

**EXHIBIT B
TO FRANCHISE
OFFERING CIRCULAR**

AREA FRANCHISE AGREEMENT

POSTNET INTERNATIONAL FRANCHISE CORPORATION

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POSTNET INTERNATIONAL FRANCHISE CORPORATION

AREA FRANCHISE AGREEMENT

THIS AREA FRANCHISE AGREEMENT ("**Agreement**"), made and entered into on _____, 200__, ("**Effective Date**") by and between PostNet International Franchise Corporation, a Nevada corporation, with its principal place of business at 1819 Wazee Street, Denver, Colorado 80202 ("**PostNet**"), and _____, a _____ with its principal place of business at _____ ("**Area Franchisee**").

RECITALS:

A. PostNet, as the result of the expenditure of time, skill, effort, and money, has developed, owns, and presently franchises a unique and distinctive system relating to the establishment and operation of retail stores which provide business and consumer services and products ("**System**"). Among the services and products typically offered are black and white/color photocopying, digital photocopy and scanning, computer and Internet services, printing and finishing services, overnight air express and ground shipping (domestic and international), packaging services and supplies, private mailbox rentals, facsimile services, notary public services, and office supplies. The System is identified by the mark POSTNET and other PostNet-System related trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated, or may hereafter be designated by PostNet in writing, for use in connection with the System ("**Proprietary Marks**");

B. Area Franchisee desires to serve as an area franchisee of PostNet with the right to promote the sale of franchises which operate under the System and Proprietary Marks ("**Franchises**") on behalf of PostNet, and the responsibility to train and provide start-up and ongoing support and assistance to ("**Servicing Responsibilities**"), and to monitor the performance of, certain Franchises ("**Store Owners**"); and

C. Area Franchisee understands and acknowledges the importance of ensuring that all Store Owners serviced by Area Franchisee receive proper support and assistance, and fully conform to PostNet's System.

NOW, THEREFORE, the parties agree as follows:

1. GRANT

1.1 PostNet grants to Area Franchisee, and Area Franchisee accepts, the following rights and obligations:

1.1.1 to solicit, evaluate, and screen individuals and entities seeking to establish and operate Franchises within the Territory ("**Prospects**") under the terms of a franchise agreement with PostNet ("**Franchise Agreement**");

1.1.2 to provide Servicing Responsibilities for, and to monitor the performance of, certain Store Owners located within the area described in Attachment B (“Territory”); and

1.1.3 to use the Proprietary Marks for the purposes of fulfilling Area Franchisee’s obligations under this Agreement, subject to the limitations set forth in Section 6 hereof.

1.2 Except as described in Sections 1.3 and 4.5 of this Agreement, beginning upon Area Franchisee’s completion of the training required under Section 5.1 hereof, and as long as this Agreement remains in effect thereafter, PostNet shall neither itself, nor grant to another person or entity the right to, solicit Prospects within the Territory, or perform Servicing Responsibilities to Store Owners within the Territory.

1.3 This Agreement shall not confer any rights or obligations on Area Franchisee with respect to (i) Store Owners located outside the Territory; (ii) Store Owners who are Store Owners prior to the Effective Date of this Agreement; (iii) franchisees of any other franchise system with which PostNet or any PostNet affiliate may now or subsequently have any interest or affiliation; (iv) businesses which convert to a Franchise except those solicited by Area Franchisee pursuant to Section 1.1.1; or (v) Store Owners subject to the provisions of Section 5.11 of this Agreement.

1.4 Through Area Franchisee’s efforts, as set forth in Section 1.1.1 hereof, at least a minimum number of new Franchises shall be sold in the Territory, in accordance with the development schedule (“**Development Schedule**”) attached hereto as Attachment A. In the event Area Franchisee fails to timely meet the minimum sales requirements set forth in the Development Schedule, this Agreement shall terminate in accordance with Section 11.2 hereof, provided, however, that PostNet may, in its sole discretion (both without any obligation to do so), extend the time period(s) in the Development Schedule, or otherwise modify the Development Schedule.

2. TERM

2.1 The term of this Agreement shall be for 15 years from the Effective Date hereof.

2.2 Area Franchisee may, at its option, renew this Agreement for two additional terms of 15 years each, subject to the following conditions for each renewal:

2.2.1 Area Franchisee shall give PostNet written notice of Area Franchisee’s election to renew not more than twelve months and no fewer than six months prior to the end of the then-current term;

2.2.2 Area Franchisee shall not be in default of any provision of this Agreement, including the Development Schedule, any amendment hereof or successor hereto, or any other agreement between Area Franchisee and PostNet or its affiliates; and Area Franchisee

shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.3 Area Franchisee and PostNet shall agree on a development schedule applicable to the renewal period, if any, which development schedule shall reasonably reflect the growth of the market for Franchises in the Territory;

2.2.4 Area Franchisee shall execute PostNet's then-current form of area franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which agreement may differ from the terms of this Agreement; and

2.2.5 Area Franchisee shall pay a renewal fee of fifteen percent of the fee set forth in Section 4.1.

3. DUTIES OF POSTNET

3.1 Within three months after the Effective Date, PostNet shall provide an initial training program for Area Franchisee as described in Section 5.1 hereof. All training shall be provided at the times and locations reasonably determined by PostNet and shall be subject to the terms set forth in Section 5.1.

