

**FRANCHISE DISCLOSURE DOCUMENT
(RETAIL CENTERS)**



ANNEX BRANDS, INC.
 A California Corporation
 7580 Metropolitan Drive, Suite 200
 San Diego, CA 92108
 800-456-1525
 info@annexbrands.com
 www.annexbrands.com

As a standard or express retail center franchisee, you will sell business support, mailbox rental (physical and virtual), package receiving, postal, printing, copying, packaging, shipping, office supply, passport photo, notary, fingerprinting, and related products and services. As a flex retail center franchisee, you will sell some of the services of a standard or express retail center, as well as crating, pick-up and delivery services, and boxes and packaging materials.

The total investments and payments to us or our affiliates necessary to begin operation of the different types of retail centers are shown in the table below:

Type of Retail Center	Total Investment Range	Range of Payments To Us or Our Affiliates
Retail Center-Standard & Flex	\$226,080 - \$319,780	\$116,530 - \$251,280
Retail Center-Standard & Flex Conversion	\$33,555 - \$243,805	\$31,555 - \$195,305
Retail Center-Express	\$93,605 - \$209,905	\$64,055 - \$158,905

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Mary Ann Canup at 7580 Metropolitan Drive, Suite 200, San Diego, CA 92108, (800) 456-1525, or mcanup@annexbrands.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: January 24, 2024

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits C and D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Annex Brands business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Annex Brands franchisee?	Item 20 or Exhibits C, D and E list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in California. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in California than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

MICHIGAN NOTICE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assents to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to sell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, 670 Law Building, Lansing, MI 48913, (517) 373-7117.

FRANCHISE DISCLOSURE DOCUMENT
RETAIL CENTERS

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Item 1

THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "we" and "us" mean Annex Brands, Inc., the franchisor. "You" means the person who is considering the franchise. If you are a legal entity, certain provisions of the franchise agreement and related agreements will apply to your officers, directors, shareholders, partners, members and other owners. Those provisions are noted.

Franchisor

We are a California corporation incorporated on June 4, 1986 under the name PostalAnnex+, Inc. We changed our name to Annex Brands, Inc. on September 20, 2007. We do business as Annex Brands, National Logistics Services, NLS, PostalAnnex, PostalAnnex+, PostalAnnex+ Pack & Ship, Pak Mail, Pak Mail Logistics, AIM Mail, AIM Mail Centers, Parcel Plus, Sunshine Pack & Ship, Navis Pack & Ship, Pak Mail Freight, and Handle With Care Packaging Store. We offer franchises under the following trademarks and trade names: PostalAnnex®, PostalAnnex+®, PA+®, PA+ Express Business Centers®, Pak Mail®, AIM Mail®, AIM Mail Centers®, Parcel Plus®, Sunshine Pack & Ship®, Navis Pack & Ship®, Handle With Care Packaging Store®, and Pak Mail Freight™. Our principal business address is 7580 Metropolitan Drive, Suite 200, San Diego, California 92108. We have a secondary business address known as the Denver Logistics Center located at 12742 E. Caley Avenue, Unit 2A, Centennial, Colorado 80111. We have no parent or predecessor. Our agents for service of process are disclosed in Exhibit A.

We operated retail centers of the type being franchised from July 1985 to January 1998 (see descriptions below), have operated National Logistics Services ("NLS") department that has been operating nationally since January 2011 (see description below), and have operated a flex retail center corporate business since April 2016. We have offered retail center franchises since October 1986, and flex retail center franchises since September 2007. We have offered Commercial Logistics Center franchises since September 2006 under a separate disclosure document. We offered Annex Copy Center franchises in a similar line of business from 2014 to 2019, PostalAnnex+ regional licenses in the same line of business from 1987 to 2017, and Commercial Logistics Centers and commercial moving business regional licenses from 2008 to 2017. We have not engaged in any other line of business, and have not offered franchises in any other line of business.

Pak Mail Centers of America, Inc. ("PMCA"), a Colorado corporation formed on January 27, 1984, is our affiliate. In their geographic areas, PMCA regional licensees have offered retail center franchises and assisted retail center franchisees on its behalf from July 1994 to December 2017. PMCA has not offered franchises in any other line of business and its principal address is the same as ours. See below under Background for more information regarding our acquisition of PMCA.

Retail Center Franchises

We offer franchises for PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store and Sunshine Pack & Ship standard retail centers under this FDD. Standard retail centers sell business support, mailbox rental (physical and virtual), package receiving, postal, printing, copying, packaging, shipping, office supply, passport photo, notary,

fingerprinting, and related products and services. PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store and Sunshine Pack & Ship standard retail centers typically require about 800 to 1,500 square feet of space.

We also offer franchises for PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store and Sunshine Pack & Ship flex retail centers under this FDD. Flex retail centers sell some of the services of a standard retail center and express retail center, as well as crating, pick-up and delivery services, boxes and packaging materials. PostalAnnex+, AIM Mail, Handle With Care Packaging Store and Sunshine Pack & Ship flex retail centers typically require about 800 to 1,500 square feet of space.

We also offer franchises for PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store and Sunshine Pack & Ship express retail centers under this FDD. Express retail centers generally only require about 500 square feet of space. Express retail centers typically are located in office and retail buildings, airports, convention centers, hotels, supermarkets, shopping malls and other public buildings; in rural locations where the population density may be insufficient to support standard retail centers; or in locations where space constraints prevent the offering of all products and services of a standard retail center.

All of the above franchises are considered retail center franchises ("retail center franchises"). The differences are based on the sizes of the retail centers and on the products and services offered, as noted above.

You must sign our franchise agreement and attachments (Exhibit B). You must operate your standard, flex or express retail center under the designated trademark according to the standards and specifications in the franchise agreement and our Confidential Operating Manuals ("Manuals").

Commercial Logistics Center Franchises and Businesses

We offer Commercial Logistics Center franchises under the Navis Pack & Ship, Handle With Care Packaging Store, and Pak Mail Freight brands under a separate FDD. Commercial Logistics Centers typically are located in light industrial warehouse locations; offer packaging, shipping and moving services; and specialize in jobs that require expert packaging and worldwide shipping of items that may be too large, delicate or unmanageable for retail centers. Commercial Logistics Centers also offer pick-up and delivery services, and crating and transportation services for large freight. Some Commercial Logistics Centers have expanded offerings that include commercial and household moving, and other relocation products and services. See our Commercial Logistics Center Franchise Disclosure Document for more information on these franchises.

We have a National Logistics Services ("NLS") department that has been operating nationally since January 2011 to generate and fulfill requests involving services to be performed outside of our Commercial Logistics Center franchisees' territories. Our Denver Logistics Center staff typically subcontracts with nearby franchisees, or with 3rd party agents, to fulfill the requests. The NLS department uses Internet advertising efforts, and sometimes uses targeted marketing efforts in specific metropolitan markets, to generate requests involving services to be performed outside of our Commercial Logistics Center franchisees' territories.

Competition

You will compete with local, regional and national companies and institutions offering similar products and services, including mailbox rental facilities, packaging and shipping stores, copying centers, office supply stores and post offices. (The term “including,” as used in this disclosure document and the franchise agreement and its attachments, means “including, among other things,” “including, among others,” “including, but not limited to,” “including, for example,” and “including, without limitation.”) The market for these products and services is well-developed in most areas of the United States. Our business capitalizes on the growing need to provide fast, efficient services to a society that is continually pressed for time, particularly at a time when the operational effectiveness of the United States Postal Service ("USPS") is in question. We assist you by the use of our descriptive names, interior design, marketing methods, vendor arrangements, advertising, marketing and promotion programs, and with our comprehensive training program.

Our businesses offer UPS and FedEx shipping services under system-wide contracts that we have negotiated with each carrier. We have negotiated contracts of this type with UPS since 1986 and with FedEx since 1996. We will continue to work with UPS and FedEx to offer UPS and FedEx shipping services, as well as USPS postal services, in our retail locations.

Compliance with Laws

You must comply with various federal, state and local laws and regulations, including copyright laws that impact the operation of your retail center franchise. Examples include: (i) USPS Regulations, including certain forms and notifications to U. S. Postmasters, such as filing a USPS Form 1583 on each mailbox customer you service, and complying with certain customer return addressing requirements; (ii) laws requiring you to accept service of process for customers in some states; (iii) inspection of scales by the local and Federal Departments of Weights and Measures; (iv) laws and regulations governing offering notary services and any state laws that may require you to be subject to fingerprinting and a competency test; (v) regulations governing Internet auctions as set forth by any state or federal agency and eBay, Inc.; (vi) laws governing the shipment and transport of hazardous substances, alcoholic beverages, firearms, lithium batteries, food, plants, agricultural products and animals; (vii) regulations governing the transportation and handling of hazardous and dangerous substances and cargo; (viii) certain air cargo restrictions instituted under various Homeland Security-related laws; (ix) laws, regulations, industry standards, and PCI Data Security standards, as required for merchants that accept payment cards and, if applicable for flex retail centers, (x) laws and regulations by state and federal agencies for moving companies, including the U .S. Department of Transportation’s Federal Motor Carrier Safety Administration; and (xi) licensing requirements, rules, and tariffs governing the transportation and delivery of household goods and general commodities, both in transportation domestically and internationally. Certain services, such as Western Union, also may require fingerprinting or a bond.

We are not aware of any other regulations specific to the operation of the franchised business, although you must comply with all local, state and federal laws applicable to businesses in general, including the Americans with Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act. You should also investigate whether there are state or local regulations and requirements that may apply in the geographic area in which you intend to conduct business and should consider both their effect and cost of compliance.

Background

On April 20, 2016, we acquired PMCA, a Colorado corporation that had maintained its principal place of business at 12742 E. Caley Avenue, Unit 2A, Centennial, CO 80111. PMCA is now our wholly-owned subsidiary and our affiliate as described above. PMCA offered franchises and area development agreements for businesses similar to our retail centers and commercial centers, and operated under the trade name Pak Mail from January 1984 until April 2016. The acquired franchises may continue to operate under the trade name Pak Mail. We offer and sell Pak Mail franchises under this FDD. See Item 20 and Exhibit C for more information.

On October 31, 2014, we acquired substantially all of the franchise assets and programs of Eagle Franchise Systems, Inc. ("EAGLE"), a Texas corporation that had maintained its principal place of business at 12715 Telge Road, Cypress, TX 77429. EAGLE was a wholly-owned subsidiary of International Center for Entrepreneurial Development, Inc. ("ICED"), a Delaware corporation that had maintained its principal place of business at 12715 Telge Road, Cypress, TX 77429. ICED and was also the parent company of Kwik Kopy Corporation, The Ink Well of America, Inc., American Wholesale Thermographers, Inc., Franklin's Systems, Inc., Kwik Kopy Business Centers, Inc., Computertots, Inc., ICED Management, Inc., and Telge Leasing, Inc. On July 28, 2000, EAGLE purchased the franchise assets and programs from Parcel Plus, Inc. ("PPI"), a California corporation. EAGLE offered franchises for businesses similar to our retail centers and operated under the trade name Parcel Plus from July 2000 to October 2014 and PPI offered franchises for business similar to our retail centers and operated under the trade name Parcel Plus from 1988 to July 2000. The acquired franchises may continue to operate under the trade name Parcel Plus. We offer and sell Parcel Plus franchises under this FDD. See Item 20 and Exhibit C for more information.

On August 11, 2011, we acquired substantially all of the franchise assets and programs of Amailcenter Franchise Corporation ("AFC"), a California corporation that had maintained its principal place of business at 15550 D Rockfield Boulevard, Irvine, CA 92618. From 1987, AFC offered franchises for businesses similar to our retail centers and operated under the trade names AIM Mail and AIM Mail Centers. The acquired franchises may continue to operate under the trade names AIM Mail and AIM Mail Centers. We offer and sell AIM Mail Center franchises under this FDD. See Item 20 and Exhibit C for more information.

On January 18, 2011, we acquired substantially all of the franchise assets and programs of Navis Logistics Management, Inc. ("NLM"), a Nevada corporation that had maintained its principal place of business at 5675 DTC Boulevard, Suite 280, Greenwood Village, Colorado 80111. NLM is a wholly-owned subsidiary of Navis Logistics Network, Inc., a Nevada corporation ("NLN"). NLN also is the parent company of The Packaging Store, Inc. (see below). From October 2000, NLM offered franchises for businesses operating under the trade name Navis Pack & Ship. The acquired franchises may continue to operate under the trade name Navis Pack & Ship. We offer and sell Navis Pack & Ship franchises under a separate FDD. See our Commercial Logistics Center Franchise Disclosure Document for more information.

On September 4, 2007, we acquired substantially all of the franchise assets of The Packaging Store, Inc. ("PSI"), a Colorado corporation that had maintained its principal place of business at 5675 DTC Boulevard, Suite 280, Greenwood Village, Colorado 80111. PSI is a wholly-owned subsidiary of Navis Logistics Network, Inc., a Nevada corporation. From 1984 to 1999, PSI offered franchises for businesses operating under the trade name Handle With Care Packaging

Store. PSI did not offer franchises in any other line of business. The acquired franchises may continue to operate under the trade name Handle With Care Packaging Store. We will offer and sell Handle With Care Packaging Store Commercial Logistics Center franchises under a separate FDD. See our Commercial Logistics Center Franchise Disclosure Document for more information.

On September 1, 2006, we acquired substantially all of the franchise assets of Sunshine Pack & Ship USA Corp. ("Sunshine"), a Florida corporation that had maintained its principal place of business at 6408 Parkland Drive, Suite 104, Sarasota, Florida 34243. From April 2002 to August 2006, Sunshine offered franchises and area development agreements for businesses similar to the type you will operate under the trade names Sunshine Pack & Ship Retail Center, and Sunshine Pack & Ship Logistic Center. Sunshine did not offer franchises or area development agreements in any other line of business. The acquired franchises may continue to operate under the Sunshine Pack & Ship trade names. We offer and sell Sunshine Pack & Ship franchises under this FDD. See Item 20 and Exhibit C for more information.

Item 2

BUSINESS EXPERIENCE

Chief Executive Officer, President, Chairman, and Director: Patrick Edd

Patrick Edd is our Chief Executive Officer, President, Chairman, and a Director. Mr. Edd's recent employment history is:

DATES	TITLE	EMPLOYER
12/22 - Present	Chief Executive Officer, President, Chairman and Director	Annex Brands, Inc. San Diego, CA
6/18 – 12/22	Chief Executive Officer, President, CFO, Chairman, & Director	Annex Brands, Inc. San Diego, CA
3/91 – 6/18	Various titles, from Vice President of Finance & Administration to President, CFO & Director	Annex Brands, Inc. San Diego, CA

Executive Vice President: Sean Hilly

Sean Hilly is our Executive Vice President. Mr. Hilly's recent employment history is:

DATES	TITLE	EMPLOYER
4/16 - present	Executive Vice President	Annex Brands, Inc. San Diego, CA
1995 - 4/16	Various titles, from Vice President of Franchise Services to Senior Vice President	Annex Brands, Inc. San Diego, CA

Chief Financial Officer: TanaSue Carpenter

TanaSue Carpenter is our Chief Financial Officer. Ms. Carpenter's recent employment history is:

DATES	TITLE	EMPLOYER
12/22 – present	Chief Financial Officer	Annex Brands, Inc. San Diego, CA
11/20 – 12/22	Vice President of Finance	Annex Brands, Inc. San Diego, CA
8/18 – 11/20	Controller and Executive Director of Finance	Annex Brands, Inc. San Diego, CA
5/17 – 8/18	Controller	Annex Brands, Inc. San Diego, CA
6/12 – 5/17	Director of Accounting	Annex Brands, Inc. San Diego, CA

Senior Vice President of Franchise Compliance: Mary Ann Canup

Mary Ann Canup is our Senior Vice President of Franchise Compliance. Ms. Canup's recent employment history is:

DATES	TITLE	EMPLOYER
11/19 – present	Senior Vice President of Franchise Compliance	Annex Brands, Inc. San Diego, CA
5/94 – 11/19	Various titles, from Administrative Assistant & Receptionist to Vice President of Franchise Compliance	Annex Brands, Inc. San Diego, CA

Senior Vice President of Franchising: Ryan Heine

Ryan Heine is our Senior Vice President of Franchising. Mr. Heine's recent employment history is:

DATES	TITLE	EMPLOYER
9/21 – present	Senior Vice President of Franchising	Annex Brands, Inc. San Diego, CA
11/20 – 9/21	Senior Vice President of Franchising & Marketing	Annex Brands, Inc. San Diego, CA
6/18 - 11/20	Senior Vice President of Franchising	Annex Brands, Inc. San Diego, CA
4/16 – 6/18	Vice President of Franchising	Annex Brands, Inc. San Diego, CA
8/02 – 4/16	Various titles, from Franchise Development Associate to Executive Director of Franchising	Annex Brands, Inc. San Diego, CA

Vice President of Marketing: Michelle McKee

Michelle McKee is our Vice President of Marketing. Ms. McKee's recent employment history is:

DATES	TITLE	EMPLOYER
9/21 – present	Vice President of Marketing	Annex Brands, Inc. San Diego, CA
10/20 – 9/21	Executive Director of Marketing	Annex Brands, Inc. San Diego, CA
2/19 – 5/20	Director of Marketing	Belmont Park Entertainment, LLC San Diego, CA
2/18 – 1/19	Director of Marketing	San Diego Coaster Company, LP San Diego, CA

Vice President of Real Estate and Leasing: Chris Kimball

Chris Kimball is our Vice President of Real Estate and Leasing. Mr. Kimball's recent employment history is:

DATES	TITLE	EMPLOYER
11/20 – present	Vice President of Real Estate & Leasing	Annex Brands, Inc. San Diego, CA
8/18 – 11/20	Executive Director of Real Estate & Leasing	Annex Brands, Inc. San Diego, CA
11/05 – 8/18	Various titles, from Franchise Placement Specialist to Director of Real Estate & Leasing	Annex Brands, Inc. San Diego, CA

International Ocean Officer: Joanne Kirkpatrick

Joanne Kirkpatrick is our International Ocean Officer. She is located in Centennial, Colorado. Ms. Kirkpatrick's recent employment history is:

DATES	TITLE	EMPLOYER
4/11 - present	International Ocean Officer	Annex Brands, Inc. San Diego, CA

Director: Robert B. Lazarus

Robert Lazarus is 1 of our Directors. He is located in San Diego, CA. Mr. Lazarus's recent employment history is:

DATES	TITLE	EMPLOYER
10/10 - present	Director	Annex Brands, Inc. San Diego, CA
01/23 – present	None	Duffy Kruspodin, LLP La Jolla, CA
01/23 – present	Managing Partner	Lazarus, Goldbarg & Associates, LLP San Diego, CA
8/18 – 01/23	Partner	Lazarus, Goldbarg & Associates, LLP San Diego, CA
1997 - 8/18	Partner	Carne, Lazarus & Goldbarg, LLP San Diego, CA

Director: Michael Millerick

Michael Millerick is 1 of our Directors. He is located in San Diego, CA. Mr. Millerick's recent employment history is:

DATES	TITLE	EMPLOYER
12/17 - present	Director	Annex Brands, Inc. San Diego, CA
1/17 – 12/22	Principal	The Millerick Law Firm San Diego, CA
1/05 - 12/16	President	The Millerick Law Firm, APC San Diego, CA

Item 3

LITIGATION

Pending Action:

Siew May Seow v. Annex Brands, Inc., Case Number 2023-00027996-CU-FR-CTL, San Diego Superior Court. On June 30, 2023, our franchisee, Siew May Seow (“Plaintiff”), filed an action in San Diego Superior Court naming us as Defendant, and alleging claims for breach of contract, breach of the implied covenant of good faith and fair dealing, false promise, and restitution. We received notice of the action on July 6, 2023. In January 2023, Plaintiff signed a franchise agreement granting her the right and obligation to open and operate a Postal Annex+ Center, and paid us an initial franchise fee of \$29,950. Plaintiff asserts that she was unable to secure financing, and seeks a refund of the initial franchise fee, punitive damages, attorney fees and costs, and prejudgment interest. Plaintiff has indicated that she has filed an amended complaint to add a

claim for conversion based on the same facts alleged in the original complaint. We intend to file a motion to compel arbitration, since the franchise agreement contains an arbitration provision. Also, we deny that Plaintiff is entitled to any relief, and we intend to defend Plaintiffs' claims on their merits.

Concluded Actions:

Salvador Fugrad, Catalina Fugrad and SCF Group, LLC v. Al Firebaugh, Marina Firebaugh and Annex Brands, Inc., Case No. DS1504939, San Bernardino County Superior Court. On April 2, 2015, our franchisee, Salvador and Catalina Fugrad, and their entity, SCF Group, LLC (collectively "Plaintiffs"), filed a complaint against the Firebaughs, former owners of the PostalAnnex+ franchise currently owned by Plaintiffs, and us (collectively "Defendants") as the result of a claim made by Wilshire Bank, successor-in-interest to Saehan Bank. Wilshire Bank claimed that it was the holder of a secured lien against the assets of the franchised business, based on a 2004 loan from Saehan Bank to Dinah S. Pak, the original franchisee for the location, although Ms. Pak filed for Chapter 7 bankruptcy and received a discharge of all debts, including any claim held by Saehan Bank, on December 10, 2009 (Case No. 8:09-bk-16951-TA; U.S. Bankruptcy Court, Central Dist. of CA, Santa Anna Div.). Plaintiffs alleged claims for fraud and intentional and negligent misrepresentation for failure to disclose the existence of the lien, a right to a refund for money had and received by the Defendants, a breach of implied-at-law contract and unjust enrichment. Plaintiffs sought general and special damages in excess of \$28,000, exemplary and punitive damages of \$500,000, and attorneys' fees and costs. On July 31, 2015, we filed a motion to stay the lawsuit and compel binding arbitration as required by the terms of the franchise agreement, which the court granted on August 26, 2015. On April 12, 2016, the court dismissed the case without prejudice due to the Plaintiffs' failure to move forward with binding arbitration.

Actions Initiated by Us or Our Affiliates in Our Last Fiscal Year:

None.

Other than the actions described above, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

Initial Franchise Fee

Standard and Flex Retail Centers. The initial franchise fee is due when you sign the franchise agreement. Except in the circumstances described below, the initial franchise fee is \$29,950.00, and is uniform for all standard and flex retail centers.

If you are an honorably-discharged veteran of the U.S. armed forces and meet our requirements, under our participation in the International Franchise Association's VetFran Program,

we will discount the initial franchise fee by 25% (\$7,487.50), and you will pay us a \$22,462.50 initial franchise fee.

If you already own and operate one of our retail centers or one of our Commercial Logistics Centers (see our Commercial Logistics Center Franchise Disclosure Document for more information), we will discount the initial franchise fee by 50% (\$14,975.00), and you will pay us a \$14,975.00 initial franchise fee for your 2nd or further additional retail center. However, if you are an honorably-discharged veteran of the U.S. armed forces and meet our requirements, under our participation in the International Franchise Association's VetFran Program, we will discount the initial franchise fee by an additional 25% (\$3,743.75), and you will pay us an \$11,231.25 initial franchise fee.

If an existing business qualifies (see below) to convert to one of our retail centers, we will discount the initial franchise fee by 50% (\$14,975.00), and you will pay us a \$14,975.00 initial franchise fee and a \$4,000.00 conversion training fee (see more information below). However, if you are an honorably-discharged veteran of the U.S. armed forces and meet our requirements, under our participation in the International Franchise Association's VetFran Program, we will discount the initial franchise fee by an additional 25% (\$3,743.75), and you will pay us an \$11,231.25 initial franchise fee. We may offer special venue programs or special conversion programs to independent owners to convert their businesses to one of our retail centers, and may waive or discount the initial franchise fee, provide credits and other considerations based on their existing businesses' age, venue and sales volume.

If you already own and operate one of our retail centers or one of our Commercial Logistics Centers, and if an existing business qualifies (see below) to convert to one of our retail centers as your 2nd or further additional center, you will pay us a \$5,000.00 initial franchise fee. However, if you are an honorably-discharged veteran of the U.S. armed forces and meet our requirements, under our participation in the International Franchise Association's VetFran Program, we will discount the initial franchise fee by an additional 25% (\$1,250.00), and you will pay us a \$3,750.00 initial franchise fee.

If you are assuming the operation of an existing standard or flex retail center by transfer, you will not pay us an initial franchise fee.

For any franchise purchased at a reduced initial franchise fee, the retail center must be built out and operational within 365 days after you sign the franchise agreement or we may terminate the franchise (see below). If you pay a discounted initial franchise fee, you must own and operate the retail center for at least 1 year after the date of opening; otherwise, if you sell the retail center before the end of the 1-year period, you must pay to us the discount amount ranging from \$14,975.00 to \$26,200.00 based on the discounts noted above, as applicable, when the retail center is sold.

We will consider the following factors, among others, to determine if a business being converted to a standard or flex retail center will qualify for the reduced initial franchise fee:

1. Whether the location and size of the business is similar to that of a typical PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store or Sunshine Pack & Ship standard retail center or flex retail center;

2. Whether the business offers primarily the same services that a PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store or Sunshine Pack & Ship standard retail center or flex retail center offers;

3. Whether the business has been operating for a substantial time to create significant goodwill, judged by Gross Sales, Gross Receipts and customer counts; and

4. Whether the business is adaptable to a PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store or Sunshine Pack & Ship standard retail center system or flex retail center system, with due consideration to services provided, equipment, fixtures, furniture, and decor.

Express Retail Center. Except in the circumstances described below, for an express retail center, you must pay us a \$14,975.00 initial franchise fee when you sign the franchise agreement.

If you are an honorably-discharged veteran of the U.S. armed forces and meet our requirements, under our participation in the International Franchise Association's VetFran Program, we will discount the initial franchise fee by 25% (\$3,743.75), and you will pay us a \$11,231.25 initial franchise fee.

If you are assuming the operation of an existing express retail center by transfer, you will not pay us an initial franchise fee.

We will consider the following factors, among others, to determine if an express retail center is appropriate:

1. Whether the business will be in an office building, airport, convention center, hotel, supermarket, shopping mall or other public building;

2. Whether the business will be in a rural location where the population density may be insufficient to support a standard retail center or flex retail center; and

3. Whether there is too little space for a standard retail center or flex retail center.

Refundability. The initial franchise fee is fully earned when paid and non-refundable in consideration for administrative and other expenses that we incur in entering into the franchise agreement, and for lost or deferred opportunity to enter into a franchise agreement with others, except that:

1. If, before or during initial training, we, in our sole discretion, determine that you cannot successfully complete or are not making satisfactory progress in your initial training, we may terminate the franchise. If we terminate the franchise, we may refund the initial franchise fee, less \$8,000 to compensate us for services to you to that point (including site evaluation and selection, Center layout, travel and living expenses, compensation to our employees and agents, legal fees and related expenses, and other pre-opening supervision and advice), and less any actual out-of-pocket expenses, including any broker referral fees that we may have been required to pay in connection with your execution of the franchise agreement. Any refund will be our only obligation to you. You and your owners will execute general releases, in forms satisfactory to us.

2. If you do not locate an acceptable site for your retail center within 365 days after you sign the franchise agreement, or if you do not open your retail center within 365 days after you

sign the franchise agreement (except for delays caused by us or the site owner), we may terminate the franchise. If we terminate the franchise before you begin initial training, we may refund the initial franchise fee less \$8,000 to compensate us for services to you to that point (including site evaluation and selection, Center layout, travel and living expenses, compensation to our employees and agents, legal fees and related expenses, and other pre-opening supervision and advice), and less any actual out-of-pocket expenses, including any broker referral fees that we may have been required to pay in connection with your execution of the franchise agreement. Any refund will be our only obligation to you. You and your owners will execute general releases, in forms satisfactory to us. If we terminate the franchise after you begin initial training, we will not refund any of the initial franchise fee.

3. If, before you begin initial training, you decide not to continue as a franchisee, and if we approve termination of the franchise and determine that you are entitled to a refund, we may refund the initial franchise fee, less \$8,000 to compensate us for services to you to that point (including site evaluation and selection, Center layout, travel and living expenses, compensation to our employees and agents, legal fees and related expenses, and other pre-opening supervision and advice), and less any actual out-of-pocket expenses, including any broker referral fees that we may have been required to pay in connection with your execution of the franchise agreement. Any refund will be our only obligation to you. You and your owners will execute general releases, in forms satisfactory to us. If we terminate the franchise after you begin initial training, we will not refund any of the initial franchise fee.

4. If you decide to purchase an existing business instead of opening a new business after you sign the franchise agreement, we will not refund any of the initial franchise fee, whether or not we terminate the franchise.

If we terminate the franchise for any of the reasons above, you will continue to be bound by the provisions in Section 16 of the franchise agreement.

Retail Center Package

You must purchase a retail center package from us for about \$63,500 to \$78,500 for a new standard or flex retail center, \$6,000 to \$63,500 for a conversion standard or flex retail center, or \$30,000 to \$45,000 for a new express retail center. This trade dress package for a standard, flex or express retail center includes fixtures (counters, slat walls, accessories for slat walls, carton walls, mailbox holders, cabinetry, trim, etc.), mailboxes, package lockers, and flooring. You must pay all of the cost when placing your order. This cost is payable before or during construction, is non-refundable, and varies based on the type and amount of fixtures and equipment needed. See Item 7.

