

MAILCOUPS, INC.  
UNIFORM FRANCHISE OFFERING CIRCULAR

EXHIBIT E

FRANCHISE AGREEMENT  
AND RELATED AGREEMENTS

**MAILCOUPS, INC.**  
**FRANCHISE AGREEMENT**

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

# MAILCOUPS, INC. FRANCHISE AGREEMENT

## SUMMARY PAGES

These pages summarize the attached AGREEMENT. The details of these Summary Pages shall control the parties' rights in the event of any conflict.

1. FRANCHISEE: \_\_\_\_\_ (name)  
\_\_\_\_\_ (address)  
\_\_\_\_\_ (telephone)

2. APPROVED LOCATION FOR FRANCHISED BUSINESS: \_\_\_\_\_  
\_\_\_\_\_

3. OPERATING FRANCHISEE: \_\_\_\_\_

4. TYPE OF FRANCHISES: (a) Traditional  
(b) Conversion  
(c) \_\_\_\_\_  
(d) ~~(c)~~ Industry Experienced Professional  
**Metro**

5. INITIAL FRANCHISE FEE: \_\_\_\_\_

6. ONGOING FEES:  
(a) Royalty Fee: ~~{See Base Fee}~~ **[\$15.25 for each 1,000 Envelopes Mailed]**  
(b) Minimum Bimonthly Royalty Fee: ~~{ \$152.50 }~~ **[\$15.25] for each**  
~~{Community Marketing Profile}~~ **[1,000 Envelopes]** which [Franchisee] is  
required to ~~{be Mailed,}~~ **[Mail,]** but ~~{which is}~~ **[does] not** ~~{Mailed}~~ **[Mail]**  
during ~~{that}~~ **[a]** bimonthly period.  
(c) **[Base Fee: \$53.50 for each 1,000 envelopes Mailed]**

7. FRANCHISEE QUALIFIES FOR: YES NO  
(a) Initial Training \_\_\_\_\_  
(b) **[No Royalty or Base Fee on**  
**first 10 CMPs Mailed]** ~~{(b) "Free" Mailings §11.3}~~  
(c) **[Metro Discount]** ~~{No Royalties on first two~~  
~~Mailings §3.2}~~ \_\_\_\_\_

8. APPROVED EXCEPTIONS TO  
CONFLICT OF INTEREST  
REQUIREMENTS OF §17.9:

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

9. TERRITORY: (A map may be attached to Schedule 1)

\_\_\_\_\_

10. EXPIRATION DATE:

\_\_\_\_\_

11. NOTICES SHALL BE SENT TO THE PARTIES AT:

MailCoups, Inc.  
Attn: Mr. ~~Bill~~ [William] Matthews  
Avon Industrial Park  
180 Bodwell Street  
Avon, Massachusetts 02322  
Phone (800) 626-2620  
Facsimile (508) 588-3347

Franchisee[:] \_\_\_\_\_ (name)  
\_\_\_\_\_ (street)  
\_\_\_\_\_ (city, state, zip code)  
\_\_\_\_\_ (telephone)  
\_\_\_\_\_ (facsimile)

12. STIPULATIONS:

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

13. MINIMUM ANNUAL

MAILING [FREQUENCY REQUIREMENT:] ~~(REQUIREMENTS:~~

~~Minimum Annual Mailing requirements would be:~~

- ~~(a) 2002 = 1,920,000~~
- ~~(b) 2003 = 2,112,000~~
- ~~(c) 2004 = 2,322,200~~
- ~~(d) 2005 = 2,555,520~~
- ~~(e) 2006 = 2,811,072~~
- ~~(f) 2007 = 3,092,179~~
- ~~(g) 2008 = 3,401,397~~
- ~~(h) 2009 = 3,741,536~~
- ~~(i) 0110 = 4,115,690~~
- ~~(j) 2011 = 4,527,259~~
- ~~(k) 2012 = 4,979,985~~

Six (6) Mailings per calendar year.

14. [DEVELOPMENT SCHEDULE,] MAILING DATES ~~(FOR FIRST FULL YEAR OF OPERATION)~~ [AND MINIMUM REQUIRED NUMBER OF ENVELOPES MAILED]:

Mailing 1 _____	Mailing <del>{4}</del> [19]
Mailing 2 _____	Mailing <del>{5}</del> [20]
Mailing 3 _____	Mailing <del>{6 _____}</del> [21]
<del>{Base Fee: \$41.20 per 1000 envelopes mailed.}</del> [Mailing 4 _____	
Mailing 5 _____	Mailing 22 _____
Mailing 6 _____	Mailing 23 _____
Mailing 7 _____	Mailing 24 _____
Mailing 8 _____	Mailing 25 _____
Mailing 9 _____	Mailing 26 _____
Mailing 10 _____	Mailing 27 _____
Mailing 11 _____	Mailing 28 _____
Mailing 12 _____	Mailing 29 _____
Mailing 13 _____	Mailing 30 _____
Mailing 14 _____	Mailing 31 _____
Mailing 15 _____	Mailing 32 _____
Mailing 16 _____	Mailing 33 _____
Mailing 17 _____	Mailing 34 _____
Mailing 18 _____	Mailing 35 _____
	Mailing 36 _____

After Development Schedule has expired, the number of envelopes Mailed must remain, at a minimum, at the level shown for the last Mailing on the Development Schedule.]

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**GUARANTY OF FRANCHISEE'S UNDERTAKINGS**

**SCHEDULE 1 TERRITORY**

~~{SCHEDULE 2 UCC-1~~

~~}SCHEDULE {3} [2] DEVELOPMENT FEE FOR FRANCHISEES OPERATING IN  
TERRITORY SUBJECT TO MARKET DEVELOPMENT  
AGREEMENT~~

# MAILCOUPS, INC.

## SUPERCOUPS FRANCHISE AGREEMENT

This Agreement is made on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between MailCoups, Inc., a Delaware corporation with principal offices at Avon Industrial Park, 180 Bodwell Street, Avon, Massachusetts 02322 ("MailCoups") and \_\_\_\_\_, a corporation/ partnership/ limited liability company/ individual proprietorship, with its principal place of business at the location designated on the Summary Pages ("Franchisee"). Franchisee has designated the person named on the Summary Pages as its "Operating Franchisee," to be the individual responsible for supervision of the daily operation of the Franchise.

MailCoups and Franchisee, intending to be legally bound, agree as follows:

### ARTICLE 1: FRANCHISE GRANT

1.1 **License Grant.** Subject to the terms and conditions of this Agreement, MailCoups grants Franchisee the right to use MailCoups' registered service marks ~~{ "SUPERCOUPS MONEY SAVING COUPONS FOR THE WHOLE FAMILY" and design, and "SUPERCOUPS" (the) }~~ **"SUPERCOUPS" and "Local Coupons. Super Savings" (the)** "Service Marks") and the right, franchise and privilege to use the SuperCoups Confidential Manual and the SuperCoups system of operating an advertising and marketing business which specializes in cooperative direct mail coupon advertising and Internet and television advertising services ("SuperCoups System").

### ARTICLE 2: TERRITORY

2.1 **Franchisee's Territory.** Subject to the conditions enumerated below throughout the term of this Agreement, Franchisee shall have the exclusive right to ~~{ send, through the United States Postal Service, }~~ **[deliver]** Cooperative Mailings identified by the Service Marks in the Territory (to "Mail"). **[A "Mailing" may be distributed via the United States Postal Service, or through distribution services such as the "ADVO ShopWise Wrap," the ADVO National Network Extension ("ANNE") and through other methods of delivering envelopes to Homes (collectively, "Distribution Services").]** "Cooperative Mailings" are envelopes containing advertising of two (2) or more advertisers. Franchisee's right to ~~{ advertise }~~ **[deliver advertising]** through **[devices]** other ~~{ media, }~~ **[than Mail,]** including ~~{, without limitation, }~~ the Internet, television, radio ~~{ or }~~ **[and]** other ~~{ electronic }~~ media is non-exclusive. MailCoups, its franchisees, affiliates and their franchisees or licensees may transmit advertising to Franchisee's Territory by any means other than Mail. If Franchisee is in compliance with this Agreement:

2.1.1 Except as set forth below, MailCoups shall not authorize anyone to Mail to individual or family dwellings or businesses ("Homes") using the Service Marks in Franchisee's Territory; nor shall MailCoups itself Mail to Homes using the Service Marks in Franchisee's Territory.

2.1.2 **[Except as provided in Section 2.1.3,]** MailCoups and its affiliates and any of their successors, licensees, or assigns may Mail to Homes in the Territory, but they may not Mail using the Service Marks.

2.1.3 Neither MailCoups nor its affiliates shall provide Complete Manufacturing Services for any person or company who mails Cooperative Mailings into Franchisee's Territory if such person is neither an affiliate nor a franchisee of MailCoups or its affiliates. "Complete Manufacturing Services" means providing printing, inserting, sort/tray, envelopes, lists and labeling to a person or company. Neither MailCoups nor its affiliates are prohibited from providing one or more components of Complete Manufacturing Services to such persons or companies, provided they are less than all of such services; nor are they prohibited from providing distribution services to such persons or companies.

2.2 **National Accounts.** MailCoups reserves the right to place coupons of National Accounts in envelopes Mailed in Franchisee's Territory ~~{, provided the National Accounts coupons do not violate an Exclusive Advertising Right Franchisee has granted to an advertiser pursuant to Section 2.6}~~. MailCoups reserves the exclusive right to solicit and service National Accounts in Franchisee's Territory. A National Account is an advertiser which, in MailCoups' judgment, is capable of Mailing to a minimum of 1,000,000 Homes in a two (2)-month period. MailCoups shall pay Franchisee One Dollar (\$1) per thousand for each MailCoups National Account inserted in ~~{a coupon Mailing}~~ **[an envelope Mailed]** to Franchisee's Territory ~~{(except Franchisee's initial two (2) coupon Mailings if the Summary Pages (Section 7(b)) indicate Franchisee is entitled to receive "Free" Mailings)}~~ **[directly by MailCoups through the United States Postal Service (except for National Accounts coupons placed in discounted Mailings described in Section 3.2). No payment is required for envelopes distributed via the ADVO ShopWise Wrap, the ANNE network or similar distribution devices]**. MailCoups may modify the fee at any time.

~~2.2.1 If Franchisee believes that a National Account advertisement conflicts with an Exclusive Advertising Right which Franchisee has granted to an advertiser, Franchisee shall notify MailCoups of Franchisee's opinion, and an appropriate member of MailCoups' management team shall evaluate Franchisee's concern. MailCoups' decision about whether a National Account advertisement would violate the advertiser's Exclusive Advertising Right and whether the Exclusive Advertising Right was granted pursuant to Section 2.6 shall be binding on Franchisee.~~

~~2.3 Multiple Territory Clients}~~ **[2.3 Cross-Sales].** MailCoups and any franchisee ("Originating Franchisee") may contract with a client which resides in its Territory to Mail coupons into another franchisee's Territory, provided:

a) The franchisee which owns the Territory ("Local Franchisee") is notified a reasonable amount of time before its copy deadline;

b) The Originating Franchisee pays the Local Franchisee the compensation the parties have negotiated. However, if the parties fail to reach agreement on compensation, the Originating Franchisee shall pay the Local Franchisee the cross-sale compensation ("CSP") ~~{published}~~ **[set]** by MailCoups. The CSP is compensation the Originating Franchisee must pay the Local Franchisee if ~~{they}~~ **[the franchisees]** cannot agree ~~{between themselves}~~

price for the services and costs incurred by the Local Franchisee which are related to Mailing a ~~{Multiple Territory coupon. It shall be established by a vote of a majority of the voting SuperCoups franchisees in Franchisee's region ("CSZs") whose franchise agreements or amendments to them contain provisions consistent with relevant provisions of this Article 2. The CSP shall apply to all such CSZs in the region. The CSP may be modified annually and shall be published by October 1 for all Mailings which shall occur during the following calendar year.}~~  
[cross-sale coupon; and]

~~{c} Within sixty (60) days of October 1 of each year MailCoups or its designee shall solicit all CSZs about their opinions of what the CSP should be for the next calendar year. Based upon a majority vote of those CSZs in the region who voted, MailCoups shall publish a CSP for Franchisee's region by October 1, or as soon thereafter as is practical.~~

~~d) The advertisement is not for a business, product or service for which the Franchisee has granted Exclusive Advertising Rights pursuant to Section 2.6;~~

e)} [c] A Local Franchisee has no duty to Mail a coupon for an Originating Franchisee if:  
(i) the Originating Franchisee has not paid the Local Franchisee the full agreed compensation, or if no agreement on compensation has been reached, the entire CSP, as well as all other costs associated with Mailing the Originating Franchisee's coupon at least fifteen (15) days before the ~~{Scheduled}~~ [scheduled] Mailing; or (ii) the Originating Franchisee is in default of any payment obligations to the Local Franchisee~~{;}~~[.]