3.2 PostNet shall collect all fees from each Store Owner in the Territory, as required under the terms of its respective Franchise Agreement, and thereafter distribute to Area Franchisee its share of the fees, as provided in Section 4 hereof.

3.3 PostNet shall provide Area Franchisee, on loan:

3.3.1 PostNet's guidelines for screening Prospects, which guidelines shall include PostNet's then-current standards for new Store Owners, and which may include, without limitation, PostNet's standards concerning education, professional, managerial, business, financial, and other qualifications;

3.3.2 any forms required for reporting details concerning Prospects to PostNet;

3.3.3 advertising materials for purposes of promoting the sale of Franchises;

3.3.4 one copy of PostNet's Area Franchise manual (which, in PostNet's sole discretion, may be in a written or electronic format or a combination thereof), and such other manuals or materials as PostNet may develop which are germane to Area Franchisee's responsibilities under this Agreement (collectively, "**Area Franchise Manual**"). PostNet shall have the right to periodically modify the Area Franchise Manual.

3.4 PostNet shall promptly refer to Area Franchisee any inquiry it may receive regarding the establishment of a Franchise in the Territory. PostNet shall also promptly process

all referrals of Prospects forwarded by Area Franchisee and shall not unreasonably withhold its approval of any Prospect, provided such Prospect meets PostNet's then-current standards. Area Franchisee acknowledges, however, that PostNet's decision to execute a Franchise Agreement with any Prospect shall be at PostNet's sole discretion.

3.5 At the times and utilizing the methods that PostNet deems reasonable, PostNet shall have the right to monitor Area Franchisee's performance of its promotional rights and Servicing Responsibilities.

4. FEES AND COMPENSATION

4.1 In consideration of the rights granted herein, Area Franchisee has paid to PostNet a fee of _____ Dollars (\$ _____), receipt of which is hereby acknowledged, which is fully earned and non-refundable in consideration of administrative and other expenses incurred by PostNet in entering into this Agreement and for PostNet's lost or deferred opportunity to enter into this Agreement with others.

4.2 Beginning upon Area Franchisee's completion of the training required under Section 5.1 hereof, and as long as this Agreement remains in effect thereafter, PostNet shall pay Area Franchisee a fee equal to fifty percent of each initial franchise fee paid to PostNet under each Franchise Agreement executed for a Franchise to be established in the Territory. PostNet shall pay each such fee within 30 days after the opening of each such Franchise.

4.3 Beginning upon Area Franchisee's completion of the training required under Section 5.1 hereof, and as long as this Agreement remains in effect thereafter, PostNet shall pay Area Franchisee fifty percent of the royalty fees, as defined in each Franchise Agreement, paid by Store Owners in the Territory for whom Area Franchisee provides Servicing Responsibilities.

4.4 PostNet shall collect royalty fees directly from Store Owners, and provide Area Franchisee with a quarterly report by the twentieth day of February, May, August, and November each year on the amounts collected during the preceding quarter, along with the payments due Area Franchisee from such amounts. PostNet shall have sole discretion as to the terms and conditions of collections. Any deferred payments from Store Owners shall not become payable to Area Franchisee by PostNet unless and until such fees have been collected by PostNet. In the event PostNet refunds amounts collected from Store Owners or if Area Franchisee for any reason owes money to PostNet, PostNet shall have the right, as it deems appropriate, to set-off the amount due from any monies owed to Area Franchisee, or to require Area Franchisee to pay the monies due to PostNet prior to PostNet's payment to Area Franchisee. PostNet shall have no liability to Area Franchisee for payments pursuant to this Section 4.4 in the event that any Store Owner, for any reason, fails to pay any monies owed to PostNet. Area Franchisee shall have the right, upon reasonable advance notice to PostNet, to inspect at PostNet's principal place of business, copies of all PostNet records reflecting receipt of payments from Store Owners covered by Sections 4.2 and 4.3.

4.5 In the event that Area Franchisee fails to correct any deficiencies in fulfilling its Servicing Responsibilities to any Store Owner(s) in accordance with a written notice from

PostNet pursuant to Section 5.3.6, then PostNet shall have the right (but not the obligation), with respect to any such Store Owner(s) and in lieu of terminating this Agreement pursuant to Section 11.2.6, to assume itself or delegate to a third party all future Servicing Responsibilities. Area Franchisee shall not receive a percentage of any Store Owner(s)' royalty payments pursuant to Section 4.4 whose Servicing Responsibilities has been transferred pursuant to this Section.