Interior and Exterior Signage

You must purchase interior and exterior signage from us or an approved supplier according to our specifications, costing up to about \$2,500 for interior signage and up to about \$8,000 for exterior signage for any retail center. This cost is payable before or during construction, is non-refundable, and varies based on the type and amount of interior and exterior signage needed. See Item 7.

Construction Services

We will designate a contractor for your use who is familiar with our requirements. If you use our designated contractor, you must pay us up to about \$80,000 for construction services for a

new standard or flex retail center, or up to about \$50,000 for construction services for a conversion standard or flex retail center, or up to about \$45,000 for a new express retail center. This cost is payable before or during construction, is non-refundable, and varies based on the type and amount of construction services needed. See Items 7, 8 and 11.

Construction Consultation Fee

We designate a contractor for you to use to build-out your retail center. However, if you want to use, and we approve, a substitute contractor, you must pay us a construction consultation fee of \$2,500 before construction begins. See Items 7, 11 and 8 for details. This fee is non-refundable and is uniform for all franchisees.

Architect Fee

You must pay an architect we designate to design the premises of your retail center according to our specifications, and to prepare architectural plans that meet local structural, electrical, plumbing and other construction-related requirements. You must pay us an architect fee before preparation of the plans. The architect fee ranges from \$4,000 to \$6,000 for a standard or flex retail center, from \$0 to \$6,000 for a standard retail or flex retail center conversion, or from \$0 to \$4,000 for an express retail center, depending on the condition of the site. This range includes additional architect inspection fees that may be necessary if "as built" plans are not provided by the landlord, or if the site is delivered to you in an "as is" condition. Otherwise, this fee is uniform for all franchisees. This fee is non-refundable. If you are converting a qualified existing business to a standard retail center or flex retail center (see above), architectural plans may not be required and you may not be required to pay an architect fee. See Items 7 and 8.

Equipment, Computer Hardware, Software Programs and Licenses, Supplies, and Initial Inventory

You must purchase equipment, computer hardware, software programs and licenses, supplies, and initial inventory from us or approved suppliers costing up to about \$29,000 for a new standard or flex retail center, or a conversion standard or flex retail center, or up to about \$20,100 for a new express retail center. These costs are payable before or during construction, are non-refundable, and vary based on the types and amounts of equipment, computer hardware, software programs and licenses, supplies, and initial inventory needed. See Items 7, 8 and 11.

The above costs include a retail proprietary software initial license fee ("software fee") that you must pay to us. For a standard retail center, flex retail center, or express retail center, the software fee currently is \$250 for the use of our proprietary PostalMate POS network software and related manuals and materials. If you acquire an existing retail center by transfer, we must approve the transfer of the selling franchisee's existing software license to you. Currently, there is no software fee to transfer the existing software license, but we reserve the right to charge a software fee in the future. The software fee is non-refundable and uniform for all franchisees. See Items 7, 8 and 11 for details. You must install the proprietary software on your computer(s) at least 90 days before opening, or before initial training, whichever comes first.

New Center/New Owner Marketing Program Deposit

You must deposit with us \$5,500: before or at initial training, for a new standard, flex or express retail center, or for a conversion standard or flex center; or on or before the closing date of a transfer, if you assume operation of an existing retail center by transfer. We will use the deposit

to advertise your retail center before, and for about 90 days after, you (i) open your retail center, (ii) assume the operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center. The deposit will not cover signage (including electronic signs, window graphics, banners, logo floor mats, etc.) We may allocate up to \$300 of the deposit to purchase required initial logo attire and to cover the cost of the in-Center TV marketing program device and initial set up (currently \$60). The deposit is non-refundable if you (i) attend initial training, even if you do not open or convert your retail center, (ii) open your retail center, (iii) assume the operation of an existing retail center by transfer, or (iv) convert an existing business to a retail center. The deposit is uniform for all franchisees, including for: new standard, flex and express retail centers; conversion standard and flex retail centers; and transfers. See Items 6, 7 and 11.

Shipping Deposit

You must deposit with us, before or at initial training, \$7,500 to \$8,500 for a new standard, flex or express retail center. For a conversion standard or flex retail center, you must deposit with us, before or at initial training, \$2,000 to \$8,500. These ranges are based on the geographical location of your retail center, and the type and amount of fixtures and equipment needed. We will use the deposit to pay the cost of shipping fixtures and equipment to your retail center. We will partially refund the deposit to you if shipping costs less than the deposit. If shipping costs more than the deposit, we will bill you for the overage. The deposit is uniform for all franchisees. See Item 7.

Building Permit Deposit

You must deposit with us, before or at initial training, \$3,000 for a standard, flex or express retail center. We will use the deposit to pay the cost of building permits for your retail center. We will partially refund the deposit to you if the building permits cost less than \$3,000. If the building permits cost more than \$3,000, we will bill you for the overage. The deposit is uniform for all franchisees, except that if you are converting a qualified existing business to a standard or flex retail center (see above), you do not pay the deposit if building permits are not required. See Items 7 and 11.

Online Financial Training Portal License and Administrative Fee

You must pay us on signing of the franchise agreement a one-time online financial training portal license and administrative fee (“license and administrative fee”) of \$330 for a standard retail center, flex retail center, or express retail center. The license and administrative fee includes access for 12 months to an online financial training portal through our 3rd party vendor for a 14-course online financial training program that includes training on profit and loss statements, balance sheet review, understanding cash flow management, benchmarking, etc. The license and administrative fee is non-refundable and uniform for all franchisees. See Items 7, 8 and 11 for details.

Conversion Training Fee

If you convert an existing business to a standard or flex retail center, you must pay us a \$4,000 conversion training fee when you sign the franchise agreement, unless you already own and operate one of our retail centers or one of our Commercial Logistics Centers. This fee is non-refundable and is uniform for all conversion franchisees. See Items 7 and 11.

Transfer Training and Processing Fee

If you acquire an existing retail center by transfer, you must pay us a \$4,000 training and processing fee, before initial training or before transfer, whichever occurs first, unless you already own and operate one of our retail centers or one of our Commercial Logistics Centers. This fee is non-refundable and is uniform for all transferee franchisees. See Items 7 and 11.

On-Site Initial Training

At a time when our personnel are available, we will provide on-site initial training at your retail center for up to 4 days for new franchisees or 1 day for transfers or existing franchisees, at no charge to you. At your request, and at a time when our personnel are available, if you require additional training after this initial on-site training, we may require you to pay our daily fee (currently \$300 per person), and our costs for transportation, lodging and meals. Salaries and other charges for our personnel time will be at our expense.

In our fiscal year ended September 30, 2023, no franchises were granted for less than the standard initial franchise fees described above.

Except for the circumstances described in this Item, we do not refund initial fees.

Item 6

OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty fee	5% of Gross Receipts (2)	Each Wednesday, after the close of business, for the previous week ending Saturday	We may establish other due dates. You must report Gross Receipts each Saturday after the close of business before midnight for the week ending on that Saturday. You must pay us by automatic bank draft. (3)
Marketing fee (4)	2% of Gross Receipts (2)	Each Wednesday, after the close of business, for the previous week ending Saturday	We may establish other due dates. You must report Gross Receipts each Saturday after the close of business before midnight for the week ending on that Saturday. You must pay us by automatic bank draft. (3) We administer a system-wide marketing fund.
Advertising association fee	Monthly, the greater of \$150 or 1% of Gross Receipts (2)	10 days after end of each calendar month or as otherwise provided by local or regional association bylaws	You must participate in a local or regional association. The board of directors of your association may also periodically impose special assessments on its members. You pay fees by automatic bank draft, either to the association or directly to us, at our option. (3)

Type of Fee (1)	Amount	Due Date	Remarks
Transit insurance	Generally, \$0.50 to \$1.65 per \$100 of property valuation (typically this expense is passed through to the customer after being marked up by you)	Payable weekly with royalty fee and marketing fee payments	You must participate in any group-wide or other insurance program that we designate regarding small parcel, freight or transit damage and related risks. Premiums typically are billed to the customer at the time of shipment, and are based on the carrier used, whether the shipment is domestic or international, and the declared value of the items tendered for shipping. In our sole discretion, we may increase the rate if you have a high number of claims due to improper packaging and shipping standards (generally, \$0.65 to \$2.15 per \$100 of property valuation) after at least 15 days' notice to you. Premiums are subject to change after at least 15 days' notice to you. Payable weekly, or as otherwise designated, to us or through us to our designated suppliers. You must pay us by automatic bank draft. (3)
Retail center PostalMate POS network software end user license fee	Currently, \$35 annually	30 days before annual due date (1st of the month)	Fee is subject to change after at least 15 days' notice to you. You must pay us by automatic bank draft. (3)
Retail center PostalMate POS network software maintenance fee	Currently, \$100 monthly	1st of the month	Fee is subject to change after at least 15 days' notice to you. You must pay PCSynergy by automatic bank draft or credit card. (3)
Retail center PostalMate POS network software license transfer fee	Currently, \$0, but we may charge a transfer fee in the future	On or before the closing date of the transfer	Fee is subject to change after at least 15 days' notice to you. You must pay us. Our approval is required for transfer.
Software upgrade fee	Fee we determine at the time (we have no current plans to adopt or update any software)	When we determine to adopt new or updated software system-wide	The retail center PostalMate POS network software maintenance fee covers updates for the PostalMate POS network software.

Type of Fee (1)	Amount	Due Date	Remarks
Technology services fee (5)	Currently, \$15 per week	Each Tuesday, after the close of business, for the previous week ending Saturday, beginning after you (i) open your retail center, (ii) assume operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center	Currently, for support of the system Internet, Intranet communications, website and sales tracking and reporting system, retail center email addresses (up to 2), remote support login agent and other business features. Fee is subject to change after at least 15 days' notice to you. You must pay us by automatic bank draft. (3)
Customized web pages or website, additional retail center email addresses, and e-commerce services (5)	Current fees (5)	10 days after invoice for customized web pages or website and e-commerce and each Wednesday for additional retail center email addresses	If we have a corporate-managed website, you may receive standard web pages included in technology services fee. If available, you may request to customize portions of your web pages or create a customized website with our approval and for a fee, and you may purchase e-commerce services with our approval and for a fee. If we provide retail center email addresses, you may use up to 2 email addresses included in technology services fee. Currently, there is a \$7 charge per week for each additional email address. Our fee is subject to change on 15 days' notice to you. We may establish other due dates or fees. You must pay us by automatic bank draft. (3).
In-Center TV marketing program fee (6)	Currently, \$17 per month	10 days after end of each calendar month beginning after you (i) open your retail center, (ii) assume operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center	We may, but are not required to, establish an in-Center TV marketing program and you must participate in the program. Fee is subject to change after at least 15 days' notice to you. You must pay us by automatic bank draft. (3)
Special field assistance fee (7) & (10)	Currently, \$300 per day per person, plus expenses	10 days after invoice	If required, you must pay our then-current daily fee and our out-of-pocket expenses.

Type of Fee (1)	Amount	Due Date	Remarks
Management fee (7) & (10)	Currently, \$300 per day per person, plus expenses	10 days after invoice	If we manage your retail center because of your illness, incapacity, death or failure to timely cure a default, or because the franchise expires, terminates or is not renewed, you must pay our then-current daily fee and our out-of-pocket expenses.
National convention registration fee (per person) (8)	Currently, estimated proportionate share of our out-of-pocket costs for hosting, meals, and convention activities.	Before convention	We may hold a national convention about every 10 to 18 months. You and/or your designated personnel must attend the full program of, and stay at the designated hotel of, each national convention. The registration fee is assessed per person attending a national convention. You must pay travel and incidental expenses for yourself and/or your personnel who attend.
National convention hotel fee (8)	Currently, room charge, taxes and fees for 1 room at the convention hotel during the convention dates	Before convention	The hotel fee is for 1 room during the convention dates. You must pay for any additional rooms, and for travel and incidental expenses for yourself and/or your personnel that are not covered by the hotel fee.
National convention participation deposits (9)	Currently, \$25 per week	Each Tuesday, after the close of business, for the week ending on the previous Saturday, beginning after you (i) open your retail center, (ii) assume operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center	The national convention participation deposits are subject to change after at least 15 days' notice to you. We may establish other due dates. You must pay us by automatic bank draft. (3)
Regional meetings	Currently, there is no registration fee for any regional meeting, but we may in the future charge a fee, estimated to be a proportionate share of our out-of-pocket costs for hosting the meeting.		We may organize and periodically hold regional meetings. You and/or your designated personnel must attend any regional meetings held in your geographic area. You must pay travel, lodging and meal expenses for yourself and/or your personnel who attend.

Type of Fee (1)	Amount	Due Date	Remarks
Fee for required refresher courses or optional training programs (10)	Currently, not to exceed \$300 per day	Before or at the time training is provided	Payable to us
Sales consultant fee	\$12,000 to \$36,000	On or before the closing date of the transfer	If you use the services of any of our sales consultants (including outside agencies and brokers) to complete the transfer of your retail center, then, on or before transfer, you or the transferee must reimburse us an amount equal to any commission or other sales compensation that we must pay to the consultant(s).
Transfer of franchise (11)	15% of then-current non-discounted initial franchise fee	On or before the closing date of the transfer	If you or selling franchisee qualifies for the VetFran Program, a 25% VetFran discount will be applied to the transfer fee. No more than 1 VetFran discount will be applied to the transfer fee.
Transfer of franchise to immediate family member (11)	Currently, \$750	On or before the closing date of the transfer	If you transfer controlling ownership interest in the franchise to an immediate family member as defined in the franchise agreement.
Transfer of franchise to your legal entity (12 & 13)	Currently, \$350	On or before the transfer	If you as (an) individual(s) transfer to a legal entity (corporation, limited liability corporation, partnership, trust, etc.)
Entity name change (non-transfer) (12)	Currently, \$350	Before change	If you (a corporation, limited liability corporation, partnership, trust, etc.) change the name of your legal entity.
Ownership change (non-transfer) (12)	Currently, \$350	Before change	If you change less than a controlling ownership interest in the franchise
Renewal	\$5,000	Before renewal	Depending on the type of retail center that you operate, if you are in good standing and meet our then-current qualifications for new franchisees and we are offering a renewal package for that type of center at the time that you renew, you may be eligible for certain benefits and/or facility upgrades.
Audit (14)	Cost of audit (\$500 minimum) plus 1.5% per month interest or the highest rate allowed by law on underpayment. In addition, you must pay us a late fee of \$35 per week.	10 days after invoice	Payable to us if an inspection or audit is made necessary due to your failure to furnish reports, records, or other information to us on a timely basis, or if audit shows that you have understated any amount owed to us by more than 5% for any accounting period or if we discover a history of similar under-reporting offenses. You must pay us by automatic bank draft. (3)

Type of Fee (1)	Amount	Due Date	Remarks
Failure to provide audit documents (15)	\$525 per type of document not supplied on auditor's request, but in no event an amount greater than \$2,600 per occurrence and cost of audit including reasonable expenses incurred by auditor if rescheduled.	10 days after invoice	Payable to us if required documentation is not available on audit date or on request. You must pay us by automatic bank draft. (3)
Failure to provide annual reports	\$525 per type of document not supplied, but in no event an amount greater than \$1,600 per occurrence	10 days after invoice	Payable to us if you do not supply, within 90 days after the end of the calendar year, annual financial statements, including income statement, balance sheet, and income tax return for that calendar year. You must pay us by automatic bank draft. (3)
Retail center maintenance	Our actual cost	10 days after invoice	If you do not maintain the condition and appearance of the retail center as required by the franchise agreement, we may: 1) arrange for the necessary cleaning, repair, remodeling, upgrading, decorating or painting; and 2) replace the necessary fixtures, displays, signs, graphics, equipment, leasehold improvements or furnishings.
Late fee	Greater of \$35 or 10% of amount due, or highest amount allowed by law	10 days after invoice	1-time penalty on each overdue payment. You must pay us by automatic bank draft. (3)
Interest	Lesser of 1.5% per month or highest rate allowed by law (in California, the highest lawful rate of interest is 10% per annum)	10 days after invoice	Payable on outstanding overdue amounts. You must pay us by automatic bank draft. (3)
Attorneys' fees and costs	Our actual cost	As incurred	Payable if your default causes us to incur legal expenses.
Indemnification	Our actual cost	As incurred	You must reimburse us for our expenses and damages in certain circumstances.
Strategic marketing alliance fees	Reasonable specified fees	As specified	Payable if we negotiate or form strategic marketing alliances with other companies.
Co-branding fees	Reasonable specified fees	As specified	Payable if we establish co-branding programs with other companies

Note 1: Unless otherwise noted, all fees are payable to us, are uniformly imposed and are non-refundable. See Item 9 for references to sections of the franchise agreement on fees.

Note 2: "Gross Receipts" means the total of all sales of products and services to your customers, whether or not sold or performed at or from the franchised business, excluding: (i) sales, use or service taxes collected and paid to appropriate taxing authorities; (ii) customer refunds and adjustments; (iii) the cost of electronic funds transfers for resale; (iv) the cost of money orders for resale; (v) utility funds collected; (vi) the cost of lottery tickets for resale and phone cards for resale; (vii) the cost of 3rd party truck rental sales; (viii) the cost of eBay sales; (ix) the cost of metered postage and postage stamps for resale; and (x) the cost of ancillary fees paid to the appropriate government agencies to process fingerprinting, LiveScan and passports. We reserve the right periodically, in our sole discretion, to add additional exclusions to the list above as new programs, products or services are established, or as changes to existing programs, products or services are established, as specified by us in our Manuals, in writing or otherwise.

Note 3: Some banks and financial institutions may charge a fee for electronic transfers, but these fees are often negotiable. You must pay any fees charged by your bank or financial institution. We can specify periodic amounts for regular transfer to our account, based on past reports of sales by you and our reasonable expectations of amounts to become due from you. You must participate in our then-current electronic reporting system. You must maintain sufficient funds in your authorized accounts to meet your payment obligations under the franchise agreement. See Attachment 9 to the franchise agreement. We may pay a portion of the royalty fee to a regional licensee if there is a regional licensee for your geographic area. See Note 15 below and Item 11 for more information about software.

Note 4: This marketing fee is separate from, and in addition to, the new center/new owner marketing program deposit described in Item 5 and the continuing marketing program described in Item 11. See Items 5, 7 and 11 for details.

Note 5: The technology services fee is currently for support of the system Internet, Intranet communications website and sales tracking and reporting system, retail center email addresses that we may provide (up to 2 included), remote support login agent and other business features. There will be a \$7 charge per week for any additional email addresses.

If we have a corporate-managed website, you may receive standard web pages (included in the technology services fee). We may, but are not required to, contract with an independent 3rd-party vendor who will build customized web pages or a customized website for you, and make e-commerce services available to you and/or your customers at your option. You will be given an estimate of the fees and costs for customized web pages or a website for approval before any work is started. We may collect some or all of these fees and costs from you on behalf of the vendor.

Note 6: Our current in-Center TV marketing program is designed to communicate marketing materials to your customers using software and a device which, via a wireless connection to the Internet, connects a TV that is mounted on a wall behind the customer counter, to our control panel. You purchase the device (currently an Amazon Fire TV Stick) through us (currently \$60 for the device and the initial set-up fee for the software and the device) which is paid for through your new center/new owner marketing program deposit. Currently, we receive the software license from ScreenCloud Limited, an independent 3rd party vendor, which developed the software. The device is purchased through us from Amazon.com, Inc., a 3rd party vendor. We license the software from ScreenCloud Limited and charge you a \$17 monthly software license fee. Under our management, you will automatically receive updates over the Internet to your TV, about 6-12 times per year. We will supply content that mirrors information found on your franchise brand's website and on in-store, point-of-purchase materials, providing customers another venue to discover the various products and services you offer while they are at the front counter. Subject to our approval, you also have the option of selling ad space on the TV to customers, nearby merchants, and organizations such as youth sports leagues, via custom-made slides provided by us or to us that meet our then-current specifications. Before opening, assuming operation of an existing retail center by transfer, or converting an existing business to a retail center, you must purchase a flat-panel, 1080p, LED television between 40" to

50" (diagonal measurement). It does not need to be a SmartTV, but it must have at least 1 HDMI input. The cost of the TV currently ranges from \$250 to \$500.

In our sole discretion, we reserve the right to change or discontinue this program, and/or to use other 3rd party suppliers, devices, equipment and software. We will give you at least 15 days' advance written notice of any change, discontinuation or re-establishment of the program.

Note 7: These fees are subject to change, but no change will unreasonably increase your obligations. We will give you at least 15 days' advance notice of the effective date of any fee increase.

Note 8: We will pay the national convention registration fee for up to 2 people to attend the 1st national convention held after you open your retail center, assume the operation of an existing retail center by transfer, or convert an existing business to a retail center, if you are a new franchisee. For each national convention after that, you must pay a registration fee, per person, to attend. For each national convention, you must pay the hotel fee for 1 room, and you must pay for any additional rooms. If your accrued national convention participation deposits are not sufficient to cover the registration fee or the hotel fee, we have the right to debit your bank account for the difference. You will be responsible for your travel and incidental expenses that are not covered by the registration fee or the hotel fee. Typically, the registration fee has been \$699 to \$999 per person, and the hotel fee has been \$450 to \$900 for 1 room during the convention dates, depending on the venue of the convention. A national convention typically lasts 3 to 4 days.

Note 9: The weekly national convention participation deposits will be applied to the national convention registration fee and for the national convention hotel fee for the next national convention. If your accrued national convention participation deposits are not sufficient to cover these fees, we have the right to debit your bank account for the difference. If you attend the full program of, and stay at the designated hotel of, the national convention, any remaining unused national convention participation deposits will roll over for the following national convention or, subject to our approval and in our sole discretion, may be reimbursed or applied to other expenses associated with the national convention, including travel, incidental expenses, and additional lodging expenses. If you fail to attend the full program of, or fail to stay at the designated hotel of, the national convention, any accrued national convention participation deposits will be forfeited to us on the closing date of the national convention. If you are acquiring an existing retail center from a selling franchisee (transfer), we will transfer any of the selling franchisee's accrued national convention participation deposits as of the transfer closing date to your account. The selling franchisee may negotiate with you that this amount be reimbursed to selling franchisee by you through the Escrow Agent (see Note 11 below) at the closing as an adjustment to the sales price. Any accrued national convention participation deposits will be forfeited on expiration, termination, or non-renewal of the franchise, and/or closure of your retail center.

Note 10: If you request or require special on-site training or management, you must pay our then-current daily fee per trainer or manager (currently \$300) and all reasonable travel, lodging and meal expenses of our personnel who travel outside the San Diego, California or Centennial, Colorado area.

Note 11: If you are acquiring an existing retail center (transfer), we require that you and the selling franchisee use the services of a 3rd party escrow company, title company, or escrow/closing attorney ("Escrow Agent") to administer certain aspects of the transfer process including the exchange of monies, execution of transfer documents, and other related items. The fees for this service that are charged by the Escrow Agent must be paid by you and/or the selling franchisee. Escrow fees typically range from \$1,000 to \$4,000 and vary depending on the particular location (geographic market, items escrow prepares, etc.) and other factors.

Note 12: This fee does not apply if a 50% or more ownership interest is being transferred, or if a sale of less than a 50% of ownership interest transfers a controlling interest in the franchise. For example: If A owns 49%, B owns 20% and C owns 31%, then sale of C's 31% interest to B would effectively transfer a controlling interest in the franchise to B. This situation would be treated as a transfer, would be governed by

Section 13 of the franchise agreement, and would require payment of a transfer fee, a transfer training and processing fee, a new center/new owner marketing program deposit for transfers, etc. See Section 13 of the franchise agreement for details.

Note 13: This fee will not be charged if the required documents are provided within 90 days after the opening of a retail center, after the closing date of escrow on the retail center after a transfer, or after the conversion of an existing business to a retail center.

Note 14: If we believe your unaudited financial statements have material misstatements or omissions, we may require you to provide us with audited financial statements prepared at your expense by an independent certified public accountant who is acceptable to us.

Note 15: See Sections 11 and 12 of the franchise agreement for types of documents that you may be required to provide to us.

We have no purchasing or distribution cooperatives.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TABLE NO. 1

**POSTALANNEX, POSTALANNEX+, PAK MAIL, AIM MAIL, PARCEL PLUS,
HANDLE WITH CARE PACKAGING STORE OR SUNSHINE PACK & SHIP,
STANDARD OR FLEX RETAIL CENTER**

Type of Expenditure (1)	Amount (2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial franchise fee (3)	\$29,950	Lump sum	On signing franchise agreement	Us
Fixtures	\$40,000 - \$50,000	Lump sum	Before opening	Us
Mailboxes	\$14,000 - \$16,000	Lump sum	Before opening	Us
Package lockers (4)	\$3,500	Lump Sum	Before opening	Us
Flooring	\$6,000 - \$9,000	Lump sum	Before opening	Us
Interior signage (5)	\$1,000 - \$2,500	Lump sum	Before opening	Us or suppliers you choose
Exterior signage (5)	\$6,000 - \$8,000	Lump sum	Before opening	Us or suppliers you choose
Construction services (6)	\$60,000 - \$85,000	As agreed	Before opening	Us or substitute licensed contractor
Construction consultation fee, if applicable (7)	(7)	Before construction begins	Before opening	Us
Equipment (8)	\$4,000 - \$6,500	As agreed	Before opening	Us or suppliers you choose

Type of Expenditure (1)	Amount (2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Computer hardware, and software programs and licenses (9)	\$4,500 - \$13,000	Lump sum	Before or at initial training	Software: us and suppliers Hardware: us or suppliers you choose
Initial inventory (10)	\$5,000 - \$7,000	Lump sum	Before opening	Us or suppliers you choose
Insurance (11)	\$2,500 - \$7,000	As agreed	As incurred	Insurance company
Online financial training portal license and administrative fee	\$330	Lump sum	On signing franchise agreement	Us
Travel, lodging and meals for initial training	\$1,000 - \$4,000	Lump sum	As incurred	Suppliers you choose
New Center/New Owner Marketing Program deposit (13)	\$5,500	Lump sum	Before or at initial training	Us
Supplies (14)	\$1,000 - \$2,500	As agreed	As incurred	Us or suppliers you choose
Business licenses, business permits, etc.	\$300 - \$1,000	As agreed	As incurred	Government agencies
Deposits and pre-paid expenses (15)	\$10,500 - \$15,000	As agreed	As incurred	Us and suppliers you choose
Architect fee (16)	\$4,000-\$6,000	Lump sum	Before plan preparation	Us
Miscellaneous expenditures	\$2,000 - \$3,000	As agreed	As incurred	Suppliers, employees & others
Additional funds (17) (1 st 12 months)	\$25,000 - \$50,000	As incurred	As incurred	Suppliers, employees & others
TOTAL (18)	\$226,080 - \$319,780			

TABLE NO. 2

CONVERSION OF EXISTING BUSINESS TO A POSTALANNEX, POSTALANNEX+, PAK MAIL, AIM MAIL, PARCEL PLUS, HANDLE WITH CARE PACKAGING STORE OR SUNSHINE PACK & SHIP, STANDARD OR FLEX RETAIL CENTER

Type of Expenditure (1)	Amount (2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial franchise fee (3)	\$14,975	Lump sum	On signing franchise agreement	Us
Fixtures	\$0 - \$35,000	Lump sum	Before opening	Us
Mailboxes	\$0 - \$16,000	Lump sum	Before opening	Us

Type of Expenditure (1)	Amount (2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Package lockers (4)	\$0 - \$3,500	Lump sum	Before opening	Us
Flooring	\$0 - \$9,000	Lump sum	Before opening	Us
Interior signage (5)	\$1,000 - \$2,500	Lump sum	Before opening	Us or suppliers you choose
Exterior Signage (5)	\$6,000 - \$8,000	Lump sum	Before opening	Us or suppliers you choose
Construction services (6)	\$0 - \$50,000	As agreed	Before opening	Us or substitute licensed contractor
Construction consultation fee, if applicable (7)	(7)	Before construction begins	Before opening	Us
Equipment (8)	\$0 - \$6,500	As agreed	Before opening	Us or suppliers you choose
Computer hardware, and software programs and licenses (9)	\$580 - \$13,000	Lump sum	Before or at initial training	Software: us and suppliers Hardware: us or suppliers you choose
Initial inventory (10)	\$0 - \$7,000	Lump sum	Before opening	Us or suppliers you choose
Insurance (11)	\$2,500 - \$7,000	As agreed	As incurred	Insurance company
Online financial training portal license and administrative fee	\$330	Lump sum	On signing franchise agreement	Us
Conversion training fee (12)	\$0 - \$4,000	Lump sum	On signing franchise agreement	Us
Travel, lodging and meals for initial training	\$1,000 - \$4,000	Lump sum	As incurred	Suppliers you choose
New Center/New Owner Marketing Program deposit (13)	\$5,500	Lump sum	Before or at initial training	Us
Supplies (14)	\$0 - \$2,500	As agreed	As incurred	Us or suppliers your choose
Business licenses, business permits, etc.	\$0 - \$1,000	As agreed	As incurred	Government agencies
Deposits and pre-paid expenses (15)	\$2,000 - \$15,000	As agreed	As incurred	Us and suppliers you choose
Architect fee (16)	\$0 - \$6,000	Lump sum	Before plan preparation	Us
Miscellaneous expenditures	\$0 - \$3,000	As agreed	As incurred	Suppliers, employees & others
Additional funds (17) (1 st 12 months)	\$0 - \$30,000	As incurred	As incurred	Suppliers, employees & others
TOTAL (18)	\$33,555 - \$243,805			

TABLE NO. 3

**POSTALANNEX, POSTALANNEX+, PAK MAIL, AIM MAIL, PARCEL PLUS,
HANDLE WITH CARE PACKAGING STORE OR SUNSHINE PACK & SHIP,
EXPRESS RETAIL CENTER**

Type of Expenditure (1)	Amount (2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial franchise fee (3)	\$14,975	Lump sum	On signing franchise agreement	Us
Fixtures	\$17,000 - \$23,000	Lump sum	Before opening	Us
Mailboxes	\$8,000 - \$11,000	Lump sum	Before opening	Us
Package lockers (4)	\$0 - \$2,500			
Flooring	\$5,000 - \$8,500	Lump sum	Before opening	Us
Interior signage (5)	\$1,000 - \$2,500	Lump sum	Before opening	Us or suppliers you choose
Exterior signage (5)	\$3,500 - \$8,000	Lump sum	Before opening	Us or suppliers you choose
Construction services (6)	\$15,000 - \$45,000	As agreed	Before opening	Us or substitute licensed contractor
Construction consultation fee, if applicable (7)	(7)	Before construction begins	Before opening	Us
Equipment (8)	\$2,000 - \$4,000	As agreed	Before opening	Us or suppliers you choose
Computer hardware, and software programs and licenses (9)	\$4,500 - \$9,600	Lump sum	Before or at initial training	Software: us and suppliers Hardware: us or suppliers you choose
Initial inventory (10)	\$2,000 - \$4,000	Lump sum	Before opening	Us or suppliers you choose
Insurance (11)	\$0 - \$7,000	As agreed	As incurred	Insurance company
Online financial training portal license and administrative fee	\$330	Lump sum	On signing franchise agreement	Us
Travel, lodging and meals for initial training	\$1,000 - \$4,000	Lump sum	As incurred	Suppliers you choose
New Center/New Owner Marketing Program deposit (13)	\$5,500	Lump sum	Before or at initial training	Us
Supplies (14)	\$1,000 - \$2,500	As agreed	As incurred	Us or suppliers you choose
Business licenses, business permits, etc.	\$300 - \$500	As agreed	As incurred	Government agencies
Deposits and pre-paid expenses (15)	\$10,500 - \$15,000	As agreed	As incurred	Us and suppliers you choose
Architect fee (16)	\$0 - \$4,000	Lump sum	Before plan preparation	Us
Miscellaneous expenditures	\$2,000 - \$3,000	As agreed	As incurred	Suppliers, employees & others

Type of Expenditure (1)	Amount (2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Additional funds (17) (1 st 12 mos.)	\$0 - \$35,000	As incurred	As incurred	Suppliers, employees & others
TOTAL (18)	\$93,605 - \$209,905			

The explanatory notes below are for Table No. 1 through Table No. 3 for the initial investment for a new standard, flex or express retail center, or for a conversion standard or flex retail center:

Note 1: Neither we nor any affiliate offer direct or indirect financing to you for any expenditure. None of these costs are refundable unless otherwise noted.

