertaining to our trade secrets and other confidential and proprietary properties, and except for covenants within the Franchise Agreement and Non-Competition and Non-Solicitation Agreement prohibiting franchisees from engaging in any business practice or conduct or doing anything else injurious or prejudicial to the goodwill or reputation associated with our Marks, Method or Goin' Postal Franchise Chain, no franchisee has signed or is requested to sign a confidentiality agreement restricting their ability to speak openly about their experience with the Goin' Postal Franchise System. There exists no trademark-specific franchisee organization associated with the Goin' Postal Franchise System.

## **Item 21: FINANCIAL STATEMENTS - GP BRANDS, INC.**

**GP Brands, Inc.'s audited financial statements for its most recent three fiscal years of operations**

appear within Exhibit “H” attached to this Disclosure Document, including the balance sheets at December 31, 2019 December 31, 2020, and December 31, 2021 and the related statements of operations, shareholders’ [deficit] equity and cash flows for the fiscal years ended December 31, 2019, December 31, 2020 and December 31, 2021.

## **ITEM 22:     CONTRACTS**

Attached to this Disclosure Document are copies of the following agreements you will be required to sign and deliver to GP Brands, Inc. at 4941 4<sup>th</sup> Street, Zephyrhills, Florida 33542 as part of your purchase of a Goin’ Postal franchise:

- A.     Franchise Agreement
- B.     Non-Competition and Non-Solicitation Agreement
- C.     Personal Data Disclosure and Franchisee Ownership Information Form
- D.     Credit Card and Designated Account Authorization Form
- E.     Listing of State Administrators, and Agents for Service of Process
- F.     Pre-Approved Products and Services
- G.     State Specific Addendum (as applicable)
- H.     GP Brands, Inc. Financial Statements
- I.     Continuing Personal Guaranty (as applicable)

## **ITEM 23:     RECEIPTS**

**NOTE:** Two Receipts are attached and appear as the last pages at the end of this Disclosure Document which, if interested in purchasing a Goin’ Postal franchise, you are to complete, sign and return per the Instructions appearing as Exhibit “G” to this Disclosure Document. On one of the Receipt pages, you must enter the exact date you received this Disclosure Document from us (which date you enter must be at least 14 calendar days before you sign the Franchise Agreement or make any payment to us). You must then sign that particular Receipt and return it to us. The other Receipt page you should complete and retain for your records.

## GOIN' POSTAL FRANCHISE AGREEMENT

THIS AGREEMENT IS ENTERED INTO EFFECTIVE ON THE DATE OF FRANCHISOR'S SIGNATURE APPEARING AT THE END OF THIS AGREEMENT (THE "**EFFECTIVE DATE**"), BY AND BETWEEN GP BRANDS, INC., A FLORIDA CORPORATION, WHOSE PRINCIPAL ADDRESS IS 4941 4<sup>TH</sup> STREET, ZEPHYRHILLS, FLORIDA 33542 (HEREINAFTER REFERRED TO AS "GP BRANDS, INC." OR SOMETIMES REFERRED TO AS "FRANCHISOR") AND THE PERSON OR PERSONS OR LEGAL ENTITY LISTED BELOW DESCRIBED AS "FRANCHISEE" (HEREINAFTER REFERRED TO AS "FRANCHISEE", WHICH, FOR PURPOSES OF THE OBLIGATIONS OF FRANCHISEE DESCRIBED IN THIS AGREEMENT, SHALL INCLUDE EACH AND EVERY INDIVIDUAL SIGNING ON BEHALF OF FRANCHISEE HEREINBELOW). **IF THE DISCLOSURE DOCUMENT WHICH WAS FURNISHED TO FRANCHISEE AND WHICH INCLUDED THIS FRANCHISE AGREEMENT ALSO INCLUDED AN ATTACHED EXHIBIT "H", THIS AGREEMENT IS MADE SUBJECT TO ANY APPLICABLE PROVISIONS OF ANY EXHIBIT "H" ATTACHED TO THE DISCLOSURE DOCUMENT WHICH SPECIFICALLY AND EXPRESSLY RELATE TO THE STATE OF FRANCHISEE'S RESIDENCY (SEE SECTION 20.6 OF THIS AGREEMENT).**

FRANCHISOR ("**GP BRANDS, INC.**"): GP BRANDS, INC.,  
A FLORIDA CORPORATION

FRANCHISEE: FULL LEGAL NAME  
**\*Should be the same entity/individuals listed in Exhibit "C" to the Disclosure Document, Part II, Franchise Ownership Information Form.**

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LOCATION OF FRANCHISEE'S GOIN' POSTAL STORE (THE "**LOCATION**"): \_\_\_\_\_

\_\_\_\_\_  
(street address)

\_\_\_\_\_  
(city)

\_\_\_\_\_  
(state)

\_\_\_\_\_  
(zip code)

GOIN POSTAL STORE #: \_\_\_\_\_ (THE "**FRANCHISEE'S STORE**")

## RECITALS

**WHEREAS**, GP Brands, Inc., is the owner of all rights, title and interest in and to those certain trademarks, service marks, logos, indicia of origin and trade names, and all related registrations and applications for registrations as more particularly described in the registration files designated by Registration Number 3083574, Registration Number 3283156, Registration Number 3302660, Registration Number 3279690, Registration Number 3360732, and Registration Number 3887679, together with any and all amendments thereto, including, in particular, but not limited to, "Goin' Postal", "Goin' Postal Your Friendly Neighborhood Shipping Center", "Delivering the Best of America", "Postage for Patriots", and all similar, related, comparable and derivative names, marks and logos, and all registered and common law trademark, service mark and trade name rights and interests reflected in the depiction of the composite mark appearing on **Exhibit "A"** attached to this Agreement and incorporated in this Agreement by this reference, and GP Brands, Inc. owns, and will own, as applicable, any and all other current and future trade names, trademarks, service marks and logos associated with Goin' Postal franchises, including the website addresses ([www.goinpostal.com](http://www.goinpostal.com); and [www.goinpostalfranchisecorporation.com](http://www.goinpostalfranchisecorporation.com)); and all website materials, and current advertising slogans, "Don't Go it Alone...Go with Goin' Postal", "Sometimes Goin' Postal is the Only Way", and "Relieve Stress by Goin' Postal" (collectively, all of the foregoing, including each separate text only element and each separate design element, being referred to in this Agreement as the "Marks");

**WHEREAS**, GP Brands, Inc. owns and has the rights to license and franchise the Marks, including "Goin' Postal", the distinctiveness and value of which are acknowledged by the Franchisee;

**WHEREAS**, GP Brands, Inc. has developed and continues to develop know-how and a comprehensive method for establishing, equipping, designing, marketing, managing and operating franchised stores under the Marks which provide authorized postal, packaging, shipping, business services, and other authorized goods and services through retail locations (hereinafter, the "Method");

**WHEREAS**, Franchisee acknowledges substantial goodwill and business value in the Marks and Method and Franchisee understands and accepts the importance of GP Brands, Inc.'s standards and specifications (hereinafter, the "Standards") for quality, appearance, and service to the value of the Marks and the Method, and the necessity of operation of Franchisee's business activities in conformity with the Method and with the services, sales development programs and other related business practices GP Brands, Inc. has developed as part of the Method for use by all franchisees in the Goin' Postal franchise chain ("GP Brands, Inc.'s Goin' Postal Franchise Chain") as it exists from time to time during the "Term" hereof; and

**WHEREAS**, Franchisee desires to acquire from GP Brands, Inc., and GP Brands, Inc. is willing to grant Franchisee, a Goin' Postal franchise upon the terms and subject to the conditions contained in this Agreement.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE FEES AND OTHER SUMS PAYABLE BY FRANCHISEE AND THE MUTUAL COVENANTS CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

### 1. GRANT OF FRANCHISE

#### 1.1 Store Location

- a. GP Brands, Inc. hereby grants Franchisee, and Franchisee hereby accepts, the right and license during the Term (i) to use and display the Marks; (ii) to operate solely one (1) Goin' Postal franchised store designated as Goin' Postal Store No. (hereinafter such Store No. being referred to as the "Franchisee's Store", and the individual Goin Postal franchised stores within GP Brands, Inc.'s Goin' Postal

Franchise Chain, in general (including any owned or operated by GP Brands, Inc. or one of its affiliates), being referred to as a "Store"); and (iii) to exercise such rights as specified in (i) and (ii) immediately preceding at, and only at the Location, all upon the terms and subject to provisions of this Agreement and all ancillary documents to this Agreement, and all in accordance with and through authorized use of the Standards and Method.

- b. Franchisee may relocate the Franchisee's Store (even within the Franchisee's own protected territory) only with the prior written consent from GP Brands, Inc. Should any approved relocation be outside of Franchisee's Territory, Franchisee will be assessed a \$500.00 relocation fee. All relocation requests are subject to GP Brands, Inc.'s sole discretion and subject to reasonable availability of non-protected territories.

## 1.2 Territory

During the Term:

- a. Once Franchisee has submitted to GP Brands, Inc. in writing a specific physical address for the Location of Franchisee's Store and such Location has been approved in writing by GP Brands, Inc. and Franchisee's Store has been allocated a Store No., Franchisee shall be allocated a protected territory consisting of an area approximately one (1) mile in radius (5-mile radius if the Location is in a rural area) with the Location being at the center (such protected territory specifically allocated to Franchisee by GP Brands, Inc. being referred to throughout this Agreement as the "Territory"). The perimeter of the outer boundaries of the Territory assigned to Franchisee by GP Brands, Inc. based upon the applicable radius may be slightly more or less at any given point than the established mile radius in order to make use of existing streets and other well known landmarks to provide a more easily recognizable and supportable Territory. Unless and until Franchisee has submitted to GP Brands, Inc. in writing a specific physical address for the Location of Franchisee's Store and that Location has been approved by GP Brands, Inc. in writing, neither a Territory for Franchisee's Store nor any rights of Franchisee to claim or possess any territory (protected or otherwise) shall exist. The standard Territory allocation may be reduced by GP Brands, Inc. if the Location Franchisee has chosen for Franchisee's Store is in an area of extreme high population density, such as Manhattan (New York City), New York, downtown Los Angeles, California, downtown Seattle, Washington, downtown Boston, Massachusetts, downtown Chicago, Illinois or Washington, D.C. This reduced Territory must be mutually agreed upon by GP Brands, Inc. and Franchisee before GP Brands, Inc. will proceed with counter-signing this Agreement (as reflected in this Agreement, this Agreement is not effective until GP Brands, Inc. countersigns it). If Franchisee refuses to accept such a reduced Territory under the circumstances permitting GP Brands, Inc. to assign a reduced Territory, GP Brands, Inc. will refund Franchisee any and all monies paid and Franchisee shall not become a Goin' Postal franchisee or have any rights or entitlements under this Agreement.
- b. Except as reflected in this Section 1.2, GP Brands, Inc. will neither own or operate a Store, as that term is specifically defined in this Agreement, nor license or franchise others to do so, at any site located within the Territory.
- c. GP Brands, Inc. expressly reserves for itself or its designee, the unrestricted right to produce, franchise, license, sell, distribute and market any products or services



(under any brands, including but not limited to the Marks) from any Stores the physical premises of which are located outside of the Territory, regardless of (i) the proximity of the Franchisee's Store, or (ii) whether or not such products or services are purchased by customers whose residences or places of business are located within the Territory.

- d. GP Brands, Inc. may engage in any activities, without any restrictions whatsoever, outside of the Territory that is not specifically prohibited by this Section of the Agreement.
- e. So long as Franchisee is not in default of this Agreement, and provided GP Brands, Inc. has given its prior written approval to do so, Franchisee shall have the right during the Term to open additional Stores within the Territory by execution of another franchise agreement, as in existence at such time, and payment of all fees required under the franchise agreement in existence at such time, for each approved additional Store. Franchisee's Territory will be expanded to include and protect the new location(s), provided that it does not interfere with another franchisee's protected territory.
- f. Franchisee may operate an unrestricted mobile shipping store van (a "mobile shipping store" is a vehicle outfitted with a Point of Sale System, a scale and the ability to serve customers and receive payment for shipping services at a remote location) within the Territory. Franchisee may operate a mobile shipping store van outside of the Territory but not within the protected territory of another franchisee. Franchisee may not under any circumstances operate either a pick-up or delivery service within the protected territory of another franchisee's Store.
- g. Franchisee acknowledges that customers, including customers located in Franchisee's Territory, are free to patronize any Store within GP Brands, Inc.'s Goin' Postal Franchise Chain of their choosing, and no Store (including those owned or operated by GP Brands, Inc. or one of its affiliates) shall be precluded from serving or transacting business with any customer who chooses to patronize that particular Store.
- h. With GP Brands, Inc.'s prior written consent, and provided Franchisee first signs the then current Franchise Agreement and pays both the then current franchise fee and the then current cost for the Required Minimum Purchases (see Section 5.1(d) below) for each new territory intended to be so purchased, Franchisee may expand Franchisee's Territory through the purchase of one or more (as approved by GP Brands, Inc.) non-protected territories equal in area to Franchisee's initial Territory assigned hereunder (subject to any reduction in the new territory resulting from its potential encroachment into another franchisee's protected territory). Should Franchisee purchase another non-protected territory in accordance with these provisions, Franchisee must, within this new territory, and within six (6) months of the date Franchisee signed the Franchise Agreement and paid the franchise fee and the then existing cost for the two (2) Point of Sale Systems and other Required Minimum Purchases with respect to such new territory, (i) submit a specific physical address for the location of the new Store to GP Brands, Inc. in writing, and receive written approval from GP Brands, Inc. for such location; (ii) complete all necessary Store build-outs and improvements; (iii) complete all required training; and (iv) open a Store within this new territory. Failure on the part of Franchisee to so open a Store within the new territory within the allotted six (6) month time period shall cause the option to acquire such new territory to lapse and terminate, in which case Franchisee

shall forfeit the franchise fee and other fees paid to acquire such new territory and Franchisee shall have no further rights, claims or interests in or to such new territory. Should Franchisee only desire to expand the Territory allocated to Franchisees' Store without opening another Store within that region, GP Brands, Inc. will have the sole discretion to grant any such expansion, and if granted, Franchisee will be required to pay such additional fee as GP Brands, Inc. deems appropriate in light of the scope and extent of expansion requested and the level of competition from other Stores within the general vicinity of Franchisee's desired expanded Territory.

## **2. TERM AND RENEWAL**

- 2.1 The term of this Agreement shall begin on the Effective Date of this Agreement and shall continue for a period of fifteen (15) years, unless terminated as provided in this Agreement (the "Term"). As indicated in the introductory provisions of this Agreement, the "Effective Date" of this Agreement is the date it has been signed by GP Brands, Inc. as such date appears adjacent to the signature of GP Brands, Inc. appearing at the end of this Agreement. In the event Franchisee fails to renew or GP Brands, Inc. elects not to renew this Agreement (in accordance with Sections 2.2, 2.3 and 2.4 below) , this Agreement will expire at the end of the Term. Expiration shall constitute a termination of this Agreement for all purposes and effects.
- 2.2 Provided that Franchisee shall have complied with all the terms of this Agreement, and subject to prior fulfillment of the terms and conditions of renewal provided in Section 2.3 below, Franchisee shall have the right and option to renew the Goin' Postal franchise granted to Franchisee under this Agreement for successive period(s) of 15 years each. Each 15 year renewal period shall be an independent Term, and the conditions of renewal must be met and satisfied with respect to each independent 15 year renewal opportunity.
- 2.3 As conditions to renewal, Franchisee must first meet and satisfy each of the following:
- a. Provide GP Brands, Inc. with written notice of Franchisee's intent to renew this Agreement not less than 2 months and not more than 12 months before the end of the Term then in effect.
  - b. Sign the then-current franchise agreement being utilized by GP Brands, Inc. for new Stores, and all other documents required by GP Brands, Inc., and comply with GP Brands, Inc.'s then current Standards and Specifications and GP Brands, Inc.'s then current Manuals.
  - c. Be in compliance with this Agreement, including payment of all fees due, and with the requirements provided in Manuals and other agreements between GP Brands, Inc. and/or its affiliates and Franchisee.
  - d. Be in compliance with all financial obligations to third parties, including Franchisee's landlord and other vendors of products or services of Franchisee's Store at the Location.
  - e. Provide GP Brands, Inc. with a signed lease and other written confirmation satisfactory to GP Brands, Inc. that Franchisee maintains the right to possess, occupy and use the Franchisee's Store at the Location for the applicable fifteen (15) year term of the renewal.
  - f. Sign a general release in favor of GP Brands, Inc. from any claims, known or

unknown, arising during the Term of this Agreement.

- 2.4 If and when GP Brands, Inc. receives Franchisee's timely renewal notice, and all other terms of this Agreement and renewal conditions are met, GP Brands, Inc. agrees to give Franchisee notice, not later than 30 days after the receipt of the renewal notice, of the renewal of the Franchise Term for an additional 15 year period. Alternatively, should, upon receipt of Franchisee's timely renewal notice, the terms of this Agreement and renewal conditions not be met, GP Brands, Inc. shall, within said 30 day period, give Franchisee its written notice electing not to renew this Agreement.
- 2.5 Upon any such grant by GP Brands, Inc. of a renewal of the Term of this Agreement, Franchisee shall be required, as a condition to the continued effectiveness of such renewal authorization, upgrade, remodel, refurbish and redesign, prior to the conclusion of the Term intended to be renewed, or within twenty (20) days of receiving GP Brands, Inc.'s notice that renewal has been granted, whichever date is later, Franchisee's Store, both exterior and interior, as well as Point of Sale Systems and associated hardware and software, as mandated by GP Brands, Inc. to comply with GP Brands, Inc.'s then current Standards and Specifications as described in the Manuals.

### **3. SITE LOCATION AND CONSTRUCTION OF STORE**

- 3.1 **Store Location.** The Location of Franchisee's Store reflected on the first page of this Agreement (or to be reflected on the first page of this Agreement upon Franchisee's decision of Location), has been accepted by GP Brands, Inc. upon GP Brands, Inc.'s counter-execution of this Agreement (provided, acceptance shall not be deemed given by GP Brands, Inc. if the first page of this Agreement is not completed in its entirety upon Franchisee's execution and delivery of this Agreement; in such event, acceptance will occur when GP Brands, Inc. counter-signs and delivers a counterpart original with the Location information appearing on the first page of this Agreement completed or when GP Brands, Inc. subsequently initials and delivers to Franchisee a completed first page of this Agreement). Nevertheless, GP Brands, Inc.'s acceptance of the Location shall in no way constitute a guarantee, representation nor an express or implied warranty as to the viability or success of a Store at such Location. Upon GP Brands, Inc.'s acceptance, the Location inserted on the first page of this Agreement shall be deemed to be the "Location", as defined in this Agreement. For purposes of applying this Section 3.1, the "first page of this Agreement" is the page at the beginning of this Franchise Agreement designated by **Exhibit "A" to Uniform Franchise Disclosure Document**.
- 3.2 **Store Design.** GP Brands, Inc. or its representative will act in a consultant capacity to advise Franchisee upon a suggested layout of the Franchisee's Store. Franchisee may accept or disregard this advice upon the suggested layout, except to the extent Franchisee's desired design would violate GP Brands, Inc.'s principles of accepted business practices, would violate any OSHA regulations or any other applicable laws (including the Americans with Disabilities Act), would deviate from the uniformity of GP Brands, Inc.'s Method and Standards for the general appearance of all Stores within GP Brands, Inc.'s Goin' Postal Franchise Chain, or would create any safety or health risks. Further, any Store layout or alterations which deviate from GP Brands, Inc.'s suggested layout may not be implemented by Franchisee without GP Brands, Inc.'s prior written approval. Any suggested layout from GP Brands, Inc. does not guarantee the viability or success of said layout or compliance with any applicable laws, and Franchisee shall, at Franchisee's sole cost and expense, ensure that the Store design complies with all applicable laws, including the Americans with Disabilities Act and any OSHA regulations. If Franchisee chooses to disregard GP Brands,

Inc.'s suggested layout without receiving GP Brands, Inc.'s prior written approval, Franchisee will be responsible for making any necessary changes when the GP Brands, Inc. representative arrives for Store set up and training so as to bring Franchisee's Store into uniformity with the Method and general appearance of all Stores within GP Brands, Inc.'s Goin' Postal Franchise Chain.

- 3.3 **Store Construction.** The Franchisee, at Franchisee's sole cost, shall be solely responsible for obtaining local permits, contractors, and constructing the Franchisee's Store in a timely manner. Construction shall be completed within six (6) months of the Effective Date of this Agreement. All internal and external signs shall be uniform with the Marks and the Standards and Method, and shall be subject to GP Brands, Inc.'s prior approval.
- 3.4 **Store Appearance.** Franchisee shall maintain the appearance and condition of the Franchisee's Store in a "Like New" level of cosmetic appearance to maintain the cosmetic appearance of the Store as attractive, clean and efficiently operated, offering high quality products and services. The internal color and paint schemes of Franchisee's Store must be red, white and blue and shall be uniform with the Standards and Method as detailed in GP Brands, Inc.'s Store Set-Up Manual. Any deviations from these required color and paint schemes are subject to, and prohibited without, GP Brands, Inc.'s prior written approval.

#### 4. TRAINING AND FRANCHISOR'S CONTINUING OBLIGATIONS

##### 4.1 Initial Training

- a. GP Brands, Inc. provides its franchisees with two phases of initial training. The first week (and first phase) of Franchisee's training will be conducted at GP Brands, Inc.' headquarters located at 4941 4<sup>th</sup> Street, Zephyrhills, Florida 33542 ("GP Brands, Inc.'s Headquarters"), where the Franchisee or its designee(s) will undergo one week (generally Monday through Friday) of classroom training. The second phase of Franchisee's training will be completed by a GP Brands, Inc. representative on-site at the Franchisee's Store at the Location. Note that phase two training is not provided for transfers. The GP Brands, Inc. staff at the first phase of training conducted at GP Brands, Inc.'s Headquarters, and the GP Brands, Inc. representative while conducting the second phase of training on-site at the Franchisee's Store, will train the Franchisee or its designee(s) in all aspects of the shipping business developed and utilized by GP Brands, Inc. under its Standards and Method, including but not limited to: UPS, FedEx, DHL, USPS, Freight, Rate Shopping, Point Of Sale, and packaging.
- b. GP Brands, Inc. shall determine the content and manner of conducting the Franchisee's training program at its sole discretion; however, the program shall be structured to provide practical training in the day to day operation of the Franchisee's Store in accordance with the Standards and Method. Franchisee shall pay all travel and accommodation expenses incurred (if any) by GP Brands, Inc.'s representative. Expenses shall include airfare, car rental, hotel accommodation, per diem meal expenses (currently \$70.00 per day), transport to and from the originating airport (or, if applicable, parking expenses at the originating airport), and transport to and from the Franchisee's Store daily. While conducting the on-site training at Franchisee's Store, Franchisee will be responsible to pay the costs for the GP Brands, Inc. representative to stay at a commercial accommodation such as a hotel,

motel or motor lodge, and the GP Brands, Inc. representative will not be permitted to stay at the Store or at the residence of Franchisee or its owners, representatives or employees. The Franchisee will also be responsible to pay the costs to provide the GP Brands, Inc. representative with a rental vehicle, and the GP Brands, Inc. representative will not be permitted to use or borrow the personal vehicle of Franchisee or its owners, representatives or employees.

- c. Franchisee may, with GP Brands, Inc.'s prior permission, send additional manager(s) for a one week on-site course at GP Brands, Inc.'s Headquarters. Franchisee will be responsible for all expenses of Franchisee's manager(s) while at training.
- d. The initial training at GP Brands, Inc.'s Headquarters and the subsequent training at Franchisee's Store at the Location are mandatory training sessions for original franchise Store purchases and for Store transfers only the Headquarters training is required. Franchisee must attend and successfully complete training to the satisfaction of GP Brands, Inc. before opening Franchisee's Store. If Franchisee will not be the primary operator (the person managing the day-to-day Store operation) of the Store, then Franchisee's primary operator(s) must attend and successfully complete the training before assuming the responsibility as the primary operator of the Store. If the primary operator of the Store is ever replaced, then the new primary operator must attend and successfully complete the first phase of the Franchisee training program (i) before assuming the responsibility of Store manager, or, at a minimum (ii) by no later than 90 days after such replacement. Franchisee, and all of Franchisee's Owners, managers and primary operators, as the case may be, must each sign that certain Non-Competition and Non-Solicitation Agreement attached as **Exhibit "B"** to GP Brands, Inc.'s "UFDD" (as defined in Section 12.1 of this Agreement) prior to, and as a condition for any of them to attend and participate in, the first phase of training at GP Brands, Inc.'s Headquarters.
- e. In the event Franchisee cancels the first phase of training scheduled at GP Brands, Inc.'s Headquarters less than one (1) month prior to the scheduled training commencement date, Franchisee will be subject to a \$200.00 cancellation fee per each scheduled attendee to subsidize GP Brands, Inc. for lost classroom capacity. In the event Franchisee cancels the second phase of training which has been scheduled on-site at Franchisee's Store, Franchisee will be assessed a cancellation penalty in the amount of \$1,500.00 to cover ticket cancellation charges and associated administration expenses to cancel and re-schedule this training at Franchisee's Store. Franchisee will, upon any cancellation of the second phase of training, additionally be responsible for all travel, living, and other costs and expenses incurred by GP Brands, Inc. and its representative to reschedule, attend and conduct their second phase of training at Franchisee's Store. The \$1,500.00 cancellation fee will also apply if at the time of arrival of GP Brands, Inc.'s representative, Franchisee's Store is not setup and ready to become operational in accordance with the mandatory procedures outlined in the Store Setup Manual and any checklist provided by GP Brands, Inc. to Franchisee prior to GP Brands, Inc.'s visit to conduct the second phase of training and Store opening.
- f. In the event GP Brands, Inc. requires or otherwise deems it necessary, in its sole discretion, Franchisee or, if Franchisee is an entity, it's Owners, of, if Owners do not manage the Store's day-to-day operations, then Franchisee's primary operator,

shall attend supplemental or additional training programs to be conducted on-site at Franchisee's Store. Franchisee shall pay all travel, living, per diem meal allocation (currently \$70.00 per day), compensation (currently \$1,500.00, but subject to modification as provided in the Operations Manual), and other expenses incurred by GP Brands, Inc.'s representative in connection with attending and conducting such additional training at Franchisee's Store.

- g. In the event Franchisee converted an independently owned shipping business to a Goin' Postal Store, Franchisee must attend and successfully complete both a one week first phase of mandatory training at GP Brands, Inc.'s Headquarters (the cost of this training, exclusive of Franchisee's travel/airfare, hotel/living accommodations, meals and related personal expenses to attend such training, are included within the mandatory \$5,000.00 transfer/conversion fee) as well as a second phase of training at Franchisee's Store conducted during the Franchisee's initial week of operation of Franchisee's Store (travel expenses for GP Brands, Inc.'s representative are included in the \$5,000.00 conversion fee). In the event

#### **4.2 Franchisor's Continuing Obligations**

From time to time during the Term of this Agreement, GP Brands, Inc., or its designee, may provide the following assistance to Franchisee:

- a. GP Brands, Inc. may provide, at its discretion, proprietary and non-proprietary software licenses and updates. Franchisee will still be responsible for yearly update costs and technology maintenance costs. This technology fee shall initially be \$450.00 per year (but may be increased from time to time by GP Brands, Inc.).
- b. Provide, upon Franchisee's request, reasonable continuing consultation and training in the operation of the Franchisee's Store via telephone, e-mail, fax, the website and other means of GP Brands, Inc.'s choosing.
- c. Make available, via password access to the Owners' Section of the GP Brands, Inc. website, GP Brands, Inc.'s Store Set-Up Manual, GP Brands, Inc.'s Operations Manuals, training materials and, in the near future, video clips that can be downloaded at Franchisee's discretion.
- d. Make available, via password access to the Owners' Section of GP Brands, Inc. website, various advertising materials and resources.