5. DUTIES OF AREA FRANCHISEE

5.1 Prior to exercising its rights and obligations set forth in Section 1.1 hereof, Area Franchisee (or, if Area Franchisee is a corporation or partnership, a principal thereof) and, at Area Franchisee's discretion, up to two of its employees, shall attend and complete, to PostNet's satisfaction, PostNet's training program for area franchisees. Area Franchisee shall attend PostNet's annual certification training program each year for the purposes of becoming certified in PostNet's then-current training necessary for Store Owners. Area Franchisee, and those employees of Area Franchisee as PostNet may reasonably designate, also shall attend and complete, to PostNet's satisfaction, such other training programs as PostNet may reasonably require from time to time. All such training shall be held in Denver, Colorado, or such other place that PostNet shall designate, at times that PostNet shall designate. For all training programs, PostNet shall pay only for the instructors, training facilities, and training materials; and Area Franchisee shall pay for all other expenses incurred by Area Franchisee and its employees, including, without limitation, the costs of travel, food, lodging and wages.

5.2 In promoting Franchises, Area Franchisee shall:

5.2.1 advertise the System through sales presentations and other means (such as local seminars and franchise expositions, and local newspapers). Area Franchisee shall spend a minimum of \$_____ per month on System advertising, and submit such reports as PostNet shall specify to identify the advertising activities and expenditures;

5.2.2 represent the System accurately, and make no representations or omissions that contradict the terms and conditions of PostNet's Franchise Agreements, franchise offering circular ("UFOC"), or related documents;

5.2.3 refer to PostNet any inquiries from individuals or entities regarding the establishment of Franchises outside of the Territory;

5.2.4 answer all inquiries of Prospects and provide Prospects, as and when requested by PostNet, with a copy of the UFOC and other documents that PostNet may require;

5.2.5 conduct initial screening of Prospects according to the standards set by PostNet pursuant to Section 3 hereof;

5.2.6 recommend promptly to PostNet those Prospects whom Area Franchisee deems qualified by submitting to PostNet such reports and other documentation in the form prescribed by PostNet;

5.2.7 respond to requests from PostNet for clarification and/or additional information regarding any Prospect;

5.2.8 prepare and maintain a written report in the form prescribed by PostNet for each Prospect referred to PostNet, which reports shall be made available to PostNet upon request; and

5.2.9 comply at all times with all applicable federal, state, and local laws and regulations affecting the promotion and sale of Franchises in the Territory, including, without limitation, those relating to registration and disclosure of relevant franchise information and unfair trade or business practices.

5.3 In discharging its Servicing Responsibilities, Area Franchisee shall:

5.3.1 provide site selection counseling and assistance, on-site inspections, site evaluations, and site recommendations, with final approval for Franchise sites to come from PostNet;

5.3.2 assist PostNet, as it may reasonably request, in PostNet's provision of its Center Development Package to a Store Owner's premises;

5.3.3 provide grand opening assistance, and other opening assistance in the manner and form designated by PostNet;

5.3.4 establish, on the premises of the Area Franchisee's Center, a training center for Store Owners and offer therefrom initial and on-going training programs to Store Owners located in the Territory. Area Franchisee's training center and training programs shall conform to the standards and specifications established and modified by PostNet from time to time in the Area Franchise Manual or otherwise in writing, and include such other required and optional training programs, seminars, and workshops as PostNet may from time to time deem necessary and appropriate;

5.3.5 provide such periodic and continuing assistance to the Store Owner as the Store Owner may reasonably request or as PostNet may reasonably direct or as PostNet may be obligated to provide to a Store Owner pursuant to a Franchise Agreement. Area Franchisee acknowledges and agrees that it has reviewed the current form of Franchise Agreement and understands that PostNet may periodically revise its Franchise Agreement, and Area Franchisee agrees to provide to Store Owners, at PostNet's request, any services as may be required under any revised form of Franchise Agreement; and

5.3.6 Area Franchisee shall correct all deficiencies in fulfilling its Servicing Responsibilities to any Store Owner(s) as may be specified by PostNet in a written notice sent to Area Franchisee. The notice shall specify the deficiencies, the Store Owner(s) affected, and the time frame for correcting such deficiencies, which time frame shall not exceed 30 days.

5.4 In monitoring the performance of Franchises, Area Franchisee shall visit each Store Owner at least once every three months during the term of the Franchise and any renewals thereof, in order to provide continuing assistance to the Store Owner and to verify compliance by each Store Owner with PostNet's standards and specifications, and all applicable laws, rules, regulations and procedures. Area Franchisee shall furnish reports to PostNet on such forms, and containing such information, as PostNet may reasonably request, with respect to each visit and any necessary follow-up visits to verify the correction of deficiencies.

5.5 If requested by PostNet, Area Franchisee shall develop specific marketing programs for Store Owners, using materials provided or approved by PostNet.

5.6 Area Franchisee will assist PostNet in the collection of delinquent accounts and royalty payments.

5.7 Area Franchisee shall from time to time, but no less frequently than two times a year, conduct a meeting of all Store Owners in the Territory, for the purpose of describing new products and services, training, and general networking.