Note 2: These figures are estimates and are based on the development of an 800 to 1,500 square-foot leased facility for a standard or flex retail center and a 500-square-foot leased facility for an express retail center. We cannot guarantee that you will not incur additional expenses starting your standard, flex or express retail center.

Note 3: See Item 5 for more information about possible discounts to the initial franchise fee and information on the circumstances under which a portion of the initial franchise fee may be refundable. Initial training is included in the initial franchise fee. If you are assuming the operation of an existing standard, flex or express retail center by transfer, you or the selling franchisee will pay us a transfer fee in lieu of you paying us an initial franchise fee (see Item 6 for more information), and you will pay us a transfer training and processing fee unless you already own and operate one of our retail centers or one of our Commercial Logistics Centers (see Item 5 for more information). If you are converting an existing business to a standard or flex retail center, you will pay us an initial franchise fee, and you will pay us a conversion training fee of \$4,000 unless you already own and operate one of our retail centers or one of Commercial Logistics Centers (see Item 5 and Note 12 of this Item for more information).

Note 4: A 24-hour access security gate and digital keypad entry are required to have package lockers. Based on the location and previous use of the facility, and other factors, a 24-hour access security gate, digital keypad entry and package lockers may not be required for a new express retail center or if you are converting a qualified existing business to a standard or flex retail center (see Item 5 and Note 6 of this Item for more information).

Note 5: Signage includes interior and exterior signs that bear our trademarks, and other signage that may include standard products and services offered at the center, center location information, etc. in accordance with our specifications. The cost and requirements for signage will vary based on the type, size and location of the signs, and may be affected by city codes and other local restrictions.

Note 6: The cost for construction services will vary widely depending on the size, condition and location of your standard, flex or express retail center, your lease, and other factors, but typically will be between \$46 and \$62 per square foot for a standard, flex or express retail center. For a new standard or flex retail center, the constructions services include the purchase and installation of a 24-hour access security gate and digital keypad entry ranging in cost from \$8,000 to \$10,000. Based on the location and previous use of the facility, and other factors, a 24-hour access security gate and digital keypad entry may not be required for a new express retail center or if you are converting a qualified existing business to a standard or flex retail center. For a new express retail center, or a conversion standard or flex retail center, the construction services include the purchase and installation of a 24-hour access security gate and digital keypad entry ranging in costs from \$0 to \$10,000. Our estimate assumes standard development based on a

leased facility delivered to you in "vanilla shell" condition. If the leased facility is delivered to you in any condition other than "vanilla shell" (i.e., "grey shell" or other condition), your build-out costs will be higher.

Note 7: We will designate a contractor for your use who is familiar with our requirements. If you use our designated contractor, you do not pay this fee. If you want to use, and we approve, a substitute contractor, you must pay us a construction consultation fee of \$2,500 before construction begins. In addition, if your contractor does not supply a 24-hour access security gate and digital keypad entry, you may have to purchase it on your own (see Note 6 above). Any substitute contractor must have a state license and be insured as required by law. See Items 5 and 8 for further details.

Note 8: The equipment cost estimate assumes that you will finance (and not purchase) 2 walk-up self-serve photocopiers and 1 multi-function color photocopier. The full purchase cost for the 3 photocopiers would be about \$25,000. Each walk-up self-serve photocopier may be financed through a leasing company at a cost of about \$55 each per month over 3 years, maintenance included. A multi-function color photocopier may be financed through a leasing company at a cost of about \$250-\$300 per month over 5 years, plus about \$0.01 per copy. The cost to digitally connect a multi-function color photocopier is about \$100 per month on a 5-year lease.

Note 9: You must have your computer and establish Internet access before or at initial training. We recommend a broadband Internet connection (Cable or hi-speed DSL line) for Internet access, which is faster than a standard modem. The monthly cost for a Cable or hi-speed DSL line ranges from \$59 to \$89 per month. The cost of a standard modem line ranges from \$10 to \$40 per month. See Item 11 for details about required and recommended computer hardware, and software programs and licenses. The computer software cost includes the license fee for the use of our proprietary PostalMate POS network software.

Note 10: We recommend that you begin the operation of the standard, flex or express retail center with a specified initial inventory. The initial inventory may vary according to the anticipated volume of business, and the size and location of the standard, flex or express retail center.

Note 11: See Subsection 9.I of the franchise agreement for insurance coverage requirements. You must maintain comprehensive general liability insurance with a limit of not less than \$2,000,000 per occurrence and \$4,000,000 aggregate. You must maintain motor vehicle liability coverage that includes bodily injury and property damage on all owned, non-owned, leased, hired, rented, or borrowed motor vehicles having a combined single limit of at least \$2,000,000 resulting from each occurrence. You must maintain Notary professional liability insurance of at least \$500,000 or the maximum permitted by the state if less than \$500,000. You must maintain property insurance for your standard, flex or express retail center. Your insurance must provide coverage for any loss included on the standard "Causes of Loss-Special Form," including vandalism, malicious mischief, and theft. We will provide you with a copy of this form on request. The policies must include coverage in an amount not less than 100% of the actual replacement cost. The coverage also must include property of others in your care, custody or control, with a minimum limit of \$400,000. Coverage for business interruption also must be provided on an "actual loss sustained" basis for a period of not less than 24 months or the maximum permitted by the state if less than 24 months. You also must maintain coverage for employee dishonesty (\$25,000 limit). You must maintain any workers' compensation, employer's liability or comparable insurance as required by law in your jurisdiction, or additional types and coverage amounts as we may periodically designate. For PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store and Sunshine Pack & Ship express retail centers, you may already have the required insurance for your existing business. If so, you do not need to acquire additional insurance, but except for workers' compensation, employer's liability, comparable and/or employment practices insurance policies, you must add us, our affiliates and other indemnitees to your policies as additional insureds. All insurance that you are required to carry must be issued by responsible insurance companies and have a Best's rating of not less than A. Except for workers' compensation, employer's liability, comparable and/or employment practices insurance policies, each policy must name us, our affiliates and other indemnitees as additional insureds. Coverage must be issued using the

correct company classification for retail stores specializing in business support, mailbox rental (physical and virtual), package receiving, postal, printing, copying, packaging, shipping, office supply, passport photo, notary, fingerprinting, and related products and services. The estimated annual premium for the above coverage is about \$1,500 to \$5,000. The annual premium for workers' compensation insurance is based on employee payroll. Rates may vary from state to state. Most state insurance carriers offer this coverage subject to an annual minimum premium of about \$1,000. In addition to carrying other insurance described in the franchise agreement, you must participate in any Annex Brands group-wide or other designated insurance program that is available to franchisees regarding small parcel, freight, or transit damage and related risks. Premiums generally are from \$0.50 to \$1.65 per \$100 of property valuation. Typically, this expense is passed through to the customer after being marked up by you, is billed to the customer at the time of shipment, and is based on the carrier used, whether the shipment is domestic or international, and the declared value of the items tendered for shipping. In our sole discretion, we may increase the rate if you have a high number of claims due to improper packaging and shipping standards (generally, \$0.65 to \$2.15 per \$100 of property valuation) after at least 15 days' notice to you. Premiums are subject to change after at least 15 days' notice to you. If you are flex retail location, as applicable based on services provided, you also must have a "Bailee's" coverage insurance policy that is in addition to small parcel, freight, or transit damage insurance. The "Bailee's" policy must include coverage of personal property of others in an insured's care, custody and control that is temporarily at an insured's center with a minimum limit of \$400,000, coverage of personal property of others in an insured's care, custody and control at another location with a minimum limit of \$400,000, and coverage that includes the transportation of personal property of others while in an insured's auto or truck with a minimum limit of \$400,000. If you choose to provide expanded services of household moving and other relocation products and services, you also must have employment practices insurance (including sexual harassment, wrongful termination and discrimination coverage) in the amount of at least \$500,000 for each incident and \$1,000,000 in the aggregate, and an umbrella policy (covering general liability, auto, and employer's liability) with a limit of at least \$2,000,000.

Note 12: See Item 5 for details about the conversion training fee, and also see Item 11.

Note 13: See Items 5, 6 and 11 for details.

Note 14: You will need office supplies such as telephones, answering machines, shipping labels, brand labels, telephone connections, in-center marketing collateral, business cards, letterhead, Notary equipment, etc.

Note 15: Deposits may vary from location to location. Some utility deposits may be refundable after a designated period. The landlord may require you to pay a security deposit and the 1st month's rent in advance. The security deposit will depend on the size of the facility, location and other factors (for example, 1,000 square feet at \$2 per square foot is a deposit of \$2,000). The deposits payable to us in this range include: a \$7,500 to \$8,500 deposit for a new standard, flex or express retail center, or a \$2,000 to \$8,500 deposit for a conversion standard or flex retail center, to apply to the cost of shipping fixtures and equipment to your standard, flex or express retail center; and a \$3,000 deposit, to apply to the cost of building permits for a new standard or flex retail center (included in low and high ranges), a conversion standard or flex retail center (included in high range only), or a new express retail center (included in low and high ranges). (See Items 5 and 6). In California, the Board of Equalization's sales tax deposit is based on 3 months of anticipated taxable income at \$10,000 of income per month, or \$240. Other suppliers or agencies may require deposits. The refundability of any deposit is at the discretion of the vendor.

Note 16: An architect we designate will prepare architectural plans meeting local structural, electrical, plumbing and other construction-related requirements. If "as built" plans are not provided by the landlord, or the site is delivered to you in an "as is" condition, there may be additional architect inspection fees, which are included within this range. In addition, local government agencies may charge fees for reviewing and approving those plans. The refundability of any government fee is at the discretion of the government agency. If you are converting a qualified existing business to a standard retail center or flex

retail center (see Item 5), architectural plans may not be required and you will not be required to pay an architect fee under those circumstances.

Note 17: You may need additional funds to operate your standard, flex or express retail center during its 12-month initial period to cover operating expenses that are in excess of typical start-up revenue. We believe that these figures provide an accurate minimum estimate of the additional funds necessary for the initial 12-month phase of operation; however, ongoing costs of operation beyond the initial phase or abnormally high costs during the initial phase may require more additional funds, and you should not assume that the estimated additional funds will be sufficient for continued operation beyond the initial phase. These expenses include royalty fees; marketing fees; expenses for ongoing local retail center marketing, advertising and promotional programs (currently \$800 per month, or 4% of monthly Gross Receipts, whichever is greater); travel; office supplies; printing; and telephone. Ongoing local retail center marketing, advertising and promotional programs are covered by the new center/new owner marketing program deposit for about the 1st 90 days after you open a standard, flex or express retail center, assume the operation of an existing standard, flex or express retail center by transfer, or convert an existing business to a standard or flex retail center (see Items 5, 6 and 11 for details). Your personal living expenses are not included in this estimate.

Note 18: We have relied on 36 years of experience operating or franchising businesses of the type being franchised to compile most of these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We are the only approved supplier of the PostalMate POS network software and all related updates and enhancements you must use for your retail center. We may require you to license, through us or 3rd party suppliers, for an additional charge, updates and enhancements that we consider will significantly improve the operation or function of the PostalMate POS network software.

We are the only approved supplier of the equipment package for your retail center. The trade dress package for a standard, flex or express retail center includes fixtures (counters, slat walls, accessories for slat walls, carton walls, mailbox holders, cabinetry, trim, etc.), mailboxes, package lockers, and flooring.

Currently, ScreenCloud Limited is the only approved supplier of the ScreenCloud web-based software, and Amazon.com, Inc. is the only approved supplier of the device necessary to participate in the in-Center TV marketing program. See Item 6 for more information.

We are the only approved supplier for our web-based financial training portal, which we offer under a license from Profit Soup LLC. See Items 6 and 11 for details.

You must purchase or lease equipment, supplies (including packaging materials, labels and forms), services (such as FedEx, UPS and DHL shipping services), furniture, interior and exterior signage, computer hardware, and software programs and licenses, in accordance with our specifications. Also, you must purchase or lease these items in amounts that we recommend, based on our experience in the business, and to provide you proper planning, training and record keeping. Except as otherwise stated in this disclosure document, in our Manuals, in writing or otherwise, you may purchase or lease these items from any source. There are no approved suppliers in which any of our officers owns an interest.

You must use a contractor and an architect that we designate in the build-out of your retail center. The contractor will coordinate with the architect, design and plan the premises, interact with local officials for appropriate building approvals, and complete the build-out of the premises (including electrical, painting, equipment package installation for your retail center, and also possibly including interior and exterior signage installation). The architect will design the premises of your retail center according to our specifications and prepare plans that meet local requirements. You may use a substitute licensed contractor if we approve the licensed contractor in advance. It is not our regular practice to approve substitute contractors. The factors we consider to approve or disapprove a substitute contractor are licensing experience, commercial tenant improvement experience, pricing, reputation and scheduling availability. If we approve and you use a substitute contractor, you must pay us a \$2,500 construction consultation fee before construction begins. You may not use a substitute architect.

We may reject a proposed site for your franchised facility. We will consider factors such as visibility and accessibility, appearance, parking, size, layout, length of availability, and the terms of any proposed lease or sublease.

To ensure adequate insurance coverage, Subsection 9.I of the franchise agreement requires you to obtain and maintain in force, at your sole expense, under policies of insurance issued by carriers with no less than a Best's rating of A, the following:

- 1) Comprehensive general, public, and product liability insurance, against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of your retail center or otherwise in conjunction with your conduct of business under the franchise agreement, under 1 or more policies of insurance containing a minimum of \$2,000,000 per occurrence and \$4,000,000 aggregate liability coverage.
- 2) Notary professional liability insurance of at least \$500,000 or the maximum permitted by the state if less than \$500,000.
- 3) Property insurance against any claims at your retail center included within the classification "Causes of Loss – Special Form," including vandalism, malicious mischief and theft. The coverage must be in an amount not less than 100% of the actual replacement cost of your retail center, and also must include property of others in your care, custody or control with a minimum limit of \$400,000, and employee dishonesty coverage with a minimum limit of \$25,000.
- 4) Business interruption coverage on an "actual loss sustained" basis for a period of not less than 24 months or the maximum permitted by the state if less than 24 months.
- 5) Motor vehicle liability insurance policies covering all vehicles (owned, non-owned, leased, hired, rented or borrowed) operated by or on behalf of the business conducted under the franchise agreement, and providing protection for injury caused to person or property by the vehicles in the minimum amount of \$2,000,000.
- 6) Any workers' compensation, employer's liability or comparable insurance required by the law of the jurisdiction where your retail center is located, and all other insurance coverage that we periodically require.

7) For a flex Center that chooses to provide expanded services of household moving and other relocation products and services, "bailee's" insurance that is in addition to small parcel, freight or transit damage insurance. The policy must include coverage of personal property of others in an insured's care, custody and control that is temporarily at the insured's retail center with a minimum limit of \$400,000, coverage of personal property of others in the insured's care, custody and control at another location with a minimum limit of \$300,000, and coverage of personal property of others while being transported in the insured's auto or truck with a minimum limit of \$400,000.

8) If you provide expanded services of household moving and other relocation products and services: i) employment practices insurance (including sexual harassment, wrongful termination and discrimination coverage) in the amount of at least \$500,000 for each incident and at least \$1,000,000 in the aggregate; and ii) umbrella insurance (covering general liability, auto and employer's liability) with a minimum limit of at least \$2,000,000.

For standard, flex and express Centers, insurance coverage must be issued using the correct company classifications for businesses, such as retail centers specializing in selling business support, mailbox rental (physical and virtual), package receiving, postal, printing, copying, packaging, shipping, office supply, passport photo, notary, fingerprinting, and related products and services.

As described in Subsection 9.I of the franchise agreement, in addition to carrying the other insurance described above and in the franchise agreement, you must participate in any group-wide or other Annex Brands-sponsored insurance program regarding small parcel, freight, or transit damage and related risks, and you must pay fully and timely all premiums assessed to you for this insurance coverage. As part of our acquisition of PMCA, we acquired PMCA's insurance program that was implemented for the Pak Mail brand and in 2019 we implemented this program for our other retail centers and brands. In our fiscal year ended September 30, 2023, we received \$554,000 in revenue from the insurance program, or 2.3% of our total revenue of \$24,537,000, and the insurance program had expenses of \$345,000. Any amounts received from insurance companies are used to pay insurance claims filed by customers of our franchisees. We determine the premiums.

In compliance with Federal Maritime Commission regulations on booking international ocean shipments, we applied for and obtained an OTI license in April 2011, and we, as the licensed OTI, perform this service for our franchisees as part of our current international ocean program. As described in Subsection 9.J of the franchise agreement, you must participate in the international ocean program. For these services, we retain a portion of the ocean charges to cover administrative costs. Internally, we book the shipments with the shipping lines, provide appropriate documentation, collect payments from customers, pay shipping lines and complete transactions with retail centers and commercial logistics centers. In our fiscal year ended September 30, 2023, we received \$755,000 in revenue from the international ocean program, or 3.1% of our total revenue of \$24,537,000, and the international ocean program had expenses of \$662,000.

You and your personnel must meet our appearance standards. Currently, our appearance standards include wearing name badges and logo attire. You must purchase logo attire from any of our approved suppliers. You may request in writing our approval of additional suppliers for logo attire. We will grant or deny approval within 30 days after our receipt of your written request, based on the vendor's prices, quality of goods and ability to meet our standards and specifications.

You must always use signs, graphics, decals, wrapping tape, wrapping materials, marketing materials, business forms, print and digital communications, and other documents, that properly display the Marks and/or any Annex Brands, PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store or Sunshine Pack & Ship 800 numbers, website addresses, email addresses, and domain names, in the forms and manners that we specify in our Manuals, in writing or otherwise.

Our specifications are in our Manuals. We may modify these specifications on reasonable written notice to you. We will consider your written request for a modification of a specification, if you explain the reason for the requested modification (or for the approval of any equipment or supply we have not previously approved) and provide us with sufficient technical data to enable us to evaluate your request. We will provide you with notification of approval or disapproval within 60 days after receipt of your request. We will approve a request if we determine that a modified specification is appropriate or that any equipment or supply meets our specifications then in effect. We may perform tests to determine if any equipment or supply meets our specifications.

We may offer equipment, supplies or services to you through volume contracts we negotiate with suppliers, manufacturers and others.

We maintain a list of approved suppliers in our Manuals. We may modify the list on reasonable written notice to you. We modify the list in our Manuals, in bulletins, in our newsletter (360), on our Intranet franchisee support site, by email, in writing or otherwise, or at regional and national meetings. You may request in writing our approval of additional suppliers. We will grant or withdraw approvals of suppliers based on the criteria for approving suppliers in our Manuals, and based on inspections and performance reviews. If any supplier fails to comply with our specifications, we will notify the supplier of the deficiency. The supplier will have a reasonable time, not more than 30 days, to correct the deficiency or be terminated as an approved supplier. We may grant approvals of new suppliers or withdraw past approvals of suppliers on reasonable written notice to you. We will provide you with written notification of the approval or disapproval of a supplier you propose within 60 days after receipt of your request.

We may periodically negotiate strategic alliances with dot-com, e-commerce, and other companies that may provide income opportunities to you and to us.

We may periodically choose to offer you franchisor customer referrals, which may include business accounts, national accounts, work orders for products and services, and other fulfillment business. Our current policy is to offer you the opportunity to service a franchisor customer referral for a specific fee, which is less than the price at which we sell the business to the customer, and to keep the difference. You are not required to accept the franchisor customer referral. In our fiscal year ended September 30, 2023, we received \$2,638,000 in revenue from franchisor customer referrals, or 10.8% of our total revenue of \$24,537,000, and the franchisor customer referrals program had expenses of \$2,348,000.

We can require you to participate in sales fulfillment or other programs related to strategic marketing alliances we negotiate and/or form with other companies, which may include our affiliates. The programs can involve sales fulfillment services connected with online estimating, purchasing, shipping services systems, or printing services employed by web-based sites or other platforms. As a participant in any of these programs, you must service each order in the time and manner we specify and for the price and terms offered to consumers as part of the program. We or

the applicable program supplier, which may be our affiliate, can require you to pay a reasonable fee that may be in addition to royalty fees and marketing fees for any business generated for you under any program.

We may derive income from suppliers selling products and services to our franchisees. Occasionally, some suppliers, including Federal Express and UPS, have offered and paid us advertising funds based on system-wide package volume generated by franchised businesses. We may receive information about and credit for your sales volume totals from these suppliers. We use these allowances to fund marketing and promotional materials and programs for the franchise system.

In our fiscal year ended September 30, 2023, we received \$775,000 in revenue from franchisees' purchases of equipment, inventory and supplies from us, or 3.2% of our total revenue of \$24,537,000, with \$626,000 in expenses. We received \$0 from suppliers approved by us based on their sales and leases of products and services to our franchisees. This information is taken from our audited financial statements in Exhibit F.

We estimate that the following purchases and leases of products and services will represent the following percentages of your total purchases and leases of products and services to establish and operate your retail center:

	% of Total to Establish	% of Total to Operate
Purchases/leases from us	50 - 70%	0 - 5%
Purchases/leases under our specifications	60 - 90%	60 - 90%
Purchases/leases from approved suppliers	60 - 70%	60 - 70%

We provide no material benefits to you based on your purchase of particular products or services, or your use of approved or designated suppliers. We have no purchasing or distribution cooperatives.

If you choose to purchase or lease equipment, inventory, supplies or services from us, we will charge you prices that cover our estimated warehousing, administrative and handling expenses, including a reasonable profit from the sale or lease of those items or services.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise or Other Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	3.A-B; Attachment 3	7 & 11
(b) Pre-opening purchases/leases	3.B, 3.D & 9.C	7 & 8
(c) Site development and other pre-opening requirements	3.C-E & 10.C	7 & 11
(d) Initial and ongoing training	4.A-B & 9.H	11

Obligation	Section in Franchise or Other Agreement	Disclosure Document Item
(e) Opening	3.E	11
(f) Fees	3.C-D, 4.A-B, 8.A-E, 9.A-C, 9.H, 9.I, 9.J, 9.K, 10.A, 10.C, 10.D, 10.E, 12, 13.C-D, 14.A, 15.B, 16.A, 16.D, 16.F-G, 17.F-G & 18; Attachment 6 (10, 13 & 23); Attachment 9	5, 6 & 7
(g) Compliance with standards and policies/ operating manuals	4.C & 9	11
(h) Trademarks and proprietary information	5 & 6	13 & 14
(i) Restrictions on products/services offered	9.B & 9.E-F	8, 11 & 16
(j) Warranty and customer service requirements	9.G	None
(k) Territorial development and sales quotas	2	12
(l) Ongoing product/service purchases	9.B-F	8
(m) Maintenance, appearance, and remodeling requirements	3.D & 9.A	11
(n) Insurance	9.I	7 & 8
(o) Advertising	10	6, 7 & 11
(p) Indemnification	7.B	6
(q) Owner's participation/management/staffing	9.H	11 & 15
(r) Records and reports	11	11
(s) Inspections and audits	12	6
(t) Transfer	13	6 & 17
(u) Renewal	14	17
(v) Obligations after termination, expiration or non-renewal	16	17
(w) Non-competition covenants	9.H, 13.C & 16.D, Attachment 11	17
(x) Dispute resolution	17.H	17
(y) Owners/shareholders guarantee	13.E; Attachment 2	15

Item 10

FINANCING

Neither we nor any agent or affiliate offers direct or indirect financing to you or guarantees any of your notes, leases or obligations.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide any assistance to you.

Before you open your retail center, we will:

1. Provide you with sample layouts for your franchised facility (franchise agreement, Subsection 3.C).
2. Provide you with site selection assistance, subject to availability of personnel and at your request (franchise agreement, Subsection 3.A).
3. Provide you with our review and approval or disapproval of proposed sites for your retail center (franchise agreement, Subsection 3.A).
4. Provide you with assistance in preparation for initial training (franchise agreement, Subsection 4.A).
5. Provide you with initial training as described below under the heading "Training" (franchise agreement, Subsection 4.A).
6. Provide you with assistance in opening your retail center, subject to availability of personnel and at your request (franchise agreement, Subsection 4.A).
7. Provide you with our Manuals and any other catalogs and materials that we may select, on loan (franchise agreement, Subsection 4.C).
8. Provide you with, or provide you the names of approved suppliers for, certain equipment, interior and exterior signage, fixtures, opening inventory, and supplies, and provide you with specifications for equipment, interior and exterior signage, fixtures, inventory, and supplies (franchise agreement, Subsections 9.B, 9.C, and 9.E). For example, we or approved suppliers provide you with (an deliver to you): (a) a retail center package that includes fixtures (counters, slat walls, accessories for slat walls, carton walls, mailbox holders, cabinetry, trim, etc.), mailboxes, package lockers, and flooring; (b) interior and exterior signage; and (c) other equipment, computer hardware, software programs and licenses, initial inventory, and supplies (see Item 5). Currently, we are the only approved supplier of the retail center package. We are the only supplier of our proprietary PostalMate POS network software (see Computer Hardware and Software below). We do no installation. Our designated contractor or an approved substitute contractor installs the retail center package, and also may install interior and exterior signage (see Item 5).
9. Provide you with samples of initial advertising and marketing materials (franchise agreement, Subsection 10.A).

We may delegate any of our obligations to any regional licensee for your brand and geographic area.

During the operation of your retail center, we will:

1. Provide you with continuing and advanced training and assistance (franchise agreement, Subsections 4.A and 4.B).
2. Provide you with updates to our Manuals (franchise agreement, Subsection 4.C).
3. Provide you with merchandising, marketing, record keeping, operating and other data and advice (franchise agreement, Subsections 4.B and 10.A).
4. Administer a system-wide marketing fund, in our sole discretion (franchise agreement, Subsection 10.A).

We may delegate any of our obligations to any regional licensee for your brand and geographic area.

Marketing

Our marketing programs are currently divided into 3 types, as described below: new center/new owner marketing program, in-Center TV marketing program, and continuing marketing. You must participate in each type of program.