### **5. FEES AND OTHER PAYMENTS**

5.1 Franchisee shall, in accordance with the following, pay to GP Brands, Inc. the following fees:

- a. An initial franchisee fee of \$15,000 shall be due and payable by Franchisee to GP Brands, Inc. on the date of Franchisee's execution of this Agreement. The initial franchise fee is fully earned and non-refundable upon receipt unless Franchisee is not accepted by GP Brands, Inc. as a Franchisee, in which case it will be fully refunded. The initial \$15,000 is due with submission of this Franchise Agreement and shall be paid by check or credit card.
- b. The initial franchise fee shall not apply if the Franchisee is:

- i. signing this Agreement as a renewal of a previous franchise agreement at the end of a completed Term. In such case the initial franchise fee for the renewal shall be waived.
  - ii. signing this Agreement in connection with the purchase of an existing Goin' Postal franchise and Store from another franchisee. In such case the transfer fee due to GP Brands, Inc. shall be \$5,000.00.
  - iii. signing this Agreement in connection with an approved relocation of Franchisee's Store; provided if such approved relocation is outside of the Territory, a relocation fee of \$500.00 shall be due to GP Brands, Inc.
  - iv. Subject to the conditions of this subsection **iv** pertaining to time duration of Franchisee's existing business operations, and subject to satisfactory completion by Franchisee of the mandatory training requirements imposed under Section 4.1g of this Agreement, GP Brands, Inc. may discount, at its discretion, the initial franchise fee due from any Franchisee signing this Agreement as part of converting an existing shipping/packaging store from either a recognized competing chain (no such conversion will in any way or under any circumstances be permitted if Franchisee is subject to any agreement which would restrict, prohibit or otherwise limit the conversion of Franchisee's existing store to a Goin' Postal Store) or from an independent store owned and operated by Franchisee. In such a case, in addition to the initial franchise fee (discounted or otherwise), Franchisee will pay GP Brands, Inc. a conversion fee of \$5,000.00, which will cover the first phase of training), if elected by Franchisee. The foregoing notwithstanding, in order to be considered for any discount of the full initial franchise fee then in effect on converting an existing shipping/packaging store, the Franchisee must have operated their existing store for a period of no less than two (2) years, if an independently owned and operated store, or for a period of no less than one (1) year if converting from a recognized chain of franchised shipping stores (subject to the prohibition on this type of conversion if Franchisee and/or Franchisee's existing store is subject to any form or manner of restriction or prohibition which would preclude the lawful conversion to a Goin' Postal Store). Franchisee shall disclose to GP Brands, Inc. upon any desired conversion of an existing shipping/packaging store to a Goin' Postal shipping Store whether Franchisee and/or Franchisee's existing store is/are subject to any form or manner of restriction or prohibition which would preclude the lawful conversion to a Goin' Postal Store, and Franchisee shall be solely liable for any breach of any such restrictions or prohibitions and shall indemnify, defend and hold harmless GP Brands, Inc., its officers, directors and shareholders therefrom.
- c. At the time of signing this Agreement and concurrent with payment of the initial franchise fee required under Section 5.1(a) immediately above, Franchisee must also pay and remit to Franchisor, using the same mode of payment as with the initial franchise fee, the sum of \$10,000.00 (plus any and all applicable sales taxes if Franchisee's Store is located in the State of Florida, which will be billed by separate invoice) for the purchase of the following required items (the "Required Minimum Purchases") which GP Brands, Inc. mandates as part of Franchisee's set up and establishment of Franchisee's Store:

<u>Item</u>	<u>Qty</u>	<u>Total</u>
Point of Sale Systems	2	
Cash Drawers	2	
Bar Code Scanner	2	
Site License	1	
Magnetic Card Swipe	2	
1000 Shipping Forms	1	
Thermal Label Printer	1	
Total		\$10,000.00

- d. Should Franchisee desire to purchase additional Point of Sale Systems for Franchisee's Store at the Location, the cost for each shall be \$3,350.00 and shall also be due with payment of the initial franchise fee. Once paid, the cost(s) for each Point of Sale System you order from us is (are) non-refundable.
- e. A continuing royalty in the initial amount of \$525.00 per month during the initial calendar year during the Term, and then increasing incrementally on a 3 year schedule as set forth in the table below (referred to in this Agreement as the "Royalty" or "Royalties"), shall be paid by Franchisee in accordance with the provisions of this Agreement each month commencing with the date specified in this Agreement and continuing during the initial Term of the Goin' Postal franchise granted hereby (this period of time being referred to in this Agreement as the "Royalty Payment Period"). Franchisee's obligation to pay monthly Royalties shall commence the first business day of the calendar month following the month in which Franchisee opens Franchisee's Store for business. For instance, if Franchisee has opened Franchisee's Store on January 30<sup>th</sup>, the obligation to pay Royalties would commence February 1<sup>st</sup> of that same year. This Royalty rate applies to all new Goin' Postal franchisees who purchase a new Goin' Postal franchise during calendar year 2022, and is subject to change for Goin' Postal franchise purchases made after 2022. For example, a franchisee whose Store is purchased in 2022 would pay a monthly Royalty of \$525.00 per month, whereas a franchisee whose Store is purchased in 2023 might pay a higher monthly Royalty per month based upon the Royalty rate implemented by GP Brands, Inc. for that particular calendar year.

The Royalties are payable as prescribed in the following table:

<u>Calendar Year</u>	<u>Monthly Royalties</u>
2023	\$525.00
2024	\$525.00
2025	\$550.00
2026	\$550.00
2027	\$550.00
2028	\$575.00
2029	\$575.00
2030	\$575.00
2031	\$600.00
2032	\$600.00
2033	\$600.00
2034	\$625.00



2035	\$625.00
2036	\$625.00
2037	\$650.00

- f. Any and all other applicable fees and sums due to GP Brands, Inc. as provided in GP Brands, Inc.'s then current Franchise Disclosure Document, the current version of which is accessible via password in the Owners' Section of GP Brands, Inc.'s website.

## 5.2 Method of Payment

- a. Franchisee shall pay the Royalty on a monthly basis as instructed in the Owners' Section of the GP Brands, Inc. website. Payment of a particular month's Royalty is due on the 1<sup>st</sup> business day of such month.
- b. As mandatorily imposed by GP Brands, Inc., Franchisee is required to make all Royalty payments by the electronic funds transfer payment program established by GP Brands, Inc. whereby GP Brands, Inc. will electronically debit from Franchisee's designated bank account(s) (as designated by Franchisee in **Exhibit "D"** to GP Brands, Inc.'s Franchise Disclosure Document to which this Agreement is attached as **Exhibit "A"**) the Royalties and any other amounts due from or owed by Franchisee to GP Brands, Inc. hereunder which GP Brands, Inc. requires to be paid by electronic funds transfer. If GP Brands, Inc. permits, Franchisee may make payments due to GP Brands, Inc. other than Royalty payments by credit card or other approved method other than GP Brands, Inc.'s automated electronic funds transfer program.

## 5.3 Auditing

In order to maintain the strength and integrity of GP BRANDS, INC.'s Goin' Postal Franchise Chain, Standards and Method, GP BRANDS, INC. may, at its discretion, order an audit of Franchisee and Franchisee's Store by GP BRANDS, INC.'s designated auditor, at GP BRANDS, INC.'s expense. Franchisee will provide GP BRANDS, INC.'s designated auditor with Franchisee's complete cooperation.

## 5.4 Other payments

In addition to all other payments provided in this Agreement, it shall be a material requirement for Franchisee to pay to GP BRANDS, INC., its affiliates, designees, and others promptly when due:

- a. All obligations, including Royalties, trade accounts, promissory notes, financing agreements and equipment purchase and lease payments, arising out of the operation of Franchisee's Store. Royalties owed by Franchisee to GP BRANDS, INC. shall be paid electronically as previously provided hereinabove. Unless GP BRANDS, INC. requires otherwise, all monetary obligations owed by Franchisee to GP BRANDS, INC. other than Royalties may be paid by use of Franchisee's designated credit card.
- b. All lease and rental payments for Franchisee's Location.
- c. All amounts advanced by GP BRANDS, INC. or which GP BRANDS, INC. has paid on behalf of or became obligated to pay for the Franchisee.

- d. The amount of all sales taxes, use taxes, personal property taxes and similar taxes which shall be imposed on Franchisee or in connection with Franchisee's Store at the Location. If Franchisee's Store is located outside of the State of Florida, Franchisee shall pay any applicable sales tax due on Franchisee's purchase of the Required Minimum Purchases (see Section 5.1c of this Agreement) directly to the applicable taxing authority. Franchisees whose Store is located in the State of Florida shall pay any applicable sales taxes on the purchase of Required Minimum Purchases to GP BRANDS, INC. immediately upon being invoiced for such taxes. Any sales taxes not paid within fifteen (15) days of invoice date will be charged to Franchisee's credit card on file with GP BRANDS, INC. or through electronic funds transfer from Franchisee's designated bank account.
- e. In order to have access to and use the automatic credit card processing features of each Point of Sale System Franchisee orders from GP BRANDS, INC., it will be necessary for Franchisee to apply for, qualify and enter into the applicable application agreement with World Pay. Failure by choice or by inability to qualify on the part of Franchisee to procure merchant services from World Pay will require Franchisee to buy the additional card reading equipment and enter into a merchant services agreement with an alternate provider. In either event, Franchisee will incur the costs to procure required merchant services.
- f. Any amounts due on account of the purchase of goods, supplies, or services relating to the operation of the Franchisee's Store, including all amounts due for the purchase of at least one (1) 150 lb. postal/parcel scale.

#### **5.5 Finance Charges and Late Fees on Delinquencies Owed to GP BRANDS, INC.**

- a. If Franchisee fails to pay to GP BRANDS, INC. the entire amount of any payment due to GP BRANDS, INC. hereunder promptly when due, Franchisee shall pay to GP BRANDS, INC., in addition to all other amounts that are due but unpaid (including the late fee described below), finance charges on the unpaid amounts, for the period beginning on the day after the original due date and continuing until the date of actual payment, at a rate equal to the highest annual rate allowed by applicable law.
- b. The parties stipulate that the finance charges and late fees provided within this Section represent reasonable estimates of the additional administrative costs that will be incurred by GP BRANDS, INC. and shall be in addition to and not in lieu of any other remedies available to GP BRANDS, INC. at law or at equity.
- c. In addition to the interest amounts previously described, GP BRANDS, INC. shall be entitled to charge a late fee of \$35.00 for each and every month of delinquent fees or returned EFT.
- d. GP BRANDS, INC. will invoice Franchisee for these late fees and interest and such invoice is payable upon receipt. GP BRANDS, INC. will either charge these amounts to Franchisee's credit card or conduct an electronic funds transfer payment from Franchisee's designated account if not paid in full within 15 days of invoice date.

#### **5.6 Personal Guaranty**

If Franchisee, as designated in **Exhibit "C"** attached to GP BRANDS, INC.'s Franchise Disclosure

Document to which this Agreement is attached as **Exhibit "A"** and as first depicted in the "Franchisee" designation appearing on the initial page of this Agreement, is an entity as opposed to one or more individuals, each of the equity Owners of Franchisee (as required to be disclosed in Part II, Paragraph 3 of said **Exhibit "C"**) must sign and deliver to GP BRANDS, INC. concurrent with Franchisee's execution of this Agreement the Continuing Personal Guaranty attached as **Exhibit "K"** to GP BRANDS, INC.'s Franchise Disclosure Document to which this Agreement is attached as **Exhibit "A"**.

## **5.7 State Tax Gross-Up**

Any taxes, duties or fees of any type whatsoever (collectively, "taxes") imposed upon GP BRANDS, INC. by the State where Franchisee's Store is located on or with respect to any franchise fees, royalties or other payments made to GP BRANDS, INC. by Franchisee as a result of the operation by Franchisee of the Store within such State, shall be paid by Franchisee to the extent of Franchisee's proportionate share of such taxes. Franchisee shall pay to GP BRANDS, INC. an amount equal to Franchisee's proportionate share of any excise tax, license tax, franchise tax, income tax or similar taxes which are imposed, directly or indirectly, by Franchisee's State with respect to any payments made by Franchisee to GP BRANDS, INC.. Franchisee's proportionate share of such taxes in any given calendar year during the Term shall be determined by first dividing Franchisee's payments so subject to tax for that calendar year by the total amount of all payments so subject to tax within the same calendar year from all Goin' Postal franchisees whose Goin' Postal store(s) are located within Franchisee's State, and then multiplying such fraction by the total taxes GP BRANDS, INC. paid to Franchisee's State during such calendar year as a result of receiving franchise fees, royalties and other payments from Goin' Postal franchised stores conducting business with Franchisee's State. Franchisee's proportionate share of such taxes for any particular calendar year during the Term shall be paid to GP BRANDS, INC. in as many equal monthly installments during the ensuing calendar year as there are months within that ensuing calendar year for which Royalty obligations remain due once GP BRANDS, INC. has calculated and paid such taxes. The equal monthly installments of such taxes shall be added to and paid with each monthly Royalty obligation still owed by Franchisee to GP BRANDS, INC. during the year in which they are due. Franchisee shall not be entitled to see or review a copy of any tax returns filed by GP BRANDS, INC., but may, upon written request, receive a copy of GP BRANDS, INC.'s independent accountant's calculation of Franchisee's payments subject to such taxes in Franchisee's State, the amount of such taxes, and Franchisee's proportionate share of those taxes.

## **6. OWNERSHIP OF INTELLECTUAL PROPERTY**

6.1 Franchisee hereby acknowledges and agrees that all right, title and interest (including goodwill) in and to GP BRANDS, INC.'s Goin' Postal Franchise Chain, the Marks, the Standards, the Method, the Manuals, GP BRANDS, INC.'s websites (including, without limitation, the Owners' Section and all confidential materials located within GP BRANDS, INC.'s website maintained at URL [www.goinpostal.com](http://www.goinpostal.com)), the GP Rate Pro Software and the Goin' Postal name, are and shall remain vested solely in GP BRANDS, INC.. Franchisee hereby disclaims any right, title, claim or interest in GP BRANDS, INC.'s Goin' Postal Franchise Chain, the Marks, the Standards, the Method, the Manuals, GP BRANDS, INC.'s websites (including the Owners' Section and all confidential materials located within GP BRANDS, INC.'s website maintained a URL [www.goinpostal.com](http://www.goinpostal.com)), the GP Rate Pro Software, the Goin' Postal name, or the goodwill derived therefrom. Upon termination or expiration of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with the Franchisee's use, and discontinuation of use, of GP BRANDS, INC.'s Goin' Postal Franchise Chain, Marks, Standards, Method, Manuals, GP BRANDS, INC.'s websites (including the Owners' Section and all confidential materials located within

GP BRANDS, INC.'s website maintained a URL [www.goinpostal.com](http://www.goinpostal.com)), the GP Rate Pro Software or Goin' Postal name.

- 6.2 Franchisee agrees not to contest at any time, either directly or indirectly, the validity of the Marks or GP BRANDS, INC.'s ownership, right, title or interest in the Marks and/or GP BRANDS, INC.'s sole right to register, use, franchise or license others to use the same.
- 6.3 Franchisee understands that any use of the Marks other than as expressly authorized by this Agreement, without GP BRANDS, INC.'s prior written consent, constitutes infringement and/or counterfeit of GP BRANDS, INC.'s rights in the Marks, and that Franchisee's right to use the Marks does not extend beyond the termination and/or expiration of this Agreement and does not extend beyond the rights granted by this Agreement during the Term in relation to Franchisee's Store at the Location in accordance with the Standards and Method and as part of GP BRANDS, INC.'s Goin' Postal Franchise Chain.
- 6.4 If Franchisee is an entity, Franchisee shall not use any of the Marks or any abbreviations or variations of any of the Marks, or any words deemed by GP BRANDS, INC. to be confusingly similar to the Marks as part of the name of any entity or Franchisee's name, including any of the words "Goin' Postal" or "Goin'" or "Postal".
- 6.5 Franchisee is restricted from independently establishing a presence on, or independently marketing Franchisee's Store using, the Internet without Franchisor's prior written consent and then only in strict accordance with a limited written consent. Franchisee may not use the Goin' Postal name or any of the Goin' Postal Marks or similar words as part of an Internet domain name. Franchisee may not use within the content of any approved website any or all, or any part of, the Goin' Postal Marks, or any other mark GP BRANDS, INC. owns or will own, without GP BRANDS, INC.'s prior written consent or direction, and only in strict accordance with the limited written consent provided to the Franchisee by GP Brands, Inc. With GP BRANDS, INC.'s approval, Franchisee shall use and display the Goin' Postal Marks, and/or any other trademark, service mark, or trade name adopted by GP BRANDS, INC., only in the form, manner, design, verbiage, and appearance as exactly adopted by GP BRANDS, INC. (see **Exhibit "A"** attached to this Agreement) or as otherwise instructed by GP BRANDS, INC. in writing, including in form and manner and appropriate legends as may be prescribed by GP BRANDS, INC. from time-to-time. Franchisee may not use or display on any approved website for Franchisee's Store any other trademark, service mark or trade name in combination with any of the Goin' Postal Marks without GP BRANDS, INC.'s prior written consent. Franchisee may not use or display the Goin' Postal Marks, or any other mark GP BRANDS, INC. owns or will own, in any advertising which has not been provided to Franchisee by GP BRANDS, INC. or previously approved in writing by GP BRANDS, INC. Franchisee shall not use or associate in any way the Goin' Postal Marks with any products or services not approved by GP BRANDS, INC. in writing. All uses and depictions of the Goin' Postal Marks consented for use by GP Brands, Inc. must properly depict and portray the appropriate trademark symbol (TM or SM for unregistered trademarks or service marks, as the case may be, owned by GP BRANDS, INC.; and the symbol ® for all of GP BRANDS, INC.'s registered trademarks and service marks). All uses and depictions of the Goin' Postal Marks for Franchisee's Store must give proper attribution of GP BRANDS, INC.'s ownership of each of the Goin' Postal Marks using a format such as the following: **"Goin' Postal" and all associated, related and connected drawings, designs, slogans, tag-lines, deliveryman characters and characterizations, and other depictions used with or as part of "Goin' Postal" are registered trademarks of GP Brands, Inc."**
- 6.6 Franchisee shall immediately notify GP BRANDS, INC. of any infringements or imitations

of the Marks, and of any challenges to Franchisee's use of any of the Marks, of which Franchisee becomes aware. GP BRANDS, INC. shall have sole discretion to take any action, administrative proceeding or litigation affecting the Marks. Franchisee shall cooperate in the prosecution or defense of any such action as requested by GP BRANDS, INC. GP BRANDS, INC. will (provided Franchisee has notified GP BRANDS, INC. immediately upon becoming aware of an infringement of or challenge to Franchisee's use of the Marks) reimburse Franchisee any reasonable costs Franchisee incurs in its defense or participation in the defense of GP BRANDS, INC.'s Marks.

- 6.7 GP BRANDS, INC. reserves the right, in its sole discretion to designate one or more new, modified or replacement Marks for use by Franchisee and, upon written notice from GP BRANDS, INC., Franchisee shall implement such new, modified or replacement Marks, as prescribed by GP BRANDS, INC.. Any expense or costs associated with the use by Franchisee of any such new Marks shall be the sole responsibility of the Franchisee.

## **7. STANDARDS AND SPECIFICATIONS; CONFIDENTIAL OPERATIONS MANUAL**

### **7.1 Operating Standards and Specifications**

- a. Throughout the Term, the Franchisee shall adhere to the methods and practices developed by GP BRANDS, INC. for the operation of the Franchisee's Store, including the Method established by GP BRANDS, INC. for postal, packaging, shipping, business and communication services as provided in this Agreement and in the GP BRANDS, INC. Operations Manuals.
- b. Throughout the Term, Franchisee shall operate the Franchisee's Store at the Location as specified in this Agreement and in compliance with GP BRANDS, INC.'s Store Set-Up Manual and current Standards and Specifications for internal and external Store image specifications, Store design, advertising, computer hardware and software, and products and services.
- c. Franchisee shall do business under Franchisee's legal name followed by the initials "d/b/a" and the business name "Goin' Postal of [City of Location]. If Franchisee is required by applicable law, Franchisee shall promptly upon execution of this Agreement, file a notice of intent to conduct business under the name "Goin' Postal of [City of Location]" and file any associated state or local registration. Promptly upon an expiration or termination of this Agreement, Franchisee shall file such documents as are necessary by local law to terminate such assumed name, and if Franchisee shall fail to do so, Franchisee hereby appoints GP BRANDS, INC. as its attorney-in-fact to do so for and on behalf for Franchisee. An example of the proper format for designating a business name for a corporate Franchisee whose Store Location is in Austin, Texas would be, "XYZ, Inc., d/b/a Goin' Postal of Austin".
- d. GP BRANDS, INC. may revise its Standards and Specifications for all franchisees from time to time. Consequently, Franchisee may be required to upgrade or update its computer hardware and software system, or its Store image and trade dress consistent with the then existing Standards and Specifications adopted by GP BRANDS, INC. as part of the Method. There are no limitations on the frequency of these upgrades, though GP BRANDS, INC.'s industry reflects an update or upgrade every 3 to 4 years. If Franchisee is required to upgrade, Franchisee must purchase and utilize these upgrades as specified in the GP BRANDS, INC. Manuals. GP BRANDS, INC.'s proprietary GP Rate Pro software, as well as various third party

software program, require annual updating, and Franchisee is solely responsible for the costs to do so (presently, \$450.00 annually for support and development of various supplied software and initiatives).

- e. GP Brands may require participation by franchisees in exclusive agreements with particular vendors. Some agreements may impose on the franchisees reasonable criteria (such as minimum operating hours or other reasonable requirements) in order to conform to the minimum standards of such agreement.
- f. Franchisee shall timely submit reports and Royalty payments as required in Section 5 of this Agreement.
- g. Throughout this Agreement, the term Standards shall include GP BRANDS, INC.'s Standards and Specifications.

## 7.2 Confidential Manuals

- a. Upon execution of this Agreement, GP BRANDS, INC. shall furnish the Franchisee, via password access to the Owners' Section of the GP BRANDS, INC. website, with one copy of the GP BRANDS, INC. Store Set-Up Manual and New Franchisee Primer (referred to throughout this Agreement as the "Store Set-Up Manual") and with one copy of the GP BRANDS, INC. Operations Manual (referred to throughout this Agreement as the "Operations Manual"), both of which may be printed by Franchisee and used in the operation of Franchisee's Store (sometimes in this Agreement the Store Set-Up Manual and the Operations Manual may be referred to collectively as the "Manuals"). GP BRANDS, INC. will periodically update the Store Set-Up Manual and/or Operations Manual and make these updates available on the GP BRANDS, INC. website. Once Franchisee's Store is open and operational, Franchisee shall be required, on a schedule as prescribed by GP BRANDS, INC., to download and print any new updated Operations Manual, and either destroy all prior versions of the Operations Manual by shredding, or alternatively they must be returned to GP BRANDS, INC.
- b. Franchisee shall strictly adhere to the Standards and Specifications (referred to throughout this Agreement as the "Standards" or as the "Standards and Specifications") laid out in the GP BRANDS, INC. Store Set-Up Manual and GP BRANDS, INC. Operations Manual, or as included in the secure password protected Owners' Section of the GP BRANDS, INC. website. If Franchisee cannot lawfully or practically adhere to any of such Standards and Specifications, Franchisee must immediately notify GP BRANDS, INC. in writing advising of such inability and the reasons therefore, and asking for a waiver of the specific Standards and Specifications at issue. GP BRANDS, INC. shall have the sole discretion to determine whether any such waiver request is justifiable and whether or not to issue any such waiver.
- c. As GP BRANDS, INC. continues to develop additional confidential information and other trade secrets associated with the Method and GP BRANDS, INC.'s Goin' Postal Franchise Chain, GP BRANDS, INC. will make this information available to Franchisee as and to the extent it is needed for the operation of Franchisee's Store. Franchisee will use GP BRANDS, INC.'s Store Set-Up Manual, Operations Manual, online website materials (including, specifically, but not to limited to, all materials and information contained within the secure password protected Owners' Section), and other confidential information and trade secrets created by GP BRANDS, INC. and provided or made available to Franchisee only in connection with the operation of Franchisee's Store at the Location as part of GP BRANDS, INC.'s Goin' Postal Franchise Chain and

Franchisee will keep this information confidential and will not disclose, disseminate or distribute it to any third party for any reason.

- d. Franchisee's duty not to disclose to any unauthorized third party, and not to use for any unauthorized purpose, the confidential information outlined in this Section 7 shall survive the expiration or termination of this Agreement.

### 7.3 Purchase and Sale Of Goods and Services

- a. At all times throughout the Term, Franchisee shall offer, sell and provide in connection with the Franchisee's Store, only those goods and services that are authorized by GP Brands, Inc. Franchisee shall only purchase authorized goods and services from GP BRANDS, INC. approved suppliers.
- b. If Franchisee should desire to purchase a product or service from a supplier other than one already pre-approved by GP BRANDS, INC., Franchisee must first obtain approval from GP BRANDS, INC. The request must be made in writing via e-mail to GP BRANDS, INC. and, if approved, GP BRANDS, INC. will e-mail approval to Franchisee authorizing Franchisee to proceed with the purchase.
- c. Franchisee may not offer for sale any goods or services using the "Goin' Postal" name or by using any of the Marks unless expressly authorized in writing by GP BRANDS, INC. to do so.

### 7.4 Trained Staff

Franchisee shall at all times during the Term designate and retain as a primary operator to direct the operation and manage Franchisee's Store at the Location a Manager, an Owner, the Franchisee (if an individual) or another employee of Franchisee who has successfully completed to the satisfaction of GP BRANDS, INC. all training conducted at GP BRANDS, INC.'s Headquarters and at the Franchisee's Store at the Location. Franchisee shall immediately notify GP BRANDS, INC. of any change in this designated person and Franchisee shall be responsible to pay for the training of any replacement designee within 60 days of any such change; provided, however, should there be space available in a particular training session at GP BRANDS, INC.'s Headquarters scheduled by Franchisee for any additional designee(s) of Franchisee which is not otherwise filled with new franchisees, there will be no additional charge imposed by GP BRANDS, INC. upon Franchisee for its new designee(s) to attend this training (but Franchisee shall be solely responsible for all travel expenses, meals, lodging and living expenses for the designee(s) to attend such training in Zephyrhills, Florida), with the understanding that the new designee's(s') scheduled dates may be cancelled upon reasonable notice to make space for any new franchisee(s) wanting to schedule their initial training during such period.

## 8. ADVERTISING AND MARKETING

The parties acknowledge the value of standardized advertising and marketing programs to the growth and public awareness of GP BRANDS, INC.'s Goin' Postal Franchise Chain and the goodwill and public image toward it, and, as such, the following terms and conditions shall govern the scope of, and conditions and limitations on, all advertising and marketing of Stores, the Method, and GP BRANDS, INC.'s Goin' Postal Franchise Chain:

- 8.1 A portion of the Royalty received by GP BRANDS, INC. from all Goin' Postal franchisees may be expended by GP BRANDS, INC., in its sole discretion, for public relations, advertising, testing and marketing new programs, products and services, promotional programs and

other related undertakings pertaining to the entire Method and GP BRANDS, INC.'s Goin' Postal Franchise Chain. GP BRANDS, INC. shall have complete discretion as to the use and allocation of these funds.

8.2 GP BRANDS, INC. has the final decision as to all advertising, marketing and promotional decisions and activities, as well as the use of the funds in the marketing fund generated by Royalties paid by all franchisees.

8.3 GP BRANDS, INC. shall make available to Franchisee all advertising, marketing and promotional materials produced by or at the direction of GP BRANDS, INC. through use of the marketing fund, at no cost to the Franchisee. Franchisee agrees that GP BRANDS, INC. shall have the right and ability during all training sessions and during reasonable business hours of Franchisee's Store operation to photograph Franchisee, Franchisee's owners and employees, and Franchisee's Store and use those photographs in GP BRANDS, INC.'s website, advertising and promotional materials. All images or designs for local advertising, marketing or promotional materials approved by Franchisor shall be deemed the intellectual property of the Franchisor for use throughout the franchise chain at the sole discretion of the Franchisor. Franchisee shall be responsible for ensuring that any licensing agreements for any vendor used by the Franchisee for production of advertisement or marketing materials include the Franchisor as co-license holder.

8.4 Franchisee may not independently advertise Franchisee's Store on the Internet. Any Internet presence which Franchisee desires to maintain for Franchisee's Store must comply with GP BRANDS, INC.'s strict Internet quality standards, must be approved by GP BRANDS, INC. in advance of any use or dissemination of such advertising materials, and must be in strict accordance with the limited written consent entered into between Franchisee and Franchisor. Franchisee may not advertise or promote on any approved website for Franchisee's Store any independent business which is not an approved component of Franchisee's Store without GP BRANDS, INC.'s prior written approval and, even with such approval, without having a conspicuous disclaimer of affiliation with GP BRANDS, INC., with the Goin' Postal Franchise Network and with Franchisee's Store such as the following: "                    **[name or title of such independent business] is not sponsored or endorsed by, or affiliated with, GP Brands, Inc., the Goin' Postal Franchise Network, or this independently owned and operated Goin' Postal Franchise Store**".

8.5 Under no circumstances should Franchisee make any modifications, alterations or additions to any of the GoIn' Postal Marks, including any of GP BRANDS, INC.'s slogans or tag lines; and

8.6 Franchisee may not use any or all, or any part of, the Goin' Postal Marks, or any other mark GP BRANDS, INC. owns or will own, without GP BRANDS, INC.'s prior written consent or direction, and even then only in strict accordance with written limited consent. With GP BRANDS, INC.'s approval, Franchisee shall use and display the Goin' Postal Marks, and/or any other trademark, service mark, or trade name adopted by GP BRANDS, INC., only in the form, manner, design, verbiage, and appearance as exactly adopted by GP BRANDS, INC. (see Composite Goin' Postal Mark depicted as Exhibit "A" to the Franchise Agreement) or as otherwise instructed by GP BRANDS, INC. in writing, including in form and manner and appropriate legends as may be prescribed by GP BRANDS, INC. from time-to-time. Franchisee may not use or display on any approved Website for Franchisee's Goin' Postal Store any other trademark, service mark or trade name in combination with any of the Goin' Postal Marks without GP BRANDS, INC.'s prior written consent. Franchisee may not use or display the Goin' Postal Marks, or any other mark GP BRANDS, INC. owns or will own, in any advertising which



has not been provided to Franchisee by GP BRANDS, INC. or previously approved in writing by GP BRANDS, INC. Franchisee shall not use or associate in any way the Goin' Postal Marks with any products or services not approved by GP BRANDS, INC. in writing. All uses and depictions of the Goin' Postal Marks as part of any approved internet presence must properly depict and portray the appropriate trademark symbol (TM or SM for unregistered trademarks or service marks, as the case may be, owned by GP BRANDS, INC.; and the symbol ® for all of GP BRANDS, INC.'s registered trademarks and service marks). All uses and depictions of the Goin' Postal Marks for Franchisee's Goin' Postal Store must give proper attribution of GP BRANDS, INC.'s ownership of each of the Goin' Postal Marks using a format such as the following: "Goin' Postal" and all associated, related and connected drawings, designs, slogans, tag-lines, deliveryman characters and characterizations, and other depictions used with or as part of "Goin' Postal" are registered trademarks of GP Brands, Inc.; and

- 8.7 Any approved internet presence for Franchisee's Goin' Postal Store should be limited to furnishing information specific to Franchisee's Goin' Postal Store such as (i) location and contact information; (ii) hours of operation; (iii) specific services and products available at Franchisee's Goin' Postal Store; (iv) Franchisee's specific ownership information; (v) community events which Franchisee is sponsoring or in which Franchisee is participating; and (vi) any approved specials or promotions being offered by Franchisee's Goin' Postal Store; and
- 8.8 Franchisee will indemnify GP BRANDS, INC. against any and all claims made against Franchisee relating to Franchisee's internet presence for Franchisee's Goin' Postal Store; and
- 8.9 Franchisee acknowledges that GP BRANDS, INC. has the right to maintain the Goin' Postal Website, to establish and maintain other websites, including websites promoting, advertising or furnishing information regarding GP BRANDS, INC.'s other franchise brands, and to conduct advertising, marketing and e-commerce via the Internet without any territorial restrictions.
- 8.10 Franchisee shall use the Marks, trade styles, color combinations, designs, and slogans of GP BRANDS, INC. only in the form and manner adopted by GP BRANDS, INC. and only in a manner as expressly permitted by this Agreement or by GP BRANDS, INC. in writing.
- 8.11 Franchisee shall not use the Marks or slogans of GP BRANDS, INC. in any Internet domain name, Internet home page or other website or Internet accessible materials without prior written consent of GP BRANDS, INC. and without being in accordance with the limited written consent entered into between Franchisee and GP BRANDS, INC.
- 8.12 Franchisee recognizes the significance and importance of maintaining a "seamless" brand identity for GPB's Goin' Postal Franchise Chain, the Marks, the Franchisee's Store and all other Goin' Postal franchised Stores. In order to maintain this "seamless" brand identity, Franchisee further acknowledges how substantial it is to the goodwill of GPB's Goin' Postal Franchise Chain for Franchisor to implement controls and governances which insure that brand consistency is solid across all platforms of communication. In order to insure that those platforms of communication available on the Internet are used in a manner which enhances a consistent, seamless brand identity for GPB's Goin' Postal Franchise Chain and all Goin' Postal Stores, Franchisee shall at all times strictly comply with and abide by the "**Social Media Policy**" (the "Social Media Policy") of the owners manual.