5.8 Except as provided in Section 4 of this Agreement, Area Franchisee shall not, itself or through or in association with any third party, directly or indirectly collect any money or other thing of value from a Prospect, a Store Owner, or a third party (such as, but not limited to, consideration of any kind furnished by a third party to Area Franchisee or its designee based upon or resulting from payment by a Prospect or Store Owner to such third party) which is in any way related to (i) the services to be provided by Area Franchisee pursuant to this Agreement; or (ii) the establishment and/or operation of a PostNet Center by a Store Owner pursuant to a Franchise Agreement (such as, but not limited to, purchases or leases of real and/or personal property).

5.9 Area Franchisee, at its expense, shall purchase or lease, and thereafter maintain, such computer hardware (including laptops), software, and firmware, required dedicated telephone and power lines, modem(s), printer(s), and other computer-related accessories or peripheral equipment as PostNet specifies in the Area Franchise Manual or otherwise in writing. Area Franchisee's computer systems shall have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including but not limited to the Internet), and using such protocols (e.g., TCP/IP), as PostNet may reasonably prescribe in the Area Franchise Manual or otherwise in writing. PostNet shall have the right from time to time and at any time to retrieve data and information from Area Franchisee's computer system and use it for any purpose both during and after the term of this Agreement. Area Franchisee shall keep its computer system in good maintenance and repair and, at its expense, shall promptly install such additions, changes, modifications, substitutions, and/or replacements to the computer hardware, software, firmware, telephone and power lines, and other computer-related facilities, as PostNet directs. Area Franchisee shall not update, modify, enhance, or upgrade any computer hardware or software without PostNet's prior written consent.

5.10 Area Franchisee shall not establish any computer website including Internet and World Wide Web home pages, without PostNet's prior written approval. Any website must comply with standards specified in the Area Franchise Manual or otherwise in writing. PostNet may require that Area Franchisee establish its website as part of any website established by PostNet.

5.11 Area Franchisee shall not provide any Servicing Responsibilities to, nor shall it have the right to receive any payments pursuant to Section 4.3 hereof with respect to, any Store Owner with whom Area Franchisee or any of its officers, directors, members, partners, or shareholders have any legal or equitable ownership interest.

5.12 Area Franchisee shall, at all times during the term of this Agreement, own and operate a PostNet Center. "Own" shall mean that Area Franchisee possesses at least a 51% legal and equitable interest in a PostNet franchisee; "operate" shall mean that Area Franchisee is personally present at the Center owned by Area Franchisee for a minimum of 60 hours each month.

6. PROPRIETARY MARKS

6.1 Area Franchisee shall have the right to use the Proprietary Marks only for the limited purposes of soliciting Prospects and advising current Store Owners that it is performing, on behalf of PostNet, some of PostNet's obligations to the Store Owner pursuant to terms of the Area Franchise Agreement between PostNet and the Store Owner. Area Franchisee's use of the Proprietary Marks shall be limited to the terms of Section 8 hereof.

6.2 Any and all goodwill arising from Area Franchisee's use of the Proprietary Marks in the manner authorized in Section 6.1 shall inure solely and exclusively to the benefit of PostNet and, upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Area Franchisee's performance of its obligations hereunder.

7. CONFIDENTIAL INFORMATION

7.1 Area Franchisee shall not, during or after the term of this Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation, any confidential information, knowledge, or know-how concerning PostNet, its guidelines for franchisee qualifications, the System, or the franchises granted by PostNet which Area Franchisee may be apprised, by virtue of Area Franchisee's operation under the terms of this Agreement. Area Franchisee shall divulge such confidential information only to such employees as must have access to it in order to perform their employment responsibilities. Any and all information, knowledge, know-how, and techniques which PostNet designates as confidential shall be deemed confidential for purposes of this Agreement unless and until Area Franchisee shall demonstrate that the information has become public knowledge.

7.2 Area Franchisee acknowledges that any failure to comply with the requirements of this Section 7 will cause PostNet irreparable injury for which no adequate remedy at law may

be available, and Area Franchisee agrees that PostNet may seek, and Area Franchisee agrees to pay, all court costs and reasonable attorneys' fees incurred by PostNet in obtaining, without posting a bond, an *ex parte* order for injunctive or other legal or equitable relief with respect to the requirements of this Section 7.

7.3 At PostNet's request, Area Franchisee shall require anyone who may have access to confidential information to execute covenants that they shall maintain the confidentiality of information they receive in connection with their association with Area Franchisee. Such covenants shall be in a form satisfactory to PostNet including, without limitation, specific identification of PostNet as a third party beneficiary of such covenants with the independent right to enforce them.

7.4 Area Franchisee shall at all times treat the Area Franchise Manual, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Area Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the Area Franchise Manual available to any unauthorized person. The Area Franchise Manual shall at all times remain the sole property of PostNet.