New Center/New Owner Marketing Program Deposit. Under our new center/new owner marketing program, you must deposit with us at least \$5,500: before or at initial training, for or a new standard, flex or express retail center, or for a conversion standard or flex center; or on or before the closing date of a transfer, if you assume operation of an existing retail center by transfer. We will use the deposit to promote your retail center before, and for about 90 days after, you (i) open your retail center, (ii) assume the operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center. We will use the deposit to purchase promotional items and advertising in 1 or more types of media, including Internet, print and/or digital, direct mail and/or any other media, in our sole discretion. We will not place any advertising outside your Area of Dominant Influence (“ADI”). An ADI is defined as an area covered by a particular advertising medium as recognized in the advertising industry. The deposit will not be used for signage, including electronic signs, window graphics or banners, or logo floor mats, etc., but we may allocate up to \$300 to purchase required logo attire (see Item 8) and to cover the cost of the in-Center TV marketing program device and initial set up. We will not use the deposit for any other purpose, without your consent. We will generally use all of the deposit, and will provide you with a written accounting of how the deposit was used a reasonable time after the deposit is exhausted, or within 150 days after you (i) open your retail center, (ii) assume the operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center. However, we will not refund any portion of the deposit if you (i) attend initial training, even if you do not open or convert your retail center, (ii) open your retail center, (iii) assume the operation of an existing retail center by transfer, or (iv) convert an existing business to a retail center.

In-Center TV Marketing Program. Under our in-Center marketing program, we will provide marketing information regarding the various products and services you offer on a TV that is mounted on a wall behind the customer counter. The cost of the in-Center TV marketing program device and initial set-up fee (currently \$60) needed to connect the TV to the control panel in order to receive the advertising content is paid for out of your new center/new owner marketing program deposit (see Item 6).

Continuing Marketing. Under our continuing marketing program, we will conceive and create print and digital materials for periodic marketing/advertising and promotional programs. We will make those materials available to you, and we may require usage or specifications for usage. For example, we will sometimes provide you with advertisement proofs that you can take to a printer on our list of approved suppliers. Also, we may sometimes design, print and provide you with certain quantities of materials (such as posters or brochures), and you may be required to buy or have the option to buy additional quantities, if available.

Under our continuing marketing program, you must participate in a system-wide marketing fund. You must participate in all marketing fund programs. You will set your own prices, except that you must fully honor all coupons, price-reduction promotions and other promotions/programs

as we direct. The fund may advertise in print or digital media, direct mail, publicity posters, brochures, coupons, presentation booklets, radio, television, Internet, email marketing programs, social media platforms, online directory listings, other networking platforms, and related media. The coverage of the media may be local, regional or national. We manage the preparation of marketing, advertising, and promotional materials and brand publicity in-house, but may use a regional or national advertising agency or supplier to produce and/or distribute materials.

All retail franchisees and any retail company-owned businesses contribute equally to the fund on a weekly basis. Contributions are 2% of weekly Gross Receipts. We may require you to make payments at an interval as established by us. We will administer the fund. The fund is not audited. We will prepare an unaudited report of the operation of the fund annually within 90-120 days after each fiscal year end, and on your written request, we will make the report available to you. We may use contributions to the fund and associated earnings for soliciting the sale of franchises. Other than reimbursement for reasonable costs and overhead incurred in activities related to the administration or direction of the fund, neither we nor any affiliate will receive any payment for providing products or services to the fund. If we spend more than the contributions accumulated in the fund during any fiscal year, we will have the right to receive, on demand, reimbursement from the fund in later years to the extent of the excess expenditure. If any contributions to the fund, including any associated earnings, are not spent in the fiscal year in which they accrue, they will remain in the fund for use in following years. We reserve the right to terminate the fund at any time, but we will not do so until all monies in the fund have been expended for the purposes described in the franchise agreement.

We are not required to spend any amount from the fund, or any amount from any other source, on marketing, advertising, or promotions in your geographic area. However, under our current Matching Funds Advertising Program (Subsection 10.A of the franchise agreement), your Advertising Association may apply to us for a portion of the fund for use in your geographic area.

In our fiscal year ended September 30, 2023, the retail fund was used for: soliciting the sale of franchises, 4%; production of marketing, advertising and promotional materials, and media placement, 14%; Internet, website and public relations, 19%; administrative expenses, 25%; and Matching Funds Advertising Program, 38%.

A national advisory council advises us on marketing and advertising policies. Franchisees elect the members of the council; the council is advisory and has no operational or decision-making power; and we may not change or dissolve the council, which operates under its own bylaws. The council's bylaws may be changed only with our approval. See Item 20 for contact information. In addition to this council, a marketing steering committee, composed of franchisees, marketing staff and management staff may be established. We appoint the franchisee members of the committee. The committee is advisory only and has no operational or decision-making power. We may change or dissolve the committee.

We will create or assign an Advertising Association ("Association") for your retail center and designate the Association's geographic coverage, which may be a portion of an ADI or an entire ADI (see definition of ADI above). You must be a member of an Association even if you are the only member. Any other businesses operating under the same type and/or brand within the Association's geographic coverage, including franchised businesses and any businesses we or our

affiliates own, also will be members of the Association, as we determine. If you are the only member of an Association, you must reserve the greater of \$150 or 1% of your Gross Receipts per month for local and regional advertising and promotional programs, in order to qualify to participate in any Matching Funds Advertising Program that we are administering. If an Association has 2 or more members, you must comply with its written bylaws, which will be available for your review on your request to the Association, and which may be adopted or changed only with our approval. The purpose of an Association with multiple members is to develop cooperative local or regional advertising or promotional programs. A multi-member Association will be administered by a board of directors selected in accordance with its bylaws, or may be administered by a regional licensee if there is one for your geographic area. The fees and additional assessments of the Association will be allocated equitably among members of the Association. The Association fees and assessments will be the greater of \$150 or 1% of your Gross Receipts per month. The board of directors of an Association, or a regional licensee if there is one, may also periodically impose special assessments on an Association's members. The Association will require you to pay fees and assessments by automatic bank draft. These fees and assessments are non-refundable and are not collected for any 3rd party. An Association's bylaws will provide for each member to receive an annual accounting of expenditures by the Association.

We may elect to collect Association fees (including single-member Association fees) and/or assessments by automatic bank draft, and may elect to use these fees and/or assessments to fund multiple-Association regional or national advertising campaigns. Any of these fees and/or assessments collected by us that are not used in the year in which they are collected will be rolled over into our system-wide marketing fund.

In addition to paying marketing fees to the Fund and any Association fees and/or assessments, beginning about 90 days after you (i) open your retail center, (ii) assume the operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center, you also must spend at least the minimum monthly amount we designate, in our Manuals, in writing or otherwise, for ongoing local retail center marketing, advertising and promotional programs (currently \$800 per month, or 4% of monthly Gross Receipts, whichever is greater). Ongoing local retail center marketing, advertising and promotional programs are covered by the new center/new owner marketing program deposit for about the 1st 90 days of operation (see above and Item 5 for details). You must maintain copies of all advertising materials and supporting invoices for our review at our discretion as outlined in Subsection 11.B and Section 12 of the franchise agreement.

You may use your own marketing, advertising and promotional materials that meet our then-current guidelines (including materials such as print and digital media, radio and television advertisements, email marketing, specialty and novelty items, bags, boxes, and signs), subject to our approval of those materials and methods of distribution. Before using any marketing, advertising or promotional materials that we have not previously prepared or approved within the immediately preceding 12 months, even assuming that they meet our then-current guidelines, you must submit samples to us for our prior approval.

See Items 6, 8 and 9 for additional information about advertising and promotion costs and requirements.

Website(s) and Intranet

We have registered the following domain names with an agency responsible for assigning Internet addresses in the United States:

abconnect.co	abnls.com
aimmailcenter.com	aimmailcenters.ca
aimmailcenters.com	aimmailcenters.net
aimmailcenters.org	aimmailcenters.us
aimofficecenters.com	anexbrands.com
annexbrands.asia	annexbrands.biz
annexbrands.ca	annexbrands.com
annexbrands.company	annexbrands.info
annexbrands.net	annexbrands.org
annexbrands.us	annexbrandsemail.com
annexcopycenter.com	auctionshippers.com
compareshippingratesnow.com	computershippers.com
cratingcompanies.com	freightannex.com
getashippingprice.com	getshippingratesnow.com
gonavis.ca	gonavis.com
gonavis.net	gonaviscanada.com
gopackagingstore.asia	gopackagingstore.com
gopackaginstore.com	goquote.us
hongkongpackagingstore.com	livescanfingerprinting.us
magellanartservices.com	nationallogisticsservices.com
navis-chicagometro.com	naviscanada.com
navisdallas.com	navislogistics.com
navispackandship.com	navisphoenix.com
nlservices.us	ourprintingstore.com
packagingstore.asia	packagingstore.company
packstore.com	pakmail.biz
pakmail.com	pakmail.info
pakmail.net	pakmail.org
pakmail.us	parcelplus.ca
parcelplus.com	parceplus.ca
postalannex.asia	postalannex.biz
postalannex.ca	postalannex.com
postalannex.info	postalannex.net
postalannex.org	postalannexfranchise.com
postalannexfranchising.com	shippingratesnow.com
shippingtheluggage.com	sunshinegloballogistics.com
sunshinepackandship.ca	sunshinepackandship.com
thepackagingstore.asia	todaystodosdone.com

trustnls.com	yourhomeoffice.com
yourshippingquote.com	

We may maintain a corporate website on the Internet to market and promote our franchise system, and products and services marketed by us and our franchisees. If we maintain a corporate website, we may provide you with standard web pages on our website for the purpose of promoting your retail center (included in the technology services fee). You also may request to customize portions of your web pages or create a custom website, with our written approval and for a fee, or may purchase e-commerce services with our approval and for a fee. You may not establish your own website without our prior written consent. (The terms “Franchisor’s prior written consent” and “our prior written consent,” as used in this disclosure document and the franchise agreement and its attachments, mean consent that we give based on then-current circumstances, but that may be withdrawn by us, if we later determine in our sole discretion that circumstances have changed, effective upon giving you 30 days' prior written notice of withdrawal.) If we provide email addresses for your retail center, you may use up to 2 email addresses per retail center (included in the technology services fee). There will be a \$7 charge per week for each additional email address. This fee is subject to change on at least 15 days' written notice to you. You must use the email addresses we provide you for all aspects of the operation of your center, including in customer communications, in print or digital marketing, advertising or promotions, on letterhead and business cards, etc. You may not establish or use your own email addresses without our prior written consent. See Item 6 and Attachment 8 to the franchise agreement for more information.

We also may establish a private Intranet, newsgroups or bulletin boards for our franchisees that can be accessed only by means of user names and passwords. You must follow our policies and procedures. We may change your password without notice if an alleged compromise exists. We may suspend your access to our Intranet if we give you written notice that you are in default of the franchise agreement. See Attachment 8 to the franchise agreement.

We may establish a brand presence through email marketing programs, social media platforms, online directory listings, and other networking platforms, such as Facebook, Google Business Profile, and Yelp. You may not use email marketing programs, social media platforms, online directory listings or other networking platforms that promote your retail center and/or use our trademarks without our prior written consent. You must follow our policies and procedures when using email marketing programs, social media platforms, online directory listings, and other networking platforms in connection with your retail center and/or our trademarks. Our system standards apply to any website or Internet advertising, including email marketing programs, social media platforms, online directory listings, and other networking platforms. Because the forms of email marketing programs, social media platforms, online directory listings, and other networking platforms are rapidly evolving, our policies and procedures are periodically updated by us in our Manuals, in writing or otherwise.

You must sign an authorization that grants us the right to change, transfer or terminate any email addresses, domain names, email marketing programs, social media platforms, online directory listings, and other networking platforms, and any comparable electronic identities that use or include our trademarks or brand names if the franchise expires, is not renewed or is terminated (see Attachment 4 to the franchise agreement).

Computer Hardware and Software

You must obtain and use computer hardware, software programs and software licenses ("computer systems") according to our specifications. If you use more than 1 computer system, each computer system must be electronically linked or networked together as we specify. Currently, we require standard retail centers and flex retail centers to obtain and use at least 2 computer systems that operate our PostalMate POS network software and other 3rd party software programs and licenses (described below). Flex retail centers are also currently required to obtain and use a back office laptop computer system. Currently, we require express retail centers to obtain and use at least 1 computer system. Express retail centers must obtain and use a computer system that operates our PostalMate POS network software and other 3rd party software programs and licenses.

Each computer system must have at least the following hardware and software: Current Generation Dual or Quad Core (10th generation or higher), or Generation Intel Core i3, i5, or i7 (or iX-10-xxx or higher), or current Generation AMD Ryzen 5, 7, or Threadripper Processor (or equivalent), 16 gigabytes RAM, 256 Gig solid state drive (SSD) or 500 Gig hard drive, 256 MB or more video card with dual video connection, gigabyte Ethernet card with RJ-45 connection, about 11 ports (the number and type of ports depend on the number and type of attached devices), a multi-card reader (reads digital camera memory cards), 15" flat LCD monitor, Windows USB keyboard, 2-button mouse, thermal receipt printer, label printer, Dymo 450 label printer (used for printable postage interface software), cash drawer, 150-lb certifiable electronic scale, bar code reader, HP laser printer or its equivalent, merchant service terminals (used for debit and credit card processing that integrates with PostalMate POS network software), and Windows 10 or 11 Professional operating system. If required in your state, you also may need a pole display. If you are in California, Florida or Texas, you also will need digital fingerprinting computer equipment and software. If you use more than 1 computer system, each computer system must be linked or networked and you will need a router or switch capable of 1000 MPPS and 1000 Base T network cabling (CAT 5e/6/7.) We do not recommend wireless networks. You may obtain your computer hardware from any supplier. We may assist you in obtaining your computer hardware, but we are not required to do so.

You must obtain PostalMate POS network software from us. We have been using continually-improved versions of this network software since December 1989. An independent 3rd party, PCSynergy, Inc., a California corporation, of 804 North Twin Oaks Valley Road, Suite 122, San Marcos, California 92069, telephone: 800-485-6901 ("PCSynergy"), a subsidiary of Visible Supply Chain Management located at 5160 Wiley Post Way, Salt Lake City, UT 84116, telephone: 877-728-5328, owns this proprietary software and licenses it to us. We, in turn, will license it to you on an annual basis (see Attachment 6 to the franchise agreement). Currently, the initial license fee is \$250, payable to us. This software must be updated periodically to install new DHL, FedEx, U.S. Postal Service, UPS, and other supported regional carriers' rates, and other information. PCSynergy will provide upgrades and support for this software to you. We estimate that the cost of maintaining a license for this software will be about \$35 annually, payable to us in the same month each year based on the month in which the license began. The cost of upgrades and support will be about \$100 per month, payable to PCSynergy. The software license may be transferred to a new franchisee on our approval and written authorization. Currently there is no transfer fee if the retail center will be in the same location, but we reserve the right to charge a transfer fee in the future. These fees are subject to change after at least 15 days' notice to you.

PostalMate POS network software generates sales, product, customer, supplier, accounting, management, shipping and manifesting information. You must record customer information in the PostalMate POS database, and link each customer's transactions to it as we specify. You must have a modem and Internet connection that connects with our computer system, so we have independent access to this information. There are no contractual limitations on our right to access this information.

In addition to the PostalMate POS network software, currently you must obtain and use the following 3rd party software programs or licenses that are designed to enhance and interface with PostalMate network software, except as noted below:

1. PM Tools software with QuickBooks Integration software subscription license from VSoftwareTools, Inc. (11918 SE Division St #3000, Portland, OR 97266, 800-778-4078) that covers the software, maintenance, support. VSoftwareTools, Inc. is an independent 3rd party that owns this proprietary software and licenses it to you for a monthly subscription fee of \$42.50 per month (fees subject to change by supplier). The software interfaces with PostalMate POS network software, and includes, but is not limited to, the integration with Intuit QuickBooks accounting software, enhanced customer list exportation, PIMMS (Package Inventory & Mailbox Management System), ezCRT (Computer Rental Tool), margin calculator, carrier bill reconciliation, additional graphical reporting, enhanced label and tracking features, and automates certain functions of the PostalMate POS network software.

2. Intuit QuickBooks software (desktop version), proprietary to Intuit, Inc. (2632 Marine Way, Mountain View, CA 94043, 650-944-6000). This software may be purchased from a reseller or supplier of your choice for about \$899, and you will be responsible for any update fees associated with this software.

3. Endicia Label Server Basic software subscription license from Endicia (287 Castro Street, Mountain View, CA 94041, 800-576-3279), that covers the software, maintenance, support. Endicia is an independent 3rd party that owns this proprietary software, and licenses it to you for a monthly subscription fee of \$15.95 per month (fees subject to change by supplier). The software interfaces with PostalMate POS network software, allowing you print pre-paid professional USPS shipping labels for postage or shipping products directly from the PostalMate POS network software. The software includes, additional benefits, including USPS discounts on Priority and Express Mail, free delivery confirmation and increased efficiencies.

4. You must use an independent 3rd party web-based merchant card processing software that integrates and automates debit and credit card processing with PostalMate POS network software from an approved merchant service provider. The provider must be in compliance with PCI Data Security standards and supply you with compliant hardware, software updates, maintenance, and support. Currently, this includes merchant service providers such as Cayan Genius (Cayan, LLC, 1 Federal Street Boston, MA 02110, a subsidiary of Total System Services, Inc., 855-272-8952), and TSYS Merchant Services (Total System Services, Inc., One TSYS Way, Columbus, GA 31901, 888-845-9457). These independent 3rd party merchant service providers own their proprietary web-based software. Costs vary based on the provider and the services provided. Costs typically include various monthly fees and/or annual fees, cost-per-transaction fees, basis points on volume, set-up fees, and the cost for terminal hardware. Typically, monthly fees range from \$5 to \$50, annual fees range from \$0 to \$80, cost-per-transaction fees range from \$0.06 to \$0.20, basis points based on volume range from \$0.0 to \$0.20, set-up fees range from \$0 to \$50,

and the costs of terminal equipment range from \$0 to \$50 (fees subject to change by provider). We recommend that you make your own independent investigation to determine which merchant service provider to use. If you acquire an existing retail center, you may need to pay any then-current set-up fee and/or annual fee for the merchant card processing software and, if applicable, pay the terminal equipment cost, to the provider to set up your new account.

5. ScreenCloud web-based software, (ScreenCloud Limited, International House, 24 Holborn Viaduct, London, England EC1A 2BN, +44 (0)20-3808-5585 or 888-557-5328). ScreenCloud Limited is an independent 3rd party supplier that owns this proprietary software, which it licenses it to us for which we charge you a fee of \$17 per month (which fee may change after at least 15 days' notice to you). The software interfaces with the device (currently an Amazon Fire TV Stick from Amazon.com, Inc. 410 Terry Avenue North, Seattle, WA 98109-5210, 206-266-1000) that you purchase through us that provides the in-Center TV marketing program contact to the TV in your retail center.

6. You must obtain a 12-month license from us for access to our online financial training portal. Currently an independent 3rd party, Profit Soup, LLC, located 2808 SW 300th Place, Federal Way, WA 98023, 206-282-3888, owns this web-based e-learning portal and licenses it to us. We in turn license it to you for a current one-time license and administrative fee of \$330, payable to us. The one-time license and administrative fee includes access for 12 months to the online financial training portal for a 14-course financial training program that includes training on profit and loss statements, balance sheet review, understanding cash flow management, benchmarking, etc. We will have access to monitor your engagement and course completion. In addition, we have the right to revoke the license and access to the portal, if you breach your obligations under the franchise agreement or any software license, or if the franchise or the software license expires or terminates.

To the extent that any software we require you to use contains modules that support personnel-related functions, such as employee timekeeping, employee scheduling and payroll processing, your use of those modules is non-mandatory. You may use those modules or alternate software to handle personnel-related functions, or you may handle personnel-related functions in any other manner that you choose.

You may obtain the required computer hardware (described above) from TechShed (formerly Olson & Ives), 979 Woodland Parkway, Suite 101-100, San Marcos, CA 92069, 800-205-0650, through us and payable to us. If you choose to do so, TechShed will install the PostalMate POS network software. In addition, TechShed will install the Endicia Label Server Basic software and PM Tools software for you, but you must register for the subscription license before using these software interfaces. If you choose to obtain your computer hardware from another supplier, you might need assistance from a professional computer technician to install PostalMate POS network software, Endicia Label Server Basic software, PM Tools software, and hardware peripherals required to operate PostalMate POS network software.

We estimate that the cost of the above computer systems ranges from \$580 to \$13,000, depending on the type of retail center you are purchasing (see Item 7).

Neither we nor any of our affiliates are obligated to provide you with ongoing maintenance, repairs, upgrades or updates to any component of your computer system. You should determine for yourself whether or not any 3rd party supplier from whom you purchase any component of your

computer system is obligated to provide you with ongoing maintenance, repairs, upgrades or updates to any component of your computer system, and the additional cost for those services.

To protect us from the unauthorized use of our proprietary software, we may include in it a device that enables us to stop the software from working and/or from receiving updates (a "Security Device"). We have the right to use any Security Device if you breach your obligations under the franchise agreement or any software license, or if the franchise or the software license expires or terminates (see Item 17 for events of default). If we use a Security Device, we are not liable for any loss of data, interruption of business, or any resulting damages (see franchise agreement, Subsection 9.C). The PostalMate POS network software contains a Security Device that we control (see Attachment 6 to the franchise agreement).

You must obtain and install all computer hardware and software programs necessary for you to operate the PostalMate POS network software and any additional software programs or licenses designed to enhance and interface with the PostalMate network software, and you must establish Internet access, before or at initial training (described below). This is necessary for you to prepare for training.

You must maintain Internet access at your expense for electronic communication. You may use any type of Internet access you choose from any supplier you choose. We recommend, however, that you use a broadband (Cable or hi-speed DSL) Internet connection, with dial-up for backup purposes, for Internet access and e-commerce, and use the most supported version of Chrome, Firefox or Internet Explorer or most recent supported. We may modify and update computer system specifications and designate suppliers on reasonable written notice to you. We may independently access (via remote support login agents or otherwise) your computer systems and/or require you to provide us with copies of the information in your computer systems. There are no contractual limitations on our right to access or obtain this information. Unless we expressly provide otherwise, we do not warranty, support or maintain any computer systems in any manner and are not liable for any loss of data, interruption of business, or any resulting damages.

Beginning after you (i) open your retail center, (ii) assume the operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center, we will collect from you a technology services fee of \$15 per week each Tuesday, after the close of business, for the week ending the previous Saturday, by automatic draft from your designated bank account. This fee is currently charged for the support of such items as the system Internet, Intranet communications website and sales tracking and reporting system, retail center email addresses (up to 2 included), remote support login agent, and other business features we may provide in our sole discretion. We may change this fee after at least 15 days' notice to you, and we may establish other due dates.

Operating Manuals; Training Manual

1. Our Operating Manuals contain both mandatory standards, specifications, policies and procedures (sometimes referenced as "standards and specifications"), and non-mandatory guidelines and recommendations, for the development and operation of your retail center.

As of September 30, 2023, our Operating Manuals covered the following subjects:

**Basic Retail Center Operating Manual (2 Volumes)
for Standard and Express Retail Centers**

Table of Contents Heading	No. of Pages
General Information	4
Opening Your Retail Center	4
Policies and Administration	4
Royalty Reporting	15
Personnel Policy and Payroll	7
United States Postal Service	7
Mailbox Rental (applicable to standard, flex and express retail centers)	7
Shipping Services	12
Copy Services	7
Outside Services	5
Merchandising	6
Additional Services	8
Forms and Procedures	50
Glossary	5
TOTAL	141

**Retail Marketing Manual
for Standard, Express and Flex Retail Centers**

Table of Contents Heading	No. of Pages
Marketing Basics and Support	10
Marketing Fees, Matching Funds and Budgeting	10
Brand, Design and Customer Experience	14
Developing and Managing Your Marketing Plan	28
Marketing, Advertising and Sales Methods	30
New Center New Owner (NCNO) Marketing	6
Marketing Resources and Tools	35
TOTAL	133

Basic Retail Center Operating Manual (4 Volumes) for Flex Retail Centers

Table of Contents Heading	No. of Pages
Operations Packaging and Shipping Mailbox Rentals In-Store Operations Outside Operations	641
Sales & Marketing Street Fighters Guide Customer Services Outside Sales Processes Inside Sales Processes	350
Finance & Administration Overview and General Information Accounting Personnel Information Management Systems	245
GM – General Manager Organizing Principles Business Planning Creating the Experience Pre-Store Opening Responsibilities	250
TOTAL	1,486

Brand Trademark Style Guide

Table of Contents Heading	No. of Pages
Annex Brands	10
PostalAnnex+	18
PostalAnnex	18
Pak Mail	10
AIM Mail	10
Parcel Plus	10
Sunshine Pack & Ship	10
Navis Pack & Ship	10
Handle With Care Packaging Store	10
TOTAL	106

2. As of September 30, 2023, our Training Manual covered the following subjects:

Table of Contents Heading	No. of Pages
Charting Your Course: The Basics of Small Business Management	6
Learning the Language: Knowing Your Business	8
Packing the Essentials: Having the Proper Attitude	6
Hospitality Suite: Satisfying Customers by Providing Excellent Customer Service	10
Bringing Your Team Together: Inspiring Employees to Provide Excellent Service and Quality Products	12
Break Even Point: Managing Your Working Capital	10
Bottom Line: Pricing for Profit	8
Following Your Own Directions: Setting Goals	4
Show and Tell: Achieving Your Goals Through Marketing and Advertising	10
The Journey Continues: Assessing Results and Setting New Goals	10
TOTAL	84

Training

We and any regional licensee for your brand and geographic area will assist you to prepare for initial training, and provide initial and other training to you before you open your retail center, assume the operation of an existing retail center by transfer, or convert an existing business to a retail center, as follows:

TRAINING PROGRAM

Subject	Hours Of Training		Location
	Classroom	On-the-Job⁽¹⁾	
Orientation, Franchise Relations and Support	2	-	San Diego, CA
Customer Service Excellence	1.5	-	San Diego, CA
Master Forms and Manuals	.5	-	San Diego, CA
Insurance	1	-	San Diego, CA
Accounting: Royalty Reporting, Bookkeeping, Payroll & Managing Working Capital	4	-	San Diego, CA
Pricing for Profit	2	-	San Diego, CA
Marketing and Advertising	5	-	San Diego, CA
USPS	2	-	San Diego, CA
UPS	2	-	San Diego, CA
FedEx	2	-	San Diego, CA
DHL	1.5	-	San Diego, CA
Shipping Best Practices: Transit Insurance, Claims, Customer Engagement	4	-	San Diego, CA
PostalMate System: POS Shipping Services/Transactions	4	1.5	San Diego, CA

Subject	Hours Of Training		Location
	Classroom	On-the-Job ⁽¹⁾	
PostalMate System: CashMate POS, Accounts Receivable, House Accounts, Inventory Management, & Cash Handling	4	1.5	San Diego, CA
PostalMate System: POS Mailbox Rental and Mailbox Manager	3	1	San Diego, CA
Copy, Printing & Finishing	5	2	San Diego, CA
Packaging	1	4	San Diego, CA
Notary	1	-	San Diego, CA
Other Services: Passports, Keys, Document Shredding, Fingerprinting, etc.	4	-	San Diego, CA
Employee Items	3		San Diego, CA
Training Display Center Overview & Role Playing	0	8	San Diego, CA
Training Evaluation and Final Exam	1.5	-	San Diego, CA
TOTAL	54	18	San Diego, CA
Additional Training for Flex Retail Centers			San Diego, CA
Crating & Advanced Custom Packaging	2	4	San Diego, CA
Additional On-the-Job Training/On-Site Training for Retail Centers⁽¹⁾			Your Center
On-the-job/on-site initial training at your retail center for up to 4 days for new franchisees and 1 day for transfers or existing franchisees.	-	8-36	Your Center

⁽¹⁾ At a time when our personnel are available, we will provide on-site initial training at your retail center for up to 4 days for new franchisees and 1 day for transfers or existing franchisees at no charge to you. At your request, and at a time when our personnel are available, if you require additional training after this initial on-site training, we may require you to pay our daily fee (currently \$300 per person), and our costs for transportation, lodging and meals. Salaries and other charges for our personnel time will be at our expense.

Our regular instructors have from 14 to 35 years of experience with the various subjects and from 3 to 35 years with us. Substitute instructors, franchisees, and approved suppliers (such as Alcott Insurance, FedEx, other carriers, copier suppliers, etc.) also sometimes participate in initial training, to instruct and/or to attend lunch to discuss their products and services. Our regular instructors include:

Instructor	Subjects Taught	Experience with Franchisor	Prior Experience in the Field
Sean P. Hilly, Executive Vice President	Oversees the initial retail training program.	12/91 to present	1989 to 1991 manager of a Mailbox Etc. franchise

Dan Cox, Executive Director of Franchise Services	Supervises and implements the initial retail training program and provides instruction on various operational subjects	3/05 to present	2000 to 2004 owned and operated a PostalAnnex+ standard retail Center franchise
Jeri Beery, Director of Franchise Services	Various operational and crating and advanced packaging subjects	4/16 to present	1996 to 2016 Operations Manager, etc. for PMCA, a company we acquired in 4/2016
Zack Duff, Manager of Franchise Services	Various operational and new Center buildout subjects	8/11 to present	1993 to 2011 Senior Regional Manager and Training Officer, etc. for AFC who we acquired in 8/11
Jim Bloom, Manager of Franchise Services	Various operational and retail sales subjects	2/06 to present	1987 to 1992 worked at a PostalAnnex+ standard retail Center franchise owned by his parent to the present date. 1999 to 2005 retail sales and management for electronics retailer.
TanaSue Carpenter, Chief Financial Officer, CPA	Accounting subjects	6/12 to present	1990 to 2001 various positions in a quick-service franchise restaurant system including Training Manager and Area Manager. 2001 to 2012 various accounting positions at a real estate development firm.
Michelle McKee, Vice President of Marketing	Marketing and advertising subjects	10/20 to present	2001 to 2020 various marketing positions including marketing accounting, analysis, product and brand development, marketing strategies, development of training and operational materials for various restaurant franchise systems, companies and an in-house marketing agency, including Director of Marketing & Communications, Marketing Manager, Marketing Accounting and Analysis Specialist, etc.
Liz Hoyt, Senior Marketing Manager	Marketing and advertising subjects	11/21 to present	2011 to 2022 various marketing positions within advertising agencies, higher education, tech startups and mid-size companies providing B2B and B2C marketing strategy, marketing budget management, brand development, social media and digital marketing management, paid media management, public relations and project management.