## 9. RECORDS, STATEMENTS, INSPECTIONS AND AUDITS.

## 9.1 Statements and Records

- a. Franchisee shall at all times keep, maintain, and retain for a period of at least 3 calendar years, true and accurate accounts and records concerning the yearly operation of the Franchisee's Store in accordance with the recordkeeping procedures specified in the GP BRANDS, INC. Operations Manual.
- b. Franchisee hereby authorizes GP BRANDS, INC. access to and the ability to publish and/or include Franchisee's reports for use in promoting GP BRANDS, INC.'s Goin' Postal Franchise Chain. If GP BRANDS, INC. chooses to publish any information provided by Franchisee, it will be in an anonymous form not linked in any way to the Franchisee.

## 9.2 Inspections

GP BRANDS, INC. or its representative(s) shall have the right to enter and inspect the Location and Franchisee's Store at any time with or without notice. GP BRANDS, INC. shall also be permitted to photograph the Franchisee's Store, and make copies of any books or records relating to the operation of the Franchisee's Store. GP BRANDS, INC. shall use its rights under this Section of the Agreement to minimize interference with the operation of the Franchisee's Store.

# 10. REPRESENTATIVES, WARRANTIES, AND COVENANTS

10.1 During the Term of this Agreement, Franchisee, and its Owners and/or Managers signing below, covenant and represent that they and each of them shall:

- a. use their best and continuing efforts to promote and develop the Goin' Postal shipping business at the Franchisee's Store;
- b. devote their full time and attention to the running of the Franchisee's Store, or have the Franchisee's Store operated by a well trained and competent manager who has successfully completed all training requirements under Section 4.1 of this Agreement above, has signed this Agreement below, and has signed the Non-Competition and Non-Solicitation Agreement (**Exhibit "B"** to GP BRANDS, INC.'s Franchise Disclosure Document);
- c. maintain a sufficient number of well trained and competent staff to operate the Franchisee's Store efficiently;
- d. comply with all applicable laws;
- e. not disclose or disseminate to anyone other than the Franchisee's Store staff, on a need to know basis, any confidential information or trade secrets of GP BRANDS, INC. (as more fully described in Section 7 hereinabove) provided by GP BRANDS, INC. for the operation of the Franchisee's Store, including, without limitation, any materials contained within the secure password protected Owners' Section of GP BRANDS, INC.'s website;
- f. not use any of GP BRANDS, INC.'s confidential information or trade secrets (as described in this Agreement) provided for the operation of the Franchisee's Store in any other business venture or endeavor;

- g. operate and keep open to the public for business the Franchisee's Store at least 50 hours per week; and
- h. operate Franchisee's Store in such a way that will promote a first class and professional appearance and reputation of GP BRANDS, INC. and of the Marks, the Standards, the Method and GP BRANDS, INC.'s Goin' Postal Franchise Chain, and refrain from any business practice or conduct which would defame, damage or otherwise injure the reputation, goodwill or desirability of the Franchisee's Store, GP BRANDS, INC., the Method, the Standards, the Marks, or GP BRANDS, INC.'s Goin' Postal Franchise Chain.

10.2 If, and only if, GP BRANDS, INC. provides prior written consent to Franchisee's proposal to engage in a business other than the operation of the Franchisee's Store, and provided such business does not violate Franchisee's covenants within the Non-Competition and Non-Solicitation Agreement signed by Franchisee in connection herewith, then GP BRANDS, INC.'s consent as just described shall be subject to the additional following conditions:

- a. Such other business authorized to be conducted shall not be operated at the Location without GP BRANDS, INC.'s prior written consent (which may be withheld at GP BRANDS, INC.'s sole and absolute discretion) and shall not interfere with the operation of the Franchisee's Store at the Location;
- b. No other authorized business, and no combination of other authorized business, may be conducted in or out of Franchisee's Store or at the Location which generate(s) total sales or revenues greater than forty-nine percent (49%) of the sum of all sales and revenues generated by all such other authorized business operations plus all sales and revenues generated by the Franchisee's Goin' Postal Store business operations.
- c. Franchisee shall maintain separate books, records and a distinct different image for the other business, and shall not commingle income, expenses or funds with those pertaining to the operations of the Franchisee's Store;
- d. Such other business does not damage, infringe upon, diminish or interfere with the validity, value or reputation of GP BRANDS, INC.'s Marks, Method, Standards or GP BRANDS, INC.'s Goin' Postal Franchise Chain, or goodwill associated therewith. Under no circumstances may Franchisee use the Goin' Postal name, any of GP BRANDS, INC.'s Marks, or GP BRANDS, INC.'s Goin' Postal Franchise Chain as part of or in connection with any other authorized business for which such use is prohibited as designated on **Exhibit "F"** to GP BRANDS, INC.'s Franchise Disclosure Document, or in order to sponsor, endorse, market or promote such other authorized business for which such use is so prohibited;
- e. Such other business does not directly or indirectly interfere or compete with the Franchisee's Store or any other Store; and
- f. If approval has been given by GP BRANDS, INC. to operate such other business at the Location, such other business does not violate any of the UPS, FedEx, DHL or other carrier's regulations on types of businesses that may be operated out of the Location.

10.3 As of the date of signing of this Agreement by Franchisee, the information provided in the

Personal Data Disclosure and Franchisee Ownership Information Form (**Exhibit "C"** to GP BRANDS, INC.'s Franchise Disclosure Document) by the Franchisee is true, accurate and complete. Should any data not be available at the time of signing this Agreement, such as Store telephone numbers etc., Franchisee will forward this information immediately to GP BRANDS, INC. when it is available, but no later than the date Franchisee's Store opens for business.

- 10.4 Franchisee affirms that all information provided to GP BRANDS, INC. is, and all future submissions of information shall be, true, factual and complete. Franchisee acknowledges that GP BRANDS, INC. relies on the truthfulness, accuracy and completeness of all information provided by the Franchisee.
- 10.5 Franchisee shall display in Franchisee's Store any promotional materials as supplied by preferred vendors and/or GP BRANDS, INC. in the manner instructed when supplied with said materials. GP BRANDS, INC. shall not require Franchisee to promote any service or product that would not generate to Franchisee's Store additional income if sold.
- 10.6 Franchisee and its Owners and Managers signing below, if any, represent, warrant and covenant that they received a copy of GP BRANDS, INC.'s current Franchise Disclosure Document at least fourteen (14) calendar days before any of them signed this Agreement or paid any money to GP BRANDS, INC., that they read and reviewed a copy of GP BRANDS, INC.'s current Franchise Disclosure Document in its entirety, and that this Agreement which has been signed by each of them is in all material respects identical to that Franchise Agreement which was attached as Exhibit "A" to the specific copy of GP BRANDS, INC.'s current Franchise Disclosure Document which was so received, read and reviewed; and to the extent any material alterations were unilaterally made by GP BRANDS, INC. to this Agreement as compared to the Franchise Agreement which was attached as **Exhibit "A"** to the specific GP BRANDS, INC. Franchise Disclosure Document each of them received, read and reviewed, they received and reviewed a copy of this Agreement at least seven (7) calendar days before any of them signed this Agreement.

## **11. TRANSFER AND ASSIGNMENT**

### **11.1 By GP BRANDS, INC.**

GP BRANDS, INC. may assign all of its rights, title and interests in this Agreement, and the rights hereunder shall inure to the benefit of its successors and assigns, provided that any such successors and assigns shall agree in writing to assume all of GP BRANDS, INC.'s obligations hereunder. Such assignment shall discharge GP BRANDS, INC. from any further obligation hereunder. In addition, upon such terms as GP BRANDS, INC. may determine, GP BRANDS, INC. may assign all or part of its responsibilities and rights under this Agreement to an agent, a Regional Director whose territory includes all or part of Franchisee's Territory, or such other Regional Director as selected by GP BRANDS, INC.

### **11.2 By Franchisee**

- a. The Franchisee is not permitted to pledge, encumber, or otherwise give any third party a security interest in this Agreement (or the Franchisee's rights associated with this Agreement), unless, and only if, such third party agrees in writing issued to and in favor of GP BRANDS, INC. that if and when it seeks to pursue its rights related to the security interest in this Agreement via a repossession or similar remedy, it shall not be permitted, without the prior written consent of GP BRANDS, INC., to operate

the Franchisee's Store associated with this Agreement, nor resell to a third party the franchise rights associated with the Franchisee's Store under this Agreement. GP BRANDS, INC. shall apply its standard selection criteria when determining whether to grant its consent just as if the third party were a candidate to open a new Store or purchase an existing Store.

- b. The rights and duties created by this Agreement are personal to Franchisee, and GP BRANDS, INC. has entered into this Agreement in reliance on certain factors, including the character, skill, aptitude and financial capacity of Franchisee and its Owners, if it is an entity. Accordingly, neither Franchisee's (or any Owner's) interest in this Agreement, nor any of his/her/its rights or privileges hereunder, shall be sold, conveyed, assigned, transferred, disposed of or divided, voluntarily or involuntarily, by operation of law or otherwise (including division of community property in a divorce proceeding), in any manner (all such described means of transfer or disposition being referred to simply as an "Assignment"), without GP BRANDS, INC.'s prior written consent as provided in Section 11.3 below. Any such Assignment occurring by operation of law or otherwise, including any Assignment by a trustee in a bankruptcy, without GP BRANDS, INC.'s prior written consent, shall be null and void and be a material default of this Agreement and grounds for an immediate termination requiring no notice or opportunity to cure.
- c. Any sale, assignment, transfer, conveyance, gift, pledge, mortgage, encumbrance or other disposition, of a substantial portion of the assets of Franchisee's Store, or of more than 50% of the outstanding and issued stock, membership interests, partnership rights or other ownership interest of Franchisee, by one or more transfers, by operation of law, or any other event or transaction which, directly or indirectly, effectively changes the ownership of the business operations (or assets essential to continue such business operations) of Franchisee's Store or the management or voting control of Franchisee shall constitute an "Assignment" hereunder. It shall be assumed for all purposes in applying this provision that Franchisee's management and voting control is determined under its governing documents by simple majority decision.
- d. It shall also constitute an "Assignment" hereunder if less than 50% of the ownership interest in Franchisee effectively changes the management or voting control of Franchisee. Example: If A owns 40%, B owns 30%, and C owns 30%, and C sells his or her shares to B, then B would be able to assume voting and management control, and as such, C's transfer would constitute an "Assignment".

11.3 Franchisee acknowledges the vital importance of Franchisee and Franchisee's Store to the market position and overall image of GP BRANDS, INC., the Marks, the Standards, the Method and GP BRANDS, INC.'s Goin' Postal Franchise Chain. Franchisee also recognizes that there are many objective and subjective factors that comprise the process by which GP BRANDS, INC. selects a suitable Franchisee; therefore, GP BRANDS, INC. may impose any reasonable condition to its consent to an Assignment, which shall include without limitation, the satisfaction of all of the following conditions:

- a. Proposed transferee must complete, sign and comply with all requirements of the then current Franchise Agreement and GP BRANDS, INC.'s then current Franchise Disclosure Document, including satisfactory completion of all mandatory training then required by GP BRANDS, INC. for new franchisees (currently provided in Section 4.1 of this Agreement above).

- b. Proposed transferee must be a person or entity that meets GP BRANDS, INC.'s then current standards and qualifications for new franchisees.
- c. The proposed Assignment shall be on commercially reasonable terms, and shall include as part of the documentation otherwise entered into between Franchisee and the transferee an Addendum identical in form and substance as that attached to this Agreement as **Exhibit "B"** and incorporated in this Agreement by this reference (such Addendum being hereinafter referred to as the "Required Transfer Addendum"). The Required Transfer Addendum, fully completed and signed by both Franchisee and the transferee, must be forwarded to GP BRANDS, INC. with the required notice of intended Assignment required under Section 11.5 of this Agreement immediately below. For purposes of defining the specific transfer arrangements applicable to any approved Assignment, the Required Transfer Addendum is incorporated into and made a part of this Franchise Agreement, of any new Franchise Agreement to be signed by the transferee, and of those particular agreements pursuant to which the approved Assignment is structured, contemplated and consummated. GP BRANDS, INC.'s consent to the Assignment does not constitute a guarantee of, and does not ensure, the transferee's success as a franchisee, nor should any approved transferee rely upon GP BRANDS, INC.'s consent to the Assignment in determining whether to acquire the Franchisee's Store or not, or in determining the soundness of such transferee's investment in purchasing the Franchisee's Store. Under no circumstances shall GP BRANDS, INC.'s consent to any Assignment be deemed or considered to be an acknowledgment or representation on the part of GP BRANDS, INC. in favor of either the Franchisee or Franchisee's intended transferee that the Location of Franchisee's Store is marketable, profitable, promising, or otherwise has the characteristics or potential for generating a customer and income stream to support the financial needs or requirements of the Store, the transferee, or the obligations due to GP BRANDS, INC. under the new Franchise Agreement or to Franchisee under the sale arrangements.
- d. As of the effective date of the proposed Assignment, all obligations of Franchisee hereunder and under all agreements between GP BRANDS, INC. or any of its affiliates and Franchisee shall be fully satisfied and not be in default.
- e. The transferee must sign a new Franchise Agreement in form and substance of GP BRANDS, INC.'s then current Agreement, for a new Term, and all associated documents, including, but not limited to, the then current Non-Competition and Non-Solicitation Agreement, and, if applicable, the then current Continuing Personal Guaranty.
- f. At or prior to the Assignment, GP BRANDS, INC. must receive payment from Franchisee (also known, for these purposes as the "transferor" or "seller") and/or from the Franchisee's "buyer" or "transferee" of a "Transfer Fee."
- g. Franchisee shall enter into a general release (in a form prescribed by GP BRANDS, INC.) that will release GP BRANDS, INC. and its affiliates from any and all suits, claims or causes of action arising from or in any way connected with this Agreement, the operation by Franchisee of Franchisee's Store, and/or the sale of Franchisee's ownership of both the Franchisee's Store and the Goin' Postal franchise granted to Franchisee under this Agreement.

- h. GP BRANDS, INC. may withhold its consent to any proposed Assignment even upon compliance with the above conditions, and GP BRANDS, INC. shall not incur any liability on account of withholding any consent of any proposed Assignment.

#### 11.4 Death or Incapacity of Franchisee or Controlling Owner(s)

- a. In the event of the death or incapacity of Franchisee or any of its Controlling Owner(s), GP BRANDS, INC. may, upon the written request, within 30 days after the death or incapacity of Franchisee, of the heirs or representatives of Franchisee or its Controlling Owner(s), subject to this Section 11.4, allow such heirs or representatives a period of six (6) months from the date of death or incapacity to:
  - i. Demonstrate that such heirs or representatives meet GP BRANDS, INC.'s Standards and Specifications for new Store franchisees and sign and agree to the terms of the then current Franchise Agreement (except that the term shall be the remaining Term of this Agreement and that no initial franchise fee or Transfer Fee shall be payable); or
  - ii. Assign this Agreement to a third party acceptable to GP BRANDS, INC. who meets GP BRANDS, INC.'s Standards and Specifications for new Store Franchisees.
- b. GP BRANDS, INC. may impose reasonable conditions as to the rights granted under this Section 11.4, including the following which shall be deemed reasonable: (i) the Franchisee's Store at the Location must continue to be operated in conformity with this Agreement, the Method and GP BRANDS, INC.'s Manuals; and (ii) if GP BRANDS, INC. determines that the Franchisee's Store is not being operated properly, GP BRANDS, INC. may assign a manager to the Franchisee's Store (at Franchisee's expense) until such time as the new owners are in a position to properly manage and operate the Franchisee's Store.

#### 11.5 GP BRANDS, INC.'s Right of First Refusal.

- a. If Franchisee desires to make any Assignment for value, including any Assignment consisting of a sale of the assets of Franchisee's Store or the equity ownership interests of Franchisee, as applicable, at least forty-five (45) days prior to the scheduled date to close and consummate such proposed Assignment for value, Franchisee shall notify GP BRANDS, INC. in writing of such intended Assignment. Such notice shall disclose the name of the proposed purchaser or other transferee, all terms and conditions of the proposed Assignment for value, and must be accompanied by a fully signed purchase and sale agreement or other signed agreement which reflects the terms and conditions of the proposed Assignment for value, and by a complete set of all the documents required under Section 11.3 hereinabove (including the Required Transfer Addendum). The effectiveness of the purchase and sale agreement or other agreement providing for the proposed Assignment must be expressly contingent upon GP BRANDS, INC.'s waiver in writing of its rights of first refusal provided in this Section 11.5 and also upon GP BRANDS, INC.'s written consent to the proposed Assignment. GP BRANDS, INC. shall have a period of thirty (30) days within which to exercise its rights of first refusal granted in this Section 11.5, with such 30 day period commencing upon receipt by GP BRANDS, INC. of all required notices, documents and information stated in this

## Section 11.5.

- b. Within the thirty (30) day period provided for GP BRANDS, INC. to act upon its rights of first refusal, GP BRANDS, INC. may elect to purchase or otherwise acquire Franchisee's rights under this Agreement and the assets of Franchisee's Store (or, as applicable, the ownership interests of Franchisee) on the same terms and conditions reflected in the notice required under Section 11.5(a) immediately above. In the event that GP BRANDS, INC. exercises its rights of first refusal provided in this Section 11.5, the closing on GP BRANDS, INC.'s purchase or other acquisition of Franchisee's rights under this Agreement and the assets of Franchisee's Store (or, as applicable, the ownership interests in Franchisee) shall take place on the later of the closing date stated in the notice of the proposed Assignment or ninety (90) days following GP BRANDS, INC.'s receipt of all required documents as described in Section 11.3 and Section 11.5(a) hereinabove.
- c. If GP BRANDS, INC. does not exercise its right of first refusal provided for in this Section 11.5, GP BRANDS, INC. shall, within the 30 day period provided for hereinabove, notify Franchisee whether it consents to the proposed Assignment, which approval shall not be unreasonably withheld upon Franchisee's strict compliance with GP BRANDS, INC.'s Assignment requirements provided in Sections 11.2 and 11.3 hereinabove.

## 12. DEFAULT AND TERMINATION

### 12.1 Termination by Franchisee.

Franchisee may terminate this Agreement due to a material default by GP BRANDS, INC. of its obligations hereunder, which is not cured by GP BRANDS, INC. within 60 days of prompt written notice by Franchisee to GP BRANDS, INC. outlining the alleged default with specificity; provided, that if the default is such that cannot be reasonably cured within such 60 day period, GP BRANDS, INC. shall not be deemed to be in default for so long as it commences to cure such default within 60 days and diligently continues to prosecute such cure to completion. Such notice of material default must be given by Franchisee to GP BRANDS, INC. within 60 days of the date upon which the alleged default occurs. Failure to give such notice shall constitute a waiver of any such alleged default. If Franchisee terminates this Agreement under this Section 12.1, Franchisee shall comply with all of the terms and conditions of Section 14 and Section 7.2 of this Agreement, and Franchisee (and if applicable, Owners and Managers) shall fully comply with the Non-Competition and Non-Solicitation Agreement signed by Franchisee, its Owners, and Managers, as the case may be, in connection with the execution and delivery of this Agreement and as evidenced by **Exhibit "B"** to GP BRANDS, INC.'s Franchise Disclosure Document (such Disclosure Document being sometimes referred to in this Agreement as the "UFDD"), and Franchisee's Owners, as applicable, shall continue to be bound by the provisions of the Continuing Personal Guaranty evidenced by **Exhibit "K"** to GP BRANDS, INC.'s UFDD.

### 12.2 Termination by GP BRANDS, INC.

GP BRANDS, INC. has the right to terminate this Agreement only for "cause". "Cause" is hereby defined as a material breach of this Agreement.

### 12.3 Termination With Notice and Opportunity to Cure



Except for any default under Section 12.4, and as otherwise expressly provided elsewhere in this Agreement or by applicable laws, Franchisee shall have 30 days after GP BRANDS, INC.'s written notice of default in which to remedy any default under this Agreement and to provide evidence of such remedy to GP BRANDS, INC.. If any such default is not cured within that time period, or such longer time period as applicable law may require or as GP BRANDS, INC. may specify in the notice of default, such failure shall constitute a material breach hereunder and this Agreement and all rights granted by it shall thereupon automatically terminate without further notice or opportunity to cure.

#### 12.4 Termination by GP BRANDS, INC. Without Notice or Opportunity to Cure.

Subject to any controlling applicable laws to the contrary, Franchisee shall be deemed to be in material breach and default and GP BRANDS, INC. may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon delivery or attempted delivery to Franchisee of notice by GP BRANDS, INC. of the occurrence of any of the following events:

- a. Failure on the part of Franchisee (or, as applicable, on the part of any of Franchisee's Owners under the Continuing Personal Guaranty signed by such Owner's as evidenced by **Exhibit "K"** to GP BRANDS, INC.'s UFDD) to pay any Royalty or any other sum or monetary amount due from Franchisee to GP BRANDS, INC. under the terms of this Agreement or any other agreement between Franchisee and GP BRANDS, INC. (or any of its affiliates) on the designated date due, or any failure, refusal or rejection of payment or payment authorization in connection with any established credit card, electronic funds transfer or other automatic payment arrangement established by and between Franchisee and GP BRANDS, INC. for purposes of transacting and effecting Franchisee's payments of Royalties and/or other obligations due and owing from Franchisee to GP BRANDS, INC. under this Agreement or any such other agreements;
- b. Franchisee or any Controlling Owner(s) (throughout this Agreement, "Controlling Owner(s)" shall mean any person(s) or entity(ies) owning alone or in combination 50% or more of the ownership interests of Franchisee) of Franchisee is adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary applicable state or federal laws), or fails to meet his/her/its financial obligations as they become due, or makes a disposition for the benefit of his/her/its creditors;
- c. Franchisee or any of its Owners allows a judgment against it or them in the amount of \$10,000 to remain unsatisfied for a period of more than 30 days (unless a supersedeas or appeal bond has been filed);
- d. The Franchisee's Store, the Location (including the real property or building thereon), or the Franchisee's assets are seized, taken over, or foreclosed by a government official in exercise of its duties, or seized, taken over, or foreclosed by a creditor or lienholder, provided that the final judgment remains unsatisfied for a period of 30 days or more (unless a supersedeas or appeal bond has been filed);
- e. A levy of execution or attachment has been made or attempted to be made upon the Franchisee's Store and/or the franchise granted by this Agreement or upon any of the assets used in the Franchisee's Store, and it is not discharged within 5 days of such levy or attachment;

- f. Franchisee allows or permits any judgment to be entered against GP BRANDS, INC. or its subsidiaries or affiliated corporations, arising out of or relating to the operation of the Franchisee's Store;
- g. A condemnation or Assignment in lieu of condemnation of, affecting or involving the Franchisee's Store and/or the Location;
- h. If Franchisee abandons the Franchisee's Store at the Location. For purposes of this Agreement, "abandon" shall mean (i) Franchisee's failure, at any time during the Term of this Agreement, to keep the Franchisee's Store open and operating for a period of three (3) consecutive business days, except as provided for in any written permission by GP BRANDS, INC., (ii) Franchisee's failure to keep the Franchisee's Store open and operating for any period, or any act or statement by Franchisee, after or from which it is not unreasonable under the facts and circumstances for GP BRANDS, INC. to conclude that the Franchisee does not intend to operate the Franchisee's Store, unless such failure is due to fire, flood, earthquake or similar events beyond the control of Franchisee; or (iii) the withdrawal of permission or termination of lease by the applicable landlord that results in Franchisee's inability to operate the Franchisee's Store at the Location or any other forced or mandated closure of Franchisee's Store;
- i. If Franchisee receives at least 3 written notices of default from GP BRANDS, INC. in any 12 consecutive month period (i.e. a "two strike" grace limit), concerning any breach of this Agreement by Franchisee, whether or not such breaches are curable or have or have not been cured after receipt of notice, such repeated course of conduct itself shall be considered an incurable material breach and grounds for termination of this Agreement at the same time or any time after GP BRANDS, INC. notifies Franchisee of the third material default (nothing in this subsection shall be deemed to impose upon GP BRANDS, INC. a duty or obligation to provide Franchisee with notice where no such notice is otherwise mandated or required under the provisions of this Agreement, nor does it restrict or prohibit GP BRANDS, INC. from terminating this Agreement on the occurrence of a single breach under this Section 12.4);
- j. If Franchisee or any of its Owners, officers, directors, members, managers, partners or key employees is convicted of a felony or pleads guilty or nolo contendere to a felony or any other crime or offense which GP BRANDS, INC. considers likely to adversely affect GP BRANDS, INC.'s reputation, the Method, the Standards, the Marks, GP BRANDS, INC.'s Goin' Postal Franchise Chain, the goodwill associated with any of the foregoing or GP BRANDS, INC.'s interest therein;
- k. If Franchisee purports to make any Assignment without GP BRANDS, INC.'s prior written consent or otherwise violates section 11 of this Agreement;
- l. If Franchisee materially misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or GP BRANDS, INC.'s rights therein, or takes any action that reflects materially and unfavorably upon the operation or reputation of the Franchisee's Store, GP BRANDS, INC.'s network of Stores, the Method, the Standards, the Marks, or GP BRANDS, INC.'s Goin' Postal Franchise Chain, or initiates, engages or participates in, or otherwise make any unauthorized use, disclosure, dissemination, distribution, or duplication of any of GP BRANDS, INC.'s Marks or Manuals or other confidential information or

trade secrets (as described in this Agreement; and including, without limitation, any materials contained within the password protected Owners' Section of GP BRANDS, INC.'s website);

- m. If Franchisee makes any material misrepresentations in connection with the execution of this Agreement or the acquisition of the Franchisee's Store at the Location and/or the franchise granted hereunder in connection therewith;
- n. If Franchisee's lease is terminated and the Franchisee's Store at the Location is lost, whether for or as a result of default on or expiration of any term of the lease agreement; or
- o. If Franchisee (or, if applicable any Owner), or any of Franchisee's officers, directors, stockholders, members, managers, partners or employees, shall violate the in term non-competition or non-solicitation covenants of that certain Non-Competition and Non-Solicitation Agreement signed by Franchisee in connection herewith, as attached as **Exhibit "B"** to GP BRANDS, INC.'s UFDD.

12.5 Any material default by Franchisee under the terms of this Agreement, or any other agreement between GP BRANDS, INC. (or its affiliates) and Franchisee, or under Franchisee's lease, shall be a material default of each and every said agreement. Furthermore, in the event of termination, for any cause, of this Agreement or any other agreement between the parties, GP BRANDS, INC. may, at its option, terminate any or all of said agreements.

12.6 Notwithstanding anything to the contrary contained in this Section 12, in the event any valid applicable law of a competent governmental authority having jurisdiction over this Agreement and the parties to this Agreement shall limit GP BRANDS, INC.'s rights of termination hereunder or shall require longer notice or cure periods than those provided above, this Agreement shall be deemed amended to conform to the minimum notice or cure periods or restrictions upon termination required by such laws and regulations. GP BRANDS, INC. shall not, however, be precluded from contesting the validity, enforceability or applicability of any such laws or regulations.

12.7 GP BRANDS, INC.'s rights as stated in this Section 12 shall be without prejudice to any other rights or remedies provided by law or under this Agreement, which include, but are not limited to, injunctive relief, damages or specific performance. GP BRANDS, INC.'s failure to enforce or terminate this Agreement or any other agreement upon the occurrence of one or more of the above events shall not constitute a waiver of or otherwise affect GP BRANDS, INC.'s rights to terminate or enforce this Agreement or any other agreement because of any other occurrence of one or more of the events described above.

### **13. GP BRANDS, INC.'S RIGHTS UPON FRANCHISEE'S TERMINATION**

Upon the termination of this Agreement as provided above, in addition to all other rights and remedies of GP BRANDS, INC. (including those contained in Section 14), GP BRANDS, INC. may, at its option:

- 13.1 Commence proceedings for damages, injunctive relief and/or specific performance.
- 13.2 Purchase from Franchisee, or assign such right to a third party, the tangible assets (equipment, décor, etc.) of Franchisee's Store at a purchase price equal to such assets'

appraised fair market value, from which shall be deducted the following, in the following order:

- a. All outstanding and unpaid obligations of Franchisee to GP BRANDS, INC., including all unpaid fees, late payment fees and interest, and any promissory notes and equipment leases;
- b. All of GP BRANDS, INC.'s costs of collection (including attorneys' fees) of unpaid obligations, if any;
- c. The cost of upgrading Franchisee's Store to GP BRANDS, INC.'s then current Standards and Specifications for Stores; and
- d. All outstanding claims of Franchisee's creditors and all accrued but unpaid amounts owed to Franchisee's lessor for the Franchisee's Store as of the date of the termination.