2.3.1 Because franchise agreements executed before 1999 do not address ~~{Multiple Territory Clients}~~ [cross-sale clients], and because franchise agreements executed between 1999 and ~~{2001}~~ [2002] contain somewhat different standards from those in Section 2.3, some Local Franchisees may not be required to accept Franchisee's ~~{Multiple Territory Client Mailings}~~ [cross-sales], or the terms of this Section 2.3 may not apply to them.

~~{2.4 Territory Mapping. MailCoups will order CRIS (Carrier Route Information Systems) Schemes from the U.S. Postal Service, and count information by zip code and carrier route from the label company that supplies.}~~ 2.3.2 If a Local Franchisee has granted an advertiser exclusive advertising rights in the Local Franchisee's Territory pursuant to a franchise agreement executed before 2003, the Originating Franchisee must honor the exclusive advertising rights and may not cross sell a competing coupon for Mailing in the Local] Franchisee's Territory. ~~{This information shall be used to assist Franchisee in designating the size of the Community Marketing Profiles in Franchisee's Territory. A Community Marketing Profile consists of those Homes sharing certain demographic characteristics that constitute the smallest group which is normally the subject of a Mailing. MailCoups may charge a fee for these services.}~~ [Exclusive advertising rights are based on a franchisee's agreement with an advertiser to exclude coupons of competitors in a Mailing which includes the favored advertiser's coupon.]

~~{2.5}~~ [2.4] Envelope Advertising. MailCoups may place advertisements on the back of envelopes [that Franchisee Mails.] ~~{the Franchisee Mails, provided MailCoups pays Franchisee at least One Dollar (\$1) for each one thousand (1,000) such envelopes Franchisee Mails. If Franchisee notifies MailCoups that it has sold advertising for the envelope before the notice deadline MailCoups specifies, Franchisee may place advertisements on the backs of envelopes it Mails.~~

~~2.6 Exclusive Advertising Rights. To facilitate sales of advertising to businesses which have a narrow customer base and which might refuse to advertise in a SuperCoups envelope if it carried an advertisement of a competitor, Franchisee may grant Exclusive Advertising Rights to certain advertisers. Within sixty (60) days of October 1 of each year, MailCoups or its designee shall solicit all CSZs in Franchisee's region or urban zone about their opinions of which, if any, categories of business, products or services should be eligible for Exclusive Advertising Rights during the following calendar year. The ten (10) categories receiving the most votes shall be published by MailCoups as the only categories entitled to Exclusive Advertising Rights in their region or urban zone during the following calendar year. MailCoups may designate "urban zones" within regions which may be treated as "regions" for purposes of this Section 2.6. Urban zones are large cities within regions which have market characteristics which differ from those in suburban or rural areas of the same region.~~

~~2.6.1 Franchisee is not required to grant Exclusive Advertising Rights for a business, product or service which is on the approved list for the region.~~

~~2.6.2 Franchisee only may grant Exclusive Advertising Rights for a business, product or service which is approved for use in Franchisee's region, and only for franchise territories Mailed by CSZs.~~

~~2.6.3 Once Franchisee has committed to an advertiser that the advertiser is entitled to Exclusive Advertising Rights for a particular Mailing, both Originating Franchisees (as defined in Section 2.3) and MailCoups shall honor that commitment, and no Multiple Territory Client or National Account may place advertisements in the subject envelope which would violate an Exclusive Advertising Right which Franchisee has granted to an advertiser in compliance with this Section 2.6.}~~

### ARTICLE 3: INITIAL FRANCHISE FEE

3.1 **Initial Franchise Fee.** Upon the signing of this Agreement (the "Effective Date"), Franchisee shall pay MailCoups the Initial Franchise Fee set forth on the Summary Pages. The Initial Franchise Fee is fully earned by MailCoups when paid by Franchisee. It is not refundable.

3.2 **Discounted ~~{Initial}~~ Mailing Cost for New Franchisees.** If the Summary Pages indicate that Franchisee qualifies, ~~{certain costs of Franchisee's first two (2) coupon Mailings to }~~ **[Franchisee shall not be charged a Royalty Fee or Base Fee on Mailings to the first ten (10) Community Marketing Profiles ("CMPs") to which Franchisee Mails. A CMP consists of approximately] ten thousand (10,000) Homes {are included in the Initial Franchise Fee. A "coupon Mailing" or "Mailing" is comprised of coupons sold by Franchisee to local businesses and which are Mailed to Homes in Franchisee's Territory and Multiple Territory Clients. The following costs of the initial two (2) coupon Mailings are included in the Initial Fee if Franchisee qualifies: all pre-press, printing, inserting, envelopes, labels and trucking charges (not to exceed reasonable charges);} [which share certain demographic characteristics.] Franchisee must pay all {postage charges, incremental charges for Mailing more than twenty-five (25) coupons (other than incremental charges generated by National Accounts), up charges for oversized coupons, overruns, four color discs which are not included in MailCoups existing**

~~library, excessive type charges, pulls/kills, florescent inks, 7 point stock and two-sided coupons.} [other charges associated with a discounted Mailing.~~

**3.3 Mailing Costs for Metro Franchisees.** If the Summary Pages indicate that Franchisee qualifies as a Metro Franchisee, in lieu of the discount described in Section 3.2, Franchisee's Territory shall be divided into areas of approximately 100,000 Homes ("Areas"). Franchisee shall not be charged a Royalty Fee or a Base Fee on Mailings to the first ten (10) CMPs Mailed in each Area.]

#### ARTICLE 4: ADDITIONAL TERRITORY

**4.1 ~~{Purchase}~~ [License] of Additional Territory.** If at any time during the term of this Agreement, Franchisee and MailCoups agree to Franchisee's purchasing an Additional Franchise Territory, in consideration of Franchisee paying to MailCoups its then standard Initial Franchise Fee for Additional Territories, MailCoups shall grant Franchisee a Franchise for the Additional Territory on ~~{it's}~~ [its] then current form of Franchise Agreement. [At its option, MailCoups may amend this Agreement by adding the Additional Franchise Territory and by defining new Minimum Mailing Requirements.] Franchisee shall not be entitled to receive the in-field portion of initial franchise training, nor shall the Initial Franchise Fee entitle Franchisee to discounted Mailings described in Article 3.2 [and 3.3], to the computer hardware and software described in Article 8.2, or to the initial franchise training described in Article 16.2 and 16.3. Neither Franchisee nor MailCoups is obliged to execute a franchise for Additional Territory.

4.1.1 ~~{However,}~~ Franchisee shall be eligible to execute a Franchise for Additional Territory if:

a) MailCoups still is offering franchises in the jurisdiction selected by Franchisee and MailCoups has obtained any franchise registrations or exemptions necessary to lawfully offer the franchise to Franchisee;

b) Franchisee has been in full compliance with all of its obligations arising under the Franchise Agreement for at least twelve (12) months before Franchisee offers to acquire a franchise for the Territory;

~~c) { Franchisee's coupon count per envelope during the twelve (12) months preceding the offer has met or exceeded the average (median) coupon count of all SuperCoups franchisees which have been in business for at least two (2) full years;~~

~~d) {~~ Franchisee possesses the capital and management skills which MailCoups reasonably determines is necessary to develop the Territory. However, MailCoups' granting of an additional franchise in no way constitutes a warranty or representation that Franchisee will successfully operate a SuperCoups business in the Additional Territory;

~~{e) {~~ [d)] MailCoups has not already commenced negotiations with a third party to grant a franchise for the Additional Territory;

~~{f}~~ **[e]** Franchisee executes a general release in a form prescribed by MailCoups which waives any and all claims Franchisee and its Shareholders and Guarantors may have against MailCoups, its affiliates and their officers, directors, employees, representatives, lawyers, franchisees and suppliers;

f) MailCoups and its affiliates have no plans to operate a SuperCoups business in the proposed Additional Territory;

~~{h}~~ **[g]** The Additional Territory identified by Franchisee will not likely interfere with MailCoups' development plans for the region by rendering adjacent territory too costly or too difficult to service by another franchisee;

~~{i}~~ **[h]** Franchisee has cooperated with other franchisees in the region in servicing Multiple Territory Clients;

~~{j}~~ **[i]** Franchisee has neither sued nor threatened to sue MailCoups, its affiliates or their franchisees, officers, directors, employees, agents, lawyers or vendors; **[and]**

~~{k}~~ **[j]** Franchisee increases its Mailing ~~{Frequency}~~ **[frequency]** in all its existing franchise Territories to at least the level prescribed in the new Franchise Agreement~~[.]~~; **and**

~~l) Franchisee participates in all programs required by the Franchise Agreement for the Additional Territory in all of Franchisee's existing Territory.~~

~~4.2 Additional Fee Due If Transferred Within Two Years. If Franchisee shall transfer all of any part of any Additional Territory acquired pursuant to this Article 4 within two (2) years of the Effective Date of such Agreement, as a condition of MailCoups' approval of the Transfer, in addition to the Transfer Fee required by Article 22.1, Franchisee shall pay MailCoups the difference between the Initial Franchise Fee paid for such Territory and MailCoups' then standard Initial Franchise Fee charged to new franchisees of the same type, i.e., Traditional, Conversion or Industry Experienced Professional.~~

## ARTICLE 5: TERM

5.1 **Term.** Unless sooner terminated pursuant to Article 23, subject to the terms of Article 6, the term of this Agreement is for a period of ten (10) years from the Effective Date.

## ARTICLE 6: FRANCHISE RENEWAL

6.1 **Renewal.** If Franchisee wishes to **[renew or]** extend ~~{or renew}~~ this Agreement, Franchisee shall apply for renewal or extension of this Agreement for an additional ten (10)-year term by providing notice to MailCoups not less than one hundred twenty (120) days prior to the expiration of this Agreement. MailCoups may invite Franchisee to extend or renew this Agreement by tendering to Franchisee for Franchisee's execution, the documents identified in this Article.

**6.2 Agreement to Renew.** Franchisee's right to renew or extend this Agreement shall be conditioned upon Franchisee's having complied with each of the following conditions:

6.2.1 Franchisee is and has been in substantial compliance with all the provisions of this Agreement and requirements prescribed by MailCoups pursuant to this Agreement.

6.2.2 Franchisee is current in all its financial obligations to MailCoups.

6.2.3 Franchisee signs the then current form of Franchise Agreement that MailCoups is issuing, which may include materially different terms and conditions from this Agreement.

6.2.4 Franchisee pays a renewal fee of Two Thousand Five Hundred Dollars (\$2,500).

6.2.5 Franchisee obtains such ~~{furniture, fixtures,}~~ equipment and services that are then required of new SuperCoups franchisees and pays MailCoups or the vendors of such products or services the cost of obtaining such ~~{furniture, fixtures,}~~ equipment and services.

6.2.6 Franchisee and its guarantors sign a general release of any and all claims against MailCoups and its directors, officers, employees and agents. **[The release shall not relate to the offer or sale of the Renewal Franchise Agreement.]**

**6.3 Franchisee Election Not to Renew.** ~~{Failure}~~ **[The failure]** by Franchisee to pay the renewal fee, sign the then current Franchise Agreement ~~{and}~~ **[or]** sign a general release within ninety (90) days after the agreements are delivered to Franchisee shall constitute an election by Franchisee not to renew the Franchise.

**6.4 Refusal to Renew by MailCoups.** MailCoups shall not be obligated to renew or extend this Agreement if:

6.4.1 Franchisee has failed to satisfy the Minimum Mailing Requirements during either of the two (2) years preceding the Expiration Date of this Agreement; ~~{or}~~  
}

6.4.2 Franchisee has not paid Franchisee's Royalty Fees, Minimum Bimonthly Royalty Fees, Manufacturing Charges, Postage Charges or other monies owed MailCoups on a timely basis; or

6.4.3 MailCoups has decided to no longer offer or service franchises of a type, which is the subject of this Agreement in a state where Franchisee's Territory is situated.