Our instructional materials consist of our operating manuals, our training manual, our integrated franchise marketing program, our brand style guide, software manuals and various handouts.

The hours devoted to each subject are estimates only and may vary substantially (up to 5 hours) based on how quickly you grasp the material, your prior experience with the subject, size of the training class, and scheduling.

Currently, initial training for standard, express and flex retail centers will typically last for 8 classroom days, 9 hours per day, with up to 1 additional 6-hour day for flex retail centers. We may give you pre-training materials and workbooks before initial training. We, typically, depending on enrollment, schedule initial training monthly (except in December). We may provide an online training program before you and/or your personnel attend the initial training class that may reduce the number of classroom days for initial training. You also must attend and successfully complete any pre-training preparation and post-training follow-up sessions, which may include, but are not limited to, teleconferences, online web-based training, and live webcast sessions. Currently, we have an online financial training portal that includes 14 courses in which you must complete at least the initial 2 courses before attending initial training, with the remainder of the courses to be completed during training or within 6 months after you (i) open your retail center, (ii) assume operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center. Course completion requirements are subject to change in our sole discretion. We may choose, in our sole discretion, to shorten training based on certain circumstances, such as attendees' prior experience with the subject matter, the number of attendees, scheduling, etc. We may choose to eliminate initial training for persons previously trained or with comparable experience.

Initial training generally concludes from 0 to 4 months before the projected opening of your retail center.

You (or, if you are a legal entity, 1 of your principals) and/or your designated personnel (not to total more than 4 persons) must successfully complete initial training to our satisfaction.

There is no fee to attend initial training, unless you are a new franchisee who is converting an existing business to a franchised business, or you are acquiring an existing franchised business (see Item 5). However, you must pay transportation, lodging and meal expenses, wages and employee benefits for yourself and your personnel.

If you are acquiring an existing retail center, you will attend and complete all phases of initial training at the next scheduled time before acquiring or assuming operational responsibility for the business. If we authorize you to attend initial training after acquiring or assuming operational responsibility for the retail center, you must attend initial training within about 90 days after acquiring or assuming operational responsibility for the business. You must pay us a non-refundable training and processing fee. See Item 5.

We may require any of your principals or personnel who become actively involved in the management of your retail center to successfully complete any training programs we require. You (or your managing shareholder or partner) and/or any previously trained managers must attend any refresher courses at locations that we designate. We may charge a registration or other fee. We also may offer optional training programs. You must pay transportation, lodging and meal expenses, wages and employee benefits incurred for yourself and your personnel for required refresher courses and optional training programs.

We may organize national conventions for franchisees. National conventions may occur about every 10 to 18 months. You and/or your designated personnel must attend the full program of, and must stay at the designated hotel of, each national convention. We will pay your national convention registration fee for up to 2 people for the 1st national convention after you open your retail center, assume the operation of an existing retail center by transfer, or convert an existing business to a retail center, if you are a new franchisee. For the 1st national convention, you must pay us the national convention hotel fee for 1 room, and you must pay for any additional rooms. If your accrued national convention participation deposits are not sufficient to cover the national convention registration fee or the national convention hotel fee, we have the right to debit your bank account for the difference. You will be responsible for travel expenses, incidental expenses, and additional lodging that is not covered by the registration fee or the hotel fee for you and/or your personnel. After the 1st national convention, you must pay us a per-person national convention registration fee (see Item 6) and a national conventional hotel fee for 1 room (see Item 6) to attend each national convention. Currently, beginning after you (i) open your retail center, (ii) assume the operation of an existing retail center by transfer, or (iii) convert an existing business to a retail center, we will collect from you national convention participation deposits of \$25 per week each Tuesday, after the close of business, for the week ending the previous Saturday, by automatic draft from your designated bank account. These deposits will first be applied towards the registration fee and the hotel fee for the next national convention. If your accrued national convention participation deposits are not sufficient to cover these fees, we have the right to debit your bank account for the difference. If you and/or your personnel attend the full program of, and stay at the designated hotel of, the national convention, any remaining national convention participation deposits will roll over for the following national convention unless, subject to our approval and in our sole discretion, we authorize these deposits to be applied to or reimbursed for other expenses associated with the national convention, including you and/or your personnel's travel, incidental expenses, and additional lodging expenses. If you and/or your personnel fail to attend the full program of, or fail to stay at the designated hotel of, the national convention, these deposits will be forfeited to us as of the closing date of the national convention. If you are acquiring an existing retail center from a selling franchisee (transfer), we will transfer any of the selling franchisee's accrued national convention participation deposits as of the transfer closing date to your account. The selling franchisee may negotiate with you that this amount be reimbursed to selling franchisee by you through the Escrow Agent (see Item 6, Note 10) at the closing as an adjustment to the sales price. Any national convention participation deposits will be forfeited on expiration, termination, or non-renewal of the franchise, and/or closure of the retail center.

We also may organize periodic regional meetings. You and/or your designated personnel must attend any regional meetings in your geographic area. Currently, there are no registration fees for regional meetings, but we may charge a fee in the future, estimated to be a proportionate share of our out-of-pocket costs for hosting the meeting. You must pay for transportation, lodging and meal expenses, wages and employee benefits incurred for yourself and your personnel. If there is a regional licensee with responsibility for the geographic area where your retail center is located, it may provide some or all training or instruction to you, either personally or through its personnel.

Site Selection

We must approve the site for your retail center. We approve or disapprove a site within 30 days after you propose it, based on factors such as population density, demographics, competition from other businesses, the nature of other businesses in proximity to the site, commercial

characteristics, visibility, accessibility, size, appearance and other physical characteristics that determine the suitability of the site. We will assist you in selecting a site, subject to availability of personnel and at your request. We may, but are not obligated to, inspect a proposed site. If we inspect a proposed site, we will not charge you. If we disapprove a proposed site, you must locate another site for your retail center.

Opening of Franchised Business

You must open your retail center within 365 days after you sign the franchise agreement. Franchisees typically open their businesses 3 to 9 months after their franchise agreements are signed. Factors that may affect this time period include location of an approved site, ability to obtain financing, zoning and environmental permits, construction delays (weather, labor, materials), delivery and installation of equipment and signs, and whether or not you purchase a business that is already operating. If you do not open your retail center within 365 days after you sign the franchise agreement, we may terminate the franchise. If we terminate the franchise after you begin initial training, we will not refund the initial franchise fee. If we terminate the franchise before you begin initial training, and if we determine that you are entitled to a refund, we may refund the initial franchise fee, less \$8,000 to compensate us for services to you to that point (including site evaluation and selection, Center layout, travel and living expenses, compensation to our employees and agents, legal fees and related expenses, and other pre-opening supervision and advice), and less any actual out-of-pocket expenses, including any broker referral fees that we may have been required to pay in connection with your execution of the franchise agreement. If you decide to purchase an existing franchised business instead of opening a new franchised business after you sign the franchise agreement, we will not refund any of the initial franchise fee, whether or not we terminate the franchise.

Item 12

TERRITORY

Your retail center will receive a protected area. If you remain in compliance with the franchise agreement, we will not license another retail center or establish a company-owned retail center of the same type designated on Attachment 3 within your protected area. In addition, your retail center may be located within the protected territory of a Commercial Logistics Center, and a Commercial Logistics Center, or a residential and commercial moving business operated under another Mark, may be located within your protected area if you operate a standard or flex retail center (see our Commercial Logistics Center Franchise Disclosure Document for more information). In addition, we may periodically acquire an entity or a portion of its assets (i.e., franchise agreements, contracts, licenses, etc.), or we or a portion of our assets (i.e., franchise agreements, contracts, licenses, etc.) may be acquired by an entity, where such entity or assets, owns, operates or licenses businesses that offer the same or similar products and services as your retail center offers. The location or operation of such entities, assets or businesses (franchised or otherwise) within your protected area will not violate the franchise agreement.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We grant you the right to operate 1 retail center at a mutually agreed on location designated on Attachment 3 to the franchise agreement. Generally, when you sign a lease for the premises of

your retail center, we will determine your protected area according to the following factors: 1) location; 2) population; 3) proximity to similar businesses; 4) number of other businesses providing the same or similar services; 5) demography of the area; 6) growth potential; and 7) market trends. The following standards for each type of retail center applies:

If you operate a standard retail center or flex retail center, the protected area will be the geographic area within a ½-mile radius of the standard or flex retail center.

If you operate an express retail center, the protected area will be the facility in which the retail center is located.

Your protected area may be amended only by mutual written agreement among you, us and any regional licensee for your area.

As noted in Item 1, we acquired Pak Mail Centers of America, Inc. on April 20, 2016. The acquired franchisees may continue to operate businesses similar to our retail centers and commercial centers under the Pak Mail trade names in their existing territories. We acquired substantially all of the franchise assets and programs of EAGLE on October 31, 2014. The acquired franchisees may continue to operate retail centers under the Parcel Plus trade names in their existing territories. We acquired substantially all of the franchise assets and programs of Amailcenter Franchise Corporation ("AFC") in August 2011. The acquired franchisees may continue to operate retail centers under the AIM Mail Centers trade names in their existing territories. We acquired substantially all of the franchise assets and programs of Navis Logistics Management, Inc. ("NLM") in January 2011. The acquired franchisees may continue to operate Commercial Logistics Centers under the Navis Pack & Ship trade names in their existing territories (see our Commercial Logistics Center Franchise Disclosure Document for more information). We also acquired substantially all of the franchise assets of The Packaging Store, Inc. ("PSI") in September 2007. The acquired franchisees may continue to operate retail centers and Commercial Logistics Centers under the Handle With Care Packaging Store trade names in their existing territories. Also as noted in Item 1, we acquired substantially all of the franchise assets of Sunshine Pack & Ship USA Corp. ("Sunshine") in September 2006. The acquired franchisees and area developers may continue to operate their retail centers under the Sunshine Pack & Ship trade names in their existing territories. We are continuing to offer PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail Centers, Parcel Plus, Handle With Care Packaging Store and Sunshine Pack & Ship retail center franchises, and Navis Pack & Ship Handle With Care Packaging Store, and Pak Mail Freight Commercial Logistics Center franchises. We provide training to retail franchisees and other support to all of the franchises from our San Diego headquarters office, and we provide additional support to franchisees from our Denver Logistics Center.

We plan to acquire additional franchise assets and programs related to retail centers and commercial logistics centers operating under different trademarks.

All retail centers and Commercial Logistics Centers, subject to any restrictions in their own franchise agreements, may solicit and service clients and otherwise advertise and offer their respective products and services to any individuals or entities regardless of those individuals' or entities' geographic locations, including any locations within your protected area (see our Commercial Logistics Center Franchise Disclosure Document for more information).

We may solicit and service clients nationwide on our website. If we make website sales to clients located within your protected area, we may pay you a commission (typically from 10% to 50%).

We or an affiliate also may choose to periodically offer you franchisor customer referrals, which may include business accounts, national accounts, work orders for products or services, and other fulfillment business. Our current policy is to offer you the opportunity to service a franchisor customer referral for a specific fee, which is less than the price at which we sell the business to the customer. If you are willing and able to service a franchisor customer referral within your protected area in the manner and timeframe specified, and for the price we have quoted you, you may accept the franchisor customer referral and perform the work according to specifications agreed to in advance. If you are not in compliance with the franchise agreement or any other agreement with us or any of our affiliates, if you refuse a franchisor customer referral, or if we reasonably believe that you are unable to service a franchisor customer referral, we may service the franchisor customer referral directly, or through another retail center or Commercial Logistics Center, an affiliated business, or a 3rd party.

The continued rights to your protected area are not dependent on the achievement of a certain sales volume, market penetration or other contingency.

As a franchisee, you will not receive the automatic right to acquire additional franchised businesses in additional protected areas (see Item 5).

Item 13

TRADEMARKS

We grant you the non-exclusive right and obligation to use the trademarks, service marks, trade names, logos, trade dresses and other commercial symbols that we make available to you ("Marks"). The Marks that you are authorized to use will be those associated with the brand designated on Attachment 3 to the franchise agreement, and those specified by us in our Manuals (including the Integrated Franchise Marketing Program Manual), in writing or otherwise.

You may not use any Mark, or any confusingly similar name, as part of your corporate, partnership, firm or other formal business name, website address, domain name, email address or other identification in any print, digital, electronic or other medium, including email marketing programs, social media platforms, online directory listings, other networking platforms and other comparable electronic identities, unless we give you our prior written consent (see Section 5 and Attachment 8 to the franchise agreement). You may not use any Mark for the sale of unauthorized products and services, or in any manner we have not authorized in writing. All rights to, and ownership of, any goodwill created by, the use of each Mark accrues solely to us.

Federal Registrations

We own the following Marks that are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Description of Mark	Registration Number	Registration Date
Pak Mail & design	1,372,934	November 26, 1985
Parcel Plus & design	1,492,544	June 14, 1988

Description of Mark	Registration Number	Registration Date
AIM Mail Centers	1,590,307	April 3, 1990
Pak Mail	1,626,262	December 4, 1990
PostalAnnex+	1,649,714	July 2, 1991
PostalAnnex+	1,650,995	July 16, 1991
Your Home Office	1,650,996	July 16, 1991
Your Home Office	1,651,043	July 16, 1991
Your Home Office	1,652,626	July 30, 1991
PostalAnnex+	1,672,118	January 14, 1992
PA+ & design	2,015,762	November 12, 1996
AIM Mail Centers & design	2,098,859	September 23, 1997
Creating Time for a Busy World	2,261,071	July 13, 1999
PA+ Express Business Center	2,261,072	July 13, 1999
PA+ & design	2,261,073	July 13, 1999
PostalAnnex+ Express Business Center	2,263,056	July 20, 1999
Pak Mail & design	2,354,931	June 6, 2000
Today's To-Do's...Done	2,479,989	August 21, 2001
Sunshine Pack & Ship	2,564,236	April 23, 2002
Navis	2,613,525	August 27, 2002
AIM-azing	2,691,983	March 4, 2003
Parcel Plus	2,843,429	May 18, 2004
Pak Mail You've Got Choices! & design	2,939,507	April 12, 2005
Pak Mail We Ship Anything Anywhere & design	2,939,508	April 12, 2005
Handle With Care Packaging Store the Packaging & Shipping Experts & design	3,156,162	October 17, 2006
NavisConnect	3,166,016	October 31, 2006
AIM Mail	3,432,826	May 20, 2008
Sunshine Global Logistics & design	3,448,009	June 17, 2008
PA+ Logistics	3,448,010	June 17, 2008
PostalAnnex+ Logistics	3,448,012	June 17, 2008
PA+ Moving	3,448,013	June 17, 2008
PostalAnnex+ Moving	3,448,014	June 17, 2008
PA+ Pack & Ship	3,448,015	June 17, 2008
FLAV	3,448,210	June 17, 2008
Annex Brands	3,515,571	October 14, 2008
Annex Brands & design	3,515,574	October 14, 2008
PostalAnnex+	3,557,385	January 6, 2009
PostalAnnex+ Pack & Ship	3,614,371	May 5, 2009
Handle With Care Packaging Store	3,621,432	May 19, 2009
Handle With Care Packaging Store & design	3,625,226	May 26, 2009
N Navis Pack & Ship & design	3,755,329	March 2, 2010
Annex Copy Center	4,378,850	August 6, 2013

Description of Mark	Registration Number	Registration Date
ABCConnect	4,450,520	December 17, 2013
Pak Mail Pack It Ship It Crate It Freight It & design	4,542,225	June 3, 2014
PostalAnnex	4,922,385	March 22, 2016
PostalAnnex & design	4,922,380	March 22, 2016
PostalAnnex Business Center	4,922,381	March 22, 2016
PostalAnnex Business Center & design	4,922,378	March 22, 2016
PostalAnnex Your Home Office	4,922,383	March 22, 2016
PostalAnnex Your Home Office & Design	4,922,379	March 22, 2016
Pak Mail Freight Your Leader in Logistics Solutions & design	5,751,615	May 14, 2019
NLS	6,041,434	April 28, 2020
TrustNLS	6,041,435	April 28, 2020
N Navis Pack & Ship & design	6,162,790	September 29, 2020
National Logistics Services & design	6,192,754	November 10, 2020
National Logistics Services A Division Of Annex Brands, Inc.	6,192,755	November 10, 2020
National Logistics Services A Division Of Annex Brands, Inc. & design	6,192,756	November 10, 2020
FLAV The Fragile, Large, Awkward, Valuable Specialists	6,635,398	February 8, 2022

We also own the following state trademark, acquired from PSI:

State	Description of Mark	Registration Number	Registration Date
CO	Packaging Store	19851025806	March 12, 1984

We also own the following foreign trademark registrations in the countries indicated:

Country	Description of Mark	Registration Number	Registration Date
Australia	Pak Mail & design	744434	September 19, 1997
Australia*	PostalAnnex+	1279029	June 23, 2008
Benelux	Pak Mail	603033	September 1, 1997
Canada	Navis	TMA 622,434	October 14, 2004
Canada	NavisConnect	TMA 799,849	June 13, 2011
Canada	FLAV the Fragile, Large, Awkward Valuable Specialists & design	TMA 801,173	June 30, 2011
Canada	Navis Pack & Ship & design	TMA 811, 684	November 14, 2011
Canada	Handle With Care Packaging Store & Design	TMA 1,208,409	November 10, 2023
Canada	Parcel Plus & Design	TMA 1,202,697	October 11, 2023
China*	PostalAnnex+	986972	June 23, 2008

Country	Description of Mark	Registration Number	Registration Date
European Union	Pak Mail	514026	February 11, 2000
Germany	Pak Mail	398070962	April 15, 1998
Hong Kong	PostalAnnex+	301142766	June 18, 2008
India	PostalAnnex+	1721332	August 13, 2008
Japan*	PostalAnnex+	986972	June 23, 2008
Japan	Pak Mail & design	4263799	April 16, 1999
Mexico	PostalAnnex+	412,570	May 7, 1992
Mexico	Pak Mail	425,613	November 17, 1992
Mexico	Pak Mail & design	430,803	February 4, 1993
Mexico	Pak Mail & design	460,988	May 18, 1994
Mexico	Pak Mail & design	460,987	May 18, 1994
New Zealand	Pak Mail & design	281366	May 20, 1999
New Zealand	Pak Mail & design	281367	May 20, 1999
Republic of Korea (South)*	PostalAnnex+	986972	June 23, 2008
Singapore*	PostalAnnex+	T08 180781	June 23, 2008
Spain	Pak Mail & design	M2252680	January 30, 2004
Taiwan	PostalAnnex+	1393427	January 1, 2010
United Kingdom	Pak Mail	UK00002134422	January 28, 2000

* Madrid Protocol, USPTO Reference No. A0012892 – Registration No. 986972.

We have filed, and intend to continue to file, all required renewal applications and affidavits for the Marks in the U.S. and in selected foreign countries.

Determinations and Agreements

There are no currently effective material determinations of the USPTO, any Trademark Trial and Appeal Board, any state trademark administrator or any court, nor are there any pending interference, infringement, opposition or cancellation proceedings or litigation, involving any Mark in any manner that is material to the franchised business. There are no decided infringement, cancellation or opposition proceedings in which we unsuccessfully fought to prevent registration of someone else's trademark in order to protect our Marks.

There are no currently effective agreements that significantly limit our rights to use and license the Marks in any manner that is material to the franchised business.

Protection of Rights

We will control any administrative proceedings or litigation involving the Marks. You must notify us promptly if you learn of any use by any person or legal entity, other than us or our franchisees, of any Mark or any variation of any Mark. We will decide whether and how to take action against the unauthorized use of any Mark. Our current intent is to take strong and progressive

actions (which may include bringing litigation) against that use. However, the franchise agreement does not require us to take affirmative action when we are notified of any uses or claims. Any action that we take will be in our sole discretion and expense.

You must notify us promptly of any litigation brought against you involving any Mark, and you must deliver to us copies of any documents concerning the litigation that we request. We will decide whether to settle or defend any trademark litigation brought against you. If we decide to take action, we will do so at our expense, but you must cooperate with us. If the defense does not involve issues concerning the operation of your retail center, we will reimburse you for your out-of-pocket costs. If we decide not to defend or settle any trademark litigation brought against you, you must defend or settle the litigation at your own expense.

We will indemnify you to the extent that litigation involves defending against infringement or unfair competition if you are using the Marks in compliance with the franchise agreement and our Manuals and other materials and business manuals, and if you give us notice of the claim within 30 days of learning of it.

We may acquire or develop additional Marks, use them, make them available for use by you and/or other franchisees, and/or make them available for use by other persons or entities, in our sole discretion.

We may modify or substitute any Mark in our sole discretion. You must comply with any such modification or substitution at your expense. You must use and display at your retail center, on stationery and other written or graphic materials, notices in forms we approve, stating that you are a franchisee using the Marks under a franchise agreement. You may not directly or indirectly contest our rights in any Mark.

Co-Branding

Notwithstanding other provisions in the franchise agreement, we reserve the right to establish relationships, partnerships, joint ventures, and other strategic alliances (collectively, "programs") with suppliers, retailers, service providers, and other franchise or distribution companies (collectively, "companies"), in which the products or services of those companies will be co-marketed with our products and services, which may entail the promotion of the "brands" of those companies' products and services and the license of those companies' marks. If we establish any programs of this type, you must participate in accordance with guidelines and requirements that we establish, including the execution of separate licensing and distribution agreements in forms we specify, and the payment of reasonable fees related to the programs that may be in addition to royalty fees and marketing fees (Franchise Agreement, Subsection 9.K).

Superior Prior Rights and Infringing Uses

We do not know of any superior prior rights that could materially affect your use of any Mark. We do not know of any infringing uses that could materially affect your use of any Mark.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents are material to the franchise.

Copyrights

We have not registered any copyrights with the United States Copyright Office (Library of Congress), but various marketing, sales, training, management and advertising materials we have created are and will be protected under the U.S. Copyright Act, whether or not registrations have been obtained. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of operating and promoting your retail center. On December 18, 2007, our affiliate, PMCA, registered a copyright for advertising material titled "We Expertly Handle Every Detail," which was first published on September 22, 2003 (registration no. VA 1-647-047). The duration of the copyright is 95 years from the date of first publication, without further renewal rights. On July 24, 2019, a copyright for our proprietary software, ABCConnect, was registered with the United States Copyright Office, Library of Congress (Registration No. TX0008786471).

There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

There are no agreements currently in effect that significantly limit our right to use or license the use of our copyrighted materials in any manner material to the franchise. We do not know of any infringing uses of our copyrighted materials that could materially affect your use of those materials, and all of the provisions in Item 13 under the heading "Protection of Rights" also apply to copyrighted materials; provided, however, that you must modify or discontinue use of any subject matter covered by a copyright if directed by us.

Proprietary Information

We lend you our Manuals, which are proprietary and copyrighted, and which contain both mandatory standards, specifications, policies and procedures (sometimes referenced as "standards and specifications"), and non-mandatory guidelines and recommendations, for the development and operation of your retail center. Our Manuals, and other materials we provide to you, contain confidential information, including: (1) information regarding techniques, technology, software, systems and knowledge used in the development and operation of PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store, and Sunshine Pack & Ship retail centers; (2) information regarding the suppliers of, and the products and services used and offered by, PostalAnnex, PostalAnnex+, Pak Mail, AIM Mail, Parcel Plus, Handle With Care Packaging Store and Sunshine Pack & Ship retail centers; and (3) information regarding customers, including statistical information. Item 11 describes our Manuals and the manner in which you are permitted to use them. All documents and information provided to you, including the information in our Manuals, are for your exclusive use during the term of the franchise, are intended to remain confidential after the term of the franchise, and may not be reproduced, loaned or shown to any person outside the System.

You must have each employee and independent contractor sign an agreement before you grant him, her or them access to our Manuals or any other proprietary and confidential information, by which he, she or they agrees to the confidentiality of the System, agrees not to use any information about the System for his, her or their own benefit without an appropriate license, and

agrees not to compete in certain respects with your retail center and other franchisees' businesses (see Exhibit G of this disclosure document).

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

We strongly believe that the success of your retail center will depend to a large extent on your personal and continued efforts, supervision and attention. Unless we permit otherwise in writing, you (or a principal of any legal entity that owns your retail center) or an equivalently trained manager must personally devote full time, energy and best efforts to the management and operation of your retail center. You (or a principal of any legal entity that owns your retail center) and/or any manager of your retail center must successfully complete initial training (see Item 11).

You (or a principal of any legal entity that owns your retail center) also must sign the Non-Competition and Non-Solicitation Agreement (Attachment 11 of the franchise agreement).

If you are a legal entity, each shareholder, member, principal officer or partner must personally guarantee your obligations under the franchise agreement and all other agreements signed between you and us or any of our affiliates, and also must agree to be personally bound by, and personally liable for breach of the franchise agreement. This personal guarantee is included as Attachment 2 to the franchise agreement.

In addition, if you are a legal entity, a trained manager who you designate must personally manage your retail center at all times. The initial manager must successfully complete initial training and any other seminars, refresher courses or any training programs that we may require.

Item 16

RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You must sell only products and services that we have approved or authorized. At no time may you sell prohibited or unapproved products or services.

We may change the types of products and services that we approve or authorize, so long as the products and services are compatible with the System. There are no other limits on our right to make these changes.

You must use your retail center solely for that purpose, must keep the business open and in normal operation for the minimum hours and days we specify or approve in writing, and must refrain from using or permitting the use of the business for any other purpose or activity at any time without our prior written consent. You are not restricted as to the customers to whom you may offer products and services.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise agreement and related agreements that pertain to the franchise relationship. You should read these provisions in the agreements in Exhibit B to this disclosure document.

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	2.A	20 years.
(b) Renewal or extension of the term	14.A	An additional 20-year term.
(c) Requirements for you to renew or extend	14.A to C	<p>Substantially comply with franchise agreement and all other agreements with us or our affiliates; notify us of intent to renew 6-12 months before 20-year anniversary of execution of franchise agreement; show evidence of right to possess site, or secure approved substitute site; fully comply with specifications and standards for franchised businesses; sign general release; sign then-current franchise agreement and related agreements; pay renewal fee.</p> <p>At the expiration of the term, if you seek to renew your franchise, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.</p>
(d) Termination by you	Not applicable	Subject to state law.
(e) Termination by us without cause	Not applicable	We cannot terminate your franchise without cause.
(f) Termination by us with cause	3.A, 14.D and 15	We may terminate your franchise only if you default.
(g) "Cause" defined-curable defaults	15.B	You fail to pay required sums when due to us or our affiliates and do not cure within 10 days after notice; you fail to comply with franchise agreement, manuals, operating procedures, standards or specifications and do not cure within 30 days after notice; you fail to operate the franchise for 5 consecutive business days and do not cure within 7 days after notice.
(h) "Cause" defined- non-curable defaults	3.A, 14.D and 15.A	On notice: You fail to open your franchise within 365 days after signing the franchise agreement; you do not locate an acceptable site within 365 days after signing the franchise agreement (3.A); you fail to give notice of non-renewal or to satisfy renewal conditions (14.D); you intentionally make material misrepresentations or omissions in your application for the franchise; you are convicted or plead no contest to a felony or crime that may adversely affect your reputation or your franchise's reputation; you make unauthorized use or disclosure of our confidential information; you surrender or transfer control of your franchise in violation of the franchise agreement; you underreport Gross Receipts by 5% at least 3 times; you make unauthorized use of any Mark; your lease or sub-lease is terminated; you fail to complete initial training; or you receive 3 notices of default in a 12-month period (15.A).