8. ADVERTISING AND PROMOTION

8.1 All advertising and promotion by Area Franchisee shall be conducted in a dignified manner, conform to such standards as PostNet shall establish in the Area Franchise Manual or otherwise in writing, and not be used without PostNet's prior approval. Area Franchisee shall submit to PostNet (in the manner prescribed in Section 15.1) samples of all advertising and promotional plans and materials prior to their use, and may commence use of such plans or materials seven days after PostNet's receipt unless, prior thereto, PostNet shall have furnished written notice to Area Franchisee prohibiting such use. PostNet also shall have the right at any time after Area Franchisee commences use of such material to prohibit further use, effective immediately upon receipt of written notice by Area Franchisee.

9. INSURANCE

9.1 Area Franchisee shall maintain in full force and effect at all times during the term of this Agreement, at Area Franchisee's expense, an insurance policy or policies protecting Area Franchisee, PostNet and its affiliates, and their respective shareholders, directors, employees, and agents against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or in connection with the operation of Area Franchisee's business. Such policy or policies shall: (i) be written by insurer(s) acceptable to PostNet; (ii) name PostNet and its shareholders, directors, employees, and agents, as additional insureds with primary non-contributory coverage; (iii) comply with the requirements prescribed by PostNet at the time such policies are obtained; (iv) provide at least the types and minimum amounts of coverage specified by PostNet in writing; and (v) contain a waiver by Area Franchisee and its insurers of their subrogation rights against PostNet and its affiliates, and their respective shareholders, directors, employees and agents.

9.2 At least ten days prior to the time any insurance is first required to be carried by Area Franchisee, and thereafter at least thirty days prior to the expiration of any policy, Area Franchisee shall deliver to PostNet Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates shall expressly provide that no less than thirty days' prior written notice shall be given PostNet in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such Certificates. Certificates evidencing the insurance required by this Section 9 shall name PostNet and its affiliates, and their respective shareholders, directors, employees, and agents, as additional insureds, and shall expressly provide that any interest of each shall not be affected by any breach by Area Franchisee of any policy provisions for which such Certificates evidence coverage.

10. TRANSFER OF INTEREST

10.1 Area Franchisee shall not transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity without PostNet's prior written consent, which consent may be denied, with or without cause, by PostNet in its sole and absolute discretion.

10.2 PostNet shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of PostNet's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all obligations of PostNet under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, Area Franchisee expressly affirms and agrees that PostNet may sell its assets, its Proprietary Marks, or its System; may sell its securities in a public offering or in a private placement; may permit and participate in any transfer or distribution of its securities in connection with a spin-off; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial reorganization or restructuring.

10.3 Neither Area Franchisee nor any of its affiliates shall sell or assign any (i) assets of a PostNet Center; (ii) ownership interest in any business which operates a PostNet Center; or (iii) any Franchise Agreement, unless in any such instance, the Center to be affected by the sale or assignment has been open for at least one year.

11. DEFAULT AND TERMINATION

11.1 Area Franchisee shall be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Area Franchisee, if Area Franchisee attempts to assign this Agreement, or if Area Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Area Franchisee or such a petition is filed against and not opposed by Area Franchisee; or if Area Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Area Franchisee or other custodian for Area Franchisee's business or assets is filed and consented to by Area Franchisee; or if a receiver or other custodian

(permanent or temporary) of Area Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Area Franchisee; or if a final judgment remains unsatisfied or of record for thirty days or longer (unless a supersedeas bond is filed); or if Area Franchisee is dissolved; or if execution is levied against Area Franchisee's business or property; or if suit to foreclose any lien or mortgage against Area Franchisee's business premises or equipment is instituted against Area Franchisee and not dismissed within thirty days; or if the real or personal property of Area Franchisee shall be sold after levy thereupon by any sheriff, marshal, or constable.

11.2 Area Franchisee shall be deemed to be in default and PostNet may, at its option, terminate this Agreement and all rights granted hereunder, without affording Area Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Area Franchisee, upon the occurrence of any of the following events:

11.2.1 If Area Franchisee (or an officer, director, shareholder or partner of Area Franchisee) is convicted of a felony, a crime or offense involving moral turpitude, or engages in conduct that, in PostNet's reasonable judgment, is morally offensive to community standards and is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or PostNet's interest therein;

11.2.2 If Area Franchisee, after curing a default pursuant to Section 11.3 hereof, commits the same default again, whether or not cured after notice;

11.2.3 If Area Franchisee repeatedly is in default under Section 11.3 hereof for failure to comply substantially with any of the requirements imposed by this Agreement, whether or not cured after notice;

11.2.4 If Area Franchisee assigns or transfers any of its rights or obligations under this Agreement without PostNet's prior written consent, in violation of Section 10.1 or attempts to make a transfer in violation of Section 10.3;

11.2.5 If Area Franchisee or any affiliate of Area Franchisee commits any act of default under a Franchise Agreement with PostNet for which such agreement is terminated;

11.2.6 Unless PostNet chooses to exercise its right pursuant to Section 4.5 to transfer Servicing Responsibilities, if Area Franchisee fails to correct all deficiencies in fulfilling Servicing responsibilities to a Store Owner in accordance with the procedures described in Section 5.3.6;

11.2.7 If Area Franchisee ceases to own and operate its franchised Center, in violation of Section 5.12; or

11.2.8 If Area Franchisee's assets, property, or interests are "blocked" under any Anti-Terrorism law or if Area Franchisee is otherwise in violation of any such law.