**6.5 Notice of Nonrenewal.** If MailCoups elects not to renew or extend this Agreement pursuant to Section 6.4, MailCoups shall notify Franchisee of its decision at least 90 days prior to the Expiration Date. The notice shall state MailCoups' reasons for refusing to renew or extend this Agreement. If MailCoups and Franchisee have not agreed to renewal terms, MailCoups unilaterally may extend the Expiration Date of this Agreement to provide Franchisee a full ninety (90) ~~{days}~~ **[days']** notice of nonrenewal.

## ARTICLE 7: FRANCHISE SITE

7.1 **Franchise Site.** Franchisee must conduct its Franchised Business from an office which satisfies the minimum criteria established by MailCoups from time to time, and which complies with MailCoups' site location criteria and with applicable zoning laws. MailCoups' approval of a location does not constitute a representation or guarantee that Franchisee's operation of its business there will be successful, or that the operation of the business there complies with applicable laws and regulations. Franchisee is liable for assuring that the location, and the way in which it conducts its business satisfies local zoning, regulatory and licensing requirements.

## ARTICLE 8: FRANCHISE EQUIPMENT

8.1 **Required Facsimile Machine.** Franchisee must ~~{purchase or lease}~~ [acquire] a facsimile machine ~~{capable of transmitting to and from a group three (3) facsimile machines}~~ and install a dedicated telephone line for ~~{the use of the facsimile machine}~~ [its use in the operation of the Franchised Business.]

8.2 **Required Computer.** Franchisee must at all times use in the operation of its Franchise Business the computer hardware and software which MailCoups designates for Franchisee's use. Franchisee is solely responsible for the costs of the hardware and software, as well as maintenance and all upgrades prescribed by the Franchisor.

~~8.3 {Television Production/Advertising Program Kit. Franchisee must at all times have and use the television production/advertising program equipment MailCoups prescribes.~~

~~8.4}~~ **Equipment Standards.** Franchisee shall acquire, maintain and use any other equipment, software, supplies or materials MailCoups designates for use in carrying on the Franchised Business. MailCoups may modify such standards and requirements described in this Article 8 at any time on thirty (30) days notice.

## ARTICLE 9: MAILING REQUIREMENTS

9.1 **Minimum Mailing Requirements.** Franchisee must satisfy the Minimum Mailing Requirements specified on the Summary Pages.

9.1.1 MailCoups may increase Minimum Mailing Requirements at any time provided at least fifty percent (50%) of SuperCoups franchisees are Mailing more frequently than the requirements specified on the Summary Pages.

9.1.2 If Franchisee's Territory is within a ~~{Metropolitan Statistical Area ("MSA")}~~ [region or urban zone] in which seventy-five percent (75%) or more of the Homes Mailed by SuperCoups franchisees are Mailed at a frequency which exceeds Franchisee's Mailing frequency, MailCoups may require Franchisee to increase the frequency of its Mailings to the rate Mailed by the majority of SuperCoups franchisees in the ~~{MSA}~~ [region or urban

**zone. MailCoups may require Franchisee to Mail at a frequency which equals the Mailing frequency of the majority of its Franchisees in the United States.]**

9.1.3 MailCoups shall notify Franchisee of any increase in its Minimum Mailing Requirements by July 1 of the year before the increase is effective.

9.1.4 SuperCoups franchisees who have executed Franchise Agreements at different times may be subject to different Minimum Mailing Requirements.

9.2 **Failure to Mail: Standard Territory.** If Franchisee fails to satisfy ~~{any}~~ [its] Minimum Mailing Requirements ~~{in any of Franchisee's Community Marketing Profiles}~~ [during any year, or if Franchisee fails to schedule enough Mailings to satisfy the Minimum Mailing Requirements] without MailCoups' prior written approval, in lieu of its right to terminate the Franchise, MailCoups may ~~{elect to}~~ terminate Franchisee's rights ~~{to the Community Marketing Profiles in which the default occurred.}~~ [in any zip codes in the Territory which have not been Mailed.]

9.3 **Failure to Mail: ~~{Large Territory. If Franchisee has a territory which has more than eighty thousand (80,000) Homes, and has satisfied the Minimum Mailing Requirements in Community Marketing Profiles comprising at least eighty thousand (80,000) Homes, but not in all of Territory's Community Marketing Profiles unless MailCoups has provided Franchisee with a written waiver of such obligation, the Franchisor}~~** [Metro Franchise. If Franchisee has been granted a Metro Franchise and has Mailed to at least eight (8) CMPs for each of Franchisee's last three (3) scheduled Mailings, but has not scheduled to Mail or has not Mailed the number of Homes Franchisee is required to Mail, in lieu of its right to terminate the Franchise, MailCoups ]may terminate Franchisee's rights ~~{to some or all of the Community Marketing Profiles where the Minimum Mailing Requirements have not been satisfied, but may not terminate the Franchisee solely for such deficiency. Without incurring liability for lost future profits, at any time prior to receiving a notice of termination from MailCoups, Franchisee may terminate its rights to one or more Community Marketing Profiles, provided Franchisee is in full compliance with applicable Minimum Mailing Requirements and is Mailing to at least eighty thousand (80,000) Homes in the Territory.}~~ [in any zip codes in the Territory which have not been Mailed during the last three (3) scheduled Mailings.]

## ARTICLE 10: QUALITY STANDARDS

10.1 **Approved Products.** Franchisee recognizes it is essential to the proper marketing of the SuperCoups System and to the preservation and promotion of the SuperCoups System's reputation and acceptance by the public at large, that MailCoups' approved standards of quality, composition, texture, finish and appearance are used in products distributed to the public.

10.1.1 Franchisee will use, offer for sale and sell using MailCoups' Service Marks only products, services, and advertising media that are approved by MailCoups in writing. Franchisee may not solicit business on the Internet or otherwise use MailCoups' Service Marks on the Internet unless such solicitation or use is approved or prescribed by MailCoups.

10.1.2 Franchisee agrees not to in any way, manner, shape or form, distribute or sell any products or services purchased from MailCoups to any re-seller of such products or services without MailCoups' prior written approval.

10.2 **Approved Suppliers.** Franchisee must purchase the products and services sold in connection with the Franchise including pre-press, plating, and printing, inserting, sort/tray and labeling, labels, envelopes, and direct mailing services exclusively from MailCoups or suppliers it approves. MailCoups is not obliged to approve or accept any other suppliers for such products and/or services.

10.2.1 Franchisee must purchase software products designated by MailCoups from sources designated [or approved] by MailCoups. Franchisee must use these software products in the Franchised Business as directed by MailCoups.

10.3 **Approved Operating Franchisee.** The Franchised Business only may be operated by an Operating Franchisee who has been approved in writing by MailCoups.

## ARTICLE 11: ROYALTY FEES

11.1 **Royalty Fees.** During the term of this Agreement, Franchisee shall pay MailCoups a Royalty Fee of Fifteen Dollars and Twenty-Five Cents (\$15.25) for each one thousand (1,000) ~~{Homes}~~ [envelopes] Mailed ~~{an envelope}~~ by Franchisee. Franchisee also shall pay MailCoups a Minimum Bimonthly Royalty Fee of ~~{One Hundred Fifty Two}~~ [Fifteen] Dollars and ~~{Fifty}~~ [Twenty-Five] Cents ~~{{(\$152.50)}}{(\$15.25)}~~ for every ~~{Community Marketing Profile}~~ [1,000 envelopes] in Franchisee's Territory [to] which ~~{is}~~ [Franchisee was] required to ~~{be}~~ [have] Mailed, but which ~~{is}~~ [were] not Mailed during ~~{the preceding sixty (60) days}~~ [that period]. Minimum Bimonthly Royalty Fees must be received by the fifteenth (15<sup>th</sup>) day of January, March, May, July, September and November for Mailings required to have been Mailed during the two (2) ~~{calendar months. If any tax other than an income tax is imposed upon Royalty Fees, Minimum Bimonthly Royalty Fees, License Fees or Advertising Fund Contributions required by Article 19, which are paid by Franchisee to MailCoups, which MailCoups cannot offset against taxes it is required to pay under the laws of the United States or the State of its domicile, Franchisee shall compensate MailCoups in the manner MailCoups prescribes so that the net amount or net rate MailCoups or the Fund receives is no less than that which was established by this Agreement and due to MailCoups or the Fund on the Effective Date or on the date any increase in fees was imposed under this Agreement.}~~ [previous calendar months. Minimum Mailing Requirements are defined in the Summary Pages.]

11.2 **Royalty Fee Increase.** The Royalty Fee and the Minimum Bimonthly Royalty Fee may be increased annually, effective ~~{February}~~ [January] 1 of each year by MailCoups at its sole discretion. The Royalty Fee shall not increase more than six percent (6%) annually during the term of this Agreement.

11.3 **Royalty Fee** ~~{Waiver. If the Summary Pages so indicate, MailCoups waives Royalty Fees and}~~ [Tax. If any tax other than an income tax is imposed upon Royalty Fees,] Minimum Bimonthly Royalty Fees ~~{for the first two (2) twenty-five (25) coupons Mailed as a part of two (2) ten thousand (10,000) Home Mailings.}~~ [License Fees or Advertising Fund

**Contributions required by Article 19, which are paid by Franchisee to MailCoups, which MailCoups cannot offset against taxes it is required to pay under the laws of the United States or the State of its domicile, Franchisee shall compensate MailCoups in the manner MailCoups prescribes so that the net amount or net rate MailCoups or the Fund receives is no less than that which was established by this Agreement and due to MailCoups or the Fund on the Effective Date or on the date any increase in fees was imposed under this Agreement.]**

## **ARTICLE 12: LICENSE FEES**

**12.1 License Fees.** As compensation to MailCoups for new programs, products or services which are not subject to Royalty Fees, Franchisee shall pay MailCoups such License Fee as MailCoups sets. Each License Fee shall be a flat fee, which shall be no higher than eight percent (8%) of Franchisee's Gross Receipts based upon MailCoups' suggested prices for the product or service Franchisee offers or sells. Flat fees may be increased annually effective ~~February~~ **[January]** 1 of each year by MailCoups at its sole discretion. License fees shall increase no more than six percent (6%) annually during the Term of this Agreement.

**12.2 Gross Receipts.** Gross Receipts is defined as the aggregate gross amount of all revenues from whatever source derived (whether in form of cash, credit, the redemption of gift certificates, agreements to pay or other consideration, including the actual retail value of any goods or services traded, bartered, or otherwise received by the Franchisee in exchange for any form of non-monetary consideration, whether or not payment is received at the time of sale or any such amount is proved uncollectible) from or in conjunction with the Franchised Business, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Receipts includes all sales of products, services or promotional items made from the Franchised Business. Gross Receipts includes proceeds received from "loss of business" insurance. However, Gross Receipts does not include:

- a) Proceeds due from the sale of Cooperative Mailings;
- b) Sales or use taxes collected by the Franchisee;
- c) The amount of any refunds or allowances made on products or services returned by customers;
- d) Returns to shippers, vendors and manufacturers;
- e) Proceeds derived from the sale of equipment or supplies used by the Franchisee in the conduct of its business and not provided for resale;
- f) Sums received in settlement of claims of loss or damage to fixtures, equipment or leasehold improvement; and
- g) Sale of gift certificates.

## ARTICLE 13: MANUFACTURING, INTERNET AND TELEVISION MARKETING CHARGES

13.1 **Manufacturing Charges.** ~~{MailCoups charges Franchisee fees for pre-press, plating and printing; inserting, sort/tray; envelopes; labels and labeling; and direct mailing services ("Manufacturing Charges") for each coupon Mailing.}~~ [Franchisee shall pay MailCoups its then current Manufacturing Charges. Manufacturing Charges consist of the Base Fee (envelopes, list, labels and set up services), and Production Charges (art, pre-press, plating, printing, inserting), and distribution services, at the time specified by Section 15.1. The Base Fee on the Effective Date is set forth on the Summary Pages. Production Charges vary based on several factors. They are published in MailCoups' Production Pricing Table which is a part of the Confidential Manual.]