If GP BRANDS, INC. exercises its right to receive liquidated damages in accordance with Section 13.5, GP BRANDS, INC. shall then be prohibited from exercising its rights under this Section 13.2 to purchase the tangible assets of Franchisee's Store.

13.3 Because the termination of Franchisee's Agreement extinguishes all intangible franchise rights which were formally held by Franchisee, Franchisee acknowledges that the purchase described in Section 13.2 would not be in exchange for any such intangible assets or intangible rights which were formerly held by Franchisee.

13.4 If this Agreement is terminated due to Franchisee's abandonment of Franchisee's Store as described in Section 12.4(h) above, Franchisee has thereby abandoned any rights to the former business, including but not limited to, any potential proceeds from a potential purchase or sale as described above, or any payment or remuneration of any kind. Franchisee shall not upon any abandonment of Franchisee's Store remove any fixtures, equipment, furnishings, inventory, Point of Sale Systems or any other assets of Franchisee's Store not belonging to or otherwise required under this Agreement to be returned to GP BRANDS, INC. unless and until all amounts owed to GP BRANDS, INC. under this Agreement (including any "Liquidated Damages" due to GP BRANDS, INC.) have been satisfied in full and until Franchisee has complied with all of Franchisee's obligations under Section 14 immediately below.

#### 13.5 Payment of Liquidated Damages

- a. If this Agreement terminates prior to its expiration (i) by GP BRANDS, INC. in accordance with the terms of this Agreement, or (ii) by Franchisee not in accordance with Section 12.1 of this Agreement, GP BRANDS, INC. has the right, but not the obligation, to require that Franchisee pay GP BRANDS, INC. liquidated damages ("Liquidated Damages") as provided in Section 13.5(c) below. Franchisee's payment of Liquidated Damages to GP BRANDS, INC. shall not be considered a penalty for Franchisee's breaching this Agreement, but rather a reasonable estimate of GP BRANDS, INC.'s damages and lost future fees GP BRANDS, INC. would have received from Franchisee under this Agreement had Franchisee not prematurely terminated.
- b. Franchisee acknowledges that its obligation to pay to GP BRANDS, INC. Liquidated

Damages is in addition to, not in lieu of (i) Franchisee's obligations to pay any amounts then due to GP BRANDS, INC., (ii) Franchisee's obligation to fully comply with all of its post-termination duties provided in this Agreement, including those contained in the Non-Competition and Non-Solicitation Agreement signed by Franchisee in connection herewith, and (iii) any other post-termination remedies that may be available to GP BRANDS, INC. under the law. However, if GP BRANDS, INC. exercises its right to receive Liquidated Damages in accordance with this provision, GP BRANDS, INC. shall then be prohibited from exercising its rights, under Section 13.2 of this Agreement, to purchase the tangible assets of the Franchisee's Store.

- c. "Liquidated Damages" shall mean the amount of Royalty revenue that GP BRANDS, INC. would have earned during the period of time from the date of termination until the Agreement's expiration date, but in no event greater than the final three (3) years of the Franchise Agreement Term ("Liquidated Damages Period"). Liquidated Damages shall be calculated by adding together the total amount of the monthly Royalty payments which would have been required to be paid by Franchisee under the terms of this Agreement (per the table in Section 5.1(e) above) during the Liquidated Damages Period. Any Liquidated Damages Period days in addition to full months shall be pro-rated appropriately. Franchisee acknowledges that the preceding formula for calculating such damage amounts is applicable and reasonable.

13.6 Enforce Franchisee's obligations under the Non-Competition and Non-Solicitation Agreement signed by Franchisee in connection with this Agreement, including any violation by Franchisee of those obligations.

13.7 Enforce the obligations of Franchisee's Owners, as applicable, under the Continuing Personal Guaranty evidenced by **Exhibit "K"** to GP BRANDS, INC.'s UFDD.

#### **14. FRANCHISEE'S OBLIGATIONS UPON EXPIRATION AND/OR TERMINATION**

14.1 Upon expiration and/or termination (subject to Section 13) of this Agreement, Franchisee shall immediately:

- a. Cease to operate the former Store at Franchisee's Location, cease to use the Method, the Standards and Marks in any form, cease to hold itself out as a Franchisee of GP BRANDS, INC. or of GP BRANDS, INC.'s Goin' Postal Franchise Chain, and Franchisee shall not use or identify in any business name any of the words "Goin' Postal", "Goin'", "Postal", "Going Postal", "Going", "Go Postal", "Your Friendly Neighborhood Shipping Center", "Neighborhood Shipping Center", "Shipping Center", "Delivering the Best of America", or "Postage for Patriots" in any combination, form or fashion, or any words or letters confusingly similar to any of the words listed above. Franchisee shall take such action(s) as GP BRANDS, INC. may require to accomplish the foregoing;
- b. Pay all sums due to GP BRANDS, INC. Franchisee must immediately upon expiration and/or termination provide GP BRANDS, INC. with a detailed written itemized list of all fixtures, furnishings (including all those bearing or portraying any of the Marks), equipment, signs, computer systems (including Point of Sale Systems and all hardware and software), inventory and other assets which are a part of Franchisee's Store. Except for returning to GP BRANDS, INC. all items required to

be returned per this Agreement, including the attached **Exhibit "C"** Checklist, Franchisee shall be prohibited from removing any of these assets from the Location of Franchisee's Store until all amounts due to GP BRANDS, INC. at the time of termination and/or expiration (including any and all Liquidated Damages) have been satisfied in full. GP BRANDS, INC. shall hold, possess and retain a security interest in all assets of Franchisee's Store, including the bank account(s) Franchisee has designated for all electronic funds transfer arrangements, effective on and as of the Effective Date of this Agreement and continuing until Franchisee pays in full all sums due to GP BRANDS, INC.

- c. Return to GP BRANDS, INC. or its designee the GP BRANDS, INC. Store Set-Up Manual, the GP BRANDS, INC. Operations Manual, proprietary hardware and software, computer disks, and all other trade secrets and other confidential information delivered to Franchisee, and all copies of each and every one of those designated items and materials, and certify the deletion of all electronic copies of the above;
- d. Surrender to GP BRANDS, INC. any stationery, printed matter, signs, promotional items and advertising materials containing the Marks, as may be requested by GP BRANDS, INC.
- e. Take such action as may be required by GP BRANDS, INC., including:
  - i. Transfer and assign the business telephone number, fax number, business Internet e-mail address, and any website or other Internet presence for Franchisee's Store to GP BRANDS, INC. or its designee;
  - ii. Cease using, disconnect and transfer all such telephone numbers and Internet services to GP BRANDS, INC. or its designee;
  - iii. Transfer to GP BRANDS, INC. or its designee "white" and "yellow" page telephone listings, references and advertisements and all trade and similar name registrations and business licenses and cancel any interest which Franchisee may have in the same; and
  - iv. Implement all additional actions listed on GP BRANDS, INC.'s "Franchisee De-Identification Checklist" attached to this Agreement as **Exhibit "C"** and incorporated in this Agreement by this reference; provided, if GP BRANDS, INC. elects its option to purchase the tangible assets of Franchisee's Store, some of these actions may not be necessary;
- f. Provided that GP BRANDS, INC., or its designee, does not take possession of the Franchisee's Store, make such changes to signs, décor, furniture, and equipment at Franchisee's Store at the Location as GP BRANDS, INC. may require to distinguish and make readily clear that the premises (and business conducted at the premises) is not only no longer a Store under GP BRANDS, INC.'s Goin' Postal Franchise Chain, but is also no longer a retail shipping store under any chain or brand or under independent operation; and
- g. Strictly comply with Franchisee's obligations under the Non-Competition and Non-Solicitation Agreement signed by Franchisee in connection herewith, and, if applicable, Franchisee's obligations under this Domain Name License Agreement

signed by Franchisee in connection with this Agreement.

- 14.2 In the event of termination and/or expiration of this Agreement, Franchisee hereby authorizes and appoints GP BRANDS, INC. to act as attorney-in-fact for Franchisee to transfer any "white" and "yellow" pages listings, e-mail addresses, and Internet presence relating to Franchisee's Store.
- 14.3 In the event of the termination and/or expiration of this Agreement, Franchisee hereby authorizes GP BRANDS, INC. to notify Franchisee's customers, vendors, suppliers, and any other appropriate party or parties that this Agreement and all Franchisee's rights and entitlements as a franchisee in GP BRANDS, INC.'s Goin' Postal Franchise Chain expired and /or have been terminated.
- 14.4 Termination and/or expiration of this Agreement shall be without prejudice to any other rights or remedies that GP BRANDS, INC. or Franchisee, as the case may be, shall have in law or in equity, including, without limitation, the right to recover benefit of the bargain damages. In no event shall a termination and/or expiration of this Agreement affect Franchisee's obligations to take or abstain from taking any actions in accordance with this Agreement, or, if applicable, affect GP BRANDS, INC.'s rights to enforce the Continuing Personal Guaranty (**Exhibit "K"** to GP BRANDS, INC.'s UFDD). The provisions of this Agreement which constitute post-term covenants, including those contained in the Non-Competition and Non-Solicitation Agreement and the obligation of GP BRANDS, INC. and Franchisee to resolve any and all disputes, shall survive the termination and/or expiration of this Agreement.
- 14.5 Franchisee acknowledges and agrees that the goodwill and other rights, interests and title in and to the Marks, the Method, the Standards, the Store Set-Up Manual, the Operations Manual, the Owners' Section of GP BRANDS, INC.'s website, any website established or used by Franchisee for Franchisee's Store and the domain name and address for such website, GP BRANDS, INC.'s confidential information and trade secrets, and GP BRANDS, INC.'s Goin' Postal Franchise Chain, and the exclusive ownership and use of each and every one of those designated items and materials, shall be and remain the sole and exclusive property of GP BRANDS, INC..
- 14.6 Upon expiration and/or termination of the Term, if Franchisee does not renew under Sections 2.2 and 2.3, GP BRANDS, INC. shall have the right and the option, but not the obligation, to purchase the tangible assets (equipment, furnishings, inventory, décor, etc.) of Franchisee's Store at the Location at a purchase price equal to such assets' appraised fair market value, from which the following shall be deducted:
- a. All outstanding and unpaid obligations of Franchisee to GP BRANDS, INC., including all unpaid fees, late payment fees and interest, promissory notes and equipment leases, if any;
  - b. All of GP BRANDS, INC.'s costs of collection (including attorneys' fees) of unpaid obligations, if any;
  - c. The cost of upgrading Franchisee's Store to GP BRANDS, INC.'s then current standards and specifications for Stores; and
  - d. All outstanding claims of Franchisee's creditors and all accrued but unpaid amounts owed to Franchisee's lessor for the Franchisee's Store as of the date of the

termination.

- 14.7 Because the expiration and/or termination of Franchisee's Agreement extinguishes all intangible franchise rights that were formerly held by Franchisee, Franchisee acknowledges that the purchase described in Section 14.6 would not be in exchange for any such intangible assets or intangible rights which were formerly held by Franchisee as a result of this Agreement.

## **15. INSURANCE**

- 15.1 Franchisee shall obtain and maintain throughout the Term of this Agreement, a minimum of one million dollars (\$1,000,000.00) in general liability insurance coverage, including premises liability and property and casualty, shall expressly name GP BRANDS, INC. as an additional insured or loss payee, shall contain a waiver of all subrogation rights against GP BRANDS, INC. and its successors and assigns, and shall furnish a copy of such policy or policies initially upon the opening of the Franchisee's Store, and subsequently within 10 days of request in writing by GP BRANDS, INC..
- 15.2 In the event that damage to Franchisee's Store at the Location is covered by insurance, Franchisee shall use the proceeds from said insurance to return Franchisee's Store to operational status unless said repair is prohibited by Franchisee's lease.
- 15.3 If required by specific vendors and agencies, Franchisee shall purchase necessary bonds to offer certain services at the Franchisee's Store.
- 15.4 If Franchisee fails to comply with this Section, GP BRANDS, INC. may, but is not obligated to, obtain and maintain insurance for Franchisee, for which Franchisee will be responsible for all costs and fees involved and will pay GP BRANDS, INC. these costs and fees upon demand. GP BRANDS, INC. is hereby authorized by Franchisee to charge on Franchisee's credit card any such fees and costs paid by GP BRANDS, INC. and not reimbursed by Franchisee upon demand.

## **16. COMPLIANCE WITH LAWS AND OBLIGATIONS**

- 16.1 Franchisee shall comply with all applicable laws and timely obtain and maintain any and all permits, certificates and licenses for the full and proper conduct of business at Franchisee's Store at the Location, including all laws which impact the design and interior layout and improvements of Franchisee's Store.
- 16.2 Franchisee shall operate the Franchisee's Store in conformity with all U.S. Postal Service regulations and shall implement any and all changes in U.S. Postal Service regulations as instructed or notified by The United States Postal Service and shall follow all guidelines of the local post office in the general locality of Franchisee's Store at the Location.

## **17. INDEMNIFICATION AND INDEPENDENT CONTRACTOR**

- 17.1 Franchisee shall, at Franchisee's sole cost, defend and indemnify GP BRANDS, INC., its affiliates and their respective owners, directors, officers, agents, representatives, employees, successors and assigns, and hold each of them harmless from and against, and reimburse them for, all losses, claims, liabilities, obligations, damages, attorneys' fees, costs, settlement amounts, judgments, lost profits, charges, expenses, and taxes based upon, arising out of, or in any way related to the operation of the Franchisee's Store at the Location, Franchisee's acts or omissions, or the breach by Franchisee of any provision of



this Agreement or any agreement signed by Franchisee in connection herewith. GP BRANDS, INC. and its affiliates shall have the right to defend and/or settle any such matter in such a manner as they deem appropriate, in their sole discretion, and without the consent of Franchisee. Franchisee shall also reimburse each of the foregoing indemnified parties for any and all costs reasonably incurred in investigating and defending any such matter, including without limitation, attorneys' fees and court costs. This Section shall continue in full force and effect notwithstanding the termination and/or the expiration of this Agreement.

- 17.2 In all dealings with third parties, including but not limited to, employees, suppliers and customers, Franchisee shall disclose that it is in an independently owned and operated entity licensed by GP BRANDS, INC. to operate a Store under a Goin' Postal franchise granted by this Agreement. Nothing in this Agreement is intended by the parties to create a fiduciary relationship between them, nor to constitute Franchisee an agent, legal representative, subsidiary, joint venturer, partner or employee of GP BRANDS, INC. for any purpose whatsoever. It is understood and accepted that Franchisee is an independent contractor, and is in no way authorized to make any contract, warranty, or representation, or to create any obligation on behalf of GP BRANDS, INC.. Neither GP BRANDS, INC. nor Franchisee shall guarantee the obligations of the other or in any way become obligated for the debts or expenses of the other.

## **18. WAIVERS, FORMS OF AGREEMENT AND AMENDMENT**

- 18.1 No failure of GP BRANDS, INC. to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of GP BRANDS, INC.'s right to demand exact compliance with any of the terms in this Agreement. No waiver or acceptance by GP BRANDS, INC. of any particular breach or default by Franchisee, nor any delay, forbearance, or omission by GP BRANDS, INC. to act or give notice of default or to exercise any power or right arising by reason of default hereunder, nor acceptance by GP BRANDS, INC. of payments due hereunder, shall be considered a waiver or acceptance by GP BRANDS, INC. of any preceding or subsequent breach or default by Franchisee of any term, covenant or condition of this Agreement.
- 18.2 No warranty or representation is made by GP BRANDS, INC. that all franchise agreements heretofore or hereafter issued by GP BRANDS, INC. for Stores do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that GP BRANDS, INC. may, in its reasonable business judgment, due to local business conditions, or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other franchisees of GP BRANDS, INC. in a non-uniform manner.
- 18.3 No amendment, change or variance from the terms and conditions in this Agreement shall be binding on either GP BRANDS, INC. or Franchisee except by mutual written agreement signed by both parties to this Agreement.

## **19. NOTICES**

All notices and other communications (including notices of default or termination) permitted or required to be given under this Agreement shall be deemed to be delivered: (a) at the time personally delivered to GP BRANDS, INC.'s Headquarters (if delivered to GP BRANDS, INC.) or Franchisee's address for the Franchisee's Store at the Location as described in this Agreement (if to Franchisee); (b) on the next day after placing in the hands of a commercial courier service or the United States Postal Service for Express Next Day Delivery; or (c) five

days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid and addressed to the GP BRANDS, INC.'s Headquarters (if to GP BRANDS, INC.) or Franchisee's address for the Franchisee's Store at the Location (if to Franchisee), or on the date of actual receipt, whichever is earlier.

## **20. GOVERNING LAW AND DISPUTE RESOLUTION**

### **20.1 Validity, Choice of Law, Venue and Jurisdiction**

- a. This Agreement shall become valid and effective when counter-signed and accepted by GP BRANDS, INC. The Effective Date of this Agreement shall be the date when signed and accepted by GP BRANDS, INC. This Agreement shall be deemed made and entered into in the State of Florida and shall be governed and construed under and in accordance with the laws of the State of Florida without giving effect to any conflict of laws, except: (i) that the Non-Competition and Non-Solicitation Agreement (**Exhibit "B"** to GP BRANDS, INC.'s UFDD) shall be deemed made and entered into, and governed and construed under and in accordance with, the laws of the State that is determined by the "Choice of Law" provision (Section 10) of such Non-Competition and Non-Solicitation Agreement; and (ii) to the extent governed by such federal laws protective of GP BRANDS, INC.'s or GP BRANDS, INC.'s affiliates' intellectual property rights in the Marks, in the Method, in the Standards, in the Store Set-Up Manual, in the Operations Manual, in the GP Rate Pro Software, and/or in any of GP BRANDS, INC.'s other intellectual properties, including but not limited to, the Federal Trademark Act, the Federal Copyright Act, the Federal Lanham Act and the Federal Uniform Trade Secrets Act.
- b. Exclusive venue and jurisdiction of any suit arising hereunder shall lie within the courts of the State of Florida, located in Tampa, Florida or within the courts of the United States of America located within the Middle District of Florida.

### **20.2 Mediation**

- a. Subject to the limitation provided in the last sentence of this Section 20.2(a), and subject to Section 20.2(b), either party may attempt to resolve the controversy or claim arising out of or relating to this Agreement (a "Dispute") prior to initiating a suit through mediation conducted in accordance with the Commercial Mediation Rules of The American Arbitration Association, unless the parties agree on alternative rules and a mediator within 15 days after either party first gives notice of such Dispute (the "Mediation Notice"). Upon receipt of notice that a party wishes to attempt to resolve the controversy through mediation, the parties pledge not to pursue any legal action until after the conclusion of mediation. Mediation shall be conducted at GP BRANDS, INC.'s Headquarters or at the office of GP BRANDS, INC.'s attorney, at the option of GP BRANDS, INC. The fees and expenses charged by the mediator shall be shared equally by the parties. The mediator shall be disqualified as a witness, expert or counsel for any party with respect to the Dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under Florida and other applicable laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views, and opinions of the mediator and the parties shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence that is otherwise discoverable or admissible shall not be excluded from discovery as a result of its use in the mediation. Mediation shall be deemed completed 30 days after the date of the Mediation Notice unless extended by mutual

consent of the parties.

- b. GP BRANDS, INC. shall not be required to attempt to first mediate a controversy or claim against Franchisee through mediation as provided in Section 20.2(a) if such claim or controversy concerns an allegation or allegations by GP BRANDS, INC. that Franchisee has violated (or threatens to violate or poses an imminent risk of violating) any of GP BRANDS, INC.'s federally protected intellectual property rights in the Marks, in the Method, in the Standards, in the Store Set-Up Manual, in the Operations Manual, in the GP Rate Pro Software, or in any of GP BRANDS, INC.'s other intellectual properties, in which case GP BRANDS, INC. shall reserve (and hereby reserves) the right to immediately seek injunctive relief, civil damages, ex parte seizure and other available remedies within the courts of the State of Florida or United States of America located within Tampa, Florida or the Middle District of Florida, as the case may be.
- 20.3 GP BRANDS, INC. may be granted injunctive relief without the necessity of a bond, but upon notice; provided no prior notice shall be required in the event Franchisee counterfeits the Marks, the Standards, or the Method and GP BRANDS, INC. pursues available ex-parte remedies.
- 20.4 IN ALL CASES EXCEPT WHERE EXPRESSLY PROHIBITED BY APPLICABLE STATUTORY LAW, FRANCHISEE AND GP BRANDS, INC. EACH WAIVES ANY RIGHT TO A TRIAL BY JURY.
- 20.5 If GP BRANDS, INC. institutes any action at law or in equity against Franchisee to secure or protect GP BRANDS, INC.'s rights under or to enforce this Agreement, in addition to any judgment entered in its favor, GP BRANDS, INC. shall be entitled to recover such reasonable attorneys' fees and costs as may be allowed by the court, together with court costs and expenses of litigation.
- 20.6 **To the extent the UFDD of GP BRANDS, INC. which included this Agreement which has been signed by Franchisee, also included a state-specific Addendum as Exhibit "H" which contained additions, modifications or other changes to this Agreement mandated by the laws of the State of residency of Franchisee (hereinafter any such state-specific Addendum being referred to as the "Applicable State-Specific Addendum"), such Applicable State-Specific Addendum is incorporated in this Agreement and shall, to the extent required by the laws of the State of Franchisee's residency, supersede and take precedence over any contrary, conflicting or inconsistent provisions in this Agreement.**

## 21. SEVERABILITY AND CONSTRUCTION

- 21.1 Every part of this Agreement will be considered severable as provided below.
- a. If, after application of any Applicable State-Specific Addendum, a court of competent jurisdiction declares any provision of this Agreement (or any exhibit or other document referred to in this Agreement) pertaining to the subject matters referenced in Section 21.1(b) to be invalid or unenforceable, but such provision could be rendered valid and enforceable if modified, then Franchisee and GP BRANDS, INC. hereby agree that such provision shall be deemed modified to the extent required to make it valid and enforceable to the fullest extent under applicable state law and public policy.

- b. The subject matters that are made subject to Section 21.1(a) are any provisions of this Agreement (or any exhibit or other document referred to in this Agreement) pertaining to (i) termination of this Agreement, (ii) non-renewal of this Agreement, (iii) designation of jurisdiction and venue for dispute resolution proceedings, (iv) waivers of right to a jury trial, (v) "choice of law" provisions that specify which state's law would apply in a dispute resolution proceeding, (vi) certain types of mandatory franchisee "releases" or "waivers", and (vii) any other provision that is governed by any Applicable State-Specific Addendum or is otherwise inconsistent with a valid and applicable state law that was specifically intended to protect the rights of franchisees.
- c. If a mediator, arbitrator or court of competent jurisdiction declares any provision of this Agreement (or any exhibit or other document referred to in this Agreement), other than the provisions corresponding to the subject matters referenced in Section 21.1(b), to be invalid or unenforceable, but such provision could be rendered valid if modified, then Franchisee and GP BRANDS, INC. hereby agree that GP BRANDS, INC. shall have the right, in its sole discretion, to modify such invalid or unenforceable provision(s) to the extent necessary to render such provision(s) valid and enforceable, including, without limitation, the right to delete the provision in its entirety.
- d. Should any provision of this Agreement be found invalid or unenforceable as presented in the above provisions of this Section 21.1, the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties to this Agreement declaring that they would have signed this Agreement without inclusion of such provision. In the event that such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this Section 21.1 shall operate only upon such provision to the extent that the laws of such jurisdiction are applicable to such provision. Each party shall sign and deliver to the other any further documents that may be reasonably required to effectuate fully the provisions hereof.

21.2 This Agreement and all other agreements and writings referred to in this Agreement, including but not limited to the Exhibits, the Non-Competition and Non-Solicitation Agreement, the Continuing Personal Guaranty (to the extent applicable), the Domain Name License Agreement (to the extent applicable), the UFDD, the Store Set-Up Manual, the GP BRANDS, INC. Operations Manual, the Method, and the Standards and Specifications referred to in this Agreement, contain the entire agreement of the parties pertaining to the subject matter hereof and no prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the parties not expressly provided in this Agreement shall be of any force and effect. The terms of all Exhibits to this Agreement and, to the extent not inconsistent with or contrary to the provisions hereof, all agreements and writings referred to in this Agreement, including in particular, but not limited to, GP BRANDS, INC.'s UFDD (and all supplements and amendments thereto made by GP BRANDS, INC. throughout the Term), are hereby incorporated into and made a part of this Agreement as if the same had been expressly recited in this Agreement in full.

21.3 The table of contents, headings and captions contained in this Agreement are for the purpose of convenience and reference only and are not to be construed as part of this Agreement. All terms used in this Agreement shall be construed to include the number and gender as the context of this Agreement may require. As used in this Agreement the words

“include”, “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, acceptance, approval or authorization by GP BRANDS, INC. which Franchisee may be required to obtain hereunder may be given or withheld by GP BRANDS, INC. in its sole discretion, and on any occasion where GP BRANDS, INC. is required or permitted hereunder to make any judgment or determination, including any decision as to whether any condition or circumstance meets GP BRANDS, INC.’s Standards and Specifications or GP BRANDS, INC.’s satisfaction, GP BRANDS, INC. may do so in its sole subjective judgment. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. To the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties to this Agreement. GP BRANDS, INC. and Franchisee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provisions unenforceable, then the provision shall be given the meaning that renders it enforceable. The parties agree that each Section of this Agreement shall be construed independently of any other section or provision of this Agreement.

## **22. MISCELLANEOUS**

- 22.1 In addition to all other remedies granted in this Agreement, if Franchisee shall default in the performance of any of its obligations or breach any term or condition of this Agreement or any related agreement, GP BRANDS, INC. may at its sole discretion, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to Franchisee, cure such default for the account and on behalf of Franchisee, and the cost to GP BRANDS, INC. of effecting any such cure shall be due and payable on demand and shall be deemed to be additional compensation due to GP BRANDS, INC. hereunder and shall be added to the amount of compensation next accruing hereunder, at the election of GP BRANDS, INC., and may be charged against any credit card Franchisee has allocated toward payment of Royalties or paid out of any bank account Franchisee has designated under any electronic funds transfer arrangement between the parties established hereunder for payment of Royalties.
- 22.2 This Agreement may be signed in any number of counterparts and copies, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
- 22.3 The submission of this Agreement does not constitute an offer or acceptance by GP BRANDS, INC. and this Agreement shall not be deemed valid, effective or binding upon GP BRANDS, INC. until such time as GP BRANDS, INC. accepts it and it is signed by an authorized officer on behalf of GP BRANDS, INC..
- 22.4 Franchisee and its Owners jointly and severally acknowledge that they have carefully read and understand this Agreement and all other related documents to be signed concurrently or in conjunction herewith (including in particular the UFDD, the Non-Competition and Non-Solicitation Agreement attached as **Exhibit “B”** to the UFDD, and, if applicable, the Continuing Personal Guaranty attached as **Exhibit “K”** to the UFDD and the Domain Name License Agreement attached as **Exhibit “L”** to the UFDD), that they have had the opportunity to consult with legal counsel, accountants and financial advisors in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and to be bound hereby. Franchisee and its Owners

and Managers signing below, if any, represent, warrant and covenant that they received a copy of GP BRANDS, INC.'s current Franchise Disclosure Document at least fourteen (14) calendar days before any of them signed this Agreement or paid any money to GP BRANDS, INC., that they read and reviewed a copy of GP BRANDS, INC.'s current Franchise Disclosure Document in its entirety, and that this Agreement which has been signed by each of them is in all material respects identical to that Franchise Agreement which was attached as Exhibit "A" to the specific copy of GP BRANDS, INC.'s current Franchise Disclosure Document which was so received, read and reviewed; and to the extent any material alterations were unilaterally made by GP BRANDS, INC. to this Agreement as compared to the Franchise Agreement which was attached as **Exhibit "A"** to the specific GP BRANDS, INC. Franchise Disclosure Document each of them received, read and reviewed, they received and reviewed a copy of this Agreement at least seven (7) calendar days before any of them signed this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be signed effective as of the date of counter execution by GP BRANDS, INC.'s authorized signing officer shown as follows:

**"FRANCHISEE"**

If the "Franchisee" is a legal entity (corporation, limited liability company, partnership, etc.) then (i) enter the name of the entity Franchisee in the following space:

\_\_\_\_\_, (ii) each equity owner of the Franchisee must sign below (attach additional sheet if necessary) and must sign the Continuing Personal Guaranty (attached as **Exhibit "K"** to GP BRANDS, INC.'s UFDD), and (iii) in the lines appearing below each signature line, print the name(s) of the person(s) that are signing this Agreement, and print their title within such entity (president, partner, manager, member, etc.). If the Franchisee is not a legal entity at the time of signing, but rather one or more individual persons, then do not fill in the title lines below.

1: \_\_\_\_\_, 20 \_\_\_\_  
Signature of Franchisee or equity owner if Franchisee is a legal entity      Date

\_\_\_\_\_  
Printed Name of Person that signed above

\_\_\_\_\_  
Title of person that signed above

2: \_\_\_\_\_, 20 \_\_\_\_  
Signature of Franchisee or equity owner if Franchisee is a legal entity      Date

\_\_\_\_\_  
Printed Name of Person that signed above

\_\_\_\_\_  
Title of person that signed above

3: \_\_\_\_\_  
Signature of Franchisee or equity owner if Franchisee is a legal entity

\_\_\_\_\_, 20 \_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Person that signed above

\_\_\_\_\_  
Title of person that signed above

**"GP BRANDS, INC."**  
FOR GP BRANDS, INC.

GP BRANDS, INC.  
A Florida Corporation

BY: \_\_\_\_\_  
Authorized Signing Officer

\_\_\_\_\_, 20 \_\_\_\_  
Date

\*Date of GP Brands, Inc.'s Counter Signature is "Effective Date" of this Franchise Agreement

\_\_\_\_\_  
Print Name of Officer  
Title of Officer: \_\_\_\_\_

**EXHIBIT "A"**  
**TO**  
**GOIN' POSTAL**  
**FRANCHISE AGREEMENT**





**EXHIBIT “B” TO GOIN’ POSTAL  
FRANCHISE AGREEMENT**

**ADDENDUM TO CONTRACT/AGREEMENT  
FOR SALE AND PURCHASE**

**THIS ADDENDUM** is made and entered into by and between \_\_\_\_\_ *[insert name of individual or entity who is selling the business]* with a principal address of \_\_\_\_\_  
\_\_\_\_\_ (hereinafter for purposes of this Addendum such party being referred to as the “Seller”), and \_\_\_\_\_  
*[insert name of individual or entity who is buying the business]* with a principal address of \_\_\_\_\_  
\_\_\_\_\_ (hereinafter for purposes of this Addendum such party being referred to as the “Buyer”).