11.3 Except as provided in Sections 11.1 and 11.2, and of this Agreement, Area Franchisee shall have thirty days after its receipt from PostNet of a notice of termination within which to remedy any default hereunder and provide evidence thereof to PostNet. If any such default is not cured within that time, this Agreement shall terminate without further notice to Area Franchisee, effective immediately upon the expiration of the thirty day period. Area Franchisee shall be in default hereunder for any failure to comply substantially with any of the requirements imposed by this Agreement, or to carry out the terms of this Agreement in good faith.

12. OBLIGATIONS UPON TERMINATION OR EXPIRATION

12.1 Upon termination or expiration, this Agreement and all rights granted hereunder to Area Franchisee shall forthwith terminate, and:

12.1.1 Area Franchisee shall immediately cease to perform any promotional rights, Servicing Responsibilities, and monitoring responsibilities, and shall not be entitled to receive any further fees or compensation pursuant to Section 4 hereof,

12.1.2 Area Franchisee shall pay to PostNet all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by PostNet subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 12; and

12.1.3 Area Franchisee shall immediately turn over to PostNet all advertising and promotional materials, the Area Franchise Manual, records, files, instructions, correspondence, brochures, forms, agreements, and any and all other materials and all copies thereof in Area Franchisee's possession related to PostNet's business, and shall otherwise cease to represent itself to the public as a current or former PostNet Area Franchisee.

13. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

13.1 The parties intend that their relationships with each other shall be as independent contractors. Each party shall be solely responsible for fulfilling its obligations under this Agreement and neither party shall constitute, appoint, or consider the other as its agent, employee or servant for any purpose whatsoever. Neither PostNet nor Area Franchisee shall have any right or authority to assume or create any obligation, express or implied, on behalf of or in the name of the other, or to bind the other in any manner whatsoever.

13.2 Area Franchisee shall indemnify and hold PostNet, and its shareholders, directors, employees and agents, harmless against any and all claims, losses, costs, expenses, liabilities, and damages arising directly or indirectly from, as a result of, or in connection with the performance by Area Franchisee and its employees and all persons acting on its behalf, of Area Franchisee's obligations and undertakings pursuant to this Agreement, or otherwise in connection with the offer and sale of Franchises, as well as the costs, including attorneys' fees, of defending against them.

14. APPROVALS AND WAIVERS

14.1 No delay, waiver, omission, or forbearance on the part of PostNet to exercise any right, option, duty, or power arising out of this Agreement against Area Franchisee or any other area franchisee, or any breach or default by Area Franchisee or any other area franchisee, under any of the terms or conditions of this Agreement or any other area franchise agreement, and no custom or practice by the parties at variance with the terms hereof, shall constitute a waiver by PostNet to enforce any such right, option, duty, or power as against Area Franchisee, or as to any subsequent breach or default by Area Franchisee.

15. NOTICES

15.1 Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by telecopier, mailed by certified mail, return receipt requested, or dispatched by overnight delivery envelope, to the respective parties at the addresses set forth on the signature page of this Agreement unless and until a different address has been designated by written notice to the other party. Notices shall be deemed to have been received as follows: by personal delivery or telecopier -- at the time of delivery; by overnight delivery service -- on the next business day following the date on which the Notice was given to the overnight delivery service; certified mail -- three days after the date of mailing.

16. ENTIRE AGREEMENT

16.1 This Agreement and the documents referred to herein constitute the entire, full, and complete Agreement between PostNet and Area Franchisee concerning the subject matter hereof, and supersede all prior agreements. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

17. SEVERABILITY AND CONSTRUCTION

17.1 Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision hereof shall be considered severable; and if, for any reason, any portion, section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions hereof as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and the invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part hereof.

17.2 Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

17.3 Area Franchisee acknowledges and agrees that PostNet has the right to enter into agreements with other area franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that existing or future area franchisees may have different rights and obligations shall not in any manner eliminate, modify, or affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

18. DISPUTE RESOLUTION

18.1 Any claim or controversy arising out of or related to this Agreement, or the making, performance, breach, interpretation, or termination thereof, shall be interpreted and construed exclusively under the laws of Colorado. In the event of any conflict of law, the laws of Colorado shall prevail, without regard to the application of Colorado conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Colorado, and if the Territory is located outside of Colorado and such provision would be enforceable under the laws of the state in which the Territory is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 18.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Colorado to which it would not otherwise be subject.

18.2 Except as otherwise provided in this Agreement, any claim or controversy arising out of or related to this Agreement, or the making, performance, breach, interpretation, or termination thereof, except for any actions brought with respect to: (i) the Proprietary Marks; (ii) issues concerning the alleged violations of federal or state antitrust laws; (iii) securing injunctive relief or specific performance; or (iv) the right to indemnification or the manner in which it is exercised, shall first be subject to non-binding mediation in Denver, Colorado, or if PostNet's principal place of business shall be at another location at the time that mediation is sought, in the city of PostNet's then principal place of business. Mediation shall not defer or suspend PostNet's exercise of any termination right under Section 11.