13.2 **Increases and Modifications in Manufacturing Charges.** MailCoups may unilaterally increase the Manufacturing Charges by notifying Franchisee before October 1 of each year of any change in [the] Manufacturing Charges for the next calendar year. MailCoups may charge lower Manufacturing Charges if the volume or frequency of Franchisee's Mailings ~~{warrant}~~ [warrants] a discount. The decision about whether or how much discount to offer rests exclusively with MailCoups. MailCoups may pass on increases in the cost of ~~{postage}~~ [distribution services] and paper at any time.

13.3 **Internet ~~Marketing Charges.~~** ~~MailCoups charges Franchisee fees for participation in its Internet program. The fees may be modified at any time. If pursuant to Section 3.2 Franchisee qualifies for discounted initial Mailing costs for its first two (2) Mailings, no Internet marketing fee will be charged for those Mailings.~~

~~13.4 Television~~ **Marketing Charges.** MailCoups charges Franchisee fees for participation in its ~~{television marketing}~~ [Internet] program. The fees may be modified at any time.

~~{ARTICLE 14: POSTAGE}~~ [13.4 **Television Marketing Charges.** MailCoups or its designated supplier may charge Franchisee fees for participation in the television marketing program. The fees may be modified at any time.]

## ~~{14.1 Postage Charge}~~ [ARTICLE 14: DISTRIBUTION CHARGES

14.1 **Distribution Charges.** Franchisee is required to pay MailCoups its then current ~~{postage rate}~~ [distribution charges] for each envelope Mailed for Franchisee. [Distribution charges may change at any time.]

## ARTICLE 15: FAILURE TO PAY FEES/FAILURE TO MAIL

15.1 **Failure to Pay Fees When Due.** If MailCoups has not received payment of Franchisee's Royalty Fees, Minimum Bimonthly Royalty Fees, Manufacturing Charges and Postage Charges for a Mailing and any other fees or charges which Franchisee owes MailCoups by the Due Date, MailCoups shall not be obliged to Mail Franchisee's Envelopes, and Franchisee bears total liability for breach of contract to Franchisee's customers and to MailCoups. The Due Date for ~~{Royalty Fees, Manufacturing Charges, Postage}~~ [the first thirty percent (30%) of

the estimated Royalty Fee, Manufacturing Charge, Distribution] Charges and other periodic amounts owed by Franchisee which are not due by another specified date is ~~seven (7) days before a Scheduled Mailing. However, if Franchisee ever fails to pay all amounts due by the seventh (7th) day before a Scheduled Mailing, the Due Date shall thereafter be fourteen (14) days before each Scheduled Mailing.~~ **[twenty-one (21) days before a scheduled Mailing. The full balance is due no later than the Friday before the week for which the Mailing has been scheduled].** The Due Date for Minimum Bimonthly Royalty Fees is the ~~fifteenth (15<sup>th</sup>)~~ day of January, March, May, July, September and November of each year for Mailings required to have been Mailed during the two (2) preceding calendar months.

15.2 **Financing Charges.** All Royalty Fees, Minimum Bimonthly Royalty Fees, Manufacturing Charges and other amounts Franchisee owes MailCoups bear interest after the due date at the highest applicable rate allowed by law for open account business credit, not to exceed two percent (2%) per month.

15.3 **Payment of Financing Charges.** Financing Charges are due and payable to MailCoups when invoiced.

15.4 **Failure to Mail.** If Franchisee has paid Royalty Fees, Minimum Bimonthly Royalty Fees, Manufacturing, Internet and Television Marketing Charges, ~~{Postage}~~ **[Distribution]** Charges and all other fees and charges owed MailCoups when due, and MailCoups fails to place Franchisee's coupon Mailing into distribution by direct mailing within fourteen (14) days of MailCoups' projected coupon Mailing date, MailCoups will refund production costs and postage charges, if any, paid by Franchisee.

15.4.1 MailCoups shall not be deemed to be in breach of this Agreement as a result of errors in producing a coupon Mailing or in the distribution of a Mailing. If MailCoups is unable to produce the coupon Mailing at its own facility, MailCoups shall use its best efforts to have Franchisee's Mailing produced and distributed using such alternate resources as MailCoups determines would facilitate production and distribution under the circumstances, at a reasonable cost and on a reasonable schedule. Franchisee shall be liable for paying such charges for the alternative sources. However, Franchisee shall incur no liability to such source if Franchisee has not agreed to the terms offered by that source.

15.5 **Mailing Cancellation Fee.** If Franchisee cancels a ~~{Scheduled Mailing or failed}~~ **[Mailing to a CMP less than six (6) weeks before a scheduled Mailing date, or if Franchisee fails]** to provide MailCoups with information, materials or payments required by MailCoups to Mail on the scheduled date ~~{less than six (6) weeks before a scheduled Mailing date, the}~~, **[Franchisee shall pay MailCoups a Mailing Cancellation Fee of Seven Hundred Fifty Dollars (\$750) for each ~~{such canceled Mailing}~~ [CMP which was scheduled to have been Mailed.]** The entire ~~{Fee}~~ **[fee]** must be ~~{received by}~~ **[paid to]** MailCoups within ten (10) days of the date of the ~~{Scheduled}~~ **[scheduled]** Mailing **[which was cancelled].**

15.6 **Mailing Rescheduling Fees.** If Franchisee causes a change in the date of a ~~{Scheduled}~~ **[scheduled]** Mailing **[to a CMP]**, Franchisee shall pay MailCoups a fee of Two Hundred Fifty Dollars (\$250) **[for each such CMP]** if MailCoups received notice of the change less than ninety (90) days before a ~~{Scheduled}~~ **[scheduled]** Mailing, and One Hundred Dollars (\$100) **[for each such CMP]** if MailCoups received notice of the change ninety (90) or more

days before the scheduled Mailing date. **[The entire fee must be paid to MailCoups by the Friday before the week of the scheduled Mailing.]**

## ARTICLE 16: TRAINING

16.1 **Initial Franchise Training.** The Operating Franchisee and the Franchise manager, if any, are required to participate in and complete, to MailCoups' satisfaction, the SuperCoups initial franchise training.

16.2 **Initial Franchise Training: In-House.** The in-house portion of initial franchise training is five (5) days at MailCoups' corporate headquarters in Avon, Massachusetts. Unless Franchisee requests a later date in writing, the in-house portion of the initial franchise training usually occurs within ninety (90) days, but not later than one hundred twenty (120) days, of the date this Agreement is signed by both parties.

16.3 **Initial Franchise Training: In-Field.** The in-field portion of initial franchise training is conducted by a representative of MailCoups for ten (10) days at Franchisee's business location within Franchisee's Territory. This ten (10) day training is divided into two (2) nonconsecutive five (5) day segments.

16.3.1 During the in-field portion of the initial franchise training MailCoups' representative assists Franchisee in establishing and standardizing procedures and sales techniques at the Franchise location.

16.4 **Cost of Initial Franchise Training.** The cost of providing in-house and in-field training for the Operating Franchisee and Franchisee's manager (or one other representative of Franchisee) is included in the Initial Franchise Fee. However, **[if a Transfer results in the appointment of an Operating Franchisee who has not previously received initial training, MailCoups may charge Franchisee its then Standard Training Fee.]** Franchisee is responsible for all travel and living expenses, salaries and workers' compensation, if any, for the Operating Franchisee and Franchisee's manager or representative(s) during initial franchise training.

16.5 ~~{Initial}~~ **[In-Field] Franchise Training for Additional Franchise Representatives.** At any time during the term of this Agreement, Franchisee may request in-field training for additional individuals who are responsible for the daily operation of the Franchised Business. In-field training will be provided at ~~{a cost of not more than Five Thousand Dollars (\$5,000)}~~ **[MailCoups' standard in-field training fee,]** plus MailCoups' out-of-pocket expenses for each of its representatives participating in the training. All training fees shall be paid by Franchisee prior to receiving training.

**16.6 Waiver of Initial Franchise Training.** Unless Franchisee has agreed to pay MailCoups' standard training fees and the Summary Pages so indicate, if Franchisee has purchased Additional Territory or an additional franchise, no initial franchise training will be provided by MailCoups and no attendance at training will be required of Franchisee. If Franchisee is a Conversion Franchisee or an Industry Experienced Professional Franchisee, in-field training is not offered and will only be made available upon Franchisee's request for MailCoups' standard training fees.

**16.7 Additional Mandatory Training Programs.** Franchisee acknowledges MailCoups' right to implement additional mandatory training programs for the Operating Franchisee and managers of SuperCoups franchises.

16.7.1 MailCoups will not require attendance by the Operating Franchisee and/or Franchisee's manager at additional mandatory training programs more than twice a year.

16.7.2 MailCoups will not charge Franchisee more than Two Hundred Fifty Dollars (\$250) per person annually for additional mandatory training programs.

16.7.3 Franchisee will be responsible for all travel and living expenses, salaries and workers' compensation, if any, for the Operating Franchisee and Franchisee's representative(s) for all additional mandatory training programs.

**16.8 Additional Training Fee Payments.** Fees for additional optional training programs and additional mandatory training programs, if any, must be paid in advance of the date of the program.

**16.9 Continuing Support.** During the term of this Agreement, MailCoups, either directly or through its representatives, shall provide Franchisee with such of the following as it deems reasonably appropriate and to the extent that it provides similar support to similarly situated MailCoups' franchisees:

16.9.1 Advice and guidance on establishing and maintaining proper administrative and general business procedures.

16.9.2 Continuing advisory services, which include, but are not limited to, consultation by telephone, correspondence, e-mail, facsimile or conference on promotional, business, operational or sales problems including, as required, analysis of Franchisee's sales, marketing and/or financial data and other problems relating to the operation of the Franchised Business.

## ARTICLE 17: CONFIDENTIAL MANUAL/NONDISCLOSURE/CONFLICTS

17.1 **Confidential Manual.** During initial franchise training, MailCoups will furnish Franchisee with one copy of the SuperCoups Confidential Manual which may include written materials, video tapes, computer software[, compact disks, computer files,] and cassette tapes ("Confidential Manual") containing the procedures, standards, specifications and operating methods for a SuperCoups franchise. ~~{If Franchisee is not required to attend initial franchise training, the Confidential Manual shall be provided to Franchisee before Franchisee is authorized to commence business using the Service Marks.}~~

17.2 **Modification of Confidential Manual.** MailCoups may modify the Confidential Manual unilaterally under any conditions, and may make some or all of them available electronically.

17.3 **Reproduction of Confidential Manual.** Franchisee shall at all times treat as confidential and shall not at any time disclose, copy, duplicate, record or reproduce, in whole or in part, or make available to any unauthorized person or entity the contents of the Confidential Manual.

17.4 **Compliance with Confidential Manual.** Franchisee agrees to operate the Franchised Business in strict compliance with this Agreement and the procedures, standards, specifications and operating methods contained in the Confidential Manual, as modified from time to time. Franchisee acknowledges that modifications may require Franchisee to incur expenses to comply, and Franchisee agrees to pay the cost of compliance so long as the requirements apply to substantially all similarly situated franchisees. No changes to the Confidential Manual shall modify Franchisee's or Franchisor's rights under the Franchise Agreement.

17.5 **Ownership of Confidential Manual.** The Confidential Manual shall at all times remain the sole property of MailCoups.

17.6 **Nondisclosure Agreements.** Franchisee must implement reasonable procedures prescribed by MailCoups to prevent unauthorized use and disclosure of MailCoups' trade secrets. These procedures include, without limitation, restriction on disclosure of MailCoups' trade secrets to employees of Franchisee and the use of Nondisclosure Agreements as prescribed in the Confidential Manual with employees, shareholders, directors and officers who have access to the trade secrets. Franchisee shall promptly deliver to MailCoups executed copies of all Nondisclosure Agreements Franchisee has executed pursuant to this Article.

17.7 **Conflict of Interest.** During the term of this Agreement, neither Franchisee, nor any shareholder or partner, nor any member of Franchisee's immediate family, nor any director or officer of Franchisee, nor any employee of the Franchise, shall have any interest as an owner, investor, partner, lender, director, officer, manager, employee, consultant, representative or agent or any other capacity in any entity which is involved in the cooperative direct mail advertising business. "Cooperative direct mail advertising" means mailing in a single envelope advertisements, solicitations or promotional materials of more than one advertiser to a group of Homes. Moreover, without MailCoups prior written approval, neither Franchisee nor anyone else identified in this Article 17.7 shall provide advertisers with any other type of advertising,

marketing or promotional assistance unless prescribed by this Agreement or approved by MailCoups.