Provision	Section in Franchise Agreement	Summary
(i) Your obligations after transfer, expiration, termination or non-renewal	16 and Attachment 11	After transfer (as applicable), expiration, termination or non-renewal: you must pay sums owed us within 10 days; cease using our Marks; remove signs and other materials with our Marks; de-identify; alter appearance of franchised business, comply with post-term non-competition and non-interference covenants; transfer to us all telephone and fax numbers, classified or other telephone and fax directory listings, email addresses, domain names, email marketing programs, social media platforms, online directory listings, other networking platform listings, or other comparable electronic identities, that are associated with our Marks or related to your retail center; cancel fictitious name registrations; return our Manuals; cease use of our confidential information; on our request, furnish to us a copy of center's sales history and customer database for the most recent 2-year period (or shorter if applicable); permit us to enter, operate and attempt to sell your retail center, if we elect. If you do not comply, you also must pay our expenses in enforcing our rights.
(j) Assignment of agreement by us	13.A	There is no restriction on our right to assign.
(k) "Transfer" by you – defined	13.B	Sell, assign or transfer, voluntarily or involuntarily, directly or indirectly, any interest in the franchise agreement, you (if you are a corporation or partnership), the business, or the assets of the business that are not assets purchased for resale.
(l) Our approval of transfer by you	13.C	We must approve all transfers, but our consent will not be unreasonably withheld.
(m) Conditions for our approval of transfer	13.C to G	<u>We</u> : do not exercise our right of first refusal; <u>Selling franchisee</u> : satisfies all monetary obligations; are in compliance with franchise agreement and all other agreements with us or our affiliates; get lessor's consent to assignment or sublease; sign general release; sign non-compete agreement; give notice of assignment; give notice of offers to purchase and offers to sell; <u>Transferee</u> : meet our standards; sign then-current franchise agreement and related agreements; pay non-refundable training and processing fee; pay new center/new owner marketing program deposit; pay any software license transfer fees and obtain required software programs and licenses; complete initial training; <u>Selling franchisee and/or transferee</u> : remodel business, add or delete equipment, change signage and other requirements to current standards, pay then-current transfer fee, use the service of an escrow agent, pay escrow fees to escrow agent, and provide copies of escrow information and executed instructions to us.

Provision	Section in Franchise Agreement	Summary
(n) Our right of first refusal to acquire your business	13.H	Provide us with copy of written offer; we notify you of our intent to purchase on terms within 30 days.
(o) Our option to purchase your business	Not applicable	Not applicable
(p) Your death or disability	9.H and 13.D	Franchised business must be transferred to approved person within 6 months; we may operate the business.
(q) Non-competition covenants during the term of the franchise	9.H, 16.D and Attachment 11	Cannot divert customers or have any interest in a competitive business.
(r) Non-competition covenants after transfer, or after the franchise expires, terminates or is not renewed	13.C, 16.D and Attachment 11	Cannot divert customers or have any interest in a competitive business within 5-mile radius of franchised business or any of our other franchised businesses for continuous 2-year period.
(s) Modification of the agreement	17.I	Parties must agree in writing.
(t) Integration/merger clause	17.I	Only terms of the franchise agreement, including its attachments, are binding (subject to state law). Any representations or promises outside of this disclosure document and the franchise agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	17.H	All disputes, except disputes involving trademark claims or claims for injunctive relief, must be arbitrated.
(v) Choice of forum	17.H	San Diego, California (subject to state law).
(w) Choice of law	17.H	California law applies, except the law of the state where your retail center is located will apply to your obligations under Subsection 16.D of the franchise agreement (subject to state law).

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Fiscal Year Ended September 30, 2023

CHART 1	
ANNUAL GROSS SALES, FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023, OF POSTALANNEX/POSTALANNEX+ FRANCHISED RETAIL CENTERS IN OPERATION 12 MONTHS OR MORE AS OF SEPTEMBER 30, 2023	
ALL FRANCHISED	
NO. OF CENTERS:	294
AVERAGE ANNUAL GROSS SALES:	\$388,000
RANGE OF ANNUAL GROSS SALES:	\$1,530,300 to \$43,000
MEDIAN ANNUAL GROSS SALES:	\$355,000
UPPER 50% FRANCHISED	
NO. OF CENTERS:	147
AVERAGE ANNUAL GROSS SALES:	\$537,000
RANGE OF ANNUAL GROSS SALES:	\$1,530,300 to \$357,000
MEDIAN ANNUAL GROSS SALES:	\$503,000
LOWER 50% FRANCHISED	
NO. OF CENTERS:	147
AVERAGE ANNUAL GROSS SALES:	\$239,000
RANGE OF ANNUAL GROSS SALES:	\$353,000 to \$43,000
MEDIAN ANNUAL GROSS SALES:	\$246,000

Chart 1 Explanatory Note:

As of September 30, 2023, there were 315 PostalAnnex/PostalAnnex+ franchised centers in operation. The averages, ranges and medians above are based on the actual Gross Sales, for the fiscal year ended September 30, 2023, of the 294 PostalAnnex/PostalAnnex+ franchised centers that had been in operation 12 months or more as of September 30, 2023 (14 franchised centers were excluded for this reason), and that had represented the principal operating activity at their business locations (7 express centers were excluded for this reason). 61, or 42%, of the 147 franchised centers

in the upper 50% of annual Gross Sales met or exceeded the average annual Gross Sales figure of \$537,000; 81, or 55%, of the 147 franchised centers in the lower 50% of annual Gross Sales met or exceeded the average annual Gross Sales figure of \$239,000; and 129, or 44%, of all 294 of these franchised centers met or exceeded the average annual Gross Sales figure of \$388,000. In our fiscal year ended September 30, 2023, 5 PostalAnnex/PostalAnnex+ franchised centers ceased operations, 0 after being terminated and 5 for other reasons.

CHART 2	
ANNUAL GROSS SALES, FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023, OF POSTALANNEX/POSTALANNEX+, PAK MAIL, AIM MAIL, PARCEL PLUS, HANDLE WITH CARE PACKAGING STORE, AND SUNSHINE PACK & SHIP FRANCHISED RETAIL CENTERS IN OPERATION 12 MONTHS OR MORE AS OF SEPTEMBER 30, 2023	
ALL FRANCHISED	
NO. OF CENTERS:	532
AVERAGE ANNUAL GROSS SALES:	\$382,000
RANGE OF ANNUAL GROSS SALES:	\$1,530,300 to \$43,000
MEDIAN ANNUAL GROSS SALES:	\$342,000
UPPER 50% FRANCHISED	
NO. OF CENTERS:	266
AVERAGE ANNUAL GROSS SALES:	\$534,000
RANGE OF ANNUAL GROSS SALES:	\$1,530,300 to \$343,000
MEDIAN ANNUAL GROSS SALES:	\$473,000
LOWER 50% FRANCHISED	
NO. OF CENTERS:	266
AVERAGE ANNUAL GROSS SALES:	\$230,000
RANGE OF ANNUAL GROSS SALES:	\$342,000 to \$43,000
MEDIAN ANNUAL GROSS SALES:	\$241,000

Chart 2 Explanatory Note:

As of September 30, 2023, 315 PostalAnnex/PostalAnnex+ franchised centers, 176 Pak Mail franchised centers, 42 AIM Mail franchised centers, 21 Parcel Plus franchised centers, 8 Handle With Care Packaging Store franchised centers, and 3 Sunshine Pack & Ship franchised centers were in operation, for a total of 565 franchised centers. The averages, ranges and medians above are based on the actual Gross Sales, for the fiscal year ended September 30, 2023, of the 532 franchised centers that had been in operation 12 months or more as of September 30, 2023 (17 franchised centers were excluded for this reason), and that had represented the principal operating activity at their business locations (16 express centers were excluded for this reason). 99, or 37%, of the 266 franchised centers in the upper 50% of annual Gross Sales met or exceeded the average annual Gross Sales figure of \$534,000; 147, or 55%, of the 266 franchised centers in the lower 50% of annual Gross Sales met or exceeded the average annual Gross Sales figure of \$230,000; and 221, or 42%, of all 532 franchised centers met or exceeded the average annual Gross Sales figure of

\$382,000. In our fiscal year ended September 30, 2023, 13 franchised centers ceased operations, 0 after being terminated and 13 for other reasons.

CHART 3	
ANNUAL GROSS SALES, FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023, OF POSTALANNEX/POSTALANNEX+, PAK MAIL, AIM MAIL, PARCEL PLUS, HANDLE WITH CARE PACKAGING STORE, AND SUNSHINE PACK & SHIP FRANCHISED RETAIL CENTERS IN OPERATION 12 MONTHS OR MORE AS OF SEPTEMBER 30, 2023, AND THAT ATTENDED THE 2023 NATIONAL CONVENTION	
ALL FRANCHISED	
NO. OF CENTERS:	300
AVERAGE ANNUAL GROSS SALES:	\$426,000
RANGE OF ANNUAL GROSS SALES:	\$1,530,300 to \$69,000
MEDIAN ANNUAL GROSS SALES:	\$374,000
UPPER 50% FRANCHISED	
NO. OF CENTERS:	150
AVERAGE ANNUAL GROSS SALES:	\$595,000
RANGE OF ANNUAL GROSS SALES:	\$1,530,300 to \$375,000
MEDIAN ANNUAL GROSS SALES:	\$534,000
LOWER 50% FRANCHISED	
NO. OF CENTERS:	150
AVERAGE ANNUAL GROSS SALES:	\$257,000
RANGE OF ANNUAL GROSS SALES:	\$374,000 to \$69,000
MEDIAN ANNUAL GROSS SALES:	\$280,000

Chart 3 Explanatory Note:

As of September 30, 2023, 315 PostalAnnex/PostalAnnex+ franchised centers, 176 Pak Mail franchised centers, 42 AIM Mail franchised centers, 21 Parcel Plus franchised centers, 8 Handle With Care Packaging Store franchised centers, and 3 Sunshine Pack & Ship franchised centers were in operation, for a total of 565 franchised centers. The averages, ranges and medians above are based on the actual Gross Sales, for the fiscal year ended September 30, 2023, of the 300 franchised centers that had been in operation 12 months or more as of September 30, 2023 (17 franchised centers were excluded for this reason), that had represented the principal operating activity at their business locations (16 express centers were excluded for this reason), and that attended the 2023 National Convention (232 franchised centers were excluded for this reason). 56, or 37%, of the 150 franchised centers in the upper 50% of annual Gross Sales met or exceeded the average annual Gross Sales figure of \$595,000; 87, or 58%, of the 150 franchised centers in the lower 50% of annual Gross Sales met or exceeded the average annual Gross Sales figure of \$257,000; and 121, or 40%, of all 300 franchised centers met or exceeded the average annual Gross Sales figure of \$426,000. In our fiscal year ended September 30, 2023, 13 franchised centers ceased

operations, 0 after being terminated and 13 for other reasons.

General Explanatory Notes:

1. “Gross Sales” include all revenue for products and services sold to customers, including products and services with higher margins such as shipping services (including ground, next day, freight and custom packaging), faxes, copies and metered postage, and products and services with lower margins such as postage stamps, but exclude: (i) sales, use or service taxes collected and paid to appropriate taxing authorities; (ii) customer refunds and adjustments; (iii) the cost of electronic funds transfers for resale; (iv) the cost of money orders for resale; (v) utility funds collected; (vi) the cost of lottery tickets for resale and phone cards for resale; (vii) the cost of 3rd party truck rental sales; (viii) the cost of eBay sales; and (ix) the cost of ancillary fees paid to the appropriate government agencies to process fingerprinting, LiveScan and passports. Our franchisees pay royalty fees and marketing fees based on Gross Receipts (defined in Item 6), which are calculated by excluding the cost of metered postage and postage stamps from Gross Sales. Both Gross Sales and Gross Receipts include fees and commissions generated from electronic funds transfers, money order sales, utility collections, lottery ticket sales, phone card sales, 3rd party truck rental sales, fingerprinting, LiveScan, passport services, and eBay sales. We reserve the right periodically, in our sole discretion, to add additional exclusions to the list above as new programs, products or services are established, or as changes to existing programs, products or services are established, as specified by us in our Manuals, in writing or otherwise. The mix of postal, printing and copying, packaging and shipping, and business support services offered to the public by each individual center varies at the discretion of each franchisee. The Gross Sales attainable by a franchisee are largely dependent on the type and quality of service offered to the public, and individual sales and marketing efforts.

2. An “average” is calculated by adding the numerical values of all data points in a set and dividing by the number of data points in the set. A “median” is the numerical value of the data point in the middle of all data points in a set. If a set contains an even number of data points, the median is calculated by identifying the 2 data points in the middle of the set, adding their numerical values, and dividing by 2.

3. The Gross Sales figures reported above do not reflect cost of sales, payroll and related expenses, rent, office expenses, amortization, depreciation, income taxes or similar expenses or debt service obligations.

4. We prepared the information above from sales reports submitted by the centers. Those reports are not audited, and we have not undertaken to independently verify the accuracy of the information. However, we know of no instance in which, and have no reason to believe that, any centers overstated their Gross Sales or Gross Receipts in any reports.

5. There are no material differences between the operation of, or the products or services offered by, the centers whose results are reported above, and the franchises we currently offer.

6. We will make written substantiation of the information above available to you on reasonable request. This analysis is intended to be used as a reference when you conduct due diligence before signing our franchise agreement. We recommend that you make your own independent

investigation to determine whether a center may be profitable, and that you consult with legal, accounting and other business advisors before signing our franchise agreement.

Some centers have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Ms. Mary Ann Canup, Senior Vice President of Franchise Compliance, 7580 Metropolitan Drive, Suite 200, San Diego, CA 92108, 800-456-1525, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

ALL RETAIL CENTERS

TABLE NO. 1

ALL RETAIL CENTERS

Systemwide Outlet Summary for 2021 to 2023

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	2021	557	559	+2
	2022	559	562	+3
	2023	562	565	+3
Company-Owned	2021	1	1	0
	2022	1	0	-1
	2023	0	0	0
Total Outlets	2021	558	560	+2
	2022	560	562	+2
	2023	562	565	+3

TABLE NO. 2

ALL RETAIL CENTERS

Transfers of Outlets From Franchisees to New Owners (Other Than Franchisor or an Affiliate) For 2021 to 2023

State	Year	Number Of Transfers
AZ	2021	7
	2022	3
	2023	0
CA	2021	14
	2022	14
	2023	17
CO	2021	1
	2022	1
	2023	2
CT	2021	0
	2022	0
	2023	1
FL	2021	7
	2022	3
	2023	5
GA	2021	2
	2022	0
	2023	1
ID	2021	0
	2022	1
	2023	0
IN	2021	1
	2022	0
	2023	0
MA	2021	0
	2022	1
	2023	0
MD	2021	0
	2022	2
	2023	1
MI	2021	1
	2022	1
	2023	0
NE	2021	1
	2022	0
	2023	0
NC	2021	0

State	Year	Number Of Transfers
	2022	0
	2023	1
OR	2021	4
	2022	2
	2023	2
PA	2021	0
	2022	0
	2023	1
TX	2021	3
	2022	3
	2023	5
VA	2021	0
	2022	1
	2023	0
WA	2021	0
	2022	3
	2023	1
Total	2021	41
	2022	35
	2023	37

TABLE NO. 3

ALL RETAIL CENTERS

Status of Franchised Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
AL	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	1	5
AR	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
AZ	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
CA	2021	240	4	0	0	0	7	237
	2022	237	5	0	0	0	2	240
	2023	240	6	0	0	0	4	242

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
CO	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	1	12
CT	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
DE	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
FL	2021	45	0	0	0	0	2	43
	2022	43	2	0	0	0	1	44
	2023	44	1	0	0	0	0	45
GA	2021	17	0	0	0	0	1	16
	2022	16	2	0	0	0	0	18
	2023	18	2	0	0	0	1	19
ID	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
IL	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
IN	2021	11	0	0	0	0	0	11
	2022	11	0	0	0	0	2	9
	2023	9	0	0	0	0	0	9
IA	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
KY	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
LA	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
MD	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	1	7
MA	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
MI	2021	17	0	0	0	0	1	16
	2022	16	0	0	0	0	0	16
	2023	16	1	0	0	0	0	17
MN	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MS	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	1	3
MT	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
NE	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NC	2021	13	2	0	0	0	0	15
	2022	15	0	0	0	0	0	15
	2023	15	1	0	0	0	1	15
NJ	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
NM	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
NY	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
NV	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
OH	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	1	11
	2023	11	0	0	0	0	0	11
OK	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
OR	2021	19	1	0	0	0	0	20
	2022	20	1	0	0	0	1	20
	2023	20	0	0	0	0	0	20
PA	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
SC	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	1	8
SD	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TN	2021	7	1	0	0	0	1	7
	2022	7	0	0	0	0	0	7
	2023	7	2	0	0	0	0	9
TX	2021	56	2	0	0	0	1	57
	2022	57	2	0	0	0	2	57
	2023	57	1	0	0	0	0	58

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
UT	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
VA	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
WA	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
WI	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
Total	2021	557	15	0	0	0	13	559
	2022	559	13	0	0	0	10	562
	2023	562	15	0	0	0	12	565

TABLE NO. 4

ALL RETAIL CENTERS

**Status of Company-Owned Outlets
For Years 2021 to 2023**

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
FL	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
Total	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0

TABLE NO. 5

ALL RETAIL CENTERS

Projected Openings in Fiscal Year Ending September 30, 2024

State	Franchise Agreements Signed But Outlets Not Opened As Of September 30, 2023	Projected New Franchised Outlets in Fiscal Year Ending September 30, 2024	Projected New Company- Owned Outlets in Fiscal Year Ending September 30, 2024
AK	0	1	0
AL	0	1	0
AR	0	1	0
AZ	1	2	0
CA	8	16	0
CO	1	2	0
DE	1	2	0
FL	2	5	0
GA	2	5	0
ID	0	1	0
IL	0	1	0
IN	0	2	0
MA	1	1	0
MI	1	1	0
MS	0	1	0
MO	1	1	0
MT	0	1	0
NC	1	3	0
NJ	0	1	0
NV	1	2	0
NY	0	3	0
OK	0	1	0
OR	0	1	0
SC	0	1	0
TN	3	4	0
TX	2	5	0
UT	0	1	0
VA	1	2	0
WA	1	2	0
WI	1	2	0
Total	28	72	0

**THE FOLLOWING TABLES PROVIDE INFORMATION, BY RETAIL BRAND, FOR
THE OUTLETS INCLUDED IN THE PRECEDING SUMMARY TABLES**

POSTALANNEX/POSTALANNEX+ RETAIL CENTERS

TABLE NO. 1

POSTALANNEX/POSTALANNEX+ RETAIL CENTERS

Systemwide Outlet Summary for 2021 to 2023

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	2021	292	301	+9
	2022	301	305	+4
	2023	305	315	+10
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	292	301	+9
	2022	301	305	+4
	2023	305	315	+10

TABLE NO. 2

POSTALANNEX/POSTALANNEX+ RETAIL CENTERS

**Transfers of Outlets From Franchisees to New Owners (Other
Than Franchisor or an Affiliate) For 2021 to 2023**

State	Year	Number Of Transfers
CA	2021	9
	2022	9
	2023	12
CO	2021	1
	2022	1
	2023	1
ID	2021	0
	2022	1
	2023	0

State	Year	Number Of Transfers
OR	2021	4
	2022	2
	2023	2
TX	2021	3
	2022	1
	2023	1
WA	2021	0
	2022	2
	2023	0
Total	2021	17
	2022	16
	2023	16

TABLE NO. 3

POSTALANNEX/POSTALANNEX+ RETAIL CENTERS

Status of Franchised Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
AR	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
AZ	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
CA	2021	186	4	0	0	0	4	186
	2022	186	5	0	0	0	2	189
	2023	189	6	0	0	0	4	191
CO	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
FL	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	1	6
	2023	6	1	0	0	0	0	7
GA	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
ID	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
IN	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
KY	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MD	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MI	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
MT	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
NC	2021	12	2	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	1	0	0	0	1	14
NJ	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
NM	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
NY	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NV	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
OH	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
OK	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
OR	2021	16	1	0	0	0	0	17
	2022	17	1	0	0	0	1	17
	2023	17	0	0	0	0	0	17
SC	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
SD	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TN	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	2	0	0	0	0	6
TX	2021	30	2	0	0	0	1	31
	2022	31	2	0	0	0	1	32
	2023	32	1	0	0	0	0	33
UT	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
WA	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
WI	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
Total	2021	292	14	0	0	0	5	301
	2022	301	10	0	0	0	6	305
	2023	305	15	0	0	0	5	315

TABLE NO. 4

POSTALANNEX/POSTALANNEX+ RETAIL CENTERS

Status of Company-Owned Outlets For Years 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE NO. 5

POSTALANNEX/POSTALANNEX+ RETAIL CENTERS

Projected Openings in Fiscal Year Ending September 30, 2023

State	Franchise Agreements Signed But Outlets Not Opened As Of September 30, 2023	Projected New Franchised Outlets in Fiscal Year Ending September 30, 2024	Projected New Company-Owned Outlets in Fiscal Year Ending September 30, 2024
AZ	1	2	0
CA	8	14	0
CO	1	2	0
DE	1	2	0
FL	1	3	0
GA	0	2	0
ID	0	1	0
IL	0	1	0
IN	0	1	0
MA	1	1	0

State	Franchise Agreements Signed But Outlets Not Opened As Of September 30, 2023	Projected New Franchised Outlets in Fiscal Year Ending September 30, 2024	Projected New Company-Owned Outlets in Fiscal Year Ending September 30, 2024
MI	1	1	0
MO	1	1	0
MT	0	1	0
NC	1	3	0
NJ	0	1	0
NV	1	2	0
NY	0	2	0
OK	0	1	0
OR	0	1	0
SC	0	1	0
TN	3	4	0
TX	2	4	0
UT	0	1	0
VA	1	2	0
WA	1	2	0
WI	1	2	0
Total	25	58	0

PAK MAIL RETAIL CENTERS

TABLE NO. 1

PAK MAIL RETAIL CENTERS

Systemwide Outlet Summary for 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	187	181	-6
	2022	181	180	-1
	2023	180	176	-4
Company Owned	2021	1	1	0
	2022	1	0	-1
	2023	0	0	0
Total Outlets	2021	188	182	-6
	2022	182	180	-2
	2023	180	176	-4

TABLE NO. 2

PAK MAIL RETAIL CENTERS

Transfers of Outlets From Franchisees to New Owners (Other Than Franchisor or an Affiliate) For 2021 to 2023

State	Year	Number of Transfers
CA	2021	1
	2022	3
	2023	0
CO	2021	0
	2022	0
	2023	1
CT	2021	0
	2022	0
	2023	1
FL	2021	7
	2022	3
	2023	5
GA	2021	2
	2022	0
	2023	1
IN	2021	1
	2022	0
	2023	0
MA	2021	0
	2022	1
	2023	0
MI	2021	1
	2022	1
	2023	0
NE	2021	1
	2022	0
	2023	0
NC	2021	0
	2022	0
	2023	1
PA	2021	0
	2022	0
	2023	1
TX	2021	0
	2022	1
	2023	3

State	Year	Number of Transfers
VA	2021	0
	2022	1
	2023	0
WA	2021	0
	2022	1
	2023	1
Totals	2021	13
	2022	11
	2023	14

TABLE NO. 3

PAK MAIL RETAIL CENTERS

Status of Franchised Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
AL	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
AR	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
AZ	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
CA	2021	19	0	0	0	0	2	17
	2022	17	0	0	0	0	0	17
	2023	17	0	0	0	0	0	17
CO	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
CT	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
FL	2021	37	0	0	0	0	2	35
	2022	35	2	0	0	0	0	37
	2023	37	0	0	0	0	0	37

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
GA	2021	17	0	0	0	0	1	16
	2022	16	1	0	0	0	0	17
	2023	17	0	0	0	0	1	16
IL	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
IN	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	2	7
	2023	7	0	0	0	0	0	7
IA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
KY	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
LA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MD	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
MA	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
MI	2021	16	0	0	0	0	1	15
	2022	15	0	0	0	0	0	15
	2023	15	0	0	0	0	0	15
MN	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MS	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
NE	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NV	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
NJ	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
NM	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NY	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
NC	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
OH	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
OR	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
PA	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
SC	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	1	5
TN	2021	2	1	0	0	0	1	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
TX	2021	18	0	0	0	0	0	18
	2022	18	0	0	0	0	1	17
	2023	17	0	0	0	0	0	17
VA	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
WA	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
WI	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
Totals	2021	187	1	0	0	0	7	181
	2022	181	3	0	0	0	4	180
	2023	180	0	0	0	0	4	176

TABLE NO. 4

PAK MAIL RETAIL CENTERS

Status of Company-Owned Outlets For Years 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
FL	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
Total	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0

TABLE NO. 5

PAK MAIL RETAIL CENTERS

Projected Openings in Fiscal Year Ending September 30, 2024

State	Franchise Agreements Signed But Outlet Not Opened As Of September 30, 2023	Projected New Franchised Outlets in Fiscal Year Ending September 30, 2024	Projected New Company-Owned Outlets in Fiscal Year Ending September 30, 2024
AL	0	1	0
AR	0	1	0
CA	0	2	0
FL	1	2	0
GA	1	2	0
IN	0	1	0
MS	0	1	0
NY	0	1	0
TX	0	1	0
Totals	2	12	0

AIM MAIL RETAIL CENTERS

TABLE NO. 1

Systemwide Outlet Summary For 2021 to 2023

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	2021	45	44	-1
	2022	44	44	0
	2023	44	42	-2
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	45	44	-1
	2022	44	44	0
	2023	44	42	-2

TABLE NO. 2

AIM MAIL RETAIL CENTERS

**Transfers of Outlets From Franchisees to New Owners
(Other than Franchisor or an Affiliate) For 2021 to 2023**

State	Year	Number Of Transfers
CA	2021	4
	2022	2
	2023	5
Total	2021	4
	2022	2
	2023	5

TABLE NO. 3**AIM MAIL RETAIL CENTERS****Status of Franchised Outlets For 2021 to 2023**

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
AL	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
AZ	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
CA	2021	32	0	0	0	0	1	31
	2022	31	0	0	0	0	0	31
	2023	31	0	0	0	0	0	31
CO	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
IL	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
LA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MS	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
OR	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
PA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
SC	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
TN	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TX	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Totals	2021	45	0	0	0	0	1	44
	2022	44	0	0	0	0	0	44
	2023	44	0	0	0	0	2	42

TABLE NO. 4

AIM MAIL RETAIL CENTERS

Status of Company-Owned Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE NO. 5

AIM MAIL RETAIL CENTERS

Projected Openings in Fiscal Year Ending September 30, 2024

State	Franchise Agreements Signed But Outlets Not Opened as of September 30, 2023	Projected New Franchised Outlets in Fiscal Year Ending September 30, 2024	Projected New Company- Owned Outlets in Fiscal Year Ending September 30, 2024
All States	0	0	0
Totals	0	0	0

PARCEL PLUS RETAIL CENTERS

TABLE NO. 1

PARCEL PLUS RETAIL CENTERS

Systemwide Outlet Summary For 2021 to 2023

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	2021	21	21	0
	2022	21	21	0
	2023	21	21	0
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	21	21	0
	2022	21	21	0
	2023	21	21	0

TABLE NO. 2

PARCEL PLUS RETAIL CENTERS

**Transfers of Outlets From Franchisees to New Owners
(Other than Franchisor or an Affiliate) For 2021 to 2023**

State	Year	Number Of Transfers
MD	2021	0
	2022	2
	2023	1
TX	2021	0
	2022	1
	2023	1
Totals	2021	0
	2022	3
	2023	2

TABLE NO. 3

PARCEL PLUS RETAIL CENTERS

Status of Franchised Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
CA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
DE	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
FL	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MD	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
PA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
TX	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
VA	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Totals	2021	21	0	0	0	0	0	21
	2022	21	0	0	0	0	0	21
	2023	21	0	0	0	0	0	21

TABLE NO. 4

PARCEL PLUS RETAIL CENTERS

Status of Company-Owned Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE NO. 5

PARCEL PLUS RETAIL CENTERS

Projected Openings in Fiscal Year Ending September 30, 2024

	Franchise Agreements Signed But Outlets Not Opened as of September 30, 2023	Projected New Franchised Outlets in Fiscal Year Ending September 30, 2024	Projected New Company-Owned Outlets in Fiscal Year Ending September 30, 2024
GA	1	1	0
Totals	1	1	0

HANDLE WITH CARE PACKAGING STORE RETAIL CENTERS

TABLE NO. 1

HANDLE WITH CARE PACKAGING STORE RETAIL CENTERS

Systemwide Outlet Summary For 2021 to 2023

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	2021	9	9	0
	2022	9	9	0
	2023	9	8	-1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	9	9	0
	2022	9	9	0
	2023	9	8	-1

TABLE NO. 2

HANDLE WITH CARE PACKAGING STORE RETAIL CENTERS

**Transfers of Outlets From Franchisees to New Owners
(Other than Franchisor or an Affiliate) For 2021 to 2023**

State	Year	Number Of Transfers
All States	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

TABLE NO. 3

HANDLE WITH CARE PACKAGING STORE RETAIL CENTERS

Status of Franchised Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
CA	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
	2023	2	0	0	0	0	0	2
CO	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
IA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
IL	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
OH	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
PA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
VA	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Totals	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	1	8

TABLE NO. 4

HANDLE WITH CARE PACKAGING STORE RETAIL CENTERS

Status of Company-Owned Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE NO. 5

HANDLE WITH CARE PACKAGING STORE RETAIL CENTERS

Projected Openings in Fiscal Year Ending September 30, 2024

State	Franchise Agreements Signed But Outlets Not Opened as of September 30, 2023	Projected New Franchised Outlets in Fiscal Year Ending September 30, 2024	Projected New Company-Owned Outlets in Fiscal Year Ending September 30, 2024
AK	0	1	0
Totals	0	1	0

SUNSHINE PACK & SHIP RETAIL CENTERS

TABLE NO. 1

SUNSHINE PACK & SHIP RETAIL CENTERS

Systemwide Outlet Summary for 2021 to 2023

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	2021	3	3	0
	2022	3	3	0
	2023	3	3	0
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	3	3	0
	2022	3	3	0
	2023	3	3	0

TABLE NO. 2

SUNSHINE PACK & SHIP RETAIL CENTERS

Transfers of Outlets From Franchisees to New Owners (Other than Franchisor or an Affiliate) For 2021 to 2023

State	Year	Number Of Transfers
All States	2021	0
	2022	0
	2023	0
Totals	2021	0
	2022	0
	2023	0

TABLE NO. 3

SUNSHINE PACK & SHIP RETAIL CENTERS

Status of Franchised Outlets For 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
IN	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
MI	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NJ	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3

TABLE NO. 4

SUNSHINE PACK & SHIP RETAIL CENTERS

Status of Company-Owned Outlets for 2021 to 2023

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
All states	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE NO. 5

SUNSHINE PACK & SHIP RETAIL CENTERS

Projected Openings in Fiscal Year Ending September 30, 2024

State	Franchise Agreements Signed But Outlets Not Opened As Of September 30, 2023	Projected New Franchised Outlets in Fiscal Year Ending September 30, 2024	Projected New Company-Owned Outlets in Fiscal Year Ending September 30, 2024
All States	0	0	0
Total	0	0	0

All historical numbers in this Item 20 are for our fiscal years ended September 30, 2021, 2022 and 2023.