18.3 No arbitration or litigation may be commenced on any claim which is subject to mediation under Section 18.2 prior to the mediation termination date, as defined in Section 18.3.3, whether or not the mediation has been commenced. Mediation under this Section 18.3 is not intended to alter or suspend the rights or obligations of the parties under this Agreement or to determine the validity or effect of any provision of this Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously and in a cost-effective manner on mutually acceptable terms.

18.3.1 The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation giving written notice of the request for mediation to the party with whom mediation is sought. The request shall specify with reasonable particularity the matters for which non-binding mediation is sought.

18.3.2 Non-binding mediation hereunder shall be conducted by a mediator or mediation program designated by PostNet in writing. PostNet shall make the designation within a reasonable time after issuance of the request.

18.3.3 Non-binding mediation hereunder shall be concluded within 60 days of the issuance of the request, or such longer period as may be agreed upon by the parties in writing (“**mediation termination date**”). All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatsoever. The parties shall bear their own costs of mediation, and shall share equally in the cost of the mediator or mediation service.

18.4 Except for any actions brought with respect to: (i) the Proprietary Marks; (ii) issues concerning the alleged violations of federal or state antitrust laws; or (iii) securing injunctive relief or specific performance; or (vi) the right of indemnification or the manner in which it is executed, any claim or controversy arising out of or related to this Agreement, or the making, performance, breach, interpretation, or termination thereof, shall be finally settled by arbitration pursuant to the then-prevailing Commercial Arbitration Rules of the American Arbitration Association or any successor thereto, by one arbitrator appointed in accordance with such rules. PostNet and Area Franchisee waive, to the fullest extent permitted by law, any right or claim to any punitive or exemplary damages against the other, and agree that any award shall be limited to the recovery of any actual damages sustained by them. The prevailing party also shall be entitled to recover its expenses, including reasonable attorneys’ fees and accounting fees, in addition to any other relief to which it is found entitled. All arbitration proceedings shall take place in Denver, Colorado, or if PostNet’s principal place of business shall be at another location at the time that arbitration is sought, in the city of PostNet’s then principal place of business. The arbitration award shall be binding upon the parties and may be entered and enforced in any court of competent jurisdiction. Any arbitration proceeding shall be limited to controversies between PostNet and Area Franchisee and shall not be expanded to include any other party, or include the adjudication of class action claims.

18.5 To the extent that a judicial action is permitted by the Agreement, any such action brought by Area Franchisee against PostNet shall be brought exclusively, and any such action brought by PostNet against Area Franchisee may be brought, in the federal district court covering the location at which PostNet has its principal place of business at the time the action is commenced; provided, however, that if the federal court would not have subject matter jurisdiction had the action been commenced in such court, then, in such event, the action shall (with respect to actions commenced by Area Franchisee), and may (with respect to actions commenced by PostNet), be brought in the state court within the judicial district in which PostNet has its principal place of business at the time the action is commenced. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

18.6 No right or remedy conferred upon or reserved to PostNet or Area Franchisee hereby is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

18.7 Nothing in this Agreement shall bar either party’s right to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement.

Either party also shall be able to seek injunctive relief to prohibit any act or omission by the other party or its employees that constitutes a violation of any applicable law, is dishonest or misleading to the public, or which may impair the goodwill associated with the Proprietary Marks or System. The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred in obtaining such relief.

18.8 POSTNET AND AREA FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. ANY CLAIM OR CONTROVERSY ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE MAKING, PERFORMANCE, BREACH, INTERPRETATION, OR TERMINATION THEREOF, SHALL BE COMMENCED WITHIN ONE YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED. POSTNET AND AREA FRANCHISEE HEREBY WAIVE IN ANY ARBITRATION OR JUDICIAL ACTION, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

19. AREA FRANCHISEE AS A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY

19.1 Except as otherwise approved in writing by PostNet, if Area Franchisee is a corporation, it shall (i) maintain stop transfer instructions on its records (unless Area Franchisee is publicly held) against the transfer of any equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to PostNet, appears which references the transfer restrictions imposed by this Agreement; and (ii) maintain a current list of all owners of record and all beneficial owners of any class of voting stock of Area Franchisee and furnish the list to PostNet upon request.

19.2 If Area Franchisee is a partnership, it shall (i) furnish PostNet with its partnership agreement as well as such other documents as PostNet may reasonably request, and any amendments thereto; and (ii) prepare and furnish to PostNet, upon request, a current list of all general and limited partners in Area Franchisee.

19.3 If Area Franchisee is a limited liability company, it shall (i) furnish PostNet with its articles of organization and operating agreement, as well as such other documents as PostNet may reasonably request and any amendments thereto; (ii) prepare and furnish to PostNet, upon request, a current list of all members and managers in Area Franchisee; and (iii) maintain stop transfer instructions on its records against the transfer of any equity securities and shall only issue securities which bear a legend, in a form satisfactory to PostNet, which references the transfer restrictions imposed by this Agreement.