**17.8 Exception to Conflict of Interest.** Conflict of interest restrictions do not apply to ownership of securities listed on a stock exchange or traded on the over-the-counter market representing three percent (3%) or less of the cumulative number of shares of all classes of the securities issued and outstanding nor the ownership of other SuperCoups franchises pursuant to Franchise Agreements with MailCoups.

**17.9 Waiver of Conflict of Interest.** Franchisee acknowledges MailCoups' right, in its sole discretion, to waive all or part of these conflict of interest restrictions, if at the time of signing this Agreement, Franchisee holds an interest that would otherwise conflict with these restrictions. Such waiver shall be described on the Summary Pages.

## ARTICLE 18: INSURANCE

**18.1 Insurance.** Franchisee shall procure at Franchisee's expense before the commencement of business and maintain in full force and effect during the term of this Agreement the types of insurance and the amounts of coverage specified in the Confidential Manual. All such policies shall name MailCoups and ADVO as an additional insured:

**18.1.1** The insurance policy or policies shall be written by a responsible insurance company or companies satisfactory to MailCoups, and must provide for thirty (30) days prior notice to MailCoups of any material modification, cancellation or expiration.

**18.2 Evidence of Insurance.** Franchisee must provide MailCoups with satisfactory evidence that required insurance is in force before commencing business as a SuperCoups franchisee.

**18.3 Changes in Insurance Requirements.** MailCoups may unilaterally require Franchisee to increase the amounts required and/or purchase different or additional kinds of insurance, including without limitation, excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

## ARTICLE 19: ADVERTISING; NEW PROGRAMS

**19.1 Advertising Fund.** At any time during this Agreement, MailCoups may, at its option, establish, maintain and administer or discontinue one or more advertising funds for national, regional or local advertising, market research, public relations, promotional campaigns and other programs which, in MailCoups' opinion, will promote and enhance the image, identity or patronage of franchises generally. MailCoups shall have complete discretion over how each fund may be spent. Franchisee owns no interest in any advertising fund created pursuant to this Section and MailCoups owes no duties to Franchisee concerning such funds beyond what is expressly set forth in this Agreement. A portion of each such fund may be paid to MailCoups for administrative expenses it incurs in connection with such advertising. [At Franchisee's request,] MailCoups shall provide Franchisee with quarterly reports about any national

advertising fund's income and expenses. MailCoups shall deposit amounts collected for the national advertising fund in a separate, segregated bank account.

19.1.1 For so long as MailCoups maintains or administers an advertising fund, Franchisee shall be required to contribute to the fund each year amounts based upon the number of Homes in Franchisee's Territory as follows: up to 250,000 Homes, Five Hundred Dollars (\$500); 250,000 to 1,000,000 Homes, One Thousand Dollars (\$1,000); and more than 1,000,000 Homes, Two Thousand Dollars (\$2,000) (Franchisee's "Advertising Fund Contribution").

19.1.2 Franchisee's Advertising Fund Contributions shall be due at such times as MailCoups determines. The annual mandatory Advertising Fund Contribution may be increased if the increase is approved by a majority vote of such franchisee advisory board or association as MailCoups shall vest with such authority, provided the increase is proposed by MailCoups and the board or association acts pursuant to standards approved by MailCoups in adopting it.

**19.2 Franchisee Advertising and Promotions.** Prior to use by Franchisee, samples of all marketing materials, advertisements and promotional programs which are intended to promote Franchisee's Franchised Business which have not been prepared or approved by MailCoups for Franchisee's use must be submitted to MailCoups for approval.

19.2.1 If written disapproval is not received by Franchisee within fifteen (15) days from the date of receipt by MailCoups of the materials, MailCoups shall be deemed to have given the required approval.

19.2.2 Franchisee shall only use MailCoups' Service Marks with the appropriate registration or service mark notations, e.g., ® or <sup>SM</sup>.

**19.3 MailCoups Advertising.** MailCoups shall conduct such advertising and promotion for the benefit of SuperCoups ~~{franchisees}~~ [franchisees] as MailCoups, in its sole discretion, deems appropriate.

~~{MailCoups may offer Franchisee the opportunity to participate in various advertising and marketing programs in the future. Franchisee shall not be required to participate in them, and MailCoups shall not be obliged to offer Franchisee the right to participate in the programs. MailCoups may require Franchisee to participate in advertising and promotional programs which are associated with its Internet and television marketing programs. Franchisee's participation shall be conditional upon its compliance with all conditions MailCoups may establish for participation.}~~

~~19.4 Mandatory Programs. MailCoups may designate programs which are mandatory. Mandatory Programs are}~~ [19.4 **Optional Programs.** Franchisee may be given the option to participate in ]programs sponsored by MailCoups ~~{in which franchisees may participate, but only if they comply}~~[. Franchisee's participation may be conditioned on Franchisee's complying] with all of MailCoups' requirements relating to such programs. ~~{If}~~ [Franchisee also may seek and MailCoups, in its sole discretion, may grant Franchisee approval to engage in activities which are not included in the System.

**19.5 Additional Products and Services.** Without MailCoups' prior written approval, Franchisee may not offer products, services, programs or business lines

(collectively "Products") which have not been prescribed by MailCoups. Once] at least forty percent (40%) of ~~{SuperCoups franchisees already participate in a program which MailCoups designates a Mandatory Program, absent express consent of MailCoups, Franchisee may not offer programs or services which, in MailCoups' judgment, compete with MailCoups' Mandatory Programs. MailCoups may charge Franchisee fees to participate in Mandatory Programs and other programs.}~~ [MailCoups franchisees offer a Product which was not prescribed by MailCoups as part of the System on the Effective Date, MailCoups may require Franchisee to offer that Product in the manner prescribed by MailCoups or to discontinue offering Products which MailCoups deems competitive with such Products.]

~~{19.5 Implementation Requirements. If MailCoups adopts a Mandatory Program for use by SuperCoups franchisees which is similar to or competitive with a program or line of business in which Franchisee was engaged with MailCoups' approval.}~~ [If Franchisee is offering a Product which MailCoups has approved before MailCoups notifies Franchisee, either that Franchisee must offer competitive Products MailCoups prescribes or that Franchisee must discontinue offering Products which compete with such Products] within ninety (90) days of ~~{its receipt of a}~~ [receiving] notice from MailCoups~~{,}~~[.] Franchisee [shall] either ~~{shall}~~ discontinue ~~{Franchisee's}~~ [its] involvement [in] and ownership of such ~~{program or business line, or convert it to the MailCoups program or business line following all MailCoups' policies and procedures. However, if before receiving notice from MailCoups, Franchisee has executed written contracts to provide such similar or competitive products or services for a term which exceeds ninety (90) days from the date of the notice, Franchisee may fulfill such contracts for up to twelve (12) months from the date of the notice.}~~ [a Product, or if required by MailCoups, begin offering the Product prescribed by MailCoups.]

## ARTICLE 20: RECORDS/REPORTING REQUIREMENTS

20.1 **Statements and Records.** Franchisee shall keep and preserve for a period of not less than forty-eight (48) months after the end of each of its fiscal years, separate, complete, and accurate books and records for all the business activities, prepared in the form and manner set forth in the Confidential Manual and in accordance with generally accepted accounting principles. During each of the first twelve (12) months following the Effective Date, Franchisee shall provide such business reports to MailCoups as MailCoups shall prescribe.

20.2 **Inspection.** MailCoups or any of its authorized agents or representatives, may, at any time upon at least seven (7) days prior notice during normal business hours, enter upon and examine and inspect Franchisee's offices, its furnishings, equipment, products and supplies, confer with employees and inspect the operation in all respects to determine compliance with this Agreement and with the Confidential Manual.

20.3 **Franchise Inspection and/or Audit.** MailCoups has the right during normal business hours to interview employees and customers of Franchisee and to inspect and examine Franchisee's books of account, bank statements, documents, records, tax returns, papers and files of the Franchise relating to gross revenues, expenses and business transacted. Upon request by MailCoups, Franchisee shall make these materials available for examination at the Franchise location.

20.4 **Cost of Franchise Inspection and/or Audit.** If MailCoups incurs any expenses in conducting or in attempting to conduct an inspection or audit, and the audit or inspection reveals to MailCoups a violation of this Agreement, Franchisee shall reimburse MailCoups within ten (10) days of the invoice date for all the costs thereof, including without limitation, charges of any independent accountants and travel expenses, room, board and compensation of MailCoups' employees.

20.5 **Additional Reports.** Franchisee shall submit to MailCoups such reports, forms and records as MailCoups may [request] from time to time ~~{specify in the Confidential Manual}~~. Franchisee consents to MailCoups' use of such information in the preparation of franchise offering circulars.

20.6 **Online Data Access.** Franchisee shall record business and financial data on such computer systems as MailCoups shall prescribe and shall permit MailCoups to have such regular access to Franchisee's business and financial information as MailCoups requests. Franchisee acknowledges MailCoups' right without liability to Franchisee, to disable or disconnect any communications software or related software, or any intranet, extranet or other communications facility prescribed by MailCoups and used by Franchisee if Franchisee fails to correct any defaults under this Agreement following receipt from MailCoups of a notice to cure defaults.

## ARTICLE 21: SERVICE MARKS AND COPYRIGHTS

21.1 **Franchisee's Use of the Service Marks.** Franchisee acknowledges that the Service Marks ~~{“SUPERCUPS MONEY SAVING COUPONS FOR THE WHOLE FAMILY”, “SUPERCUPS”}~~ [“SUPERCUPS”, “Local Coupons. Super Savings.™”] and related designs are owned by MailCoups or ADV0, which have licensed MailCoups to use them and to license others to use them. Franchisee's license to use and display these marks and designs in connection with the SuperCoups franchise is limited as follows:

21.1.1 Franchisee's right to use the Service Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and applicable procedures, standards, specifications and operating methods MailCoups prescribes from time to time during the term of this Agreement.

21.1.2 All usage of the Service Marks by Franchisee and any resulting goodwill ~~{inures}~~ [inure] to MailCoups' and ADV0's exclusive benefit. This Agreement does not confer any goodwill or other interest in the Service Marks upon Franchisee other than the right to use the Service Marks in connection with the operation of a SuperCoups franchise in the manner prescribed by MailCoups.

21.1.3 All provisions of this Agreement applicable to the Service Marks apply also to additional proprietary trade and Service Marks and commercial symbols subsequently authorized by MailCoups in writing for use by Franchisee and licensed to Franchisee by MailCoups.

21.1.4 Franchisee must use the Service Marks in identifying the Franchised Business and must identify Franchisee as the independent owner of an authorized SuperCoups franchise. Franchisee may not use the Service Marks as part of any corporate name or trade

name or with any prefix, suffix or other modifying words, terms, designs or symbols other than logos licensed to Franchisee, or in any modified form, nor may Franchisee use the Service Marks in connection with the performance or sale of any unauthorized services or products or in any manner not expressly authorized in writing by MailCoups.

21.1.5 Franchisee may not use the Service Marks in signing any purchase agreement, negotiable instrument or other legal obligation, application for any license or permit or in any manner that may result in MailCoups being liable for any debt or obligation of Franchisee.

21.1.6 Franchisee may not use the Service Marks on the Internet, or in any television, advertising, promotional or commercial marketing programs, or in any other manner, except as expressly permitted in writing by MailCoups.

21.1.7 Franchisee must prominently display the Service Marks at Franchisee's business location and in connection with advertising and marketing materials. Franchisee shall use such notices of trademark and service mark registrations as MailCoups specifies.

21.1.8 Upon written application to MailCoups, MailCoups may, in its sole discretion, permit Franchisee to use the Service Mark, "SuperCoups", in a fictitious, assumed or doing business name. If MailCoups grants permission, Franchisee must obtain such fictitious, assumed or doing business name registrations as may be required under applicable law and submit proof to MailCoups of appropriate registration within sixty (60) days of the date MailCoups grants permission.

21.1.9 If it becomes advisable, at MailCoups' sole discretion, for MailCoups and/or Franchisee to modify or discontinue use of any Service Mark and/or use one or more additional or substitute trade or Service Marks, Franchisee must comply with MailCoups' directions to modify or otherwise discontinue the use of such Service Mark within sixty (60) days after notice by MailCoups. MailCoups is not obligated to compensate Franchisee for any costs incurred by Franchisee in connection with any such modification or discontinuance.