**WITNESSETH:**

**WHEREAS**, Seller is the owner and operator of a packaging and shipping business located at \_\_\_\_\_ *[insert the business address for the location of the business being sold by Seller to Buyer]*;

**WHEREAS**, such business is being operated by Seller as a Goin’ Postal franchise (hereinafter for purposes of this Addendum such franchised business being referred to as the “Goin’ Postal Store”);

**WHEREAS**, this Addendum is being entered into for purposes of both Seller and Buyer recognizing and acknowledging that Seller does not have the rights, without the approval and consent of GP Brands, Inc. (hereinafter referred to as the “Franchisor”), and without Buyer satisfactorily completing all conditions precedent imposed by the Franchisor on such transfer, to transfer to Buyer the Goin’ Postal franchise or any of the rights or entitlements thereunder.

**NOW, THEREFORE**, for and in consideration of the mutual covenants, representations, warranties and promises contained in this Addendum, the parties to this Addendum agree as follows:

1. Both Seller and Buyer recognize, agree, acknowledge and understand that, without the prior

written consent of Franchisor and without Buyer satisfactorily complying with all conditions imposed by the Franchisor to both issue such consent and to accept and approve Buyer as a Goin' Postal franchisee, Seller does not have any rights to transfer, and Buyer does not have any rights or entitlements to receive, use or operate any of the following: (i) to continue operating the Goin' Postal Store; (ii) to any of the rights and benefits under the Goin' Postal Franchise Agreement under which Seller is a party, or to be or become a Goin' Postal franchisee; (iii) to continue using the Goin' Postal name or any of the other trademarks, service marks, logos, slogans, color schemes or other property rights of the Franchisor and/or of Goin' Postal, Inc.; (iv) to any territorial rights Seller possesses under the Goin' Postal Franchise Agreement to which Seller is a party; (v) to continue using the proprietary copyrighted software of the Franchisor or any of the copyrighted manuals of Franchisor; (vi) to use any of the Goin' Postal advertising or promotional materials; and (vii) to implement, use or otherwise benefit from any of the other entitlements of a Goin' Postal franchisee.

2. It is further recognized, agreed, acknowledged and understood by both Seller and Buyer that, in addition to those other requirements imposed upon Seller under the Goin' Postal Franchise Agreement to which Seller is a party, including payment of all transfer fees and other monetary obligations due thereunder, the following requirements and conditions must be met to the full satisfaction of Franchisor as a condition to any transfer of Seller's Goin' Postal franchise and to any acceptance and approval of Buyer as a Goin' Postal franchisee:

(a) The Buyer and its owners and principals shall receive, duly receipt for, and return a fully initialed and signed current Goin' Postal Franchise Disclosure Document, in strict compliance with all requirements of such Disclosure Document;

(b) The Buyer and its owners and principals shall demonstrate to Franchisor's satisfaction that the Buyer and its owners and principals meet Franchisor's educational, managerial, and business standards; possess a good moral character, business reputation, and credit rating; have the aptitude and ability to conduct the Goin' Postal franchise and the business conducted at the Goin' Postal Store (as may evidenced by prior related business experience or otherwise); have adequate financial resources and capital net worth to operate the Goin' Postal franchise and associated Goin' Postal Store business; and otherwise meet the Franchisor's then current criteria for new Goin' Postal franchisees;

(c) The Buyer (and, if the Buyer is other than an individual, such principals and/or owners of a beneficial interest in the Buyer as Franchisor may request) shall sign, for a new fifteen (15) year term, the standard, current form of Franchise Agreement currently being offered to new Goin' Postal franchisees and all such other ancillary and associated documents and agreements as Franchisor may require, including, but not limited to, the current Non-Competition and Non-Solicitation Agreement and the current Continuing Personal Guaranty (as applicable), which agreements shall supersede Seller's Goin' Postal Franchise Agreement in all respects and may differ from the terms of Seller's Goin' Postal Franchise Agreement; nevertheless, Buyer will continue to be bound to the terms, and be bound by the other obligations of Seller, under Seller's Goin' Postal Franchise Agreement;

(d) The Buyer, at Buyer's expense, shall perform any upgrades and renovations of and to the Goin' Postal Store to conform to the current standards and specifications of Franchisor for new Goin' Postal franchisees;

(e) At the Buyer's expense, the Buyer, and, if applicable, the Buyer's principals, owners, managers and designated primary operator(s), must attend and satisfactorily complete all training programs currently in effect for Goin' Postal franchisees and upon such terms and conditions as Franchisor may reasonable require;

(f) The Buyer shall agree to and enter into a sublease or an assignment and assumption of the Lease of Seller's Goin' Postal Store site and shall obtain the landlord's approval, if required, prior to any such transfer or sublease, if applicable; and, unless otherwise agreed to in advance in writing by Franchisor, Buyer shall continue to operate Seller's Goin' Postal Store at the business premises Location under said Lease and as reflected hereinabove. Both Buyer and Seller recognize and acknowledge that the Franchise Agreement to be signed by Buyer, if approved by Franchisor as a Goin' Postal franchisee, provides for the possibility of relocating a franchisee's Goin' Postal Store with the prior written approval of Franchisor. Any approved relocation by Buyer of Seller's Goin' Postal Store, and any approval or assistance by Franchisor in connection with any relocation by Buyer of Seller's Goin' Postal Store, shall not

result in any liability or culpability, of any nature whatsoever, on the part of Franchisor (either to Buyer or Seller) in connection with any such relocation (it being acknowledged by both Buyer and Seller that Franchisor's rights under the Franchise Agreement signed by Buyer are superior to and take precedence over any of the rights of Buyer and Seller under the particular contract/agreement between them providing for the sale of the Goin' Postal Store from Seller to Buyer);

(g) Franchisor shall have received timely notice of the intended sale of the Goin' Postal franchise business and Franchisor shall have effectively waived its rights of first refusal to purchase Seller's Goin' Postal business;

(h) The Seller shall have otherwise complied with all conditions precedent provided in Seller's Goin' Postal Franchise Agreement for the consent and approval of Franchisor for the transfer of the Goin' Postal franchise; and

(i) Buyer and Seller shall have each have completed, initialed (where applicable), signed and delivered to Franchisor, together with a signed copy of this Addendum, the Franchise Transfer Acknowledgment attached to this Addendum as **Exhibit "A"** and incorporated in this Addendum by this reference.

3. This Addendum and the Franchise Agreement and other agreements signed by Buyer in order to become a Goin' Postal Franchisee, and all rights and entitlements thereunder, shall control and supersede any contrary or conflicting provisions within the particular contract/agreement between Seller and Buyer pertaining to Seller's sale of the Goin' Postal Store and associated packaging and shipping business to Buyer to which this Addendum is made a part.

"Buyer"

"Seller"

\_\_\_\_\_

\_\_\_\_\_

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

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

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

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

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

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

**EXHIBIT “A” TO ADDENDUM**  
**Franchise Transfer Acknowledgment**

This Acknowledgment is made between \_\_\_\_\_ (hereinafter known as the “Seller”) and \_\_\_\_\_ (hereinafter known as the “Buyer”).

The Seller has agreed to sell, and the Buyer has agreed to purchase, the Goin’ Postal Shipping Store Franchise located at \_\_\_\_\_ (address), (hereinafter known as the “Goin’ Postal Store”).

**Buyer** acknowledges that he, she or it must sign the currently effective Franchise Agreement and Non-Competition and Non-Solicitation Agreement applicable to all new Goin’ Postal franchisees, but will nevertheless be bound by the terms and conditions provided in the original Franchise Agreement signed by the Seller. The expiration date of the new Franchise Agreement shall be 15 years from the “Effective Date” of the new Franchise Agreement to be signed by the Buyer.

\_\_\_\_\_[Buyer’s Initials]

**Buyer** will pay a non-refundable transfer fee of **US\$5,000.00** (five thousand dollars) with the submission of this Acknowledgment and the Addendum to which it is attached to GP Brands, Inc. (the “Franchisor”). This payment must be made either by check or credit card.

\_\_\_\_\_[Buyer’s Initials]

**Buyer** accepts sole responsibility for the continuing customer service at the Goin’ Postal Store. Buyer understands that he, she or it may attend a one (1) week training class at the Franchisor’s headquarters in Zephyrhills, Florida. While there is no charge for this training apart from the \$5,000.00 transfer fee, the Buyer is solely responsible for all Buyer’s personal travel and related expenses.

\_\_\_\_\_[Buyer’s Initials]

**Buyer** agrees to continue to pay on a monthly basis all royalties as specified in the new Franchise Agreement at the then established monthly rate under Franchisor’s currently effective Franchise Agreement actually signed by Buyer in connection with the transfer (commencing January 1, 2022, \$525.00 per month, with projected increases planned for each calendar year thereafter). Buyer acknowledges and understands that this monthly royalty obligation continues uninterrupted even during any transitional period occurring in connection with any approved relocation of the Goin’ Postal Store.

\_\_\_\_\_[Buyer’s Initials]

**Buyer** understands that he, she or it is not purchasing any rights to any Goin’ Postal Marks, copyrights or proprietary materials, and that they are only licensed through and in accordance with the terms and limitations of the Franchise Agreement.

\_\_\_\_\_[Buyer’s Initials]

**Buyer** understands that he, she or it is not purchasing any rights to any existing territory which may have been assigned or allocated to the Goin’ Postal Store under Seller’s original Franchise Agreement, and that Franchisor will provide a newly assigned and allocated territory for the Goin’ Postal Store upon Buyer’s purchase of it, the size, dimensions and limits of which will be as prescribed in Franchisor’s then current UFDD and the Franchise Agreement

Buyer will be required to sign in order to become a Goin' Postal franchisee.

\_\_\_\_\_ [Buyer's Initials]

**Buyer**, if an entity, shall as a condition to any transfer to Buyer of the Goin' Postal Store, have each of its equity Owners sign the then current Continuing Personal Guaranty applicable to all new entity Goin' Postal franchisees.

\_\_\_\_\_ [Buyer's Initials]

**Buyer & Seller** both acknowledge and agree that this Franchise Transfer Acknowledgment, the Addendum to which this Franchise Transfer Acknowledgment was attached as **Exhibit "A"** (the "Addendum"), the Franchise Agreement and other agreements Buyer will sign upon becoming a Goin' Postal franchisee (such Franchise Agreement and other agreements being referred to as the "Franchise Documents"), and all of the rights, entitlements, benefits and protections of Franchisor under and/or protected by the foregoing, are superior to and take precedence over any rights, benefits, duties and obligations of Buyer and Seller under the particular contract/agreement between them which provided for the sale by Seller to Buyer of the Goin' Postal Store and the shipping and packaging business conducted at such Store (such contract/agreement being referred to as the "Buyer/Seller Sale Agreements"). In enforcing, exercising or protecting any of its rights, entitlements, benefits, or protections under the Franchise Documents, Franchisor shall have no duty or responsibility to determine, ascertain, comply with or abide by, nor shall Franchisor be liable or accountable to either Buyer or Seller for any resulting interference with or resulting breach of, any of the specific terms, provisions, duties or prohibitions under the Buyer/Seller Sale Agreements. In particular, but without limitation of the foregoing, Franchisor shall have no liability or accountability to Buyer or Seller for any interference with, or resulting breach of, the Buyer/Seller Sale Agreements associated with any communications between Franchisor and Buyer concerning a relocation of the Goin' Postal Store, as is permitted by the Franchise Documents, or by virtue of any approval of or assistance with such a relocation by Franchisor (it being understood, however, that Buyer shall have no right to change the Location of the Goin' Postal Store without Franchisor's prior written approval).

\_\_\_\_\_ [Buyer's Initials] \_\_\_\_\_ [Seller's Initials]

**Seller** accepts and continues to be bound by the Non-Competition and Non-Solicitation Agreement signed by Seller in conjunction with the original Franchise Agreement. The time period stated in the Non-Competition and Non-Solicitation Agreement begins upon the date of Closing of the sale of the Goin' Postal Store to Buyer.

\_\_\_\_\_ [Seller's Initials]

**Seller & Buyer** both release GP Brands, Inc., its affiliates, and their respective officers, directors, agents, representatives, owners and employees from any and all claims and liabilities that may have arisen during the Term of the Seller's original Franchise Agreement.

\_\_\_\_\_ [Seller's Initials] \_\_\_\_\_ [Buyer's Initials]

We the undersigned agree to and accept to be bound by this Acknowledgment, the Addendum to which it is attached and the original Franchise Agreement and Non-Competition and Non-Solicitation Agreements. Buyer agrees in addition to be bound by the newly signed Franchise Agreement and Non-Competition and Non-Solicitation Agreement.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Date

Please send this Acknowledgment, the Addendum to which it is attached, transfer fee payment of \$5,000.00, fully completed (including all initials and signatures) UFDD/Franchise Agreement/Non-Competition and Non-Solicitation Agreement/Continuing Personal Guaranty (as applicable)/Domain Name License Agreement (as applicable), and a copy of the signed Buyer/Seller Sale Agreements to:

Attn: Transfers  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542  
(813) 782-1500

Received and accepted Date: \_\_\_\_\_

\_\_\_\_\_  
Officer for GP Brands, Inc.

**EXHIBIT "C"**  
**TO**  
**GOIN' POSTAL**  
**FRANCHISE AGREEMENT**

**GOIN' POSTAL**  
**FRANCHISEE DE-IDENTIFICATION CHECKLIST**

1. Return all confidential manuals and materials, including Store Set-Up Manual and New Franchisee Primer and Operations Manual;
2. Remove, replace, cover, or alter so as to delete GP BRANDS, INC.'s Marks, all items from your Store which bear GP BRANDS, INC.'s Marks and design logo and which are not required to be returned to GP BRANDS, INC., including signs, brochures, flip charts, business cards, name tags, stationery, invoices, and any other forms or documents, and cease using the Marks and design logo for any purpose;
3. Cease using any of GP BRANDS, INC.'s computer software, including GP BRANDS, INC.'s GP Rate Pro Software, and return without making or retaining any copy all associated disks, CD's and manuals to GP BRANDS, INC.;
4. Take reasonable steps to inform all clients, customers, vendors and others with whom you do business that the Store is no longer affiliated with GP BRANDS, INC. or GP BRANDS, INC.'s Goin' Postal Franchise Chain, and that you no longer offer any retail shipping or postal services at your Location, including:
  - a. change name of the Store and cease using the Goin' Postal name or any of GP BRANDS, INC.'s Marks;
  - b. distribute notices to the customers, vendors, etc., including those customers maintaining post office boxes, informing them that as of a certain date, the business will be operated independently from the Goin' Postal Franchise Chain and there will no longer be any affiliation with GP BRANDS, INC. or GP BRANDS, INC.'s Goin' Postal Franchise Chain and the business will no longer offer retail shipping or postal services;
  - c. inform them that the new business will cancel all existing contracts and will provide refunds to those who are terminated (customers who rent post office boxes should be notified to pick up mail, close out the post office box and submit a change of address notice to the applicable local United States Post Office); and
  - d. post a conspicuous notice in the reception area which states that this is an independently operated business and not affiliated with GP BRANDS, INC. or GP BRANDS, INC.'s Goin' Postal Franchise Chain, and no longer offers retail shipping or postal services.
5. Notify the local telephone company(ies) of the change in name of Franchisee's business operations, advise telephone company(ies) to change the directory assistance listing, cancel white and yellow page listings and advertisements and replace them with a listing under a new name if there is a permitted continuation of the business and inform the telephone company(ies) that future yellow page advertisements should no longer bear the name Goin' Postal or contain any other of GP BRANDS, INC.'s Marks. In addition to the above steps, take other steps imposed by GP

BRANDS, INC. to ensure that no “likelihood of confusion” exists;

6. Since GP BRANDS, INC. uses a particular set of colors which is unique to it, change the color scheme of the Store. Redecoration, at Franchisee’s expense, may also be required;
7. If GP BRANDS, INC. does not assume the lease obligation of the Store, notify the landlord that the new business is no longer affiliated with GP BRANDS, INC. or GP BRANDS, INC.’s Goin’ Postal Franchise Chain. At GP BRANDS, INC.’s request, an amended lease must be signed which will remove the right to conduct a retail shipping and postal business at the leased premises;
8. Cease, desist and refrain from using, and discontinue any further use of, any of GP BRANDS, INC.’s Marks, including the name Goin’ Postal, the Goin’ Postal trademarks, or any related, similar, comparable, or derivative name or mark and immediately proceed to change the business name of your Store by removing any and all signs, posters, displays, advertisements and every other form or manner of name reference or usage of any of GP BRANDS, INC.’s Marks, including the name Goin’ Postal and the Goin’ Postal trademark and registered logo “your friendly neighborhood shipping center”, the slogan and tag line “Delivering the Best of America”, and any and all related, similar, comparable or derivative names, logos, slogans, tag lines or marks, including the cartoon depiction of a Goin’ Postal parcel carrier or any other aspect or reproduction of any of GP BRANDS, INC.’s Marks;
9. Cease, desist and refrain from using, and discontinue any further use of, any and all materials bearing or containing any of the GP BRANDS, INC.’s Marks, as well as GP BRANDS, INC.’s Store Set-Up and Operations Manuals and Materials, including all webpage materials, e-mail addresses, fictitious name (i.e. d/b/a) registrations, stationery, business cards, checks and banking records, advertisements, computer data systems and electronic forms and any and all other similar or related items or materials which bear or contain any of GP BRANDS, INC.’s Marks or which are part of GP BRANDS, INC.’s Store Set-Up Manual, Operations Manuals, website materials (including those within the secure password protected Owners’ Section) or other Materials. All such proprietary items must be returned to GP BRANDS, INC. within 15 days of the Termination;
10. Return to GP BRANDS, INC. within 15 days of the Termination all GP BRANDS, INC. Store Set-Up Manuals, Operations Manuals and other Materials, including any computer programs, computer hardware and software, or computer disks developed by or belonging to GP BRANDS, INC., training materials, all materials pertaining to the establishment and set up of a Goin’ Postal franchise and Store, and other of GP BRANDS, INC.’s Methods, Standards and Systems, and all other written materials, computer oriented materials and similar materials and documentation developed by or related to or otherwise pertaining to the Goin’ Postal franchising system and Goin’ Postal franchises, and immediately discontinue all further use of each and every one of those designated items and materials;
11. The Franchisee must immediately cease, desist and refrain from holding itself out as a franchisee of GP BRANDS, INC. or of the Goin’ Postal Franchise Chain, cease using all advertising materials, displays, forms and other materials bearing the name Goin’ Postal or any of the other GP BRANDS, INC.’s Marks, discontinue any and all indicia of any nature whatsoever of any association with GP BRANDS, INC. or the operation of a Goin’ Postal franchise, including changing the internal and external color schemes at the Store, and cease conducting any retail shipping and/or postal business at Franchisee’s Store or at the Location;
12. Notify all other vendors, suppliers, lenders, creditors, utility companies and other third parties with whom Franchisee does business of the name change of the business operation at the Store and that Franchisee is no longer part of the Goin’ Postal Franchise Chain and no longer doing business under the Goin’ Postal name or doing business as a retail shipping and postal business; and



13. Strictly abide by and refrain from violating in any way all covenants and agreements contained within the Non-Competition and Non-Solicitation Agreement signed by Franchisee in conjunction with this Agreement.

**EXHIBIT "B" TO UNIFORM FRANCHISE DISCLOSURE DOCUMENT**  
**NON-COMPETITION AND NON-SOLICITATION AGREEMENT**

This Non-Competition and Non-Solicitation Agreement ("Agreement") is entered into by and between GP Brands, Inc. and \_\_\_\_\_ ("Covenantor"), and becomes effective on the Effective Date of the Franchise Agreement once counter-signed by GP BRANDS, INC.. **THIS AGREEMENT IS MADE SUBJECT TO ANY PROVISIONS OF ANY EXHIBIT "H" ATTACHED TO THE DISCLOSURE DOCUMENT WHICH INCLUDED THIS NON-COMPETITION AND NON-SOLICITATION AGREEMENT PRESENTED TO AND SIGNED BY COVENANTOR AND WHICH SPECIFICALLY AND EXPRESSLY RELATE TO THE STATE OF FRANCHISEE'S RESIDENCY.**

**RECITALS**

**WHEREAS**, Covenantor is either (1) the "Franchisee" named in the Franchise Agreement ("Franchise Agreement") that is being signed in conjunction with this Agreement and from and as a result of which this Agreement is being signed, and/or (2) an equity owner of the legal entity that is named as the Franchisee in the Franchise Agreement ("Covenantor" shall for all purposes under this Agreement mean and refer to the entity (if Franchisee is an entity), all equity owners of such entity, and all managers and/or primary operators of Franchisee's "Store");

**WHEREAS**, Covenantor acknowledges that GP BRANDS, INC. has a legitimate business interest in protecting its franchise and franchisees from unfair competition by an existing or former franchisee that has had special, intimate knowledge of GP BRANDS, INC.'s methods and trade secrets and confidential information for the operation of a Goin' Postal shipping store;

**WHEREAS**, Covenantor acknowledges that GP BRANDS, INC. has a legitimate business interest in protecting its franchises and franchisees from unfair competition by an existing or former franchisee that transfers (without GP BRANDS, INC.'s permission) the goodwill associated with GP BRANDS, INC.'s proprietary and protected marks and business practices to a business that competes with GP BRANDS, INC.'s franchisees;

**WHEREAS**, Covenantor acknowledges that GP BRANDS, INC. has a legitimate business interest in protecting its franchises and franchisees from unfair competition by an existing or former franchisee that is able to take advantage of the knowledge and experience gained in running a Goin' Postal shipping store, and use such knowledge and experience in operating a new competing business without having to continue to pay royalties and other fees for such information, thereby placing other franchisees at a competitive disadvantage;

**WHEREAS**, Covenantor acknowledges that GP BRANDS, INC. has a legitimate business interest in re-franchising the formerly protected territory of a former franchisee, and GP BRANDS, INC. would suffer irreparable damage absent this Agreement because it would be unable to attract new franchisees to the area served by its former franchisee;

**WHEREAS**, Covenantor acknowledges that GP BRANDS, INC. has a legitimate business interest in protecting its franchises and franchisees from unfair competition by an existing or former franchisee who (1) diverts business and customers from a current or former Goin' Postal store to a competitor of GP BRANDS, INC., or (2) induces or attempts to induce an employee of any Goin' Postal store to discontinue their employment with the store;

**WHEREAS**, Covenantor acknowledges that GP BRANDS, INC. requires the execution of this Agreement as an ancillary requirement to GP BRANDS, INC.'s simultaneous grant of a franchise to Covenantor or a legal entity of which Covenantor is an equity owner.

**NOW, THEREFORE**, in express acknowledgement and recognition of the importance of the foregoing recitals, the parties agree as follows:

### **1. Consideration In Exchange for Covenantor's Covenants in This Agreement**

Covenantor hereby expressly acknowledges and confirms that all of the valuable benefits, advantages and opportunities enjoyed by Covenantor immediately upon (and solely as a result of) Covenantor's (or as applicable, Covenantor's legal entity) becoming a franchisee under the Franchise Agreement (which occurs simultaneously and corresponding with, the execution of this ancillary Agreement), and the additional protection provided by this Agreement being signed by all other new franchisees, serve as valuable and adequate consideration received in simultaneous exchange for all of Covenantor's promises and covenants made in this Agreement below.

### **2. Covenantor's In-Term Non-Competition and Non-Solicitation Covenants**

During the term of the Franchise Agreement corresponding to this Agreement, and without geographic limits, Covenantor shall not, directly or indirectly (such as through corporations or other entities controlled by the Covenantor or by or through or in conjunction with any other individual person or persons including, but not limited to, Covenantor's spouse (if any) and employees):

- a. divert or attempt to divert any business or customer of any Store to any competitor or do anything injurious or prejudicial to the goodwill associated with GP BRANDS, INC.'s Marks, Standards, Method, GP BRANDS, INC.'s Goin' Postal Franchise Chain, or GP BRANDS, INC.'s business practices; and
- b. persuade, entice, or attempt to persuade or entice, any employee of any Goin' Postal Store to discontinue their employment with such Store; and
- c. own, maintain, engage in, be associated with, be employed by, advise, assist, invest in, be landlord to, franchise, or have any interest in any business which is the same or substantially similar to or competitive with any Goin' Postal shipping Store; and
- d. use, communicate, disseminate, provide access, or divulge to anyone at any time any confidential information or trade secrets of GP BRANDS, INC., or at any time copy, duplicate, record or otherwise reproduce any confidential information or trade secrets of GP BRANDS, INC., including without limitation those materials contained within the secure password protected Owners' Section of GP BRANDS, INC.'s website, except as expressly permitted in the Franchise Agreement.

### **3. Covenantor's Post-Term Non-Competition and Non-Solicitation Covenants**

- a. For purposes of this Section 3, the word "Conclusion" means the termination/expiration of the Franchise Agreement corresponding to this Agreement, regardless of whether such termination/expiration occurs prior to, or at the end of, such Franchise Agreement's 15 year term.
- b. Upon the Conclusion of the Franchise Agreement corresponding to this Agreement, and for the stated time period thereafter and geographic restriction provided below, Covenantor shall not, directly or indirectly (i.e. see explanation of indirectly in Section 2 above):

- (i) for a two (2) year period following the Conclusion of the Franchise Agreement corresponding to this Agreement and without geographic limitation, divert or attempt to divert any business or customer of any Store to any competitor, or do anything injurious or prejudicial to the goodwill associated with GP BRANDS, INC.'s Marks, Standards, Method or GP BRANDS, INC.'s Goin' Postal Franchise Chain; and
  - (ii) for a two (2) year period following the Conclusion of the Franchise Agreement corresponding to this Agreement and without geographic limitation, own, maintain, engage in, be associated with, be employed by , advise, assist, invest in or have any interest in any business which is the same as, or substantially similar to or competitive with any Goin' Postal shipping Store; and
  - (iii) for a two (2) year period following the Conclusion of the Franchise Agreement corresponding to this Agreement and without geographic limitation, persuade, entice or attempt to persuade or entice any employee of any Goin' Postal Store to discontinue their employment with such Store.
- c. Upon the Conclusion of the Franchise Agreement corresponding to this Agreement, Covenantor shall not, at any time, directly or indirectly (see Section 2 above for explanation of indirectly):
  - (i) communicate, disseminate, provide access, reveal or divulge to anyone, in whole or in part, any of the confidential information or trade secrets of GP BRANDS, INC.; and
  - (ii) use, copy, duplicate, record or otherwise reproduce at any time any of the confidential information or trade secrets of GP BRANDS, INC.; and
  - (iii) use in any manner whatsoever any of the Marks, the Standards, the Method, GP BRANDS, INC.'s Operations Manuals, GP BRANDS, INC.'s Store Set-Up Manuals, GP BRANDS, INC.'s GP Rate Pro Software, any of the materials contained within the secure password protected Owners' Section of GP BRANDS, INC.'s website, or any other proprietary or intellectual property rights of GP BRANDS, INC. and GP BRANDS, INC.'s Goin' Postal Franchise Chain, including, without limitation, any domain name(s) or website(s) licensed to Covenantor in connection with a Domain Name License Agreement (as evidenced by **Exhibit "L"** attached to GP BRANDS, INC.'s Franchise Disclosure Document to which this Agreement was attached as **Exhibit "B"**), or any content maintained within such website(s) or at such domain name(s).
  - (iv) Violate any of the obligations imposed upon Covenantor by the Franchise Agreement (including Section 14) from and after the Conclusion of the Franchise Agreement.
- d. Upon the Conclusion of the Franchise Agreement corresponding to this Agreement, Covenantor shall immediately return to GP BRANDS, INC. all Operations Manuals, all Store Set-Up Manuals, all training materials, all GP BRANDS, INC. proprietary software (including GP Rate Pro software) and printed matters, all website materials, all other confidential information and trade secrets, and all of GP BRANDS, INC.'s advertising and promotional signs and similar items.

#### 4. Definitions

The following terms (and any other capitalized terms used in this Agreement which are not defined by this Agreement) shall have the meanings and definitions assigned to them in the Franchise Agreement unless otherwise expressly provided in this Agreement: "Store", "Marks", "Method", "Standards", "GP BRANDS, INC.'s Goin' Postal Franchise Chain", "GP BRANDS, INC.'s Operations Manual", "GP BRANDS, INC.'s Store Set-Up Manual", "GP BRANDS, INC.'s GP Rate Pro Software", "Owners' Section of GP BRANDS, INC.'s website", "confidential information" and "trade secrets".

## **5. Severability**

It is the parties desire and intention that the covenants contained in this Agreement shall be construed as agreements severable and independent from each other, except that any violation of Section 2 of this Agreement shall constitute a material breach and default of the Franchise Agreement associated with this Agreement and "cause" for immediate termination of the Franchise Agreement without opportunity to cure. It is also the intention of the parties that if any Section of this Agreement is deemed by a court of competent jurisdiction to be invalid or unenforceable, then the maximum legally allowable restriction permitted by applicable law shall control and bind Covenantor.

## **6. Enforcement Costs**

Covenantor agrees to pay to GP BRANDS, INC. all of the costs and expenses (including reasonable attorneys' fees) incurred by GP BRANDS, INC. in connection with its enforcement of this Agreement.

## **7. Counter-Parts, Entire Agreement, Amendments**

This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be one and the same instrument. The parties may sign such counterparts via fax. This Agreement, together with the Franchise Agreement associated with this Agreement, contains the entire agreement of the parties pertaining to the subject matter hereof and no prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the parties not expressly included in this Agreement shall be of any force and effect. Any modifications to this Agreement must be accomplished by a written agreement signed by both parties.