19.4 Each present and future shareholder or member, and each present and future general and limited partner, of Area Franchisee shall jointly and severally guarantee Area Franchisee's performance of each and every provision of this Agreement by executing a Guarantee in the form annexed hereto as Attachment C.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement on the Effective Date.

Address For Notices Pursuant to
Section 15.1 of This Agreement

PostNet Address

1819 Wazee Street
Denver, Colorado 80202
Attn: Executive Vice President/COO

Signatures

POSTNET INTERNATIONAL FRANCHISE
CORPORATION

By: _____

Title: _____

Area Franchisee Address

AREA FRANCHISEE

By: _____

Title: _____

Attachment A
to the Area Franchise Agreement

DEVELOPMENT SCHEDULE

Minimum Cumulative Number of New Store Owners	By: (Anniversary Date of This Agreement)
	1
	2
	3
	4
	5
	6
	7
	8
	9
	10
	11
	12
	13
	14
	15

PostNet's Initials _____

Area Franchisee's Initials _____

Attachment B
to the Area Franchise Agreement

TERRITORY

PostNet's Initials _____

Area Franchisee's Initials _____

GUARANTEE

As an inducement to POSTNET INTERNATIONAL FRANCHISE CORPORATION ("PostNet") to execute the Area Franchise Agreement with _____ ("Area Franchisee") dated _____, 200__, and in consideration of PostNet executing the Area Franchise Agreement and of the sum of One Dollar (\$1.00) now paid by PostNet to Guarantors, the receipt of which is hereby acknowledged, Guarantors jointly and severally agree as follows:

1. Guarantors shall pay or cause to be paid to PostNet all monies payable by Area Franchisee under the Area Franchise Agreement on the date and in the manner required for payment.
2. Guarantors unconditionally guarantee full performance and discharge by Area Franchisee of all the obligations of Area Franchisee under the Area Franchise Agreement on the date and times and in the manner required.
3. Guarantors shall indemnify and save harmless PostNet and its affiliates, and their respective shareholders, directors, employees, and agents, against and from all losses, damages, costs, and expenses which PostNet and its affiliates may sustain, incur, or become liable for by reason of:
 - a. Area Franchisee's failure to pay the monies payable pursuant to the Area Franchise Agreement or to do and perform any other act, matter, or thing required by the Area Franchise Agreement; or
 - b. Any action by PostNet to obtain performance by Area Franchisee of any act, matter, or thing required by the Area Franchise Agreement.
4. PostNet shall not be obligated to proceed against Area Franchisee or exhaust any security from Area Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Area Franchisee, before proceeding to enforce the obligations of the Guarantors herein set out, and the enforcement of such obligations may take place before, after, or contemporaneously with, enforcement of any debt or obligation of Area Franchisee under the Area Franchise Agreement.
5. Without affecting the Guarantors' obligations under this Guarantee, PostNet, without notice to the Guarantors, may extend, modify, or release any indebtedness or obligation of Area Franchisee, or settle, adjust, or compromise any claims against Area Franchisee. Guarantors waive notice of amendment of the Area Franchise Agreement and notice of demand for payment or performance by Area Franchisee.

6. Guarantors' obligations hereunder shall remain in full force and effect, and shall be unaffected by: (i) the unenforceability of the Area Franchise Agreement against Area Franchisee; (ii) the termination of any obligations of Area Franchisee under the Area Franchise Agreement by operation of law or otherwise; (iii) the bankruptcy, insolvency, dissolution, or other liquidation of Area Franchisee, including, without limitation, any surrender or disclaimer of the Area Franchise Agreement by the trustee in bankruptcy of Area Franchisee; (iv) PostNet's consent or acquiescence to any bankruptcy, receivership, insolvency, or any other creditor's proceedings of or against Area Franchisee, or by the winding-up or dissolution of Area Franchisee, or any other event or occurrence which would have the effect at law of terminating the existence of Area Franchisee's obligations prior to the termination of the Area Franchise Agreement; or (v) by any other agreements or other dealings between PostNet and Area Franchisee having the effect of amending or altering the Area Franchise Agreement or Area Franchisee's obligations under the Area Franchise Agreement, or by any want of notice by PostNet to Area Franchisee of any default of Area Franchisee or by any other matter, thing, act, or omission of PostNet whatsoever.

7. The provisions of Section 18 of the Area Franchise Agreement shall apply as to any interpretation or enforcement of this Guarantee, and the provisions of Section 15 of the Area Franchise Agreement shall apply to any notice to either party, except that notice to Guarantors shall be sent to the address(es) set forth below beneath each Guarantor's signature.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Area Franchise Agreement.

GUARANTOR:

GUARANTOR:

Signature

Signature

Printed Name

Printed Name

Street Address

Street Address

City and State

City and State

Countersigned:

POSTNET INTERNATIONAL FRANCHISE CORPORATION

By: _____