See our Commercial Logistics Center Franchise Disclosure Document for information on our Commercial Logistics Centers.

Exhibit C is a list of the names, outlet business addresses and outlet business telephone numbers of our franchisees as of September 30, 2023 operating standard, flex, and express retail centers under the PostalAnnex/PostalAnnex+, AIM Mail and AIM Mail Center, Parcel Plus, Pak Mail, Handle with Care Packaging Store, and Sunshine Pack & Ship trade names.

Exhibit D is a list of the names, cities and states and current business telephone numbers (or if unknown, last known home telephone numbers) of franchisees who had franchises terminated, cancelled, not renewed or reacquired by us (0); who otherwise voluntarily or involuntarily ceased to do business under their franchise agreements during our most recent fiscal year (37 franchisees transferred their franchises, and 12 franchisees ceased operations for other reasons); or who had not communicated with us within 10 weeks of the issuance date of this disclosure document (0).

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

During our past 3 fiscal years, none of our franchisees have signed provisions restricting their ability to speak openly about their experience with us, but some Pak Mail franchisees signed provisions restricting their ability to speak openly about their experiences with Pak Mail before our acquisition of the company.

We sponsor a national advisory council. The members are elected by franchisees. In addition, we have created Associations to promote local and regional advertising and promotional programs. Multi-member Associations have bylaws and elected leaders (see Item 11 for more information). See Exhibit E for contact information for the national advisory council and the local and/or regional multi-member advertising associations.

Item 21

FINANCIAL STATEMENTS

Exhibit F includes our consolidated audited balance sheets as of September 30, 2023 and 2022; our consolidated statements of income, shareholders' equity, and cash flows for the years ended September 30, 2023, 2022 and 2021; and notes to the consolidated financial statements.

Our fiscal year end is September 30.

Item 22

CONTRACTS

Exhibit B includes the franchise agreement and the following attachments:

- Attachment 1 – Initial Franchise Fee Deposit Receipt
- Attachment 2 – Continuing Personal Guarantee
- Attachment 3 – Designation of Brand, Center Type, Approved Location and Protected Area
- Attachment 4 – Transfer of Service Consent and Authorization
- Attachment 5 – Collateral Assignment of Lease
- Attachment 6 – End User Sublicense Agreement
- Attachment 7 – International Ocean Program Sales Agency Agreement
- Attachment 8 – Internet Policies & Procedures Agreement
- Attachment 9 – Electronic Funds Transfer Authorization
- Attachment 10 – Authorization for Background Check and Waiver of Liability and Authorization for Release of Information
- Attachment 11 – Non-Competition and Non-Solicitation Agreement

Exhibit G includes our form of Employee/Independent Contractor Confidentiality and Non-Competition Agreement for your employees and independent contractors.

Exhibit H includes our current form of general release.

Item 23

RECEIPTS

Exhibit J includes detachable documents acknowledging your receipt of this disclosure document.

CALIFORNIA STATE ADDENDUM TO DISCLOSURE DOCUMENT

Item 17 of this disclosure document is modified to include the following paragraphs:

1. The California Business and Professions Code Sections 20000 through 20043 provide certain rights to you, including (i) limitations on our ability to terminate a franchise except for good cause; (ii) restrictions on our ability to deny renewal of franchise; (iii) circumstances under which we may be required to purchase certain inventory of franchisee when a franchise is terminated or not renewed in violation of the statute; and (iv) provisions relating to arbitration. To the extent that the provisions of the franchise agreement are inconsistent with the terms of the Act, the terms of the Act will control in California.
2. Section 3115 of the California Corporations Code requires us to give you a disclosure document, in a form and containing all information the Commissioner by rule or order requires, before solicitation of a proposed material modification of an existing franchise.
3. The franchise agreement requires binding arbitration, except for matters involving trademarks, real estate or injunctive relief, at a location of the American Arbitration Association closest to our corporate offices, with the costs being borne equally by the parties. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281 and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the state of California.
4. The covenant not to compete extends beyond the termination of the franchise. This provision may not be enforceable under California law.
5. You must sign a general release if you renew or transfer your franchise, or to receive a refund of the initial franchise fee under the circumstances outlined in Item 5. California Corporations Code 31512 voids a waiver of your rights under the franchise investment law (California Corporations Code 31000 through 31516). California Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
6. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
7. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpj.ca.gov.
8. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

HAWAII STATE ADDENDUM TO DISCLOSURE DOCUMENT

HAWAII DISCLAIMER

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, 335 Merchant Street, Honolulu, Hawaii 96813.

- (1) Item 1 of this disclosure document is modified to include the following paragraph.

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, 335 Merchant Street, Honolulu, Hawaii 96813.

- (2) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (i):

Under Hawaii law, on termination or refusal to renew the franchise, you are entitled to be compensated for the fair market value, at the time of the termination or expiration of the franchise, of our inventory, supplies, equipment and furnishings purchased from us or a supplier approved or designated by us; provided that personalized materials which have no value to us need not be compensated for. If we refuse to renew the franchise for the purpose of converting your retail center to one owned and operated by us, we, in addition to the remedies described above, are required to compensate you for the loss of goodwill. We may deduct from such compensation reasonable costs incurred in removing, transporting and

disposing of your inventory, supplies, equipment and furnishings, and may offset from such compensation any moneys due us.

- (3) Item 20 of this disclosure document is modified to include the following paragraphs:

Registrations or exemptions are effective for these franchises in the states of California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, Virginia, and Washington.

Proposed registrations or filings for these franchises are or will be shortly on file in no states.

No states have refused, by order or otherwise, to register these franchises.

No states have revoked or suspended the right to offer these franchises.

There is no state in which a proposed registration of these franchises has been withdrawn.

- (4) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS STATE ADDENDUM TO DISCLOSURE DOCUMENT

Item 17 of this disclosure document is supplemented by the addition of the following paragraphs at the end of the chart:

Illinois law governs the franchise agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND STATE ADDENDUM TO DISCLOSURE DOCUMENT

Item 17 of this disclosure document is modified to include the following paragraphs:

The general release required as a condition of transfer or renewal, or to receive a refund of the initial franchise fee under the circumstances outlined in Item 5, does not apply to claims that apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Provisions allowing termination on bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 et seq.).

Claims under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA STATE ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 13 is amended to add the following:

We protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

- (2) Item 17, Summary columns for (c) and (m) are amended to add the following:

Any release signed as a condition of renewal or transfer or to receive a refund of the initial franchise fee under the circumstances outlined in Item 5, will not apply to any claims you may have under the Minnesota Franchises Act, Minnesota Statutes, Chapter 80C.

- (3) Item 17 of this disclosure document is modified to include the following paragraphs at the end of the chart:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Chapter 80C.14, subs. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the franchise agreement.

Minn. Stat. Chapter 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Franchises Act, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

- (4) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK STATE ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 3 of this disclosure document is modified to include the following paragraphs:

Neither we nor any of the individuals identified in Item 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) filed against us alleging a violation of any franchise or securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither we nor any of the individuals identified in Item 2 above has been convicted of a felony or pleaded nolo contendere to a felony charge or, in the 10-year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint, or other legal proceeding if such, misdemeanor conviction or charge or civil action, complaint or other legal proceeding involving violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair deceptive practices, misappropriation of property or comparable allegations.

Neither we nor any of the individuals identified in Item 2 above is the subject of any injunctive or restrictive order or decree relating to franchises or business activities or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

- (2) Item 4 of this disclosure document is modified to include the following paragraph:

During the 10-year period immediately preceding the date of this disclosure document, neither we, nor any of our predecessors, nor any person identified in Item 2 above, has been adjudged bankrupt or reorganized due to insolvency or been a principal officer of any company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within 1 year after the period that such officer of ours held such position in such company or partnership, and no such bankruptcy or reorganization proceeding has been commenced.

- (3) Item 17 of this disclosure document, under the summary column of parts (c) and (m) are modified to include the following language:

The general release required as a condition of transfer or renewal, or to receive a refund of the initial franchise fee under the circumstances outlined in Item 5, is required in New York, but all rights you enjoy and any causes of action in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued under Article 33 will remain in force, it being the intent of this proviso that the non-waiver provisions of GBL, Sections 687.4 and 687.5 be satisfied.

- (4) Item 17 of this disclosure document, under the summary column of part (d), is modified to include the following language:

You may terminate the franchise on any grounds available by law.

- (5) Item 17 of this disclosure document, under the summary column of part (j), is modified to include the following language:

However, no transfer or assignment will be made except to a person who, in our good faith judgment, is willing and able to assume our obligations under the franchise agreement.

- (6) Item 17 of this disclosure document, under the summary column of part (w), is modified to include the following language:

The foregoing choice of law should not be considered a waiver of any right conferred on us or you by Article 13 of the General Business Law of New York.

- (7) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NORTH DAKOTA STATE ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 6 is amended to delete the information in the Remarks column for “Attorneys' fees and costs” and to replace this information with the following:

You must pay our attorneys’ fees and costs only if we prevail in any arbitration or litigation between you and us.

- (2) Item 17, Summary column for (c) is amended to add the following:

Any release signed as a condition of renewal or refund of your initial franchise fee will not apply to any claims you may have under the North Dakota Franchise Investment Law.

- (3) Item 17, Summary column for (i) is amended to add the following:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

- (4) Item 17, Summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the North Dakota Franchise Investment Law.

- (5) Item 17, Summary column for (r) is amended to add the following:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

- (6) Item 17, Summary column for (u) is deleted and replaced with the following:

All disputes must be arbitrated either in North Dakota or in a mutually agreed location.

- (7) Item 17, Summary column for (v) is deleted and replaced with the following:

All litigation must be in North Dakota or in a mutually agreed location.

- (8) Item 17, Summary column for (w) is deleted and replaced with add the following:

North Dakota law applies.

- (9) If the North Dakota Franchise Investment Law applies, we are prohibited from requiring you to waive trial by jury for any claims arising under the North Dakota Franchise Investment Law.

- (10) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i)

waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RHODE ISLAND STATE ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 17, Summary columns for (u),(v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

- (2) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA STATE ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 17(h) is amended to include the following paragraph:

Under Section 13.1-565 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

- (2) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON STATE ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 3 of this disclosure document is modified to include the following disclosure:

Annex Brands, Inc. Assurance of Discontinuance, Matter No. 19-2-26209-5 SEA, State of Washington, King County Superior Court. On October 7, 2019, we entered into an Assurance of Discontinuance (“AOD”) with the State of Washington Office of Attorney General (“OAG”). The OAG had investigated us, as it is investigating all franchisors with State of Washington registrations, regarding the inclusion by franchisors of no-poaching provisions in their franchise agreements and the enforcement by franchisors of those provisions. No-poaching provisions in franchise agreements restrict franchisees from soliciting or hiring workers from the franchisor or other franchisees. The OAG alleges that no-poaching provisions are in restraint of trade and violate the State of Washington Consumer Protection Act. Before the OAG investigated us, we had voluntarily removed no-poaching provisions from our franchise agreements, and we had not enforced those provisions. Nevertheless, to avoid protracted and expensive litigation, and while expressly denying any violation of law, we entered into the AOD, which required us to: (a) refrain from including no-poaching provisions in future franchise agreements nationwide; (b) refrain from enforcing no-poaching provisions nationwide; (c) notify our franchisees of the AOD; (d) seek to amend all then-existing franchise agreements in the State of Washington to remove any no-poaching provisions; and (e) remove no-poaching provisions in then-existing franchise agreements nationwide as they are renewed or renegotiated. We complied with, and are complying with, the AOD.

- (2) In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
- (3) RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
- (4) In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchise, or a violation of the Washington Franchise Investment Protection Act, in Washington.
- (5) A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent legal counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

- (6) Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- (7) Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
- (8) RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
- (9) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**STATE ADDENDUM TO DISCLOSURE DOCUMENT FOR INDIANA, MICHIGAN,
SOUTH DAKOTA, AND WISCONSIN**

The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for enforcing franchise disclosure/registration laws, and state agencies serving as our agents for service of process if we are registered under the franchise disclosure/registration laws of their states.

In states and territories not listed, we do not have agents for service of process under franchise disclosure/registration laws, but we may have agents for service of process for other purposes.

State	State Agency	Agent for Service of Process
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (866) 275-2677 71 Stevenson Street, Suite 2100 San Francisco, CA 94105 (415) 972-8577	Commissioner of the Department of Financial Protection and Innovation
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212)-416-8222	New York Secretary of State New York Department of State 99 Washington Avenue Albany, NY 12231 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Director of the Division of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200	Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
RETAIL CENTER
FRANCHISE AGREEMENT AND ATTACHMENTS

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RETAIL CENTER FRANCHISE AGREEMENT

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RETAIL CENTER FRANCHISE AGREEMENT

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ILLINOIS STATE RIDER

MARYLAND STATE RIDER

MINNESOTA STATE RIDER

NORTH DAKOTA STATE RIDER

WASHINGTON STATE RIDER

STATE RIDER FOR CALIFORNIA, HAWAII, INDIANA, MICHIGAN, NEW YORK, RHODE ISLAND,
SOUTH DAKOTA, VIRGINIA, AND WISCONSIN

- Attachment 1 – Initial Franchise Fee Deposit Receipt
- Attachment 2 – Continuing Personal Guarantee
- Attachment 3 – Designation of Brand, Center Type, Approved Location and Protected Area
- Attachment 4 – Transfer of Service Consent and Authorization
- Attachment 5 – Collateral Assignment of Lease
- Attachment 6 – End User Sublicense Agreement
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- Attachment 11 – Non-Competition and Non-Solicitation Agreement

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RETAIL CENTER FRANCHISE AGREEMENT

Center Franchisee(s) Name(s): _____

Street Address: _____

Telephone Number: _____

Effective Date of Agreement: _____

1. PREAMBLE AND RECITALS

THIS RETAIL CENTER FRANCHISE AGREEMENT ("Agreement") is made and entered into at San Diego, California, as of the effective date set forth above, by and between ANNEX BRANDS, INC., a California corporation located at 7580 Metropolitan Drive, Suite 200, San Diego, California 92108 ("Franchisor"), and the person(s) listed above (individually or collectively, "Franchisee"), to evidence the agreement and understandings of the parties.

WHEREAS, Franchisor has expended time, skill, money, and effort to develop a unique business system, substantial know-how and confidential information for establishing and operating standard and express retail businesses providing business support, mailbox rental (physical and virtual), package receiving, postal, printing, copying, packaging, shipping, office supply, passport photo, notary, fingerprinting, and related products and services, and flex retail businesses providing some of the services of standard and express retail businesses, as well as crating, pick-up and delivery services, and boxes and packaging materials (collectively the "System"); in this Agreement, each such retail business is called a "Center", collectively such retail businesses are called "Centers"; and the particular retail business authorized by this Agreement is called "the Center."

WHEREAS, Franchisor has expended time, skill, money and effort to publicize the System and the products and services offered under the System. Franchisor has developed and will continue to develop valuable goodwill in the maintenance and use of its service marks, trademarks, trade names, and trade dresses by it and its authorized franchisees, and has developed or acquired, or may develop or acquire, other service marks, trademarks, trade names, trade dresses and identifiers for use under the System, all of which trademarks, service marks, trade names, trade dresses and identifiers are, and will remain, Franchisor's sole property (collectively the "Marks").

WHEREAS, Franchisor licenses the right to use its System and its Marks in the operation of franchised Centers; and Franchisor provides continuing advice on the establishment and operation of franchised Centers to its authorized franchisees.

WHEREAS, Franchisee desires to establish and operate a franchised business, to use the Franchisor's System and Marks, and to derive the benefits of the System and Marks as developed by Franchisor; and Franchisee acknowledges that it is essential to the maintenance of the high standards which the public has come to expect of Franchisor's products and services, and to the preservation of the integrity and goodwill of the Marks, that Franchisee adhere to the standards set forth by Franchisor for the establishment and operation of franchised businesses.

2. GRANT OF FRANCHISE

A. TYPE AND LOCATION OF THE CENTER, AND TERM. Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, a franchise to operate the Center, whether designated as a standard Center, a flex Center, or an express Center, using only the designated Marks, at a mutually agreed upon location, all as specified in Attachment 3, with the right to use the System, for a term commencing on the execution date of this Agreement and ending on the 20-year anniversary of the execution date of this Agreement, unless the franchise is sooner terminated in accordance the provisions of this Agreement, or unless the franchise is continued beyond such 20-year anniversary in accordance with Subsection 14.D of this Agreement ("Franchise").

B. RIGHTS AND RESTRICTIONS REGARDING PROTECTED AREA. If Franchisee is in full compliance with the provisions of this Agreement and all other agreements between Franchisee and Franchisor or any of its affiliates, Franchisor will not operate, nor will it grant a franchise for the operation of, another Center of the same type as specified in Attachment 3 to be located within the Protected Area described in Attachment 3. In addition, to the above:

- 1) The Center may be located within the Territory of a Commercial Logistics Center (as defined below) (since the role of a Commercial Logistics Center, in part, is to be a support facility for a Center); and/or
- 2) A Commercial Logistics Center may be located within the Protected Area of the Center if it is a standard Center or flex Center; and/or
- 3) A residential and commercial moving business operated under another of Franchisor's service marks, trademarks or trade names may be located within the Protected Area of the Center if it is a standard Center or flex Center; and/or
- 4) Franchisor may periodically acquire an entity or a portion of its assets (i.e., franchise agreements, contracts or licenses, etc.), or Franchisor or a portion of Franchisor's assets (i.e., franchise agreements, contracts or licenses, etc.) may be acquired by an entity, where such entity or assets, owns, operates or licenses businesses that offer the same or similar products and services as the Center. The location or operation of such entities, assets or businesses (franchised or otherwise) within the Protected Area of the Center will not be deemed a violation of this Subsection 2.B.

For purposes of this Agreement, a "Commercial Logistics Center" is a commercial logistics business established and operated under a commercial brand (such as Navis Pack & Ship®, Handle with Care Packaging Store® or Pak Mail Freight™) owned or controlled by Franchisor, an affiliate of Franchisor or licensed to a franchisee which: offers custom packaging and shipping of items that are Difficult to Ship; may conduct business from a full-size, commercial warehouse-type facility, typically located in a light-industrial area; and may focus on the business-to-business market segment. "Difficult to Ship" items mean awkward, fragile, large or valuable items for which shipping solutions are not often readily available, such as art, antiques, computers, electronics, machinery, musical instruments and office equipment.

Franchisee expressly acknowledges that the grant of the Protected Area provided for in this Agreement does not confer upon Franchisee any marketing exclusivity therein. To the contrary, Franchisee expressly acknowledges and understands that all Centers and Commercial Logistics

Centers, subject to any restrictions in their own franchise agreements, may solicit and service clients and otherwise advertise and offer their respective products and services to any individuals or entities regardless of those individuals' or entities' geographic locations, including any locations within the Protected Area of the Center. (The term "including," as used in this Agreement and its Attachments, means "including, among other things," "including, among others," "including, but not limited to," "including, for example," and "including, without limitation.")

C. **RELOCATION OF THE CENTER.** If, during the term of the Franchise, the lease or sublease for the Center expires or terminates without fault of Franchisee, or if the Center is damaged, condemned, or otherwise rendered unusable, or if in the reasonable business judgment of Franchisor there is a change in the character of the location of the Center sufficiently detrimental to its business potential to warrant its relocation, Franchisor will grant approval for the relocation of the Center to a location within the Protected Area described in Attachment 3 meeting Franchisor's then-current standards for Center locations, and Franchisor's then-current standards relating to the proximity of other Centers and their protected areas. Franchisor's approval will be effective only if evidenced in writing. Any such relocation will be at Franchisee's sole expense, and Franchisee will promptly reimburse Franchisor for all reasonable expenses Franchisor incurs in connection with any such relocation.

3. DEVELOPMENT AND OPENING OF THE CENTER.

A. **LOCATION SELECTION.** If the location for the Center has not been selected by Franchisee and approved by Franchisor at the time of execution of this Agreement, then Franchisee agrees to find a location which is suitable for the operation of the Center and acceptable to Franchisor, and to open the Center for business at that location, within 365 days after the execution date of this Agreement. Franchisor will attempt to approve or disapprove any location within 30 days after Franchisee proposes it. Franchisor will not unreasonably withhold approval of a location that meets its standard site selection criteria for demographic characteristics, population of the area surrounding the site, competition from other businesses, the nature of other business in proximity to the site, commercial characteristics, visibility and accessibility, and the size, appearance and other physical characteristics that determine the suitability of the particular premises. Subject to the availability of Franchisor's personnel and at the request of Franchisee, Franchisor will make corporate personnel available to assist in location selection. Salaries and other expenses relating to corporate personnel will be borne by Franchisor. If Franchisee is unable to locate an acceptable site within 365 days after execution of this Agreement, Franchisor may terminate the Franchise at any time thereafter (see Subsection 8.A of this Agreement).

FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S APPROVAL OF A PROPOSED SITE AND ANY INFORMATION IMPARTED TO FRANCHISEE REGARDING THE PROPOSED SITE WILL NOT CONSTITUTE A WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, AS TO THE SUITABILITY OF THE PROPOSED SITE FOR THE CENTER, OR FOR ANY OTHER PURPOSE, AND FRANCHISOR'S APPROVAL OF SUCH SITE SIGNIFIES MERELY THAT FRANCHISOR IS WILLING TO GRANT A FRANCHISE FOR THE PROPOSED SITE. FRANCHISEE FURTHER ACKNOWLEDGES AND AGREES THAT HIS, HER OR THEIR ACCEPTANCE OF A FRANCHISE FOR THE PROPOSED SITE WILL BE BASED SOLELY

ON HIS, HER OR THEIR OWN INDEPENDENT INVESTIGATION OF THE SUITABILITY OF SUCH PROPOSED SITE.

B. LEASE OR SUBLEASE OF PREMISES FOR THE CENTER. Franchisor has the right to approve the terms of the lease or sublease of the Center. Franchisee agrees to deliver a copy of the proposed lease or sublease to Franchisor for its approval at least 10 days prior to its execution by Franchisee, and to deliver a final, executed copy to Franchisor within 5 days after execution. Franchisee agrees that it will not execute a lease or sublease for the Center that has, for any reason, been disapproved by Franchisor. Franchisee acknowledges and agrees that Franchisor's approval of the terms of any lease or sublease will not constitute a warranty or representation of any kind, expressed or implied, relating to the economic terms of such lease or sublease. A lease or sublease for the Center will be subject to a Collateral Assignment of Lease (Attachment 5), will contain such terms as are reasonably acceptable to Franchisor, and, at Franchisor's option, will contain substantially the following provisions:

1) "Anything contained in this Lease to the contrary notwithstanding, Lessor agrees that, without its consent, this Lease and the right, title and interest of the Lessee hereunder may be assigned by the Lessee to Franchisor, or its successor or designee."

2) "Lessee hereby agrees that Lessor may, upon the written request of Franchisor, or its successor, disclose to Franchisor or its successor, all reports, information or data in Lessor's possession respecting sales made in, upon or from the leased premises."

3) "Lessor will give written notice to Franchisor, or its successor, concurrently with the giving of such notice to Lessee, of any default by Lessee under the Lease, and Franchisor or its successor will have, after the expiration of the period during which the Lessee may cure such default, an additional 15 days to cure, in its sole discretion, any such default. Such notice will be sent to Annex Brands, Inc., Attention: Patrick F. Edd, CEO and President, 7580 Metropolitan Drive, Suite 200, San Diego, CA 92108, or such other address as Franchisor may periodically specify in writing to Lessor".

4) "Lessor hereby agrees that, after the expiration, termination or non-renewal of this Lease, or of the Franchise between Lessee and Franchisor or its successor, Franchisor, or its successor or designee, may enter upon the leased premises for the purpose of removing all signs and other material bearing the trademarks, service marks or other commercial symbols of Franchisor or its successor".

If Franchisor cures any default by Franchisee under the lease, the total amount of all costs and payments incurred by Franchisor in effecting such cure will be immediately due and owing by Franchisee to Franchisor.

If Franchisor leases a premises from the owner of the premises, or a person with the legal right to lease the premises (the "Premises Owner"), and Franchisor subleases the premises to Franchisee for the location of the Center (a "Subleasing Arrangement"), the requirements of this Subsection 3.B. will not apply, except as follows:

5) Franchisee acknowledges and agrees that Premises Owner may, upon written request from Franchisor, disclose to Franchisor all reports, information or data in Premises Owner's possession respecting sales made in, upon or from the leased premises, and Franchisee's compliance with the terms of the Subleasing Arrangement.

6) Franchisee acknowledges and agrees that if Franchisee owes any duty or obligation directly to Premises Owner under the Subleasing Arrangement, and fails to perform such duty or obligation, Franchisor may cure or remedy the failure in its sole discretion. Unless otherwise agreed, the total amount of all costs, expenses and payments incurred by Franchisor in effecting such cure or remedy will be immediately due and owing by Franchisee to Franchisor. This provision will not operate to limit any other right or remedy of Franchisor under the Subleasing Arrangement or otherwise.

7) Franchisee agrees that if any requirement of Franchisor (contained in this Agreement, the Manuals or otherwise) conflicts with any rule, policy or procedure of Premises Owner under the Subleasing Arrangement, Franchisee will notify Franchisor immediately. Franchisor agrees to make efforts to resolve the conflict within a reasonable time after receipt of such notice.

C. CENTER DEVELOPMENT. Franchisor will provide reasonable consultation services to Franchisee in connection with the development of the Center. Franchisor will provide Franchisee with sample layouts and current photographs of Centers.

Before obtaining possession of the Center, Franchisee will, at his, her or their expense, do or cause to be done the following:

1) Prepare plans for the Center in accordance with Franchisor's specifications using an architect designated by Franchisor, and pay \$4,000 to \$6,000 for a standard or flex Center, or \$0 to \$4,000 for an express Center (based on the condition of the site) to Franchisor for the architect fee before preparation of the plans. If the Center will be converted from a qualifying existing business providing the same services to the public, architectural plans may not be required and Franchisee will not be required to pay an architect fee

2) Pay a \$3,000 deposit for a standard, flex or express Center to Franchisor before or during initial training, which Franchisor agrees to use to pay the cost of building permits for the Center; provided that Franchisor will refund any underage to Franchisee or bill any overage to Franchisee. If the Center will be converted from a qualifying existing business providing the same services to the public, building permits may not be required and Franchisee will not be required to pay a building permit deposit.

3) Purchase from suppliers approved or designated by Franchisor (which may include solely Franchisor and/or its affiliates) all required trade dress fixtures, furnishings and equipment for the Center, it being agreed and acknowledged by Franchisee that: (a) Franchisee will be required to pay Franchisor a \$7,500 to \$8,500 deposit for a new standard, flex or express Center, or a \$2,000 to \$8,500 deposit for a conversion standard or flex Center (based on the geographical location of the Center, and the type and amount of fixtures and equipment needed), before or at initial training, to cover the cost of shipping fixtures and equipment to Franchisee (which deposit is partially refundable if shipping costs less than the deposit), and Franchisee will be required to pay to Franchisor any shipping costs exceeding the deposit promptly after shipping takes place; and (b) Franchisee will be required to purchase from Franchisor a retail fixtures and equipment package (including all trade dress fixtures, mailboxes, package lockers and flooring for a standard, express or flex Center) for a non-refundable amount that varies based on the type

and amount of fixtures and equipment needed, the cost of which is payable when Franchisee's order is placed.

4) Construct the Center using a contractor designated by Franchisor, in compliance with the plans prepared by an architect designated by Franchisor, and in compliance with all applicable laws, ordinances, building codes, permit and lease requirements, and pay the contractor fee; provided, however, Franchisee may use a substitute contractor if Franchisee obtains Franchisor's approval in advance and pays Franchisor a \$2,500 construction consultation fee before construction begins.