21.1.10 Franchisee shall not contest or aid anyone in contesting MailCoups' exclusive rights to use or their right to license others to use any Service Mark licensed to Franchisee pursuant to this Agreement.

21.2 **Infringement of Service Marks.** Franchisee must notify MailCoups promptly in writing of any information Franchisee may acquire as to any person or entity ~~{infringing the Service Marks.}~~[:]

~~{21.2.1}~~ **[21.2.1 Who is infringing the Service Marks;**

**21.2.2 Who alleges that Franchisee or MailCoups has infringed a trademark or service mark which he owns;**

**21.2.3] MailCoups, in its sole discretion, shall decide whether or not to institute legal action against an infringer [or to defend a claim of infringement] and MailCoups shall control the litigation. [MailCoups alone shall control litigation relating to Franchisee's right to use the Service Marks.**

**21.2.4** If MailCoups requests Franchisee's cooperation in ~~](21.2.2 If MailCoups' request for cooperation in prosecuting)~~ an infringement action ~~{is not in excess of one hundred twenty (120) person hours annually}~~, Franchisee shall cooperate in the ~~{prosecution}~~ **[action and devote up to forty (40) person hours annually to it]** without compensation from MailCoups. Direct expenses Franchisee incurs in cooperating shall be paid by MailCoups, if they are authorized by MailCoups before they are incurred.

~~†~~  
**21.3 Infringement of Others' Service Marks.** ~~If Franchisee becomes aware of the possibility of an action against Franchisee and/or MailCoups for trademark infringement or if Franchisee is named in any action alleging Franchisee and/or MailCoups has infringed a trademark, Franchisee must notify MailCoups by phone immediately, confirmed in writing within 24 hours of obtaining such knowledge.~~

~~21.3.1 MailCoups shall respond to the action and defend its and Franchisee's right to use the Service Marks in the manner MailCoups' decides is appropriate. MailCoups, alone shall control all litigation pertaining to Franchisee's right to use the Service Marks.~~

~~21.3.2]~~ **[21.2.5]** Franchisee shall cooperate in the defense of an infringement allegation in which Franchisee is a named party without compensation from MailCoups, and expenses of Franchisee incurred in cooperating shall be paid by Franchisee.

~~{21.3.3 If Franchisee is not a named party and MailCoups' request for cooperation in defending an infringement action is not in excess of one hundred twenty (120) person hours annually, Franchisee shall cooperate in the prosecution without compensation from MailCoups. Expenses of Franchisee incurred in cooperating with MailCoups for time exceeding one hundred twenty (120) hours annually shall be paid by MailCoups if MailCoups has authorized Franchisee to incur the expenses.~~

~~21.4]~~ **[21.3] Copyrights.** Franchisee is obligated when using advertising materials, marketing materials and coupon formats to properly identify items which are copyrighted in accordance with the Confidential Manual copyright instructions, e.g., © copyright MailCoups, Inc. ~~{1999}~~ **[2003]**.

## **ARTICLE 22: FRANCHISE SALE** ~~{ GENERALLY }~~

**22.1 Transfer and Assignment of Agreement.** MailCoups may freely transfer its rights and duties under this Agreement, and the transfer shall be binding upon and inure to the benefit of its successors and assigns. If MailCoups concludes such a transfer, the transferor shall be solely liable to Franchisee for fulfilling obligations under this Agreement after the transfer. In the course of negotiating a transfer, MailCoups may share such information about its System and its Franchise Owners as is customary in such transactions. Franchisee agrees that Franchisee shall not act either alone or with others to interfere with, stop or slow any such negotiations or transaction.

**22.1.1** The rights and duties set forth in this Agreement are personal to Operating Franchisee and others who own an interest in the Franchisee or the Franchised Business

(collectively "Franchisee"). MailCoups granted Franchisee the Franchise in reliance on Franchisee's personal character and financial capacity. Accordingly, Franchisee may not without MailCoups' prior consent, give away, sell, assign, pledge, lease, license, devise or otherwise transfer, either directly or in any other manner, this Agreement, any of Franchisee's rights or obligations under this Agreement, or any interest or shares of stock of any kind or nature in Franchisee's business or any significant asset of the Franchised Business, including without limitation, any accounts, customers or clients of the Franchised Business (any such transaction being referred to as a "Transfer"). **[MailCoups shall have forty-five (45) days following its receipt of all materials it requires for approval of a Transfer before granting or denying approval or exercising its first refusal rights.]** MailCoups shall not consent to a pledge, assignment, mortgage, lien or security interest relating to an interest in the Franchise Agreement or in the Franchisee which may result in ownership or control of the Franchise Agreement or Franchisee by a lender, financial institution or other entity which is not primarily engaged in the cooperative direct mail advertising business. MailCoups may prohibit a Transfer of assets of the Franchised Business which does not also involve a Transfer of the Franchise or a Transfer to another MailCoups franchisee.

MailCoups only shall approve a Transfer if the Transferee satisfies all of MailCoups then applicable standards for new franchisees, which standards need not be written. Among the standards MailCoups may apply are:

- a) The Transferee must in MailCoups' judgment have the financial capacity and business skills necessary to operate the Franchised Business;
- b) Neither the Transferee nor any member of the Transferee's immediate family may own an interest in or work for, or represent a business which competes with MailCoups or its franchisees;
- c) The Franchisee shall agree to subordinate its right to receive any payments owed to it by the Transferee to MailCoups' right to receive payments from the Transferee which are required by the Transferee's Franchise Agreement;
- d) The Transferee's aptitude and personality are compatible with the duties of a SuperCoups franchisee;
- e) The Transferee is not a publicly traded company; and
- f) If the Transferee is a SuperCoups franchisee, the Transferee, its affiliates, shareholders, owners and guarantors execute a general release of all claims they may have against MailCoups, its affiliates and their officers, directors, employees, agents, representatives, franchisees and vendors.

22.1.2 Any Transfer which does not comply with the terms of this Article shall be null and void.

22.1.3 Before completing a Transfer, Franchisee must comply with all Transfer procedures in the Confidential Manual. MailCoups retains a right of first refusal (as defined in the Confidential Manual) to purchase whatever Franchisee proposes to Transfer **[on the financial terms offered by the prospective Transferee. MailCoups need not compensate**

**Franchisee or the Transferee for brokerage fees, the value of consulting agreements or employment agreements if consultation or employment is not requested by MailCoups, noncompete covenants, or for elements of a proposed Transfer which are unrelated to the Franchised Business. MailCoups shall not be bound by Franchisee's proposed allocation of the value of franchise related and unrelated assets].** MailCoups may require any transferee to guarantee Franchisee's obligations under this Agreement or under any new Franchise Agreement the Transferee executes with MailCoups.

22.1.4 If MailCoups concludes that any Transfer Franchisee proposes will, when aggregated with all previous Transfers, result in a Transfer of effective control over the ownership and/or operation of the Franchisee, the Franchised Business or significant assets of the Franchised Business:

i. The transferee must apply for a MailCoups Franchise and must meet all of MailCoups' then current standards and requirements for new franchisees (which standards and requirements need not be in writing), pay a Two Thousand Five Hundred Dollar (\$2,500) transfer fee and execute our then current standard form of Franchise Agreement ~~(which shall expire on the Expiration Date of this Agreement)~~. MailCoups may waive the fee if the Transferee is also a SuperCoups franchisee or is a person who has completed MailCoups Initial training; ~~and~~  
}

ii. Franchisee must execute a general release on a form MailCoups provides Franchisee of any and all claims Franchisee has against MailCoups; and

iii. **If the Transfer results in a change of the Operating Franchisee, unless he or she already has completed it, the Operating Franchisee must satisfactorily complete the Initial Franchise Training specified in Sections 16.2 and 16.3, and pay MailCoups its then standard Initial Training Fee.]**~~(~~

22.1.5 Regardless of the above, if the Operating Franchisee's surviving spouse, heir or estate ("Survivor") desires to acquire or retain Franchisee's interest and to continue to operate the Franchised Business, the Survivor may do so if he or she signs an agreement to be bound by this Agreement and guarantees Franchisee's obligations to MailCoups. A Survivor shall not be required to pay a Transfer Fee. If the Survivor does not desire to acquire or retain Franchisee's interest, the Survivor shall have a reasonable period of time, but no more than six (6) months, to make a Transfer to a transferee acceptable to MailCoups, subject to the procedures described above. The Survivor shall, throughout such period, fulfill all Franchisee's duties under this Agreement.

22.1.6 If in MailCoups' opinion the Operating Franchisee becomes physically or mentally incapable of operating the Franchised Business pursuant to the terms of this Agreement, Franchisee shall have a reasonable period of time, not to exceed six (6) months, within which to either retain a new Operating Franchisee of whom MailCoups approves, or to Transfer the Franchised Business to a transferee approved by MailCoups, subject to the procedures described above. Notwithstanding the terms of this subsection, the Franchised Business must at all times be operated pursuant to the terms of this Agreement.

## ARTICLE 23: TERMINATION

**23.1 Immediate Termination by MailCoups.** MailCoups may terminate this Agreement, effective immediately upon Franchisee's receipt of notice of termination, if Franchisee:

23.1.1 Abandons the Franchised Business by failing to engage in full-time business activities for a twenty-five (25) consecutive day period without MailCoups' prior approval by failing to Mail during any four (4) consecutive months or by failing to schedule Mailings within the time prescribed by MailCoups, or by notifying MailCoups of its decision to discontinue operating the Franchised Business. "Abandon" does not include [a] force majeure or MailCoups' consent to a temporary closure.

23.1.2 Subject to any contrary provisions of any applicable state or federal bankruptcy law which may prohibit such termination, is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the Franchise's or Franchisee's assets are assigned to or for the benefit of any creditor; or Franchisee admits inability to pay debts as they come due or actually fails to pay such debts; or has an involuntary petition in bankruptcy filed against Franchisee or the Franchised Business; or Franchisee, intending voluntarily to commence a bankruptcy case, prepares or causes the preparation of and signs a petition in bankruptcy.

23.1.3 Is convicted of, or pleads no contest to a felony or other crime or offense or engages in conduct that reflects materially and unfavorably upon the operations or reputation of the Franchisee, MailCoups, ADVO or the SuperCoups System.

23.1.4 Is convicted of a felony or misdemeanor or is held liable in a civil action for misconduct relevant to the ownership or operation of the Franchise or the Franchised Business.

23.1.5 Attempts to make or makes an unauthorized Transfer of the Franchise or an ownership interest in Franchisee.

23.1.6 Is a party to any other franchise agreement or other agreement as a SuperCoups Franchisee that is terminated by MailCoups for a breach.

23.1.7 Makes any unauthorized use or disclosure of any trade secrets or uses, duplicates or discloses any portion of the Confidential Manual.

23.1.8 Makes any unauthorized use of any Service Mark.

23.1.9 Violates or suffers a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Franchise and permits the same to go uncorrected for ten (10) days after notification, unless there is a bona fide dispute as to the violation or validity of such law, ordinance, rule or regulation and Franchisee promptly resorts to a court or other appropriate forum to contest the violation or validity and promptly furnishes MailCoups with persuasive evidence of such invalidity or illegality.

23.1.10 Makes or has made any materially misleading statement or report to MailCoups in connection with this Agreement or the operation of the Franchised Business.

23.1.11 Receives from MailCoups more than two (2) Notices of Termination or default of this Agreement or any other agreement between Franchisee and MailCoups or its affiliates during any twelve (12)[-]month period, regardless of whether previous defaults have been cured.

**23.2 Notice of Termination by MailCoups.** MailCoups may terminate this Agreement immediately and without further action if:

23.2.1 Within thirty (30) days after written notice from MailCoups is delivered to Franchisee of Franchisee's noncompliance with (a) any lawful requirement of this Agreement or requirement prescribed by MailCoups pursuant to this Agreement, or (b) any lawful requirement of any other agreement between MailCoups and Franchisee, Franchisee has failed to fully cure each such noncompliance set out in the notice; or

23.2.2 Franchisee fails to fully cure all defaults in payment of any indebtedness due to MailCoups within fifteen (15) days of receipt of written demand for payment from MailCoups.