## **8. Suspension of Non-Compete Time Periods During Dispute Resolution Proceedings.**

In the event that this Agreement or this Agreement's corresponding Franchise Agreement become the subject of any mediation, arbitration or litigation, then the applicable post-term time periods referenced above in Section 3 (or as may be determined by any mediator, arbitrator or judge) shall (a) be suspended during the entirety of any such dispute resolution proceedings; and to the maximum extent found enforceable in such proceedings, (b) begin to run from the date following such proceedings upon which Covenantor first complies with this Agreement.

## **9. Injunction.**

Covenantor recognizes and agrees that the injury that GP BRANDS, INC. and certain of its franchisees will suffer in the event of Covenantor's breach of any covenant contained in this Agreement cannot be compensated by monetary damages alone, and Covenantor therefore agrees that in the event of a breach or threatened breach by Covenantor of this Agreement, GP BRANDS, INC. (and its affiliates, successors and assigns), in addition to and not in limitation of, any other rights, remedies, or damages available to GP BRANDS, INC. (and/or its affiliates, successors, and assigns) at law, in equity, under this Agreement or otherwise, shall be entitled to seek an injunction from any court of competent jurisdiction in order to prevent or restrain any such breach by Covenantor or by Covenantor's agents, representatives, employees, partners, co-owners, or any and all other persons directly or indirectly acting for or with him/her/it.

## 10. Choice of Law, Venue and Jurisdiction.

This Agreement shall be (a) deemed made and entered into, and (b) construed and governed under and in accordance with the laws of the State of Florida, except to the extent that the laws of the State where the Store associated with the Franchise Agreement (that is owned and operated by Covenantor or, as applicable, Covenantor's legal entity) is located requires in order for the Franchise Agreement and this Agreement to be enforceable against the Covenantor or Covenantor's legal entity that such State's laws apply. Exclusive venue and jurisdiction of any suit arising under this Agreement shall lie within the federal or state courts within the State of Florida, except to the extent that the laws of the State where the Store (as previously described) is located requires in order for the Franchise Agreement and this Agreement to be enforceable against the Covenantor or Covenantor's legal entity that venue and jurisdiction lie in such State.

### AGREED TO AND ACCEPTED BY COVENANTOR:

Signature: \_\_\_\_\_

Print your name: \_\_\_\_\_

Print Title (if applicable): \_\_\_\_\_

Date of Signature: \_\_\_\_\_

**\*If the "Franchisee" named in the Franchise Agreement is an entity, or if there is more than one equity owner of "Franchisee", or if "Franchisee" consists of more than one person, or if someone other than "Franchisee" or an equity owner of an entity "Franchisee" will serve said "Franchisee" as a manager or primary operator, complete and sign the additional COVENANTOR SIGNATURES below for the entity, for each equity owner of the entity, for each person included as part of "Franchisee", or for each manager or primary operator, or alternatively submit separate signed originals of this Agreement for the entity and for each of said persons.**

### ADDITIONAL COVENANTOR SIGNATURES:

Signature: \_\_\_\_\_

Print your name: \_\_\_\_\_

Print Title (if applicable): \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

**Print your name:**\_\_\_\_\_

**Print Title (if applicable):** \_\_\_\_\_

**Date of Signature:** \_\_\_\_\_

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

**Print your name:**\_\_\_\_\_

**Print Title (if applicable):** \_\_\_\_\_

**Date of Signature:** \_\_\_\_\_

**GP Brands, Inc.:**

**Signature of Signing Officer:** \_\_\_\_\_

**Printed Name of Signing Officer:** \_\_\_\_\_

**Date of Counter Signature:** \_\_\_\_\_

**EXHIBIT "C" TO UNIFORM FRANCHISE DISCLOSURE DOCUMENT  
PERSONAL DATA DISCLOSURE**

This information will be kept strictly confidential. Certain information may be updated by you once your Store is operational. You will be given all account names and passwords necessary and as part of your training, and you will be shown how to accomplish each task. Please provide all available information. Should certain information not be available at this time such as your new Store telephone number, please provide it immediately upon its availability, but no later than your scheduled Store opening date.

Your Name \_\_\_\_\_

Home Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

SSN \_\_\_\_\_

Phone  
Home \_\_\_\_\_

Cell \_\_\_\_\_

Email Address \_\_\_\_\_

Your Company  
Tax ID No. \_\_\_\_\_

Principle Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

**Submission of the following Authorization Agreement for ACH Debits shall apply to:**

1. Future Royalties currently in the amount of \$525.00 per month, together with all increases in those monthly Royalties as prescribed by the Franchise Agreement and any other amounts owed by you to GP Brands, Inc. by this or any other agreement. Your monthly Royalty obligations will be automatically withdrawn from your designated account above, per the Franchise Agreement. You agree that this electronic funds transfer arrangement is the only means by which you are permitted to pay your monthly Royalty obligations. You may only change your designated account by entering replacement bank account information on the Owners' Section of the GP BRANDS, INC. website no later than 20 days prior to the next required monthly Royalty payment.



**EXHIBIT "C" TO UNIFORM FRANCHISE DISCLOSURE DOCUMENT  
PERSONAL DATA DISCLOSURE**

This information will be kept strictly confidential. Certain information may be updated by you once your Store is operational. You will be given all account names and passwords necessary and as part of your training, and you will be shown how to accomplish each task. Please provide all available information. Should certain information not be available at this time such as your new Store telephone number, please provide it immediately upon its availability, but no later than your scheduled Store opening date.

Your Name \_\_\_\_\_

Home Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

SSN \_\_\_\_\_

Phone  
Home \_\_\_\_\_

Cell \_\_\_\_\_

Email Address \_\_\_\_\_

Your Company  
Tax ID No. \_\_\_\_\_

Principle Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

**Submission of the following Authorization Agreement for ACH Debits shall apply to:**

1. Future Royalties currently in the amount of \$525.00 per month, together with all increases in those monthly Royalties as prescribed by the Franchise Agreement and any other amounts owed by you to GP Brands, Inc. by this or any other agreement. Your monthly Royalty obligations will be automatically withdrawn from your designated account above, per the Franchise Agreement. You agree that this electronic funds transfer arrangement is the only means by which you are permitted to pay your monthly Royalty obligations. You may only change your designated account by entering replacement bank account information on the Owners' Section of the GP BRANDS, INC. website no later than 20 days prior to the next required monthly Royalty payment.



**GP Brands, Inc.**

4941 4<sup>th</sup> Street

Zephyrhills, FL 33542

Phone: 813-782-1500

**AUTHORIZATION AGREEMENT FOR ACH DEBITS**

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

\_\_\_\_\_  
**Goin' Postal Store Name**

\_\_\_\_\_  
**Goin' Postal Store #**

I (We) hereby authorize GP Brands, Inc., herein after called **COMPANY**, to initiate debit entries and/or correction entries to our checking account indicated below at the depository named below... I (We) acknowledge that the origination of the ACH transactions to my (our) account must comply with the provisions of U.S. law.

\_\_\_\_\_  
**DEPOSITORY NAME (BANK)**

\_\_\_\_\_  
**CITY**

\_\_\_\_\_  
**STATE**

\_\_\_\_\_  
**BANK TRANSIT/ABA NUMBER**

\_\_\_\_\_  
**ACCOUNT NUMBER**

This authorization is to remain in full force until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY reasonable opportunity to act upon it.

\_\_\_\_\_  
**NAME(S)**

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

**Please attach a VOIDED company check showing the same information as entered above. Make a copy of the voided check and fax it, along with this form to 813-782-1599.**

## II. FRANCHISEE OWNERSHIP INFORMATION FORM

1. FULL NAME(S) OF FRANCHISEE [If this franchise is owned by a legal entity, only insert the name of the legal entity; if this franchise is owned by one or more individuals, only insert the name(s) of such individual(s):

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

Individual Owner(s): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. THE FRANCHISE WILL BE OWNED BY (Check which one applies):

SOLE PROPRIETOR \_\_\_\_\_ Fed. Tax I.D. # \_\_\_\_\_

PARTNERSHIP \_\_\_\_\_ Fed. Tax I.D. # \_\_\_\_\_

CORPORATION \_\_\_\_\_ Fed. Tax I.D. # \_\_\_\_\_

LIMITED LIABILITY COMPANY \_\_\_\_\_ Fed. Tax I.D. # \_\_\_\_\_

OTHER BUSINESS ENTITY \_\_\_\_\_ Fed. Tax I.D. # \_\_\_\_\_  
(Please explain on a separate piece of paper)

3. FULL NAMES OF ALL OWNERS, PARTNERS, SHAREHOLDERS OR MEMBERS AND PERCENTAGE OF OWNERSHIP INTEREST: (Please print names, use separate sheet if necessary)

NAME	% OF OWNERSHIP (*)	SOCIAL SECURITY NUMBER
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

\*All Partners, Shareholders, Members or other Equity Owners of an Entity Franchisee must also sign a Continuing Personal Guaranty (see **Exhibit "K"** to the Franchise Disclosure Document to which this particular **Exhibit "C"** is attached).

**EXHIBIT "E" TO UNIFORM FRANCHISE DISCLOSURE DOCUMENT  
LISTING OF STATE ADMINISTRATORS  
AND  
AGENTS FOR SERVICE OF PROCESS**

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

**CALIFORNIA**

Administrator:

Commissioner of Business Oversight  
Department of Business Oversight  
1515 K Street  
Sacramento, CA 95814  
1-866-ASK-CORP  
(1-866-275-2677)

Agent for Service of Process:

Commissioner of Business Oversight  
1515 K Street  
Suite 200  
Sacramento, CA 95814-4052  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

**FLORIDA**

Administrator:

Florida Department of Agriculture &  
Consumer Services  
Room 110 – Mayo Building  
Tallahassee, FL 32301  
(850) 488-2221

Agent for Service of Process:

Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, Florida 33542

**HAWAII**

Administrator:

Commissioner of Securities  
Department of Commerce and  
Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

Agent for Service of Process:

Commissioner of Securities  
Department of Commerce and  
Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

**ILLINOIS**

Administrator:

Franchise Division  
Office of Attorney General  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

Agent for Service of Process:

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
Copy to:  
Marty J. Beurmann, Esq.

GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## INDIANA

Administrator:

Franchise Division  
Office of Secretary of State  
302 W. Washington St., Rm E111  
Indianapolis, IN 46204  
(317) 232-6681

Agent for Service of Process:

Indiana Secretary of State  
201 State House  
Indianapolis, Indiana 46204  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## MARYLAND

Administrator:

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

Agent for Service of Process:

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## MICHIGAN

Administrator:

Consumer Protection Division  
Franchise Section  
P.O. Box 30213  
Lansing, MI 48909  
(517) 373-7117

Agent for Service of Process:

Department of Labor & Economic Growth  
Bureau of Commercial Service  
Corporate Division  
P.O. Box 30054  
Lansing, MI 48909  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## MINNESOTA

Administrator:

Franchise Division  
Department of Commerce  
133 East Seventh Street  
St Paul, MN 55101  
(651) 296-6328

Agent for Service of Process:

Commissioner of Commerce  
Department of Commerce  
85 7<sup>th</sup> Place East  
Suite 500  
St. Paul, Minnesota 55101-2198

## **NEBRASKA**

Administrator:

Dept. of Banking and Finance  
P.O. Box 95006  
Lincoln, NE 68509  
(402) 471-2171

Agent for Service of Process:

Nebraska Dept. of Banking & Finance  
Commerce Court  
1230 "O" Street, Suite 400  
P.O. Box 95006  
Lincoln, Nebraska 68509-5006  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## **NEW YORK**

Administrator:

Franchise & Securities Division  
State Department of Law  
120 Broadway – 23<sup>rd</sup> Floor  
New York, NY 10271  
(212) 416-8211

Agent for Service of Process:

Secretary of State  
41 State Street  
Albany, New York 12231  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## **NORTH DAKOTA**

Administrator:

North Dakota Securities Department  
600 East Boulevard Avenue, 5<sup>th</sup> Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

Agent for Service of Process:

Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Avenue, 5<sup>th</sup> Floor  
Bismarck, ND 58505-0510  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, Florida 33542

## **OREGON**

Administrator:

Corporate Securities Section  
Department of Insurance & Finance  
Labor & Industries Building  
Salem, OR 97310  
(503) 378-4387

Agent for Service of Process:

Director of Department of Consumer and  
Business Services  
350 Winter Street NE  
P.O. Box 14500  
Salem, OR 97309-0405

## **RHODE ISLAND**

Administrator:

Agent for Service of Process:

Director  
Department of Business Regulation  
Securities Division  
John O. Pastore Complex – Bldg. 69-1  
1511 Pontiac Avenue  
Cranston, R.I. 02920  
(401) 462-9587

Director  
Department of Business Regulation  
Securities Division  
John O. Pastore Complex – Bldg. 69-1  
1511 Pontiac Avenue  
Cranston, R.I. 02920  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## **SOUTH DAKOTA**

Administrator:

Division of Securities  
Department of Revenue and Regulation  
445 East Capitol Avenue  
Pierre, SD 57501-3185  
(605) 773-4823

Agent for Service of Process:

Director of Division of Securities  
Department of Revenue and Regulation  
445 East Capitol Avenue  
Pierre, SD 57501-3185  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, Florida 33542

## **TEXAS**

Administrator:

Secretary of State's Office  
Statutory Documents Section  
P.O. Box 13563  
Austin, TX 78711  
(512) 475-1769

Agent for Service of Process:

Secretary of State  
P.O. Box 12887  
Austin, Texas 78711-2887  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## **UTAH**

Administrator:

Department of Commerce  
Division of Consumer Protection  
160 East 300 South  
SM Box 146704  
Salt Lake City, Utah 84114-6704

Agent for Service of Process:

Department of Commerce  
Division of Consumer Protection  
160 East 300 South  
SM Box 146704  
Salt Lake City, Utah 84114-6704  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

## **VIRGINIA**

Administrator:

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 East Main Street/9<sup>th</sup> Floor  
Richmond, Virginia 23219  
(804) 371-9051

Agent for Service of Process:

Clerk of the State Corporation Commission  
1300 East Main Street  
Richmond, Virginia 23219  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

**WASHINGTON**

Administrator:

The Department of Financial Institutions  
Securities Division  
P. O. Box 9033  
Olympia, WA 98507-9033  
Voice: (360) 902-8760  
Fax: (360) 586-5068

Agent for Service of Process:

Administrator of Securities  
P.O. Box 9033  
Olympia, Washington 98507-9033  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

**WISCONSIN**

Administrator:

Department of Financial  
Institutions  
Division of Securities  
P. O. Box 1768  
Madison, WI 53701-1768  
(608) 266-8557

Agent for Service of Process:

Administrator  
Department of Financial Institutions  
Division of Securities  
201 W. Washington Avenue  
Suite 300  
Madison, Wisconsin 53703  
Copy to:  
Marty J. Beurmann, Esq.  
GP Brands, Inc.  
4941 4<sup>th</sup> Street  
Zephyrhills, FL 33542

A copy of any service of process served on any of the above-referenced Agents for Service of Process should also be served with our attorney, Marty J. Beurmann, Esquire, GP Brands, Inc., 4941 4<sup>th</sup> Street, Zephyrhills, Florida 33542. Our Agent for Service of Process in all States other than those listed above is our attorney, Marty J. Beurmann, Esq., GP Brands, Inc., 4941 4<sup>th</sup> Street, Zephyrhills, Florida 33542.



## **EXHIBIT “F” TO UNIFORM FRANCHISE OFFERING PRE-APPROVED PRODUCTS AND SERVICES**

This a list of pre-approved products and services. Other products may be added to your line up with pre-approval by GP BRANDS, INC. Once a new product or service is pre-approved for a Franchisee it will be added to this list of pre-approved products and services. Only those products and services expressly reflected below as being approved for your sale or distribution as part of your Goin’ Postal Store business and through use of the Goin’ Postal name and Marks may be so sold, offered or distributed under the Goin’ Postal name and through use of the Goin’ Postal Marks.

### **APPROVED PRODUCTS AND SERVICES FOR SALE UNDER GOIN’ POSTAL MARKS:**

#### **Shipping and Mailing Services(\*)**

- UPS (United Parcel Service)
- FedEx (Federal Express)
- DHL International
- USPS (United States Postal Service)
- Freight Shipping
- Stamps (including customized photo stamps)

\*The above services require that you procure accounts from third party shippers. Though GP BRANDS, INC. will endeavor to assist you in procuring these accounts, we do not and cannot guaranty that you will be able to qualify for or obtain some or all of them.

#### **Other Products and Services** [GP BRANDS, INC. does not provide training or support for many of these services]

- Fax Services

Fax services require you to purchase a fax machine and add an additional phone line, both of which may be available to you at extra charge from various vendors.

- Copy Services

Copy services require you to purchase copy machine equipment and supplies which may be available to you at extra charge from various vendors. Your ability to purchase copy machine equipment and make payments over time may be impacted by your credit.

- Lamination Services

Lamination services require a laminating machine which is available to you at extra charge from various vendors.

- Full Printing Services

Printing of business cards, flyers, brochures, stationery, photo printing, invitations, and calendars, may be offered as part of your Goin’ Postal Store Franchise, and may be done in house with your own equipment (which you may purchase at extra charge from various vendors) or contracted out to various printing vendors.

- EBay / Craig's list
- Package pickups

You may offer a pickup service from your Goin' Postal Store, but you must have appropriate commercial auto insurance, and you may need to purchase or lease a vehicle and extra equipment to perform those pickups (see Territory restrictions in Item 12 of GP BRANDS, INC.'s Disclosure Document and Section 1.2 of the corresponding Franchise Agreement).

- Mailboxes

To offer mailboxes for rent to handle customers' mail, you will be required to execute various items of required paperwork by the United States Postal Service.

- Binding

Offering this service requires the purchase of additional equipment at additional cost not controlled by GP Brands, Inc.

- Shipping Supplies (boxes, tape, knives, paper, bubble wrap, etc.)

You may offer shipping supplies from various vendors. GP BRANDS, INC. reserves the right to assign approved vendors to supply your Store with these supplies.

- Office Supplies (pens, paper, staplers, scissors, etc.)

You may offer office supplies from various vendors. GP BRANDS, INC. reserves the right to assign approved vendors to supply your Store with these supplies.

- Ink and Toner

You may offer ink and toner, either new or remanufactured, through various vendors. GP BRANDS, INC. reserves the right to assign approved vendors to supply your Store with these supplies.

- Gift wrapping services

- Recycling Packaging material such as bubble wrap, air packs, and packing peanuts

- Greeting Cards

- Limited Gift Items

- Phone Cards

- Key Duplication

Key duplication services require duplication machine equipment which may be available to you at extra charge from various vendors. GP BRANDS, INC. does not provide training or support for this service.

- Internet Access

To provide Internet access to your customers via sit down terminals or wirelessly through their own laptops, you will require additional equipment that is available to you through various vendors. You

may not under any circumstances give your customers access to the wireless or wired network that your GP Point of Sale Systems are on. GP BRANDS, INC. does not provide training or support for this service.

- Turning pictures into C.D's and Scan to e-mail

Creating CD's and emails from your customers' information may require additional equipment which is available from various vendors. GP BRANDS, INC. does not provide training or support for these services.

**PRODUCTS AND SERVICES PROHIBITED FROM BEING OFFERED OR SOLD UNDER THE GOIN' POSTAL NAME OR THROUGH USE OF ANY GOIN' POSTAL MARKS [YOU MUST OBTAIN OUR PRIOR WRITTEN CONSENT BEFORE OFFERING FOR SALE ANY OF THE FOLLOWING PRODUCTS OR SERVICES]:**

The following products and services may be offered in your Store upon our prior written approval, but you must conspicuously display the independent logo and marks of the vendor that provides those products or services to inform your customers that those products and services are not offered as part of your Goin' Postal Store franchise. These products and services may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for these services.

- Web Design & Web Hosting

You may offer web design and hosting services from your Store under a separate business name and not from or as part of the business of your Goin' Postal Store. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Ad design

You may offer ad design services from your Store under a separate business name and not from or as part of the business of your Goin' Postal Store. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Shredding Services

You may offer document shredding services from your Goin' Postal Store franchise but they must be part of a separate licensed document shredding service and promoted separate from and independent of your Goin' Postal Store franchise. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Cell Phone and Communications Services

You may offer for sale cell phone equipment and plans under the separate and independent trademark of a licensed provider of such services, such as AT&T or Verizon. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Satellite TV

You may offer satellite TV equipment and plans under the separate and independent trademark of a licensed provider of such services, such as DISH Network or DirecTV. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Notary

Providing notary services involves various state rules and regulations. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- ATM

You are permitted to offer ATM services through your Store under the separate and independent trademark of the vendor supplying the equipment. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Lottery

While you may offer for sale the specific tickets and games of state approved and sanctioned lotteries through your Store, this service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Money Order & Money Transfer

You may offer money order and wire transfer services through your Store which are licensed and backed by a national provider such as Wells Fargo or Moneygram; but you may be subject to various background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service. Offering these services may increase the insurance premiums for required loss and risk coverage beyond those payable on your Goin' Postal Store franchise operated at the same Location.

- Finger printing

You may offer finger printing services through a licensed service under a separate and independent trademark. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Passport services

Various third parties offer expedited passport services which you may offer in your Store under the separate and independent trademarks of those third parties. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Tax preparation

You may section off a small space in your Store to prepare income taxes for your customers; but all tax preparations done at your Store Location must be billed separately from products and services offered and sold to your Goin' Postal customers, and must be performed under a separate and independent license and trademark such as H & R Block or Jackson Hewitt. This service may require background checks, credit checks, and bonding and insurance requirements not controlled or researched by GP Brands, Inc. GP Brands, Inc. provides no training or support for this service.

- Customized items such as t-shirts, mugs, mouse pads, and life-sized photographic stand-ups

You may offer customized items from your Store. All such items furnished by a supplier other than GP Brands, Inc. must be offered under a separate trademark and not as part of the products and services available from your Goin' Postal Store franchise.

**EXHIBIT "G"**  
**TO UNIFORM FRANCHISE DISCLOSURE DOCUMENT**  
**STATE SPECIFIC ADDENDUM**

**ADDITIONAL STATE DISCLOSURES**

If applicable, this Exhibit "H" of this Disclosure Document may contain information regarding your particular State's laws which may limit application of one or more of the provisions listed in Item 17. If the Franchisee is a resident of any of the following States, then the designated provisions in the Disclosure Document and all Exhibits attached thereto, including the Franchise Agreement, will be amended in accordance with the provisions applicable to Franchisee's State of residency as provided below:

**CALIFORNIA**

**ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER  
THE CALIFORNIA FRANCHISE INVESTMENT LAW**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy, insolvency or reorganization. This provision may not be enforceable under Federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.), but will be enforced to the extent enforceable.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires mediation. The mediation will occur at Zephyrhills, Florida or Tampa, Florida with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professional Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

Section 31125 of the California Franchise Investment Law requires us to give you a disclosure document approved by the Commissioner of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

You must sign a release of claim if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the California Franchise Investment Law (California

Corporations Code Section 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Section 20000 through 20043).

Neither the Franchisor nor any person listed in Item 2 of this 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 that association or exchange.

OUR WEBSITE [www.goinpostal.com](http://www.goinpostal.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT [www.dbo.ca.gov](http://www.dbo.ca.gov)

## **ILLINOIS**

### **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE ILLINOIS FRANCHISE DISCLOSURE ACT**

Notwithstanding anything to the contrary provided in the Disclosure Document, or in any of the agreements to be signed by you as evidenced by Exhibits "A" and "B" to this Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Item 17 of the Disclosure Document is amended by the addition of the following language at the beginning of said Item 17:

#### **"Notice Required by Law**

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19-705/20."

2. The provisions of the Illinois Franchise Disclosure Act of 1987 (the "Act") shall supersede any provisions of the Franchise Agreement or Florida law which are in conflict with the Act.

3. The provisions of Section 20 of the Franchise Agreement which designate jurisdiction or venue in a forum outside of the State of Illinois and which direct that the Franchise Agreement shall be governed by Florida law shall not be effective for Franchise Agreements entered into in Illinois to the extent required by the Act. When and as required by the Act, Illinois law shall govern the Franchise Agreement and jurisdiction and venue shall be in the State of Illinois. Our registered agent authorized to receive service of process in Illinois for actions arising under the Act is: **Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706.**

4. Any condition, stipulation or provision of the Franchise Agreement or any other agreement entered into by you in connection with your purchase of a Goin' Postal franchise purporting to bind you to waive compliance with any provision of the Act or any other law of the State of Illinois shall not be effective or applicable for Franchise Agreements entered into in Illinois to the extent required by Section 41 of the Act.

5. The provisions of the Act provide that it is unlawful to offer or sell any franchise which is required to be registered under the Act without first providing to you at least 14 calendar days prior to your execution of any binding franchise or other agreement, or at least 14 calendar days prior to our receipt

from you of any consideration, whichever occurs first, a copy of a disclosure statement meeting the requirements of this Act and registered by the Illinois Attorney General, together with a copy of all proposed agreements relating to the sale of the franchise. All provisions of this Disclosure Document, including the Item 23 Receipt, and all provisions of the Franchise Agreement (including, without limitation, Section 22.4 of the Franchise Agreement) and other agreements evidenced by Exhibits to this Disclosure Document, including the Instructions attached to this Disclosure Document as Exhibit "G", are appropriately amended to the extent necessary to comply with the above time requirements and to substitute the phrase "14 calendar days" where and as required by the Act.

**6. THE FACT THAT THIS DISCLOSURE DOCUMENT AND THE GOIN' POSTAL FRANCHISE DISCLOSED IN THIS DISCLOSURE DOCUMENT HAS BEEN REGISTERED BY THE ILLINOIS ATTORNEY GENERAL IS NOT A FINDING BY THE ILLINOIS ATTORNEY GENERAL THAT THIS DISCLOSURE DOCUMENT AND OTHER DISCLOSURES FILED WITH THE ILLINOIS ATTORNEY GENERAL IN CONNECTION WITH SUCH REGISTRATION IS IN ANY WAY TRUE, ACCURATE OR COMPLETE IN SUBSTANCE OR ON ITS FACE, OR TO BE HELD TO MEAN THAT THE ILLINOIS ATTORNEY GENERAL HAS IN ANY WAY PASSED UPON THE MERITS OR GIVEN APPROVAL TO SUCH FRANCHISE. IT IS UNLAWFUL FOR US TO MAKE, OR CAUSE TO BE MADE, TO YOU ANY EXPRESS OR IMPLIED REPRESENTATION CONTRARY TO THE FOREGOING OR TO ADVERTISE OR REPRESENT THAT THE ILLINOIS ATTORNEY GENERAL APPROVES OF OR RECOMMENDS ANY FRANCHISE.**

## **INDIANA**

### **ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT UNDER THE INDIANA FRANCHISE DISCLOSURE LAW AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT**

Notwithstanding anything to the contrary contained in the Disclosure Document, The Franchise Agreement, or any agreement signed by you in connection with your purchase of a franchise from us, the following provisions shall 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 Agreement, the other agreements you sign, or Florida law, if such provision(s) 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 therein as material breach of the Franchise Agreement, shall supersede the provisions of Section 12 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language contained in the Disclosure Document or Franchise Agreement, including, but not limited to, Item 17 of the Disclosure Document, or Sections 2.3 and 11.3 of the Franchise Agreement, respectively, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. Section 20 of the Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana when such construction pertains to any action under the laws concerning franchising of the State of Indiana.
5. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is inapplicable in any Franchise Agreement issued in the State of Indiana when involving any action under the laws concerning franchising of the State of Indiana.



6. The State of Indiana has a statute which may supersede the Franchise Agreement in your relation with us including the areas of termination and renewal of your franchise: [Rev. Stat. Section 23-2-2.7].

7. The State of Indiana has a statute which may limit our ability to restrict your activity after your Franchise Agreement has ended: [Indiana Code Section 23-2-2.7-1(9)].

## **MARYLAND**

### **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

The general release language contained in the Franchise Agreement shall not relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Any general release to which you (as franchisee) are required, by the Franchise Agreement, to sign will not apply to any claims that arise under the Maryland Franchise Registration and Disclosure Law or to the extent otherwise prohibited by the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides that it may be terminated immediately upon, among other things, the franchisee commencing any cause, proceeding or other action seeking reorganization, etc. under any law relating to bankruptcy, etc. This provision may not be enforceable under current U.S. Bankruptcy laws or other applicable federal law relating to bankruptcy.

Litigation must be in Florida, except that this does not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Our registered agent authorized to receive service of process in Maryland for actions arising under the Maryland Franchise Registration and Disclosure Law is: **Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202-2020.**

Notwithstanding anything to the contrary in Item 17 of the Disclosure Document or in the Franchise Agreement, claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Item 22 of the Disclosure Document is amended to include, as a document you may be required to sign and deliver as part of your purchase of a Goin' Postal franchise, a sample copy of the "General Release Upon Renewal, Transfer or Termination of Franchise." The General Release which appears below and is made a part of the Maryland Section of this Exhibit "H" may be required to be signed by you as one of the conditions to you being able to renew or transfer your Goin' Postal franchise, or as part of the termination of the Franchise Agreement.

**REGISTRATION OF THIS DISCLOSURE DOCUMENT WITH THE MARYLAND DIVISION OF SECURITIES DOES NOT CONSTITUTE AND SHOULD NOT BE INTERPRETED AS APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE MARYLAND SECURITIES COMMISSIONER.**

### **AUTHORIZATION OF DISCLOSURE OF FINANCIAL RECORDS**

Under Section 14-216(c)(24) of the Maryland Franchise Registration and Disclosure Law (Business Regulation Article, Title 14, Subtitle 2, Annotated Code of Maryland), any financial institution, wherever situated, possessing financial records of the sale of "Goin' Postal" franchises by GP Brands, Inc. is hereby

authorized to disclose to the Maryland Securities Commissioner financial records of the sale of said franchises, and authorization is hereby given for the Maryland Securities Commissioner to examine GP Brands, Inc.'s financial records that relate to the sale of franchises.

Sample General Release in the State of Maryland:

**General Release Upon Renewal, Transfer or Termination of Franchise**

This General Release (the "General Release") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Execution Date"), by \_\_\_\_\_, with a principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Franchisee"), and is delivered to and in favor of **GP Brands, Inc.**, a Florida corporation with its principal place of business at 4941 4<sup>th</sup> Avenue, Zephyrhills, Florida 33542 (hereinafter referred to as the "Franchisor").

**Recitals**

**Whereas**, Franchisor and Franchisee entered into that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (as to Franchisee) and dated \_\_\_\_\_, 20 (as to Franchisor) (hereinafter referred to as the "**Goin' Postal Franchise Agreement**," which term shall refer not only to the referenced agreement, but also to any and all other agreements entered into by and between the Franchisor and Franchisee for purposes of enabling Franchisee to open and operate a Goin' Postal franchise);

**Whereas**, under to the Goin' Postal Franchise Agreement, Franchisee opened and operated a Goin' Postal Franchise located at \_\_\_\_\_ (the "Franchisee's Goin' Postal Store");

**Whereas**, as a condition under the Goin' Postal Franchise Agreement to the renewal, transfer and/or termination of the Goin' Postal Franchise Agreement and the Goin' Postal franchise established by the Goin' Postal Franchise Agreement, Franchisee is required to sign and deliver to Franchisor a general release in a form acceptable to Franchisor; and

**Whereas**, this General Release has been approved by Franchisor and is being delivered in connection with either the renewal, transfer or termination of the Goin' Postal Franchise Agreement and the Goin' Postal franchise established by the Goin' Postal Franchise Agreement, as applicable.

**Now, therefore**, in consideration of the premises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Franchisee hereby agrees as follows:

1. **Acknowledgment of Effect of General Release:** This General Release is signed and delivered by Franchisee in accordance with conditions and requirements established under the Goin' Postal Franchise Agreement, and is a part of either the renewal, transfer or termination of the Goin' Postal Franchise Agreement and the Goin' Postal franchise established by the Goin' Postal Franchise Agreement, as applicable. This General Release neither serves to amend, alter or modify the Goin' Postal Franchise Agreement, and Franchisee shall continue to be subject to all terms, conditions, covenants and obligations in, to and under the Goin' Postal Franchise Agreement, as applicable, including those pertaining to a renewal, transfer and termination of said Franchise Agreement.

2. **Waiver and Release of Claims:**

(a) Franchisee hereby represents, covenants and agrees that as of the Execution Date, Franchisee is unaware of any claims, actions or causes of action which Franchisee has or might have against Franchisor under, as a result of or in connection with the Goin' Postal Franchise Agreement and/or the operation by Franchisee of Franchisee's Goin' Postal Store. Further, Franchisee is not aware, as of the Execution Date, of any violations by Franchisor under the Maryland Franchise Registration and Disclosure Law or any regulations issued under the Maryland Franchise Registration and Disclosure Law (collectively, the "Maryland Franchise Law"), and Franchisee is unaware, as of the Execution Date, of any claim or any basis for any claim which Franchisee has or might have against Franchisor under the Maryland Franchise Law.

(b) By executing this General Release, Franchisee does hereby forever release, relinquish, discharge, abandon and waive any and all claims, causes of action, demands, liabilities, obligations, complaints, penalties, remedies, damages, costs and any and all other entitlements, rights or benefits, in law or in equity, of any kind whatsoever, whether presently known or unknown, whether now existing or previously existing (collectively referred to as the "Claims") that the Franchisee has or might have as of the Execution Date against Franchisor, its parent companies, subsidiaries and affiliates, and each of its and their respective agents, employees, officers, directors, stockholders, attorneys and other representatives (collectively, the "Franchisor Parties), relating to, in connection with, arising under or as a result of or with respect to the Goin' Postal Franchise Agreement and Franchisee's operation of the Franchisee's Goin' Postal Store, except that this waiver and release does not apply to any Claims against Franchisor which may arise under the Maryland Franchise Law, and nothing in this General Release serves to waive or release the Franchisor from liability for Claims that may arise under the Maryland Franchise Law.

3. **Binding Effect:** This General Release shall be binding upon the Franchisee and, as applicable to the classification of Franchisee as individual or entity, all of Franchisee's parents, subsidiaries and affiliates, each of its and their respective agents, directors, officers, employees, stockholders, attorneys and other representatives, and Franchisee's heirs, administrators, executors, partners, members, successors and assigns. This General Release shall be for and inure to the benefit of and may be enforced by Franchisor and all of the Franchisor Parties.

**IN WITNESS WHEREOF**, the Franchisee has duly signed this General Release effective on and as of the Execution Date:

**"FRANCHISEE"**

If the "Franchisee" is a legal entity (corporation, limited liability company, partnership, etc.) then (i) enter the name of the entity Franchisee in the following space:

\_\_\_\_\_, (ii) each equity owner of the Franchisee must sign below (attach additional sheet if necessary), and (iii) next to the name of the persons that are signing this General Release, insert their title within such entity (president, partner, manager, member, etc.). If the Franchisee is not a legal entity at the time of signing, but rather one or more individual persons, then do not fill in the title lines below.

1: \_\_\_\_\_, 20  
Signature of Franchisee or equity owner if Franchisee is a legal entity      Date      Year

\_\_\_\_\_  
Printed name of person that signed above      Title of person that signed above

2: \_\_\_\_\_, 20  
Signature of Franchisee or equity owner if Franchisee is a legal entity      Date      Year

Printed name of person that signed above

Title of person that signed above

3:

\_\_\_\_\_  
Signature of Franchisee or equity owner if Franchisee is a legal entity

\_\_\_\_\_  
Date

\_\_\_\_\_, 20\_\_\_\_  
Year

\_\_\_\_\_  
Printed name of person that signed above

\_\_\_\_\_  
Title of person that signed above

## **MICHIGAN**

### **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MICHIGAN FRANCHISE INVESTMENT LAW**

The Michigan Franchise Investment Law (the "Act") requires, among other things, that every UFDD contain a notice to each franchisee that certain provisions contained in a UFDD may be void and enforceable. Therefore, every UFDD delivered in the state of Michigan should contain a notice or statement similar in format to that reflected below:

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

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS 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 FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER

AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION 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 FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

\* \* \* \*

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

\* \* \* \*

**IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR SHALL, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE FRANCHISOR'S OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER TERMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.**

\* \* \* \*

**ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, P.O. BOX 30213, LANSING, MICHIGAN 48909; (517) 373-7117; [www.michigan.gov/ag](http://www.michigan.gov/ag)**

## **MINNESOTA**

### **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MINNESOTA FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary provided in the Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The Cover Page is amended to include the following statement:

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED IN THIS DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

2. The following language is added to Item 13 of the Disclosure Document and Section 6 of the

Franchise Agreement:

"The Franchisor will protect the Franchisee's right to use the Franchisor's "Marks", including our trademarks, service marks, trade names, logotypes and our other commercial symbols and/or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name "Goin' Postal". Franchisee must provide notice to Franchisor of any such claim within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

3. Item 17 of the Disclosure Document and the corresponding Sections of the Franchise Agreement are amended as follows:

"With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement."

4. In accordance with Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400 D, no waiver or release language included in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota, including the Minnesota Franchise Investment Law. To the extent that any such provisions exist under the Disclosure Document or Franchise Agreement, they are hereby rendered void with respect to all Franchisees governed under the laws of Minnesota.

5. Item 17 of the Disclosure Document is amended to add the following and the following language will apply in any Franchise Agreement issued in the State of Minnesota:

"Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise 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 or the jurisdiction. Nothing contained in the Disclosure Document or Franchise Agreement shall limit Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Min. Rule 2860.4400J."

6. Minn. Rule Part 2860.4400J prohibits a Franchisee from waiving his rights to a jury trial or consenting to liquidated damages, termination penalties or judgment notes. Further, although we may seek injunctive relief, Minn. Rule Part 2860.4400D and Part 2860.4400J prohibit a Franchisee from consenting to the Franchisor obtaining injunctive relief or from waiving any bond requirement in any injunctive proceedings or waiving any other rights provided to Franchisees under the laws of Minnesota. To the extent that any such provisions as described above exist under the Disclosure Document or Franchise Agreement, they are hereby rendered void with respect to all Franchisees governed under the laws of Minnesota.

7. To the extent that any Limitations of Claims sections exist under our Disclosure Document or Franchise Agreement, such sections are hereby revised to comply with Minn. Stat. Section 80C.17, Subdivision 5.

**NEW YORK**

## **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE NEW YORK FRANCHISE ACT**

The Cover page of the Disclosure Document is amended to add the following statements:

**REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23<sup>RD</sup> FLOOR, NEW YORK, N.Y. 10271.**

**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 PROVIDED IN THIS PROSPECTUS.**

**THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME (SINCE AUGUST 2004). THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.**

Item 3 of the Disclosure Document is amended by adding the following:

“Neither we, our predecessor, nor a person identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, or fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations. Moreover, there are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B. 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: violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunction or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.”

Item 4 of the Disclosure Document is amended by adding the following:

“Neither we, our affiliate, our predecessor nor our officers during the 10 year period immediately before the date of the 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 bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debt 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.”

Item 5 of the Disclosure Document is amended by adding the following to the subsection entitled “Initial Franchise Fee”:

“We will use the Initial Franchise Fee to cover our costs and expenses associated with fulfilling our obligations under the Franchise Agreement to provide training to you at our Zephyrhills, Florida headquarters and to provide you with all written training materials and related items.”

Item 17 of the Disclosure Document is amended by deleting the first sentence and second sentence of the first paragraph and substituting the following:

“THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THESE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.”

Item 17 of the Disclosure Document is further amended by adding the following statements to the summary columns:

(i) The “Summary” section of Item 17(d) of the Disclosure Document is amended by adding the following:

You also may terminate the Agreement on any grounds available by law.

(ii) The “Summary” section of Item 17(j) of the Disclosure Document is amended by adding the following:

However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Agreement.

(iii) The “Summary” section of Item 17(m) of the Disclosure Document is amended by adding the following:

; provided, however, that all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

(iv) The “Summary” section of Item 17(s) of the Disclosure Document is amended by adding the following:

Modifications to the Manual will not unreasonably affect your obligations, including economic requirements, under the Agreement.

(v) The “Summary” sections of Items 17(v) and (w) of the Disclosure Document are amended by adding the following:

This section should not be considered a waiver of any right conferred upon you by the GBL of the State of New York, Article 33.

(vi) The “Summary” section of Item 17(w) of the Disclosure Document is amended by adding the following:

“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 General Business Law of the State of New York.”

**MISCELLANEOUS DISCLAIMERS CONCERNING REGISTRATION OF THIS DISCLOSURE DOCUMENT (“PROSPECTUS”):**

1. This registered Disclosure Document does not knowingly omit any material fact or contain any untrue statement of a material fact.

**2. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE NEW YORK STATE DEPARTMENT OF LAW.**

3. Neither the fact that an application for registration of this Disclosure Document has been filed with the New York State Department of Law, nor the fact that such registration has become effective, constitutes a finding by the Department of Law that any document filed with the Department, including the registered Disclosure Document, is true, complete or not misleading. Neither any such fact nor the fact an exemption is available for a transaction means that the Department has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, franchise, or transaction.

4. The filing of an application for registration of this Disclosure Document or the acceptance and filing thereof by the Department of Law as required by the New York Franchise Act does not constitute approval of the offering or the sale of such franchise by the Department of Law or the Attorney General of the State of New York.

Item 23, the Receipt, is hereby amended by adding the particular State of New York agency you should contact if you determine a possible violation of State law may have occurred: **The New York State Department of Law, 120 Broadway, 23<sup>rd</sup> Floor, New York, NY 10271.**

**AGENT FOR SERVICE OF PROCESS IN NEW YORK:**

Our registered agent authorized to receive service of process in New York for actions arising under the New York Franchise Act is: **New York Secretary of State, 41 State Street, Albany, NY 12231.**

**NORTH DAKOTA**

**ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW**

**THE NORTH DAKOTA SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (SECTION 51-19-09, N.D.C.C.):**

A. **Restrictive Covenants:** Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to the statute. Application of the Non-Competition and Non-

Solicitation Agreement and similar covenants contained in the Disclosure Document and Franchise Agreement will be subject to Section 9-08-06, N.D.C.C., to the extent applicable with respect to any North Dakota franchisee.

- B. **Situs of Arbitration Proceedings:** Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business. Application of any arbitration provisions under the Franchise Agreement shall require such arbitration to be conducted at such place within North Dakota or as otherwise mutually agreed by the parties as will not constitute a violation of Section 51-19-09, N.D.C.C.
- C. **Restrictions on Forum:** Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota. To the extent any cause of action under the Franchise Agreement, Disclosure Document, or any exhibits thereto involves application of the laws of North Dakota, such action will be arbitrated, tried, heard and decided within the jurisdiction of courts in the State of North Dakota.
- D. **Liquidated Damages and Termination Penalties:** Requiring North Dakota franchisees to consent to liquidated damages or termination penalties. To the extent any provision of the Franchise Agreement would, under the provisions of the laws of North Dakota, be determined as liquidated damages or a termination penalty, such provision(s) is amended or deleted to the extent necessary to make such provision no longer in violation of the laws of North Dakota.
- E. **Applicable Laws:** Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota. Laws of North Dakota shall prevail and apply as and with respect to any cause of action under the Franchise Agreement, the Disclosure Document, or any exhibits thereto, otherwise enforceable under the laws of North Dakota.
- F. **Waiver of Trial by Jury:** Requiring North Dakota Franchisees to consent to the waiver of a trial by jury. Any provision under the Franchise Agreement requiring North Dakota franchisees to waive a trial by jury are inapplicable to causes of action involving application of the laws of North Dakota.
- G. **Waiver of Exemplary & Punitive Damages:** Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damages. Any provision under the Franchise Agreement requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages are inapplicable to causes of action involving application of the laws of North Dakota.
- H. **General Release:** Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement. Any provision under the Franchise Agreement requiring North Dakota franchisees to sign a general release upon renewal of the Franchise Agreement are inapplicable to renewals of franchise agreements entered into by residents of the State of North Dakota to the extent so mandated by the laws of North Dakota.
- I. **Limitation of Claims:** Franchise Agreements that require the franchisee to consent to a limitation of Claims. The statute of limitations under North Dakota law applies to causes of action which arise under and which are to be enforced in accordance with the laws of North Dakota.
- J. **Enforcement of Agreement:** Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

To the extent this North Dakota Addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, or the Disclosure Document or exhibits or attachments thereto, the terms of this North Dakota Addendum shall govern.

## **RHODE ISLAND**

### **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT.**

The following provisions apply to any Franchise Agreement issued in the State of Rhode Island:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act (the "Act") dictates 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".
2. Section 19-28.1-15 of the Act dictates that "a condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty of liability imposed by or a right provided by this Act or a rule or order under this Act is void. An acknowledgment provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate this Act or a rule or order under this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act".

## **VIRGINIA**

### **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE VIRGINIA RETAIL FRANCHISING ACT**

The Commonwealth of Virginia has adopted the Retail Franchising Act and has implemented Retail Franchising Act Rules which may supersede the Franchise Agreement in your franchise relationship with us, including the areas of termination and renewal of your franchise. The Retail Franchising Act is found in Chapter 8 (Sections 13.1-557 et. seq.) of Title 13.1 of the Code of Virginia; the Retail Franchising Act Rules are found in Chapter 110, under Agency 5 of Title 21 of the Virginia Administration Code.

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 does not constitute "reasonable cause", as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Any condition, stipulation or provision binding you to waive compliance with any of the above laws shall be void; provided, however, nothing contained in those laws shall bar you and us from agreeing to binding arbitration of disputes consistent with the provisions of the above laws.

## **WASHINGTON**

### **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT**

Notwithstanding anything to the contrary contained in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington:

The State of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship

with the Franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights signed by you as franchisee shall not include rights under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial may not be unreasonable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

If any of the provisions in this Disclosure Document or in the Franchise Agreement you will sign in connection herewith are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of this Disclosure Document and the Franchise Agreement with respect to any franchise sold in Washington.

## **WISCONSIN**

### **ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE WISCONSIN FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary contained in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIVISION OF SECURITIES OF THE STATE OF WISCONSIN.
2. The Registered Agent for the Franchisor authorized to receive service of any lawful process in the State of Wisconsin in any civil action against the Franchisor that arises under the Wisconsin Franchise Investment Law or any rule or order therein is the Administrator, Wisconsin Division of Securities, P.O. Box 1768, Madison, WI 53701-1768 (Telephone: (608) 266-8557).
3. The following shall apply to Franchise Agreements in the State of Wisconsin:
  - (a) The Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 (the "Law"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
  - (b) The Law's requirements, including that in certain circumstances a Franchisee receive ninety (90) days notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of the Franchise Agreement to the extent they may be inconsistent with the Law's requirements.

- (c) Item 17 of the Disclosure Document and the corresponding Sections of the Franchise Agreement are superseded by the Law to the extent any provisions in the Franchise Agreement are inconsistent with the Law.

## MISCELLANEOUS STATE LAW DISCLOSURES

These states have statutes which may supersede the Franchise Agreement in your relationship with the Franchisor 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, Section 2552], HAWAII [Rev. Stat. Chapter 482E], ILLINOIS [Rev. Stat. Chapter 815 para. 705/1-705/44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17 ], MARYLAND [Code Ann, Bus Reg Sections 14-201-14-233], MICHIGAN [Stat. Section 19.854(27); Comp. Laws Sections 445.771 et seq], MINNESOTA [Stat. Sections 80C.01-80C.22], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], NEW YORK [Gen. Bus. Law Sections 680-695], NORTH DAKOTA [Cent. Code Section 51-19-01], OREGON [Rev. Stat. Sections 650.005-650.085], RHODE ISLAND [Gen. Laws Sections 19-28.1-1-19-28.1-34], SOUTH DAKOTA [Codified Laws Sections 37-5A-1-37-5A-87], TEXAS [Rev. Civ. Stat. Ann. Art. 16.01], VIRGINIA [Code 13.1-557-13.1-574], WASHINGTON [Code Sections 19.100.010-19.100.940], WISCONSIN [Stat. Sections 553.01-553.78; Wis. Stat. Sections 135.01-135.07]. These and other states may also have court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

We reserve the right to challenge the enforceability of any State law listed above that declares void or unenforceable any provision in the Franchise Agreement by bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you initiate.

A provision in the Franchise Agreement that terminates such agreement on your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

### “FRANCHISEE”

If the “Franchisee” is a legal entity (corporation, limited liability company, partnership, etc.) then (i) enter the name of the entity Franchisee in the following space:

\_\_\_\_\_, (ii) each equity owner of the Franchisee must sign below (attach additional sheet if necessary), and (iii) next to the name of the persons that are signing this **Exhibit “H” Addendum**, insert their title within such entity (president, partner, manager, member, etc.). If the Franchisee is not a legal entity at the time of signing, but rather one or more individual persons, then do not fill in the title lines below. **By signing below, the undersigned hereby acknowledge receipt of this Exhibit “H” Addendum.**

**ENTER APPLICABLE STATE OF RESIDENCY FROM ABOVE LIST:** \_\_\_\_\_

1: \_\_\_\_\_, 20\_\_\_\_  
Signature of Franchisee or equity owner if Franchisee is a legal entity      Date      Year

\_\_\_\_\_  
Printed name of person that signed above

\_\_\_\_\_  
Title of person that signed above

2: \_\_\_\_\_, 20  
Signature of Franchisee or equity owner if Franchisee is a legal entity      Date      Year

Printed name of person that signed above

Title of person that signed above

3: \_\_\_\_\_, 20  
Signature of Franchisee or equity owner if Franchisee is a legal entity      Date      Year

Printed name of person that signed above

Title of person that signed above

**“GP BRANDS, INC.”**  
FOR GP BRANDS, INC.

GP BRANDS, INC.  
A Florida Corporation

BY: \_\_\_\_\_, 20  
Authorized Signing Officer      \*Date      \*Year  
\*Date of GP Brands, Inc.’s Counter Signature on Franchise Agreement is “Effective Date” of this Exhibit “H” Addendum.

Print Name of Officer:

Title of Officer:

## EXHIBIT "I" TO UNIFORM FRANCHISE DISCLOSURE DOCUMENT

### CONTINUING PERSONAL GUARANTY

Each of the undersigned (the "Guarantor(s)"), in order to induce GP Brands, Inc., a Florida corporation ("GP BRANDS, INC.") to enter into that certain Goin' Postal Franchise Agreement dated

\_\_\_\_\_, ("Franchise Agreement") by and between GP BRANDS,

INC. and \_\_\_\_\_ ("Franchisee"), hereby jointly and severally, unconditionally, absolutely and unequivocally personally guaranty to GP BRANDS, INC., its successors, or its assigns, prompt full payment and performance of all obligations of Franchisee to GP BRANDS, INC. which are or may become due and owing to GP BRANDS, INC., including, but not limited to, all obligations arising out of the Franchise Agreement or any other agreement between GP BRANDS, INC. and Franchisee, including any and all extensions or renewals of such Franchise Agreement and other agreements, in the same manner as if those agreements were signed between GP BRANDS, INC. and the undersigned Guarantors directly. Such obligations include, but are not limited to, Royalty Fees, Marketing Fees, software update fees, taxes imposed or charge upon the Franchisee, and any and all other obligations now or hereafter due to GP BRANDS, INC. or hereafter incurred by Franchisee in favor of GP BRANDS, INC.

The undersigned Guarantor(s) expressly waive: (a) notice of the acceptance by GP BRANDS, INC. for the benefit of Franchisee; (b) all presentments, demands for performance, notices of non-performance, protests, and all other notices, including but not limited to, notices of protest, dishonor, any default, partial payment or non-payment of all or any part of the obligations guaranteed hereunder, and the existence, creation, or incurring of new or additional obligations guaranteed hereunder; (c) any right to require GP BRANDS, INC. to proceed against Franchisee or any other persons, to proceed against or exhaust any security held by GP BRANDS, INC. or any other person for the obligations guaranteed hereunder or to pursue any other remedy in GP BRANDS, INC.'s power whatsoever; (d) any defense arising by reason of the invalidity, illegality or lack of enforceability of the obligations guaranteed hereunder or any part of those obligations, or by reason of any incapacity, lack of authority, death, disability, or other defense of Franchisee or any other person, or by reason of the failure of GP BRANDS, INC. to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of Franchisee or any other person, or by reason of the cessation from any cause whatsoever of the liability of Franchisee or any other person with respect to all or any part of the obligations guaranteed hereunder, or by reason of any act or omission of GP BRANDS, INC. or others which directly or indirectly results in a discharge or release of Franchisee or any other person or any obligations guaranteed hereunder or any security therefore, whether by operation of law or otherwise; (e) any defense arising by reason of GP BRANDS, INC.'s failure to obtain, perfect, or maintain a perfected or prior security interest in, lien or encumbrance upon, any property of Franchisee or any other person, or by reason of any interest of GP BRANDS, INC. in any property, whether as owner of such property or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, avoided, declared void, fraudulent or preferential or otherwise set aside, or by reason of any impairment of GP BRANDS, INC. of any right, recourse or collateral; (f) any right to require GP BRANDS, INC. to marshal any assets in favor of the undersigned Guarantors; (g) any defense based upon any failure of GP BRANDS, INC. to give Franchisee or the undersigned Guarantors notice of any sale or other disposition of any property securing any or all of the obligations guaranteed hereunder or any guaranty of said obligations, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of GP BRANDS, INC. to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by GP BRANDS, INC. to dispose of any such property in a commercially reasonable manner; and (h) any defense based upon or arising out of any bankruptcy, insolvency, reorganization, arrangement, re-adjustment of debt, liquidation or dissolution proceeding commenced by or against Franchisee or any other



person, including any discharge of, or bar against collecting, any of the obligations guaranteed hereunder (including any interest thereon), in or as a result of any such proceeding. This Continuing Personal Guaranty will not be affected by the modification, extension, or renewal of the Franchise Agreement or any other agreement between GP BRANDS, INC. and Franchisee, the granting of an extension of time for payment by GP BRANDS, INC. to Franchisee of any obligation guaranteed hereunder, or any termination of the Franchise Agreement or any other agreement between GP BRANDS, INC. and Franchisee or any release of Franchisee of any of its obligations thereunder.

This is an irrevocable, unconditional and absolute guaranty of payment and performance, not of collection, and the undersigned Guarantors agree that his, her, or their liability under this Continuing Personal Guaranty will be immediate and will not be contingent upon the exercise or enforceability by GP BRANDS, INC. of whatever remedies it may have against the Franchisee or others.

The undersigned agree that any current or future indebtedness by Franchisee to any of the undersigned Guarantors will always be subordinate to any indebtedness or obligations owed by Franchisee to GP BRANDS, INC.

The undersigned Guarantors further agree that as long as the Franchisee owes any money to GP BRANDS, INC., the Franchisee will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned Guarantors, either directly or indirectly, without the consent of GP BRANDS, INC.

Each of the undersigned Guarantors further agree to be personally bound by and to perform the obligations, and to refrain from performing all acts prohibited by, all of the provisions of the Franchise Agreement, including, in particular, but without limitation to, the provisions of Section 14 (Franchisee's Obligations Upon Expiration and/or Termination), that certain Domain Name License Agreement between GP BRANDS, INC. and Franchisee (if applicable), and that certain Non-Competition and Non-Solicitation Agreement between GP BRANDS, INC. and Franchisee. The undersigned Guarantors consent to be bound by the provisions of Article 20 of the Franchise Agreement for purposes of resolving any dispute or controversy arising out of or in connection with the undersigned's alleged performance of or failure to perform the obligations of Franchisee under the Franchise Agreement, Domain Name License Agreement and/or Non-Competition and Non-Solicitation Agreement.

In connection with any litigation to determine or enforce the undersigned Guarantors' liability under this Continuing Personal Guaranty, each of the undersigned Guarantors expressly waive his or her right to trial by jury and agree to pay all costs and expenses incurred by GP BRANDS, INC. in such proceedings, including reasonable attorneys' fees.

If this Continuing Personal Guaranty is signed by more than one individual, each person signing this Continuing Personal Guaranty below will be jointly and severally liable for all obligations created in this Continuing Personal Guaranty. This Continuing Personal Guaranty is a continuing personal guaranty and it shall remain in full force and effect during and after the term of the Franchise Agreement, including any renewals or extensions of the Franchise Agreement, until all obligations arising out of and under the Franchise Agreement, including all renewals and extensions, owed by Franchisee to GP BRANDS, INC. are fully paid and satisfied.

Should any one or more provisions of this Continuing Personal Guaranty be determined to be illegal, invalid, or unenforceable, all other provisions shall nevertheless remain effective. This Continuing Personal Guaranty shall inure to the benefit of and bind, as the case may require, GP BRANDS, INC., its successors and assigns, and all heirs, legal representatives, successors and assigns of each of the undersigned Guarantors. Each of the undersigned Guarantors specifically acknowledge that he or she has read all the terms of this Continuing Personal Guaranty, have received a true copy of it, and agree to be fully bound by its terms.

“Guarantor”

Signature: \_\_\_\_\_

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

Soc. Sec. #: \_\_\_\_\_

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

City/State/Zip: \_\_\_\_\_

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

“Guarantor”

Signature: \_\_\_\_\_

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

Soc. Sec. #: \_\_\_\_\_

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

City/State/Zip: \_\_\_\_\_

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

“Guarantor”

Signature: \_\_\_\_\_

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

Soc. Sec. #: \_\_\_\_\_

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

City/State/Zip: \_\_\_\_\_

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

**EXHIBIT “H”**  
**TO UNIFORM FRANCHISE DISCLOSURE DOCUMENT**  
**GP Brands, Inc.**  
**FINANCIAL STATEMENTS**

**GP Brands, Inc.**  
**Zephyrhills,**  
**Florida**

Financial Statements  
and Supplemental  
Information For the  
Years Ended  
December 31, 2022 and 2021



**BodinePerry**  
Certified Public Accountants & Advisors

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6815 Dairy Road  
Zephyrhills, FL 33542

813.788.2155  
[BodinePerry.com](http://BodinePerry.com)

## **Independent Auditors' Report**

To Marcus Price,  
Shareholder GP Brands, Inc.  
Zephyrhills, Florida

### **Opinion**

We have audited the accompanying financial statements of GP Brands, Inc., (a Florida corporation), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GP Brands, Inc., as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that,

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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

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

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

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information – comparative balance sheets, statements of operations, statements of stockholders' equity and statements of cash flows - on Pages 16 through 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the company's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information presents comparative financial information for the years ended December 31, 2022, 2021, and 2020. We have previously audited GP Brands, Inc., 2021 financial statements; and we expressed an unmodified audit opinion on those audited financial



statements in our report dated August 19, 2022. In our opinion, the summarized comparative information presented in the accompanying supplementary information is consistent, in all material respects, with the audited financial information from which it has been derived.

Bodine Perry, PLLC  
Zephyrhills, Florida  
August 31, 2023



# GP Brands, Inc.

## Balance Sheets For the Years Ended December 31, 2022 and 2021

	<b>Asse ts</b>	<b>2022</b>	<b>2021</b>
<b>Current Asse ts</b>			
Cash		\$ 362,814	\$ 420,895
Accounts receivable, net		<u>35,628</u>	<u>19,559</u>
Total Current Assets		<u>398,441</u>	<u>440,454</u>
Property and equipment			
Net of accumulated depreciation		<u>266,576</u>	<u>300,469</u>
<b>Other Asse ts</b>			
Other Assets		3,314	3,314
Intangible assets, net of amortization		<u>73,031</u>	<u>75,031</u>
Total Other Assets		<u>76,345</u>	<u>78,345</u>
<b>Total Asse ts</b>		<b><u>\$ 741,362</u></b>	<b><u>\$ 819,268</u></b>
<b>Liabilities and Stockholder's Equity</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses		\$ 7,468	\$ 7,547
Credit cards payable		12,830	23,668
Due to shareholder		142,701	17,920
Current maturities of long-term debt and leases		<u>11,352</u>	<u>15,149</u>
Total Current Liabilities		<u>174,350</u>	<u>64,284</u>
<b>Long-Term Liabilities</b>			
Notes payable, net of current portion		459,369	484,218
Leases payable, net of current portion		<u>-</u>	<u>3,332</u>
Total Long-Term Liabilities		<u>459,369</u>	<u>487,550</u>
<b>Stockholder's Equity</b>			
GP Brands, Inc. common stock: \$.000000 par value;			
1,000 Shares authorized; 1,000 shares issued and outstanding		-	-
Additional paid in capital		243,619	243,619
Retained earnings		<u>(135,976)</u>	<u>23,815</u>
Total Stockholder's Equity		<u>107,643</u>	<u>267,434</u>
<b>Total Liabilities and Stockholder's Equity</b>		<b><u>\$ 741,362</u></b>	<b><u>\$ 819,268</u></b>

See accompanying notes and auditors' report.