#### **ARTICLE 24: FRANCHISEE'S OBLIGATIONS ON TERMINATION OR NONRENEWAL**

**24.1 Franchisee's Obligations Upon Termination or Nonrenewal.** In the event of termination or nonrenewal of this Agreement by MailCoups or Franchisee, Franchisee agrees to:

24.1.1 Pay to MailCoups all unpaid Royalty Fees, Minimum Bimonthly Royalty Fees, License Fees, Manufacturing Charges, Postage Charges and other monies, if any, owed to MailCoups pursuant to this Agreement or any other agreements between the parties within fifteen (15) days of the effective date of the termination (the "Termination Date").

24.1.2 Immediately cease to identify the Franchised Business or any other business as a current or former SuperCoups franchise, or as having otherwise been associated with MailCoups.

24.1.3 Immediately cease to use any Service Mark, any colorable imitation thereof or other indication of a SuperCoups franchise in any manner or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with MailCoups or the SuperCoups System.

24.1.4 Immediately deliver to MailCoups all signs, sign-faces, advertising materials, forms, marketing materials and other materials containing any Service Mark or otherwise identifying or relating to a SuperCoups franchise.

24.1.5 Take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to Franchisee's use of any Service Mark and furnish to

MailCoups within thirty (30) days after the Termination Date or Expiration Date, evidence satisfactory to MailCoups of Franchisee's compliance.

24.1.6 Take such action as MailCoups may require to cancel agreements with vendors or agreements made in conjunction with this Agreement, including marketing and television marketing programs.

24.1.7 Immediately deliver to MailCoups the SuperCoups Confidential Manual and all other information proprietary to MailCoups.

24.1.8 Notify the telephone company within five (5) days of the Termination Date or Expiration Date of the assignment, if possible, of Franchisee's telephone numbers to MailCoups or its designee, and if assignment is not possible, cancel Franchisee's telephone numbers and instruct the applicable telephone company of Franchisee's consent to MailCoups' placing a recording on the line advising the phone number has been changed to a telephone number designated by MailCoups. Franchisee acknowledges that the damages occurring to MailCoups and its franchisees as a result of a violation of this requirement would be very difficult to quantify. Therefore, Franchisee agrees to pay MailCoups, as liquidated damages for a breach of this Section, Two Hundred Dollars (\$200) for each day following the fifth (5th) day after the Termination Date or the Expiration Date during which Franchisee has failed to comply with the requirement, as well as MailCoups' costs and attorneys' fees incurred in the collection thereof.

24.1.9 Provide MailCoups with a list of all directories, listing agencies or business locators which reflect Franchisee's phone number and notify the directories, listing agencies or business locators within five (5) days of the Termination Date or Expiration Date in writing, with a copy to MailCoups, of the termination of Franchisee's right to use MailCoups' Service Marks.

24.1.10 Pay to MailCoups all its damages, costs and expenses, including benefit of the bargain damages, if any, as well as reasonable attorneys' fees incurred by MailCoups by reason of default or termination by the Franchisee, whether or not the expenses occur prior to or subsequent to the termination of the Franchise, including all costs and expenses, if any, incurred by MailCoups in enforcing the provisions of this Agreement. No benefit of the bargain damages shall be owed in the case of a termination arising from a default of a survivor pursuant to Section 22.1.5 or a default of the Operating Franchisee pursuant to Section 22.1.6.

**24.2 Attorney In Fact.** If Franchisee fails or refuses to discontinue use of SuperCoups or any other name licensed to Franchisee under this Agreement, MailCoups may sign, in Franchisee's name and on Franchisee's behalf, any and all documents necessary to cause the discontinuance of Franchisee's use of the Service Marks and telephone numbers, and Franchisee irrevocably appoints MailCoups as Franchisee's attorney-in-fact to do so.

**24.3 Continuing Obligations on Termination or Nonrenewal.** All obligations of MailCoups and Franchisee that expressly or by nature survive the expiration or termination of this Agreement continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination until the obligations are satisfied in full or by nature expire.

**24.4 Franchisee Property Rights on Termination or Nonrenewal.** Upon termination or nonrenewal of the Franchise, Franchisee will retain Franchisee's property rights in the land, building and equipment in which Franchisee had a right prior to termination or nonrenewal and Franchisee will be free to sell to any third party all of the physical assets of the Franchise business provided that all appearances of the Service Marks are first removed. Franchisee shall not be entitled to any payment for goodwill associated with the Service Marks.

## **ARTICLE 25: DISPUTE RESOLUTION**

**25.1 Arbitration.** Any controversy or claim arising out of or relating to this Agreement, or any breach thereof, including, without limitation, any claim that this Agreement or any portion thereof is invalid, illegal or otherwise voidable or void, shall be submitted to arbitration before and in accordance with the rules of the American Arbitration Association or successor organization. Anyone owning an interest in or claiming an interest through Franchisee shall be subject to this Arbitration requirement. Provided, however, that this clause shall not be construed to limit MailCoups' right to obtain any provisional remedy, including, without limitation, injunctive relief from any court of competent jurisdiction, as may be necessary in MailCoups' sole subjective judgment, to protect its Service Marks and proprietary information, or to protect MailCoups or its Franchise System from potentially irreparable harm, as well as any damages attributable to such breaches. The decision of the arbitrator shall be binding upon the parties and judgment upon the award may be entered in any court having jurisdiction thereof. The location of the arbitration proceedings shall be the regional office of the American Arbitration Association, which is located in Boston, Massachusetts. The costs of arbitration shall be borne equally by MailCoups and Franchisee. If either party fails to pay its share of any filing fees, administration fees or arbitrators' fees within the time frame specified by the American Arbitration Association Commercial Arbitration Rules or the arbitrator, the arbitrator shall not accept any pleadings, petitions, claims or evidence prepared or offered by the nonpaying party, and the arbitrator shall render his or her decision without further participation of the nonpaying party in the proceedings. The non-prevailing party in any dispute resolution proceeding between Franchisee and MailCoups, shall pay the prevailing party's legal fees and any court costs, including the fair market value of time devoted to the matter by attorneys and paralegals employed by the parties or their affiliates. Franchisee's claims shall not be aggregated with those of any other person other than its owners and guarantors. No monetary relief awarded to Franchisee shall exceed the amount of royalties Franchisee has paid MailCoups during the term of this Agreement.

## **ARTICLE 26: MISCELLANEOUS**

**26.1 Franchisee Compliance.** Franchisee shall operate and maintain the SuperCoups franchise in strict compliance with the Confidential Manual, all applicable laws, rules and regulations of all governmental authorities and all applicable wage, hour and other laws and regulations of the federal, state or local governments.

~~26.2 UCC's. Concurrent with signing this Agreement or at any time during the term of this Agreement, upon request of MailCoups, Franchisee will sign the applicable Uniform Commercial Code Forms(UCC-1) designating MailCoups as a secured party of the Franchise as to any monies due to MailCoups and execute any other documents MailCoups requests~~

~~Franchisee or its guarantors to execute for the purpose of granting or perfecting MailCoups' security interest in all assets of the Franchised Business. See Schedule 2 to this Agreement.~~

~~26.3}~~ **Independent Contractor; No Fiduciary Duty.** This Agreement does not constitute Franchisee as an agent, legal representative, joint venturer, partner, employee or servant of MailCoups for any purpose and it is understood between MailCoups and Franchisee that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of MailCoups or to create any obligation, express or implied, on behalf of MailCoups. Franchisee acknowledges that MailCoups owes it no fiduciary duties as a result of this Franchise Agreement. Except as is specifically set forth herein, Franchisee is not intended to be a third party beneficiary of any agreement between MailCoups and any third party, including any other SuperCoups franchisee. Franchisee further acknowledges that the MailCoups' franchisees operate under different forms of Agreement and under varying economic conditions. MailCoups reserves the right to address the needs of franchise relationships independently, and that its application of different standards to different franchisees has no effect on the rights or duties of MailCoups and Franchisee to each other.

~~{26.4}~~ **[26.3] Taxes {and}, [Permits {and Applicable Laws}].** Franchisee shall pay when due all federal, state and local taxes and will timely obtain any and all permits, certifications or licenses necessary for the full and proper conduct of the Franchise. Franchisee alone is liable for complying with all laws applicable to the operation of the Franchised Business. MailCoups disclaims any duty to advise Franchisee of its legal duties.

~~{26.5}~~ **[26.4] Pricing.** MailCoups may, from time to time, suggest prices for the products and services offered by Franchisee. Although MailCoups reserves the right to establish maximum prices for products and services Franchisee sells, MailCoups and Franchisee agree that the prices otherwise suggested by MailCoups are recommendations only and are not mandatory. Nothing contained in this Agreement will be deemed a representation or warranty by MailCoups that the use of MailCoups' suggested prices will produce, increase or optimize Franchisee's profits.

~~{26.6}~~ **[26.5] Interpretation.** The language of this Agreement will in all cases be construed simply according to its fair meaning and not strictly for or against MailCoups or Franchisee.

~~{26.6.1}~~ **[26.5.1]** If any provision of this Agreement is capable of two (2) constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning that renders it valid.

~~{26.6.2}~~ **[26.5.2]** The words "Franchisee" and "Operating Franchisee" may be applicable to one or more parties. If there is more than one person or entity referred to as the Franchisee or Operating Franchisee under this Agreement, then their obligations and liabilities are joint and several.

~~{26.6.3}~~ **[26.5.3]** The word "including" is used in this Agreement in a non-exclusive sense.

~~{26.7}~~ **[26.6] Indemnification.** Under no circumstances will MailCoups be liable for any act, omission, debt or other obligation of Franchisee. Franchisee shall indemnify MailCoups

against any claim and the cost of defending against claims, including attorneys' fees, arising directly or indirectly from, or as a result of, or in connection with, Franchisee's operation of the Franchise, or the franchise relationship.

~~{26.8}~~ **[26.7] Efforts of Franchisee.** Franchisee understands that the franchise granted hereunder is not a passive investment, but rather is a business which is dependent upon Franchisee's independent efforts, business judgment, initiative, administrative leadership and other skills, as well as market conditions. Franchisee shall complete the in-house and all required in-field training within the time set forth in Sections 16.2 and 16.3 of this Agreement. Franchisee shall render assistance to and cooperate with MailCoups' franchisees and others in the SuperCoups franchise network and shall use its best efforts as may reasonably be necessary to carry out the intentions and purposes of this Agreement. MailCoups makes no representations, express or implied, regarding potential earnings of Franchisee's business. MailCoups makes no representations regarding any activities or services to be engaged in or provided by MailCoups, except as expressly provided herein.

~~{26.9}~~ **[26.8] Modification.** To facilitate changes to the SuperCoups System which are warranted by changed competitive circumstances or conditions not existing on the date of this Agreement, Franchisee agrees to comply with any changes to this Agreement which are proposed by MailCoups and which have been agreed upon by at least fifty percent (50%) of SuperCoups franchisees, as if such changes were originally a part of this Agreement. Otherwise, this Agreement may not be modified except by written agreement signed by both Franchisee and MailCoups. Although MailCoups may offer services to Franchisee and to other franchisees in the future which are not prescribed by this Agreement, this Agreement is not intended to give Franchisee a right to receive such services in the future, and MailCoups shall not be liable to Franchisee for modifying or discontinuing any such services.

~~{26.10}~~ **[26.9] Severability.** Each section, paragraph, term and provision of this Agreement and any procedure, specification, standard or operating method prescribed by MailCoups is severable and if, for any reason, any provision is invalid, contrary to, or in conflict with applicable law or regulation, or any portion or portions are held to be unenforceable in a final decision to which MailCoups is a party, the other portions of this Agreement as remain intelligible, will continue in effect, although any portion held invalid will be deemed not to be a part of this Agreement. Such modifications to this Agreement will be effective only in the applicable jurisdiction, unless MailCoups elects to give the modification greater applicability and this Agreement, procedure, specification, standard or operating method will be enforced as originally made and entered into in all other jurisdictions.

~~{26.11}~~ **[26.10] Waiver.** MailCoups or Franchisee may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice or upon such other effective date stated in the notice of waiver. Any waiver granted by MailCoups will be subject to continuing review by MailCoups and may be revoked, at MailCoups' sole discretion, at any time and for any reason, effective upon delivery to Franchisee of ten (10) days written notice.

~~{26.11.1}~~ **[26.10.1] Waiver by MailCoups of any particular breach by Franchisee** will not affect or impair MailCoups' right in respect to any subsequent breach of the same or of a different nature.

~~{26.11.2}~~ [26.10.2] Neither MailCoups nor Franchisee will be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms of this Agreement.

~~{26.11.3}~~ [26.10.3] MailCoups' ability to assist Franchisee in resolving operational, financial or other problems depends in substantial part on whether Franchisee notifies MailCoups of such problems. Franchisee agrees to promptly notify MailCoups if Franchisee believes Franchisee is unable to meet its obligations arising from this Agreement, if Franchisee is unable to satisfy its needs or expectations relating to this Agreement, or if Franchisee believes MailCoups is not fulfilling its obligations to Franchisee. Franchisee agrees that MailCoups shall under no circumstances be liable to Franchisee for any loss suffered by Franchisee which resulted from a problem or a default which Franchisee did not bring to MailCoups' attention promptly after it arose.

~~{26.12}~~ [26.11] **Assignment.** This Agreement is fully transferable by MailCoups and will inure to the benefit of any transferee or other legal successor to the interest of MailCoups.

~~{26.13}~~ [26.12] **Headings.** The titles and subtitles of the various Articles and Sections of this Agreement are inserted for convenience and will not affect the meaning or construction of this Agreement.

~~{26.14}~~ [26.13] **Entire Agreement.** This Agreement, including the Confidential Manual referred to herein (as the same may be revised or modified from time to time), constitutes the entire agreement between MailCoups and Franchisee as to the SuperCoups franchise and supersedes all prior negotiations, understandings, representations and agreements, if any.

~~{26.15}~~ [26.14] **Notices.** All notices required by this Agreement shall be written and shall be deemed to have been given when posted by certified mail, or on the date the addressee or his agent or representative acknowledges receipt of a courier[,] express, ~~{telex}~~ [e-mail] or facsimile at an address set forth on the Summary Pages, or at such other address as has been duly provided to the other party.

~~{26.16}~~ [26.15] **Covenant Not to Compete.** For two (2) years after expiration or termination of this Agreement for any reason not described in Section ~~{26.16.1}~~ [26.15.1] below, neither Franchisee, nor any shareholder of Franchisee if Franchisee is a corporation, member or partner of Franchisee if Franchisee is a partnership, nor any member of Franchisee's immediate family, nor any director or officer of the Franchisee, nor any employee of Franchisee, may have any interest as a legal or beneficial owner, investor, partner, lender, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any entity which is involved in the direct mail advertising business within the Territory outlined in Schedule 1 of this Agreement, or within an area which extends ten (10) miles from the perimeter of the Territory, including any ~~{Community Marketing Profile}~~ [part of the Territory] in which Franchisee has lost its rights, except for a less than three percent (3%) ownership interest in the publicly traded securities of any such entity. If Franchisee or anyone else who is subject to this covenant fails to comply with this covenant immediately following the Termination Date or the Expiration Date, the duration of this covenant shall be extended to two (2) years from the date Franchisee and those subject to the covenant actually come into compliance with it.

~~{26.16.1}~~ [26.15.1] Section ~~{26.16}~~ [26.15] shall not apply if, notwithstanding Franchisee's request to renew and Franchisee's compliance with all the standards and requirements for renewal prescribed by Article 6, MailCoups refuses to enter into a Renewal Franchise Agreement with Franchisee.

~~{26.16.2}~~ [26.15.2] All obligations between MailCoups and Franchisee concerning confidential data expressly survive the expiration or termination of the Franchise Agreement and continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Franchise Agreement.

~~{26.17}~~ [26.16] **Governing Law, Jurisdiction and Venue.** This Agreement shall be deemed to have been made in the State of Massachusetts, shall become valid when executed and accepted by MailCoups, and shall be governed and construed in accordance with the laws of said state other than its laws governing conflicts of laws, provided, however, that any portion hereof which requires enforcement in any other state and which is enforceable under the laws of such other state but not of Massachusetts, shall be construed and enforced according to the laws of such other state. Unless the laws of the state provide otherwise, Franchisee consents to the exclusive jurisdiction of and venue in United States and Massachusetts courts situated in Boston, Massachusetts to decide all claims arising under this Agreement. **[However, MailCoups may bring an action in any court of competent jurisdiction, in any venue to enforce its rights in the Service Marks or other intellectual property.]**

26.17] ~~{26.18}~~ **Release.** Franchisee on behalf of itself, its shareholders, members, partners, officers, directors, guarantors and affiliates hereby releases, remises and holds harmless MailCoups, Inc., its officers, directors, affiliates and their respective officers, directors, employees, agents and representatives from and against any and all claims which have arisen prior to the date of this release, except for any claims relating to the MailCoups, Inc.'s compliance with applicable franchise laws relating to the offer, sale and execution of this Agreement (but no other agreement).

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the date first written above.

**MAILCOUPS, INC.**

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

**INDIVIDUAL FRANCHISE SIGNATURE:**

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

**CORPORATE FRANCHISE SIGNATURE:**

Print Corporate Name: \_\_\_\_\_

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

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

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

(Affix Corporate Seal)

**[LIMITED LIABILITY COMPANY:**

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

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

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

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

(Affix Corporate Seal)

**PARTNERSHIP:**

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

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

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

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

(Affix Corporate Seal)]

## GUARANTY OF FRANCHISEE'S UNDERTAKINGS

In consideration of, and as an inducement to, the execution of the foregoing Franchise Agreement ("Agreement") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by MailCoups, Inc. ("Franchisor"), each of the undersigned hereby guarantees unto Franchisor, that \_\_\_\_\_, ("Franchisee") will perform during the term of this Agreement each and every covenant, payment, agreement and undertaking on the part of Franchisee contained and set forth in such Agreement, and in any promissory note executed in connection with the Agreement and under the terms of any loan executed in connection with the Franchise Agreement. Such covenants include, by way of example and without limitation, those contained in Articles 2, 9, 11, 15, 16, 19, 22, 23, 24, 25 and 26.

Franchisor, its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of any of the liabilities, whether or not it or its successors have resorted to any property securing any of the liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the liabilities, (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the liabilities, and (c) extend, renew or credit any of the liabilities for any period (whether or not longer than the original period); alter, amend or exchange any of the liabilities; or give any other form of indulgence, whether under the Agreement or not.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Franchisor resulting from such Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all expenses paid or incurred by Franchisor in attempting to enforce the foregoing Agreement and this Guaranty against Franchisee and against the undersigned and in attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys' fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by Franchisor or its agents, successors or assigns, with respect to the foregoing Agreement, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional and irrevocable.

If more than one person has executed this Guaranty, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty under seal effective as of the date of the foregoing Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

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

## **SCHEDULE 1**

### **TERRITORY**

MailCoups hereby grants Franchisee the right to conduct his business in the Territory described below in compliance with the preceding Franchise Agreement. The description of the Territory is as follows:

## SCHEDULE 2

~~{UCC-1~~

~~THIS SPACE FOR USE OF FILING OFFICER FINANCING STATEMENT FOLLOW INSTRUCTIONS CAREFULLY~~

~~This Financing Statement is presented for filing pursuant to the Uniform Commercial Code and will remain effective, with certain exceptions, for 5 years from date of filing. A. NAME & TEL. # OF CONTACT AT FILER (optional)~~

~~B. FILING OFFICE ACCT. # (optional) C. RETURN COPY TO: (Name and Mailing Address)~~

~~±,~~

~~--- D. OPTIONAL DESIGNATION (if applicable): GLESSOR/LESSEE GCONSIGNOR/CONSIGNEE GNON-UCC FILING 1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) 1a. ENTITY'S NAME~~

~~-OR 1b. INDIVIDUAL'S LAST NAME~~

~~-FIRST NAME MIDDLE NAME SUFFIX 1c. MAILING ADDRESS~~

~~-CITY~~

~~-STATE~~

~~-COUNTRY~~

~~-POSTAL CODE~~

~~-1d. S.S. OR TAX I.D.# OPTIONAL~~

~~ADD'NL INFO RE~~

~~ENTITY DEBTOR 1e. TYPE OF ENTITY 1f. ENTITY'S STATE~~

~~OR COUNTRY OF~~

~~ORGANIZATION 1g. ENTITY'S ORGANIZATIONAL I.D.#, if any~~

~~{ } None 2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b)~~

~~2a. ENTITY'S NAME~~

~~-OR 2b. INDIVIDUAL'S LAST NAME~~

~~-FIRST NAME MIDDLE NAME SUFFIX 2c. MAILING ADDRESS~~

~~-CITY STATE COUNTRY POSTAL CODE 2d. S.S. OR TAX I.D.# OPTIONAL~~

~~ADD'NL INFO RE~~

~~ENTITY DEBTOR 1e. TYPE OF ENTITY 2f. ENTITY'S STATE~~

~~OR COUNTRY OF~~

~~ORGANIZATION 2g. ENTITY'S ORGANIZATIONAL I.D.#, if any~~

~~{ } None 3. SECURED PARTY'S (ORIGINAL S/P or ITS TOTAL ASSIGNEE) EXACT FULL LEGAL NAME - insert only one secured party name (3a or 3b) 3a. ENTITY'S NAME~~

~~-OR 3b. INDIVIDUAL'S LAST NAME~~

~~-FIRST NAME MIDDLE NAME SUFFIX 3c. MAILING ADDRESS~~

~~-CITY~~

~~-STATE~~

~~-COUNTRY~~

~~-POSTAL CODE~~

~~4. This FINANCING STATEMENT covers the following types or items of property:~~

~~All personal property, including without limitation, the following: [include collateral description]~~

~~This Financing Statement constitutes an initial financing statement in lieu of continuation statement under Section 9-706 of Revised Article 9 of the Uniform Commercial Code included in the 1998 official text of the Uniform Commercial Code as approved by the American Law Institute in 1998 and the National Conference of Commissioners on Uniform State Laws in 1999, as adopted by the applicable state and as amended. The pre-effective date financing statement or statements to which this initial financing statement in lieu of continuation statement relates is or are identified on Schedule 1 hereto. The pre-effective date financing statement or statements described on Schedule 1 remain or remains effective. 5. CHECK  This FINANCING STATEMENT is signed by the Secured Party instead of the Debtor to perfect a security interest  (a) in collateral already subject to a security interest in another jurisdiction when it was brought into this state, or when the (if applicable) debtor's location was changed to this state, or (b) in accordance with other statutory provisions [additional data may be required]. 7. If filed in Florida (check one) Documentary  Documentary stamp  G stamp tax paid  G tax not applicable. 6. REQUIRED SIGNATURE(S)~~

~~By: 8.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS~~

~~Attach Addendum (if applicable) 9. Check to REQUEST SEARCH CERTIFICATE(S) on Debtor(s) (ADDITIONAL FEE)~~

~~(optional)  All Debtors  Debtor 1  Debtor 2 THE ODEE COMPANY, P.O. BOX 550488, DALLAS, TEXAS 75355-214-340-0415-800-486-6333~~

~~FILING OFFICER COPY - NATIONAL FINANCING STATEMENT (FORM UCC1) (TRANS) (REV. 12/18/95) Schedule 1~~

~~to UCC 1 Financing Statement [name]~~

~~\_\_\_\_\_ as debtor and \_\_\_\_\_~~

~~\_\_\_\_\_ as secured party~~

~~Pre-effective date Financing Statements~~

~~Filing Office Original Filing Date Original File No. Most Recent Continuation Date Most Recent Continuation File Nos. 1. 2. 3.~~

~~SCHEDULE 3}~~

## DEVELOPMENT FEE FOR FRANCHISEES OPERATING IN TERRITORY SUBJECT TO MARKET DEVELOPMENT AGREEMENT

If the Summary Pages so indicate, Franchisee shall pay MailCoups a Development Fee for each coupon Mailing as compensation to any Market Developer who is assigned Franchisee's Territory. The Development Fee is One Hundred Fifty Dollars (\$150) for the first eight (8) coupons, and One Hundred Fifty Dollars (\$150) for any coupons in excess of eight (8) coupons. National Account coupons are excluded from the computation.

IN WITNESS WHEREOF, each of the undersigned has executed this Schedule 3 under seal effective as of the date of the foregoing Agreement.

**FRANCHISEE:**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

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

**MAILCOUPS, INC.:**

\_\_\_\_\_  
Witness

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

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