# GP Brands, Inc.

## Statements of Income For the Years Ended December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Franchise fees, net	\$ 781,943	\$ 726,973
Store sales	252,254	257,845
Other Fees	<u>988</u>	<u>978</u>
Total Revenue	<u>1,035,185</u>	<u>985,796</u>
<b>Operating Expenses</b>		
Franchise expenses	132,678	121,854
Cost of sales, store	6,445	21,887
General and administrative expenses	<u>1,055,307</u>	<u>1,060,223</u>
Total Operating Expenses	<u>1,194,430</u>	<u>1,203,964</u>
<b>Net Income (Loss) from Operations</b>	<u>(159,245)</u>	<u>(218,168)</u>
Other Income (Expense)		
Other income	105	7
Proceeds from PPP Loan	-	91,595
Interest expense	<u>(651)</u>	<u>(9,640)</u>
Total Other Income (Expense)	<u>(546)</u>	<u>81,962</u>
<b>Net Income (Loss)</b>	<u><b>\$ (159,791)</b></u>	<u><b>\$ (136,206)</b></u>
Net income (loss) per common share		
Basic and Diluted	<u>\$ (159.79)</u>	<u>\$ (136.21)</u>
Weighted average shares outstanding		
Basic and diluted	<u>1,000</u>	<u>1,000</u>

See accompanying notes and auditors'  
report.

## GP Brands,

### Statements of Retained Earnings and Stockholder's Equity For the Years Ended December 31, 2022 and 2021

	Common Stock		Additional	Retained Earnings (Accumulated)	
	Shares	Amount	Paid in Capital	Deficit/Surplus)	Total
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital			243,619	7,553	251,172
Net income (loss) 2017				(124,958)	(124,958)
Stockholder's Equity Dec. 31, 2017	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ (117,405)</u>	<u>\$ 126,214</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net income (loss) 2018		-	-	256,681	256,681
Stockholder's equity Dec. 31, 2018	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ 139,276</u>	<u>\$ 382,895</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net Income (Loss) 2019		-	-	(10,683)	(10,683)
Stockholder's equity Dec. 31, 2019	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ 128,593</u>	<u>\$ 372,212</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net income (loss) 2020		-	-	31,428	31,428
Stockholder's equity Dec. 31, 2020	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ 160,021</u>	<u>\$ 403,640</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net income (loss) 2021		-	-	(136,206)	(136,206)
Stockholder's equity Dec. 31, 2021	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ 23,815</u>	<u>\$ 267,434</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net income (loss) 2022		-	-	(159,791)	(159,791)
Stockholder's equity Dec. 31, 2022	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ (135,976)</u>	<u>\$ 107,643</u>

See accompanying notes and auditors'  
report.

# GP Brands,

## Statements of Cash Flows For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Operating Activities</b>		
Net income (loss)	\$ (159,791)	\$ (136,206)
Adjustments to reconcile net income to cash provided (used)		
by operating activities:		
Depreciation and amortization expense	35,892	38,319
Decrease (increase) in:		
Accounts receivable and prepaid expenses, net	(16,068)	47,216
Other Assets	-	(814)
Increase (decrease) in:		
Accounts payable, deposits and accrued expenses	(10,916)	19,776
Total adjustments	<u>8,907</u>	<u>104,497</u>
Net cash Provided (Used) by Operating Activities	<u>(150,884)</u>	<u>(31,709)</u>
<b>Investing Activities</b>		
Purchase of property, plant, equipment and improvements	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>
<b>Financing Activities</b>		
Net proceeds (reduction) on notes/leases payable	-	350,000
Net advances from (to) shareholder and officer	124,781	54,654
Payments of long-term debt, including capital leases	(31,978)	(17,633)
Net Cash Provided (Used) by Financing Activities	<u>92,803</u>	<u>387,021</u>
<b>Net Increase (Decrease) in Cash</b>	(58,081)	355,312
<b>Cash at Beginning of Year</b>	<u>420,895</u>	<u>65,583</u>
<b>Cash at End of Year</b>	<u><u>\$ 362,814</u></u>	<u><u>\$ 420,895</u></u>
<b>Supplemental Disclosures of Cash Flow Information and Non-Cash Investing and Financing Activities:</b>		
Cash paid during period for interest	<u>\$ 651</u>	<u>\$ 9,640</u>

See accompanying notes and auditors' report.

# GP Brands,

## Notes to Financial Statements For the Years Ended December 31, 2022 and

### Note A – Summary of Significant Accounting

#### Policies Organization and Business Activity

GP Brands, Inc., a Florida corporation, was incorporated in the State of Florida on June 18, 2015. On July 1, 2015, GP Brands, Inc. purchased from Goin' Postal Franchise Corporation (GPFC) the trademarks/service marks, and rights to franchise the "Goin' Postal" franchise business. The company franchises packaging, shipping, and mailing services that utilize a variety of shipping carriers, vendors, and service providers.

On December 14, 2015, GP Brands, Inc. purchased the first 31 existing Franchise Agreements from GPFC. Over time, GP Brands purchased all of the remaining existing "Goin' Postal" agreements from GPFC. As of December 31, 2022, the company had 123 open and operating franchised stores.

During 2009, the company purchased the assets and intellectual property rights of Hut 8, Inc., a used clothing retail store, for the purpose of franchising stores. GP Brands, Inc., still owns all the intellectual property rights to the Hut 8 franchises.

#### Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accrual basis accounting allows for revenue to be recognized when earned and expenses to be recognized when goods or services are received, without regard to the receipt or payment of cash.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The most significant estimate relates to the useful lives of fixed assets. Actual results could differ from those estimates.

#### Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) issued substantially converged final standards on revenue recognition. These final standards were the culmination of a joint project between the boards that spanned many years. FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, provides a robust framework for addressing revenue recognition issues and replaces almost all pre-existing revenue recognition guidance in current U.S. generally accepted accounting principles (GAAP) (i.e., legacy GAAP), including the long-standing industry-specific guidance on franchisors.

Revenue from initial franchise and point of sale fees are recognized when the initial obligations required by the company and enumerated in the agreements are met. These obligations consist of signed franchise agreements, completed training, and completed point of sale system installation, and all material and operating manuals being provided. A final walk-through or evaluation of the above, which generally coincides with the opening of the store, occurs after all training and other services and equipment are complete and provided. The initial franchise fee per franchise is generally \$15,000; the company typically receives the initial fees upon initiation of the agreement. The company recognizes \$10,000 of revenue when all training, point of sale system installation, and materials have been provided. Additional revenue from initial fees is deferred until the final walk-through or evaluation, as previously described. There was no deferred revenue as of December 31, 2022 or 2021.

Turnkey revenues relate to income the company receives from respective franchisees for the build-

## **GP Brands,**

### Notes to Financial Statements

For the Years Ended December 31, 2022 and  
out of the franchisee store. Costs include tangible property such as signs, computer, copiers, and various other build-out costs related to the franchisee's store. The company recognizes revenue as it is received and costs as incurred. The company had no stores at December 31, 2022, for which the build-out has not been completed.

The company enters into royalty and advertising agreements with the respective franchisees, which are recognized over the life of the agreement. These fees are due monthly; for franchises purchased before 2009.



# **GP Brands,**

## **Notes to Financial Statements For the Years Ended December 31, 2022 and**

### **Note A – Summary of Significant Accounting Policies (continued)**

The fees are \$200 per month. The monthly fee for a franchise purchased in 2009 was \$300 and increases by 5% each year during the life of that franchise's royalty and advertising agreement. Those fees for Hut 8 franchises are \$480 per month. Store revenue consists of merchandise and shipping services and is recognized at the time of the transaction.

#### **Fair Value of Financial Instruments**

The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements.

The company measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

#### **Level 1 Fair Value Measurements**

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

#### **Level 2 Fair Value Measurements**

Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

#### **Level 3 Fair Value Measurements**

Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The company's significant financial instruments are cash, accounts receivable, accounts payable, short-term borrowings, and other short-term assets and liabilities. For these financial instruments (Level 1), carrying values approximate fair value because of the short maturity of these instruments.

#### **Cash and Cash Equivalents**

All cash is maintained with major financial institutions in the United States. Deposits may exceed the amount of insurance provided on such deposits. The company does not believe it is exposed to any significant credit risk on cash and cash equivalents.

#### **Recently Adopted Accounting Standards**

##### **Leases**

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standard Codification (ASC) 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most

## **GP Brands,**

### Notes to Financial Statements

For the Years Ended December 31, 2022 and  
prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

# **GP Brands,**

## **Notes to Financial Statements For the Years Ended December 31, 2022 and**

### **Note A – Summary of Significant Accounting Policies (continued)**

The Corporation adopted the standard effective January 1, 2022, and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption). For the year ended December 31, 2022 it was determined the adoption of this standard had no impact on the financial statements of the Corporation. Lease disclosures, if any, for the year ended December 31, 2022, are made under prior lease guidance in FASB ASC 840.

The Corporation elected the available practical expedients to account for our existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

#### **Short-Term Leases**

The Corporation leases certain equipment on a demand basis. The Corporation has elected the practical expedient for short-term leases as the lease term is less than 12 months. Total short-term lease expense included in operating expense for the year ending December 31, 2022, was \$3,363.

#### **Concentrations of Credit Risk**

During the year, cash balances at financial institutions were maintained in excess of insurance coverage of \$250,000 provided by the Federal Deposit Insurance Corporation and the National Credit Union Administration. At December 31, 2022 and 2021, the company had \$100,112 and \$100,007 uninsured cash balances, respectively. The cash balances are maintained at financial institutions with high credit quality ratings, and the company believes no significant risk of loss exists with respect to those balances.

#### **Accounts Receivable**

Accounts receivable are carried at their estimated realizable amount. Credit is generally extended on a short-term basis; thus, receivables do not bear interest. Accounts receivable are periodically evaluated for collectability based on the customers' credit history and current financial condition. Uncollectible accounts are removed from the books of the company in the period they are determined to be uncollectible. The company has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Bad debt expense for the period ending December 31, 2022 and 2021, was \$0 and \$55,326, respectively.

#### **Property and Equipment**

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, ranging between 3 and 40 years. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

# **GP Brands,**

## **Notes to Financial Statements For the Years Ended December 31, 2022 and**

### **Note A – Summary of Significant Accounting Policies**

#### **(continued) Income Taxes**

On June 19, 2015, GP Brands, Inc., elected to be taxed under subchapter S of the Internal Revenue Code. Under subchapter S, the company will pay no income tax on its earnings; income for tax purposes will be reported directly on the shareholders' tax returns, and all associated tax is paid by the shareholders. No deferred tax liability or asset has been recorded at December 31, 2022 and 2021. Management of the company considers the likelihood of changes by tax authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities, including changes to the company status as an S-Corporation. Management has not identified any uncertain tax positions in income tax returns that require recognition or disclosure in the accompanying financial statements. The company's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

#### **Advertising**

Advertising is expensed as incurred. Advertising expenses for the twelve months ended December 31, 2022 and 2021, were approximately \$10,436 and \$15,782, respectively.

#### **Impairment of Long-lived Assets**

The company accounts for long-lived asset impairments under SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Consistent with prior guidance, SFAS No. 144 requires a two-step approach for recognizing and measuring the impairment of assets to be held and used. The company recognizes impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. The impairment loss is measured by comparing the fair value of the asset, based on discounted future cash flows, to its carrying amount. Assets to be sold are classified as discontinued operations and are stated at the lower of the carrying amount of the assets or fair value. No impairment of long-lived assets was recognized as of December 31, 2022.

#### **Impairment of Intangible Assets**

The company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to, (1) a significant decrease in the market value of an asset,

(2) a significant adverse change in the extent or manner in which an asset is used, or (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset. The company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The fair value is measured based on quoted market prices, if available.

If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. No impairment of intangible assets was recognized as of December 31, 2022.

## **GP Brands,**

Notes to Financial Statements  
For the Years Ended December 31, 2022 and

### **Earnings Per Common Share**

Basic earnings per common share excludes dilution and is computed by dividing the net earnings (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is calculated by dividing net income by the weighted average number of common shares outstanding for the period, adjusted for the diluted effect of common stock using the treasury stock method and the “if converted” method as it relates to convertible preferred stock (see Note I).

## GP Brands,

### Notes to Financial Statements For the Years Ended December 31, 2022 and

#### Note B – Cash Balances

The company's cash balances as of December 31, 2022, were as follows:

Cash on hand	\$	800
Commercial savings - secured by shareholder		
LOC guarantee		350,112
Demand and time deposits - insured by FDIC		<u>11,902</u>
Cash Total		<u>\$ 362,814</u>

#### Note C - Franchise Revenue

Franchise revenue for the years ending December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Initial franchise fees	\$ 30,000	\$ 25,000
Point of sale fees	56,540	10,081
Royalty fees	644,447	609,177
Store transfer fees	10,000	55,030
Rate program	37,200	18,750
Other revenue	<u>3,756</u>	<u>8,935</u>
Total Franchise Revenue	<u>\$ 781,943</u>	<u>\$ 726,973</u>

#### Note D - Related Party Transactions

Advances from/to shareholder represent amounts advanced from/to the president of the company. The shareholder borrowed/loaned miscellaneous amounts to the company during 2022 and 2021, which amounted to \$142,701 due to the officer as of December 31, 2022; and \$17,920 due to the officer as of December 31, 2021. These amounts are secured by a promissory note due on demand. No interest was charged during 2022 or 2021.

The company leases storage, office, assembly, and shop workspace from the president of the company. Lease amounts paid to the president during 2022 totaled \$99,510. The leases are on a month-to-month lease arrangement.

The amounts and terms of the above transactions are not necessarily indicative of the amounts and terms that may have been incurred had comparable transactions been entered into with independent parties.

The company entered into an Assumption of Liability Agreement with the primary shareholder of the company. GP Brands, Inc., is the obligor to the promissory notes. The primary shareholder is the owner of the collateral and three mortgages for properties associated with the promissory notes that were on the financial statements at December 31, 2014 in the amounts of \$271,931, \$206,026, and \$169,859. The shareholder has assumed the liability and obligations associated with promissory notes held by Wells Fargo Bank. GP Brands, Inc., remains contingently liable for these notes should the shareholder default and the collateral not be sufficient to cover the notes.

# GP Brands,

## Notes to Financial Statements For the Years Ended December 31, 2022 and

### Note E - Property and Equipment

Property and equipment at December 31 consist of the following:

	<u>2022</u>	<u>2021</u>
Equipment and furniture	\$ 176,085	\$ 176,085
Vehicles	24,572	24,572
Building	130,070	130,070
Land	-	-
Leasehold improvements	<u>271,380</u>	<u>271,380</u>
Total property and equipment	602,107	602,107
Accumulated depreciation	<u>(335,531)</u>	<u>(301,638)</u>
Net property and equipment	<u>\$ 266,576</u>	<u>\$ 300,469</u>

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, ranging between 3 and 40 years.

### Note F – Capital Leases Payable

The company entered into a capital lease with Direct Capital for printing/scanning equipment that expires in 2025. The economic substance of the lease is that the company is financing the acquisition of the assets through the lease and has recorded them in the company's assets and liabilities. Interest rates on these leases range from 4% to 15%.

The following is a schedule of future minimum lease payments under the leases together with their present value as of December 31, 2022:

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ 3,363
Total minimum lease payments	3,363
Less Interest	<u>-</u>
Present value of minimum lease payments	3,363
Less current portion	<u>(3,363)</u>
Long-term portion	<u>\$ -</u>

# GP Brands,

## Notes to Financial Statements For the Years Ended December 31, 2022 and

### Note G – Long-Term Debt

The company entered in a loan with the US Small Business Administration (SBA) on May 16, 2020, in the amount of \$150,000. On November 16, 2021, the loan was amended to increase the note to \$500,000. The \$350,000 additional loan funds are secured by shareholder LOC.

Long-term debt at December 31 consists of:

Installment SBA Loan, Wells Fargo Bank monthly payments of \$2,243 beginning 1/16/22, including interest at 3.75%; secured by tangible and intangible property.	\$ 470,721
Less current maturities	<u>(11,352)</u>
Net Long-term Debt	<u>\$ 459,369</u>

Principal payments on long-term debt are due as follows:

<u>Year Ending December 31,</u>	
2023	11,352
2024	11,785
2025	12,342
2026	12,701
2027-2031	71,154
2032-2036	85,803
2037-2041	103,468
2042 and thereafter	<u>162,116</u>
	<u>\$ 470,721</u>

### Note H - Net Income Per Share

Basic earnings per share are computed by dividing earnings available to common stockholders by the weighted average number of common shares outstanding during the period.



## GP Brands,

### Notes to Financial Statements For the Years Ended December 31, 2022 and

The following table sets forth the computation of basic and diluted net loss per share at December 31:

	<u>2022</u>	<u>2021</u>
Numerator		
Net income (loss) applicable to common shareholders	\$ (159,791)	\$ (136,206)
Denominator		
Weighted average shares outstanding - basic and diluted	<u>1,000</u>	<u>1,000</u>
Net income (loss) per share applicable	<u>\$ (159.79)</u> <u>1</u>	<u>\$ (136.21)</u>

### Note I - Intangible Assets

As of December 31, 2022, and 2021, the Company has the following amounts related to intangible assets:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
<u>Amortized Intangibles</u>				
Trademarks	\$ 20,000	\$ 14,887	\$ 20,000	\$ 14,887
Other intangibles	<u>10,000</u>	<u>9,446</u>	<u>10,000</u>	<u>9,446</u>
Total	30,000	24,333	30,000	24,333
<u>Unamortized Intangibles</u>				
Intellectual property rights	<u>69,364</u>	<u>2,000</u>	<u>69,364</u>	<u>-</u>
	<u>\$ 99,364</u>	<u>\$ 26,333</u>	<u>\$ 99,364</u>	<u>\$ 24,333</u>

Intangible assets are initially measured based on their fair market values. Trademarks and other amortizable intangibles are amortized using the straight-line method over a period of 15 years. Amortization for intangible assets amounted to \$2,000 during the year ending December 31, 2022.

### Note J –Subsequent Events

## **GP Brands,**

### Notes to Financial Statements For the Years Ended December 31, 2022 and

Subsequent events have been evaluated through the date the financial statements were available to be issued. In 2022, the continued spread of the COVID-19 pandemic is affecting the United States and may affect the company's operations and those of third parties on which the company relies. While the company does not expect to see a material COVID-19 impact on the results of operations, given the uncertainties surrounding the duration of the outbreak, it is not currently possible to ascertain the overall impact of COVID-19 on the company. Management is monitoring the situation in order to mitigate any potential impact on the company's operations and financial performance.

## **GP Brands,**

Notes to Financial Statements  
For the Years Ended December 31, 2022 and

### **Note K – Contingencies**

In the normal course of business, the company may be subject to involvement in legal actions. In the opinion of management and the company's legal counsel, there are no outstanding matters that will have a material adverse effect on the company's financial position and results of operations.

See also Note G regarding contingent liabilities for notes payable.

## **SUPPLEMENTARY INFORMATION**

# GP Brands,

## Supplementary Information Comparative

<b>Assets</b>		<b>December 31</b>		
		<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>				
Cash		\$ 362,814	\$ 420,895	\$ 65,583
Accounts receivable, net		35,628	19,559	66,775
Total Current Assets		398,441	440,454	132,358
Property and equipment				
Net of accumulated depreciation		266,576	300,469	336,788
<b>Other Assets</b>				
Advances due from officer		-	-	36,734
Other Assets		3,314	3,314	2,500
Intangible assets, net of amortization		73,031	75,031	77,031
Total Other Assets		76,345	78,345	116,265
<b>Total Assets</b>		<b>\$ 741,362</b>	<b>\$ 819,268</b>	<b>\$ 585,411</b>
<b>Liabilities and Stockholder's Equity</b>				
		<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Current Liabilities</b>				
Accounts payable and accrued expenses		\$ 20,297	\$ 31,215	\$ 23,718
Advances from officers		142,701	17,920	-
Current maturities of long-term debt		11,352	15,149	8,256
Total Current Liabilities		174,350	64,284	31,974
<b>Long-Term Liabilities</b>				
Notes and Leases payable, net of current portion		459,369	487,550	149,797
Total Long-Term Liabilities		459,369	487,550	149,797
<b>Stockholder's Equity</b>				
GP Brands, Inc. Common Stock: \$.000000 par value; 1,000 Shares Authorized; 1,000 Shares Issued and Outstanding		-	-	-
Additional paid in capital		243,619	243,619	243,619
Retained earnings (accumulated Deficit)		(135,976)	23,815	160,021
Total Stockholder's Equity		107,643	267,434	403,640

See auditors'  
report.

## GP Brands,

Supplementary  
Information Comparative

<b>Total Liabilities and Stockholder's Equity</b>	<b><u>\$ 741,362</u></b>	<b><u>\$ 819,268</u></b>	<b><u>\$ 585,411</u></b>
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See auditors'  
report.

# GP Brands,

## Supplementary Information Comparative Statements of

	For the Year Ended December 31		
	2022	2021	2020
<b>Revenue</b>			
Franchise fees, net	\$ 781,943	\$ 726,973	\$ 820,764
Store sales	252,254	257,845	226,573
Other fees	988	978	10,000
Total Revenue	<u>1,035,185</u>	<u>985,796</u>	<u>1,057,337</u>
<b>Operating Expenses</b>			
Franchise expenses	132,678	121,854	153,775
Cost of sales, store	6,445	21,887	9,111
General and administrative expenses	<u>1,055,307</u>	<u>1,060,223</u>	<u>967,430</u>
Total Operating Expenses	<u>1,194,430</u>	<u>1,203,964</u>	<u>1,130,316</u>
<b>Net Income (Loss) from Operations</b>	<u>(159,245)</u>	<u>(218,168)</u>	<u>(72,979)</u>
Other income (expense)			
Miscellaneous income	-	7	-
Proceeds from PPP Loan	-	91,595	101,595
Other income	105	-	5,500
Interest expense	<u>(651)</u>	<u>(9,640)</u>	<u>(2,688)</u>
Total Other Income (Expense)	<u>(546)</u>	<u>81,962</u>	<u>104,407</u>
<b>Net Income (Loss)</b>	<u>\$ (159,791)</u>	<u>\$ (136,206)</u>	<u>\$ 31,428</u>
Net income (loss) per common share			
Basic and Diluted	<u>\$ (159.79)</u>	<u>\$ (136.21)</u>	<u>\$ 31.43</u>
Weighted Average Shares Outstanding			
Basic and Diluted	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

See auditors'  
report.

# GP Brands,

## Supplementary Information Comparative Statements of Stockholders'

	Common Stock		Additional	Retained Earnings (Accumulated	
	Shares	Amount	Paid in Capital	Deficit/Surplus)	Total
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital			243,619	7,553	251,172
Net income (loss) 2017				(124,958)	(124,958)
Stockholder's Equity Dec. 31, 2017	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ (117,405)</u>	<u>\$ 126,214</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net income (loss) 2018		-	-	256,681	256,681
Stockholder's equity Dec. 31, 2018	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ 139,276</u>	<u>\$ 382,895</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net Income (Loss) 2019		-	-	(10,683)	(10,683)
Stockholder's equity Dec. 31, 2019	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ 128,593</u>	<u>\$ 372,212</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net income (loss) 2020		-	-	31,428	31,428
Stockholder's equity Dec. 31, 2020	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ 160,021</u>	<u>\$ 403,640</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net income (loss) 2021		-	-	(136,206)	(136,206)
Stockholder's equity Dec. 31, 2021	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ 23,815</u>	<u>\$ 267,434</u>
GP Brands, Inc.	1,000	\$ -	\$ -	\$ -	\$ -
Other adjustment - paid-in capital		-	-	-	-
Net income (loss) 2022		-	-	(159,791)	(159,791)
Stockholder's equity Dec. 31, 2022	<u>1,000</u>	<u>\$ -</u>	<u>\$ 243,619</u>	<u>\$ (135,976)</u>	<u>\$ 107,643</u>

See auditors'  
report.



	<b>For the Year Ended December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>			
Net income (loss)	<u>\$ (159,791)</u>	<u>\$ (136,206)</u>	<u>\$ 31,428</u>
Adjustments to reconcile net income to cash provided (used) by operating activities:			
Depreciation and amortization expense	35,892	38,319	40,964
Decrease (increase) in:			
Accounts receivable and prepaid expenses, net	(16,068)	47,216	(34,449)
Other assets	-	(814)	-
Increase (decrease) in:			
Accounts payable and accrued expenses	(14,281)	19,776	(94,523)
Total adjustments	<u>5,542</u>	<u>104,497</u>	<u>(88,008)</u>
Net Cash Provided (Used) by Operating Activities	<u>(154,249)</u>	<u>(31,709)</u>	<u>(56,580)</u>
<b>Investing Activities</b>	-	-	-
Purchase of property, plant, equipment and improvements	<u>-</u>	<u>-</u>	<u>(16,279)</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>(16,279)</u>
<b>Financing Activities</b>			
Net proceeds (reduction) on notes/leases payable	-	350,000	162,179
Net Advances from (to) shareholder and officer	124,781	54,654	(36,734)
Payments of long-term debt	(28,613)	(17,633)	(12,910)
Changes in Additional paid in capital	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>96,168</u>	<u>387,021</u>	<u>112,535</u>
<b>Net Increase (Decrease) in Cash</b>	<u>(58,081)</u>	<u>355,312</u>	<u>39,676</u>
<b>Cash at Beginning of Year</b>	<u>420,895</u>	<u>65,583</u>	<u>25,907</u>
<b>Cash at End of Year</b>	<u>\$ 362,814</u>	<u>\$ 420,895</u>	<u>\$ 65,583</u>
<b>Supplemental Disclosures of Cash Flow Information and Non-Cash Investing and Financing Activities:</b>			
Cash paid during period for interest	<u>\$ 651</u>	<u>\$ 9,640</u>	<u>\$ 2,668</u>

See auditors'  
report.

## RECEIPT

This Disclosure Document summarizes certain provisions of The Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If GP Brands, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. See the bracketed provisions in bold print which follow immediately after this paragraph to determine whether your State requires delivery of these materials sooner than the referenced 14 calendar-day period.

**New York and Rhode Island require GP Brands, Inc. to provide this Disclosure Document to you 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, Oregon and Washington require GP Brands, Inc. to provide this Disclosure Document to you at least 10 business days before the execution of any binding franchise or other agreement of the payment of any consideration, whichever occurs first.]**

If GP Brands, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and, if applicable, to your State agency on **Exhibit "E"** to this Disclosure Document.

The name, principal business address, and telephone number of each "franchise seller" offering the franchise are as follows: Marcus Price, 4941 4<sup>th</sup> Street, Zephyrhills, Florida 33542, (813) 782-1500.

**Issuance Date:** September 29, 2023 \*\*

\*\*The Effective Date of this Disclosure Document in your particular State may be reflected in the **State Effective Date Exhibit** which follows immediately after the State Cover Page. The Effective Date of this Disclosure Document in your State may be different than the September 29, 2023 Issuance Date applicable in States which do not require registration.

GP Brands, Inc., authorizes Marty J. Beurmann, Esq., GP Brands, Inc., 4941 4<sup>th</sup> Street, Zephyrhills, Florida 33542 to receive service of process (i.e. service of summons or litigation pleadings) for GP Brands, Inc. in the State of Florida. **Your State may require that we designate an agent in your State who is authorized to receive service of process in connection with actions arising under your State's laws. See Exhibit "E" attached to this Disclosure Document (if applicable) to determine if we have appointed an agent authorized to receive process in your State. GP Brands, Inc. authorizes the respective designated agents identified on Exhibit "E" to receive service of process for it in the particular identified State.**

I received on the date appearing adjacent to my signature below a Franchise Disclosure Document of GP Brands, Inc. dated September 29, 2023 which included the Exhibits (Exhibits "A" through "L") listed below:

- |    |  |             |
|----|--|-------------|
| A. | Franchise Agreement  | Exhibit "A" |
| B. | Non-Competition and Non-Solicitation Agreement                 | Exhibit "B" |
| C. | Personal Data Disclosure/Franchisee Ownership Information Form | Exhibit "C" |
| D. | Credit Card and Designated Account Authorization Form          | Exhibit "D" |

E.	Listing of State Administrators, and Agents for Service of Process	Exhibit "E"
F.	Pre-Approved Products and Services	Exhibit "F"
G.	State Specific Addendum (as applicable)	Exhibit "H"
H.	Financial Statements	Exhibit "I"
I.	Continuing Personal Guaranty (as applicable)	Exhibit "K"

\_\_\_\_\_  
Franchisee Signature

\_\_\_\_\_  
Date Your Received FDD

\_\_\_\_\_  
Print Name of signor of Franchisee

\_\_\_\_\_  
Print Name of Corporation (N/A if not applicable)

\_\_\_\_\_  
Print Title (N/A if not applicable)

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\_\_\_\_\_  
Franchisee Signature

\_\_\_\_\_  
Date Your Received FDD

\_\_\_\_\_  
Print Name of signor of Franchisee

\_\_\_\_\_  
Print Name of Corporation (N/A if not applicable)

\_\_\_\_\_  
Print Title (N/A if not applicable)