5) Purchase from any supplier approved or designated by Franchisor (which may include Franchisor and/or its affiliates), an opening inventory of products, packaging materials and other supplies required for the Center, in accordance with Franchisor's requirements.

D. **FIXTURES, FURNISHINGS, EQUIPMENT AND SIGNS.** Franchisee agrees to use in the development of the Center and operation of the Center only those fixtures, furnishings, equipment and signs that Franchisor has approved for Centers as meeting its specifications and standards for quality, design, appearance, function and performance. Franchisee further agrees to place or display at the Center (interior and exterior) only such signs, emblems, lettering, graphics, logos and display materials that Franchisor periodically approves in writing. Franchisee will purchase or lease approved brands, types or models of fixtures, furnishings, equipment, and interior and exterior signage only from suppliers approved or designated by Franchisor (which may include solely Franchisor and/or its affiliates). If Franchisee proposes to purchase, lease or otherwise use any fixture, furnishing, equipment, or interior or exterior signage which is not then approved by Franchisor, Franchisee will first notify Franchisor in writing, and will submit to Franchisor upon its request information regarding the supplier and sufficient specifications, photographs, drawings and/or other information or samples for a determination whether such fixture, furnishing, equipment, storefront and/or sign complies with Franchisor's specifications and standards. Whenever Franchisee uses 2 or more Point-of-Sale ("POS") computers, the computers will be networked so that all sales and other data can be combined in reports that are sent to Franchisor electronically or otherwise, as specified by Franchisor.

E. **CENTER OPENING.** Franchisee agrees not to open the Center for business until: 1) all of Franchisee's obligations under Subsections 3.C and 3.D of this Agreement have been fulfilled; 2) Franchisor determines that the Center has been constructed, decorated, furnished, equipped and stocked with materials and supplied in accordance with approved plans and specifications; 3) pre-opening training of Franchisee and personnel of the Center has been completed to Franchisor's satisfaction; 4) the initial franchise fee and all other amounts then due to Franchisor and/or its affiliates have been paid; and 5) Franchisor has been furnished with copies of all insurance policies required in this Agreement, or such other evidence of insurance coverage and payment of premiums as Franchisor requests. Franchisee agrees to comply with these conditions and to open the Center for business within 365 days after execution of this Agreement. Franchisee further agrees to open the Center for business under this Agreement within 5 days after Franchisor gives written notice to Franchisee stating that the Center is ready for opening. If Franchisee fails to open the Center within 365 days after execution of this Agreement, except in the event of delays caused by Franchisor and/or delays caused by the Premises Owner (as defined in Subsection 3.B of this Agreement), Franchisor may terminate the Franchise at any time thereafter (see Subsection 8.A of this Agreement).

4. TRAINING, GUIDANCE AND MANUALS

A. TRAINING. Franchisor will provide to Franchisee and/or Franchisee's personnel (not to total more than 4 persons) initial training in the operation of the Center.

Initial training will take place only after this Agreement is fully executed, and will generally be a combination of hands-on experience in Franchisor's training Center and classroom training at Franchisor's offices in San Diego, California. Initial training generally will last 8 classroom days for a standard, express or flex Center, with up to 1 additional 6-hour day for a flex Center, provided, however, that Franchisor may, in its sole discretion, reduce the number of days of classroom training, taking into account factors such as attendees' prior experience with the subject matter, the number of attendees, scheduling, etc. Franchisor may, but is not required to, provide an online training program before Franchisee and/or Franchisee's personnel attend initial training that may reduce the number of classroom days for initial training. Franchisor, may but is not required to, provide additional pre-training or post-training sessions, including teleconferences, online web-based training and live webcast sessions, that Franchisee must complete within the timeframe specified by Franchisor in its sole discretion. Franchisee must pay any then-current license and administrative fees associated with pre-training and post-training requirements (such as the current one-time 12-month license and administrative fee of \$330 for an online financial training portal). Initial training will cover general and local marketing, advertising and promotion, marketing programs, marketing resources and tools, sales training, general business instruction, and the practical, administrative and financial aspects of each revenue center in a typical Center. Franchisee and/or Franchisee's designated personnel must complete initial training to the satisfaction of Franchisor.

Franchisee must obtain and install all computer hardware, and all software programs and licenses, as specified by Franchisor under Section 9 of this Agreement, and must establish Internet access as specified by Franchisor under Section 9 of this Agreement, before or at initial training. Franchisee acknowledges that this is necessary to prepare for initial training. Franchisor will provide Franchisee assistance to prepare for initial training, which may include providing Franchisee with pre-training materials (including computer materials) and a workbook before training.

Subject to the availability of Franchisor's personnel, Franchisor will provide on-site initial training at Franchisee's location for up to 4 days for new franchisees and 1 day for transfers or existing franchisees at no charge to Franchisee. At Franchisee's request, and subject to the availability of Franchisor's personnel, if Franchisee requires additional training after this initial on-site training, Franchisor may require Franchisee to pay Franchisor's daily fee (currently \$300 per person), and Franchisor's costs for transportation, lodging and meals. Salaries and other charges for Franchisor's personnel time will be at Franchisor's expense.

Franchisor may require Franchisee, previously trained and experienced managers, and/or new managers or personnel, to attend periodic training courses online or at locations designated by Franchisor. Franchisor may offer national conventions and/or regional meetings at various times in the future for additional training in marketing, advertising, equipment technology, business management and in other areas, and may offer optional training programs. Franchisor may charge Franchisee a registration or other fee for any refresher training course, national convention, regional meeting or optional training program. Franchisee and/or Franchisee's designated personnel must attend the full program of, and must stay at the designated hotel of,

each national convention held by the Franchisor, Franchisee and/or Franchisee's designated personnel must attend any regional meeting held in Franchisee's geographical area.

Beginning after Franchisee (i) opens the Center, (ii) assumes the operation of an existing Center by transfer, or (iii) converts an existing business to a Center, Franchisor will collect from Franchisee as national convention participation deposits the sum of \$25 per week each Tuesday after the close of business, for the previous week ending Saturday, by automatic draft from Franchisee's designated bank account. The amount, frequency, date and method of collection of the national convention participation deposits are subject to change in Franchisor's sole discretion, after at least 15 days' prior notice to Franchisee. National convention participation deposits will be applied to the per-person national convention registration fee and the national convention hotel fee for 1 room for the next scheduled national convention. If Franchisee's accrued national convention participation deposits are not sufficient to cover these fees, Franchisor has the right to debit Franchisee's bank account for the difference. If Franchisee and/or Franchisee's designated personnel attend the full program of, and stay at the designated hotel of, a national convention, any unused national convention participation deposits will remain with Franchisor as a credit toward the registration fee and the hotel fee for the next national convention unless, subject to Franchisor's approval in its sole discretion, the unused national convention participation deposits are applied towards or reimbursed for Franchisee's other expenses associated with the national convention, including travel expenses, incidental expenses and additional lodging expenses. If Franchisee and/or Franchisee's designated personnel fail to attend the full program of, or fail to stay at the designated hotel of, a national convention, these accrued deposits will be forfeited and retained by Franchisor as of the closing date of the national convention. If Franchisee transfers the Franchise, the Center or this Agreement, or any interest in the Franchise, the Center, this Agreement or Franchisee, as specified and in accordance with Section 13 of this Agreement, Franchisor will transfer any of Franchisee's accrued national convention participation deposits to the transferee as the transfer closing date. Franchisee may negotiate with the transferee that the amount be reimbursed to Franchisee by transferee through the Escrow Agent (as defined in Subsection 13.C.9 of this Agreement) at the closing as an adjustment to the sales price. Any accrued national convention participation deposits will be forfeited and retained by Franchisor on expiration, termination or non-renewal of the Franchise, and/or closure of the Center.

Any expenses, including lodging, room, board, travel, salaries, and incidental expenses incurred by Franchisee or Franchisee's personnel in connection with attending training, meetings, seminars, or national conventions are the responsibility of Franchisee.

B. GUIDANCE. Franchisor, or its regional licensees or agents, may periodically advise Franchisee on operating issues disclosed by reports on the Center submitted to Franchisor or inspections of the Center made by Franchisor. Franchisor also may furnish guidance to Franchisee in connection with: development and implementation of marketing, advertising and promotional programs; merchandising and displays; purchasing of approved fixtures, furnishings, signs, graphics, supplies, products and equipment; bookkeeping, accounting and other general administrative and operating procedures; and periodic changes in Franchisor's formats, designs, image, systems, methods, specifications, standards and procedures. Such guidance will be provided in the manner determined by Franchisor, which may include, without limitation, consultation by telephone, email or in person at the Center or at other locations, and written materials, including bulletins, the Manual or through a corporate Intranet.

In its sole discretion, Franchisor may make available to Franchisee, at Franchisee's request, special assistance at such daily fees and charges for travel, room and board as Franchisor may periodically establish, to be paid in advance. Such assistance will be subject to the availability of Franchisor's personnel and will be limited, in Franchisor's sole discretion, to 2 weeks per year.

C. CONFIDENTIAL OPERATING MANUALS. Franchisor will loan to Franchisee 1 copy of the Confidential Operating Manuals ("Manuals") dealing with merchandise, equipment, supplies, sales, services, advertising and related matters, as may be periodically incorporated in the Manuals. The Manuals will remain confidential and the property of Franchisor. Franchisor will have the right to add to and otherwise modify the Manuals periodically, through bulletins, a corporate Intranet, in writing or otherwise, as it deems necessary, provided that no such addition or modification will substantially alter Franchisee's fundamental status, obligations and rights under this Agreement. Franchisee must operate the Center in accordance with the Manuals.

5. MARKS

A. OWNERSHIP AND GOODWILL OF MARKS. Franchisee acknowledges that it has no ownership interest whatsoever in or to the Marks, and that its right to use the Marks is derived solely from this Agreement and is limited to its conduct of business under and in compliance with this Agreement and all applicable standards, specifications and operating procedures periodically prescribed by Franchisor during the term of the Franchise. Any unauthorized use of the Marks by Franchisee will constitute a default of this Agreement and an infringement of Franchisor's rights in and to the Marks. Franchisee acknowledges and agrees that its usage of the Marks and any goodwill established thereby will inure to the exclusive benefit of Franchisor, and that this Agreement does not confer any goodwill or other interest in the Marks upon Franchisee, other than the right to use the Mark in the operation of the Center in compliance with this Agreement. All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, logos and other identifiers hereafter authorized for use by and licensed to Franchisee by Franchisor.

B. LIMITATIONS ON FRANCHISEE'S USE OF MARKS. Franchisee agrees to use the Marks as the sole identifiers of the Center, provided that Franchisee will identify himself, herself or themselves as the independent owner of the Center in the manner prescribed by Franchisor. Without Franchisor's prior written consent, Franchisee will not use any Mark as part of any corporate, partnership, firm or other formal business name, website address, domain name, email address or other identification in any print, digital, electronic or other medium, including email marketing programs, social media platforms, online directory listings, and other networking platforms, or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form (see Attachment 8). (The terms "Franchisor's prior written consent", and "our prior written consent", as used in this Agreement and its Attachments, mean consent that is given by Franchisor based on then-current circumstances, but that may be withdrawn by Franchisor, if Franchisor later determines in its sole discretion that circumstances have changed, effective upon giving Franchisee 30 days' prior written notice of withdrawal.) Franchisee may not use any Mark in connection with the sale or performance of any unauthorized products or services, or in any other manner not expressly authorized in writing by Franchisor. Franchisee agrees to display the Marks prominently at the Center, and in connection with advertising and marketing materials, only in the manner prescribed by Franchisor and in accordance with Franchisor's then-current advertising and marketing policies. Franchisee agrees to obtain such fictitious or assumed name

registrations as may be required under applicable law. Franchisee must provide Franchisor with proof of such fictitious or assumed name filings. Franchisee agrees to execute any and all instruments and documents, render such assistance and do such acts and things at Franchisor's expense as may, in the opinion of Franchisor, be necessary or advisable to protect and maintain the interests of Franchisor in the Marks in any litigation, or in any U.S. Patent and Trademark Office or other proceeding, or otherwise to protect and maintain the interests of Franchisor in the Marks.

C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS. Franchisee agrees to notify Franchisor in writing of any apparent infringement of or challenge to Franchisee's use of any Mark, or of any claim by any person of any rights in any Mark or any similar trade name, trademark or service mark, promptly after Franchisee becomes aware of such infringement, challenge or claim. Franchisee will not communicate with any person other than legal counsel, Franchisor and its counsel in connection with any such infringement, challenge or claim. Franchisor will have sole discretion to take such action as it deems appropriate and sole right to control any litigation, or any U.S. Patent and Trademark Office or other proceeding, arising out of any such infringement, challenge or claim, or otherwise relating to any Mark.

D. INDEMNIFICATION OF FRANCHISEE/DISCONTINUANCE OF USE OF MARKS. Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, all damages incurred by it or for which it is held liable in any proceeding in which Franchisee's use of any Mark under and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by Franchisee in the defense of any such claim brought against it or in any such proceeding in which it is named as a party, provided that Franchisee has notified Franchisor of such claim or proceeding within 30 days of learning of the claim or proceeding and has otherwise complied with this Agreement. Franchisor will have the right to control the defense of any such claim. Franchisor will have no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee.

E. DISCONTINUANCE OF USE OF MARKS. If it becomes advisable at any time, in Franchisor's sole discretion, for Franchisor and/or Franchisee to modify or discontinue use of any Mark, and/or to use 1 or more additional or substitute trademarks or service marks, Franchisee agrees to comply with Franchisor's instructions in that regard within a reasonable time after written notice thereof by Franchisor. Franchisor will have no liability or obligation whatsoever with respect to Franchisor's modification or discontinuance of any Mark.

6. CONFIDENTIAL INFORMATION

Franchisor possesses certain proprietary information relating to the development and operation of Centers, including methods, techniques, formats, specifications, procedures, information, systems, and knowledge of and experience in the development, operation and franchising of Centers (collectively the "Confidential Information"). Franchisor will disclose the Confidential Information to Franchisee through initial training, any online training programs, any refresher training programs, any optional training programs, the Manuals, and guidance furnished to Franchisee during the term of the Franchise.

Franchisee acknowledges and agrees that Franchisee will not acquire any interest in the Confidential Information, other than the right to use it in the operation of the Center during the

term of the Franchise, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. Franchisee acknowledges and agrees that the Confidential Information is owned by, and constitutes a trade secret of Franchisor. Information is not considered to be Confidential Information if: 1) it is in the public domain; 2) it is received from a third party other than Franchisor; or 3) it is developed by Franchisee as demonstrated by documentary proof. Franchisee agrees that he, she or they: 1) will not use the Confidential Information in any other business or capacity; 2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise; 3) will not make unauthorized copies of any portion of the Confidential Information disclosed to Franchisee in the Manuals, in writing or otherwise; and 4) will adopt and implement all reasonable procedures prescribed periodically by Franchisor to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure of the Confidential Information to managers and other personnel of the Center, and the use of non-disclosure agreements with managers and other personnel who have access to the Confidential Information. Franchisee acknowledges and agrees that it may not disclose any Confidential Information to any Premises Owner (as defined in Subsection 3.B of this Agreement), except with the express consent of Franchisor, and that there is no implied consent from Franchisor to do so.

Franchisee agrees that Franchisor and its affiliates will have the perpetual right to use and authorize other Centers to use, and that Franchisee will fully and promptly disclose to Franchisor, all product and marketing ideas, concepts, methods and techniques relating to the development and/or operation of any business engaged in the sale of packaging and crating, shipping, logistics, moving products and services, storage, postal products and services, business supplies, notary services, fingerprinting services, key-cutting services, printing, passport photos, freight shipping, greeting cards, office supplies, printing and copying services (including digital printing and copying services), digital transfers, offset and large-format printing, binding and finishing services, personalized mailing services, direct mail services, mailbox rental (physical and virtual), package receiving services, faxing services, computer rental, graphic design, website building, e-commerce, and related products and services, conceived or developed by Franchisee and/or its personnel during the term of the Franchise. Franchisee acknowledges that such product and marketing ideas, concepts, methods and techniques will become Confidential Information and the property of Franchisor. Franchisee will not be entitled to receive any compensation from Franchisor for the same, but Franchisee will not be required to pay any compensation to Franchisor for use of the same.

Franchisee will require and obtain the execution of Franchisor's Non-Disclosure Agreement, prior to or from the date of employment, or prior to any promotion, of: any Business Manager of the Center; any other person employed by Franchisee who has received or will receive training from Franchisor; or any person with an ownership interest in the Franchise or Franchisee, and will provide a copy of each executed Non-Disclosure Agreement to Franchisor.

7. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

A. RELATIONSHIP OF THE PARTIES.

1) Under this Agreement, Franchisee is an independent contractor with entire control and direction of the Center, subject only to the terms of this Agreement and its attachments. This Agreement is not intended to, and does not create a fiduciary or other special relationship between the parties, or make any party a principal, agent, legal representative, parent, affiliate,

subsidiary, joint venturer, partner, employer, joint employer, employee or servant of any other party for any purpose. In that regard:

a) Franchisor has no right or duty to operate the Center, and disclaims any liability under this Agreement for any damages arising out of the operation of the Center.

b) Except as provided in this Agreement, Franchisee is solely responsible for training its personnel. To the extent that Franchisor provides Franchisee with materials and other resources related to training Franchisee's management and non-management personnel on matters in the interest of protecting and maintaining the goodwill of the System and the Marks, and not in order to give Franchisor control the day-to-day operation of the Center, Franchisee must use those training resources as Franchisor directs. To the extent that Franchisor provides Franchisee with guidelines, recommendations, materials and other resources related to training Franchisee's management and non-management personnel on other matters, Franchisee may use those training resources, or may choose to use alternate training resources, so long as its management and non-management personnel are trained to operate the Center in a System-compliant, legal and safe manner.

c) Franchisee is solely responsible for recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining and firing Franchisee's personnel. Franchisee's personnel are not Franchisor's employees, independent contractors or agents. Franchisor has no right or duty to supervise, or to exercise control over, Franchisee's personnel in the operation of the Center, and disclaims any rights or responsibilities as to Franchisee's personnel. To the extent that Franchisor provides Franchisee with guidelines, recommendations, materials and other resources related to functions such as recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining or firing personnel, Franchisee may use those resources, or may choose to use alternate resources. Franchisee is solely responsible for consulting with its own third-party human resources ("HR") service provider and/or legal counsel concerning compliance with all applicable personnel laws and regulations, and for complying with those laws and regulations.

d) Franchisee is solely responsible for establishing and enforcing its own policies related to personnel practices and labor relations. To the extent that Franchisor provides Franchisee with guidelines, recommendations and materials related to personnel practices and labor relations, Franchisee may use those resources, or may choose to use alternate resources. Franchisee is solely responsible for consulting with its own third-party HR service provider and/or legal counsel concerning compliance with applicable personnel and labor relations laws and regulations, and for complying with those laws and regulations.

2) During the term of the Franchise, Franchisee will hold itself out, to the public, public officials, its suppliers, its independent contractors and others, as an independent contractor operating the Center pursuant to rights granted by Franchisor, but not jointly with Franchisor. Franchisee will take any reasonable action that Franchisor considers necessary to that end, including exhibiting notices of the parties' relationship in a conspicuous manner at the Center, and on websites, letterhead, forms, business cards, electronic communications, advertisements and other materials Franchisor designates. At Franchisor's request, Franchisee will prominently display a "Franchises Available" notice at a place or places in the Center that Franchisor

designates. Franchisor reserves the right to specify and change the content and form of these notices.

3) During the term of the Franchise, Franchisee will hold itself out to its prospective employees, and to its employees, as an independent contractor operating the Center pursuant to rights granted by Franchisor, but not jointly with Franchisor. Franchisee will take any reasonable action that Franchisor considers necessary to that end, including: (i) stating conspicuously on each employment application that the prospective employee is applying to be Franchisee's employee and not an employee of Franchisor; (ii) stating Franchisee's entire business name, rather than just using Franchisor's brand name and/or logo, on Franchisee's payroll checks and/or payroll-related communications to employees; and (iii) requiring employees to sign acknowledgements that they are not employees of Franchisor, even though they are selling products and services identified by Franchisor's brand name and/or logo, are receiving payroll checks and other communications that contain Franchisor's brand name and/or logo, may have applied for jobs through Franchisor's website, or may communicate with or receive non-mandatory feedback, coaching or recommendations from representatives of Franchisor in emails or other electronic or written communications, or during telephone calls, meetings or inspections. Franchisor reserves the right to specify and change the content and form of these statements and acknowledgements.

4) Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf; to incur any obligation, debt or expense in Franchisor's name; or to make any representation to any third party tending to indicate a business relationship with Franchisor beyond that created under this Agreement. Franchisor disclaims any liability for, and will not be liable under this Agreement for, any claim or judgment arising as a result of any such action by Franchisee. Nor will Franchisor be liable by reason of any of Franchisee's acts or omissions in the operation of the Center, or for any claim or judgment arising therefrom against Franchisee or Franchisor. Under this Agreement, no party is responsible for any obligations, debts or expenses of any other party.

B. INDEMNIFICATION. Franchisee agrees to indemnify and hold Franchisor and its affiliates, and the directors, officers, employees, agents and assignees of Franchisor and its affiliates, harmless against any liability for any claims arising out of the construction or operation of the Center or the performance by Franchisee of any obligation under this Agreement. For purposes of this indemnification obligation, claims will mean and include all liabilities, obligations, actual and consequential damages, taxes, and costs reasonably incurred in the defense of any claim, including reasonable accounting, expert and witness fees, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses. Franchisor will have the right to defend any such claim in which Franchisor, any of its affiliates, or any director, officer, employee, agent or assignee of Franchisor or any of its affiliates, is named as a defendant. This indemnification obligation will continue in full force and effect subsequent to and notwithstanding any transfer, or the expiration, termination or non-renewal of the Franchise. Franchisee specifically acknowledges that: (a) Franchisor does not have any reserved or general right to exercise control over, and does not exercise any direct or indirect control over, the day-to-day operation of the Center (including operations-related functions such as safety and security, the use of equipment and motor vehicles, and the delivery of products and services to customers, and personnel-related functions such as recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the

payroll of, providing work resources to, scheduling, supervising, disciplining and firing), (b) all liability arising out of the operation of the Center is therefore Franchisee's responsibility, and (c) Franchisee's indemnification obligation under this Subsection 7.B covers any "joint employer," "agency," "ostensible agency" or similar claims by third parties based on the establishment or operation of the Center.

8. FEES

A. INITIAL FRANCHISE FEE; CONVERSION TRAINING FEE. The initial franchise fee and any applicable conversion training fee are due and payable when this Agreement is executed and are non-refundable except as described below:

1) Initial Franchise Fee for a Standard Center or Flex Center. If this Agreement is for a standard Center or flex Center, Franchisee will pay to Franchisor an initial franchise fee of:

- a) \$29,950.00; or
- b) \$22,462.50 if Franchisee qualifies for the VetFran discount; or
- c) \$14,975.00 if this Agreement is for a Center that will be converted from a qualifying existing business providing the same services to the public; provided, however, that Franchisee will also pay to Franchisor a conversion training fee of \$4,000.00; and provided further that the Center must be operational within 365 days after this Agreement is signed and must be owned and operated by Franchisee for a minimum of 1 year thereafter; and provided further that if the Center is sold before the completion of 1 year of operation, Franchisee must pay to Franchisor the discounted amount of the initial franchise fee (\$14,975.00) upon sale of the Center; or
- d) \$11,231.25 if this Agreement is for a Center that will be converted from a qualifying existing business providing the same services to the public and the Franchisee qualifies for the VetFran discount; provided, however, that Franchisee will also pay to Franchisor a conversion training fee of \$4,000.00; and provided further that the Center must be operational within 365 days after this Agreement is signed and must be owned and operated by Franchisee for a minimum of 1 year thereafter; and provided further that if the Center is sold before the completion of 1 year of operation, Franchisee must pay to Franchisor the discounted amount of the initial franchise fee (\$18,718.75) upon sale of the Center; or
- e) \$14,975.00 if Franchisee already owns and operates at least 1 Center or 1 Commercial Logistics Center; provided that the Center must be operational within 365 days after this Agreement is signed, and must be owned and operated by Franchisee for a minimum of 1 year thereafter; and provided further that if the Center is sold before the completion of 1 year of operation, Franchisee must pay to Franchisor the discounted amount of the initial franchise fee (\$14,975.00) upon sale of the Center; or
- f) \$11,231.25 if Franchisee already owns and operates at least 1 Center or 1 Commercial Logistics Center; and the Franchisee qualifies for the VetFran discount provided that the Center must be operational within 365 days after this Agreement is signed, and must be owned and operated by Franchisee for a minimum of 1 year thereafter; and provided further that if the Center is sold before the completion of 1 year of operation,

Franchisee must pay to Franchisor the discounted amount of the initial franchise fee (\$18,718.75) upon sale of the Center; or

g) \$5,000.00 if Franchisee already owns and operates at least 1 Center or 1 Commercial Logistics Center and this Agreement is for a standard Center or flex Center that will be converted from a qualifying existing business providing the same services to the public; provided that the Center must be operational within 365 days after this Agreement is signed and must be owned and operated by Franchisee for a minimum of 1 year thereafter; and provided further that if the Center is sold before the completion of 1 year of operation, Franchisee must pay to Franchisor the additional discounted amount of the initial franchise fee (\$24,950.00) upon sale of the Center; or

h) \$3,750.00 if Franchisee already owns and operates at least 1 Center or 1 Commercial Logistics Center and this Agreement is for a standard Center or flex Center that will be converted from a qualifying existing business providing the same services to the public and the Franchisee qualifies for the VetFran discount; provided that the Center must be operational within 365 days after this Agreement is signed and must be owned and operated by Franchisee for a minimum of 1 year thereafter; and provided further that if the Center is sold before the completion of 1 year of operation, Franchisee must pay to Franchisor the additional discounted amount of the initial franchise fee (\$26,200.00) upon sale of the Center.

2) Initial Franchise Fee for an Express Center. If this Agreement is for an express Center, Franchisee will pay to Franchisor an initial franchise fee of \$14,975.00, or \$11,321.25 if the Franchisee qualifies for the VetFran discount.

3) Refundability. The initial franchise fee is fully earned when paid and non-refundable in consideration for administrative and other expenses that Franchisor incurs in entering into this Agreement, and for lost or deferred opportunity to enter into a franchise agreement with others, except that:

a) If, before initial training, Franchisee decides not to continue as a franchisee, and if Franchisor approves termination of the Franchise and determines that Franchisee is entitled to a refund, Franchisor may refund the initial franchise fee, less \$8,000 to compensate Franchisor for its services to that point, and less any actual out-of-pocket expenses, including any broker referral fees that Franchisor may have been required to pay in connection with Franchisee's execution of this Agreement. Franchisee agrees and acknowledges that any such refund will be Franchisor's only obligation to Franchisee, and that Franchisee and its owners will execute general releases, in forms satisfactory to Franchisor. Franchisee further agrees and acknowledges that, in the event of such termination, Franchisee will be bound by the provisions in Section 16 of this Agreement.

b) If, before or during initial training, Franchisor, in its sole discretion, determines that Franchisee cannot successfully complete initial training or that Franchisee is not making satisfactory progress in initial training, Franchisor may terminate the Franchise. If Franchisor terminates the Franchise, Franchisor may refund the initial franchise fee, less \$8,000 to compensate Franchisor for its services to that point, and less any actual out-of-pocket expenses, including any broker referral fees that Franchisor may have been required to pay in connection with Franchisee's execution of this Agreement.

Franchisee agrees and acknowledges that such refund will be Franchisor's only obligation to Franchisee, and that Franchisee and its owners will execute general releases, in forms satisfactory to Franchisor. Franchisee further agrees and acknowledges that, in the event of such termination, Franchisee will be bound by the provisions in Section 16 of this Agreement.

c) If Franchisee is unable to locate an acceptable site in accordance with Subsection 3.A of this Agreement or if Franchisee fails to open the Center in accordance with Subsection 3.E of this Agreement, Franchisor may terminate the Franchise. If Franchisor terminates the Franchise:

i) Before Franchisee begins initial training, Franchisor may refund the initial franchise fee, less \$8,000 to compensate Franchisor for its services to that point, and less any actual out-of-pocket expenses, including any broker referral fees that Franchisor may have been required to pay in connection with Franchisee's execution of this Agreement. Franchisee agrees and acknowledges that such refund will be Franchisor's only obligation to Franchisee, and that Franchisee and its owners will execute general releases, in forms satisfactory to Franchisor. Franchisee further agrees and acknowledges that, in the event of such termination, Franchisee will be bound by the provisions in Section 16 of this Agreement.

ii) After Franchisee begins initial training, Franchisor will not refund any of the initial franchise fee. Franchisee further agrees and acknowledges that, in the event of such termination, Franchisee will be bound by the provisions in Section 16 of this Agreement.

d) If Franchisee decides to purchase an existing Center instead of opening a new Center after Franchisee signs the franchise agreement, Franchisor will not refund any of the initial franchise fee, whether or not Franchisor terminates the Franchise.

B. ROYALTY FEES. Franchisee is required to pay Franchisor a royalty fee in an amount equal to 5% of Franchisee's total Gross Receipts each Wednesday for the previous week ending Saturday, or at another interval established by Franchisor. Franchisee is required to submit to Franchisor a correct, signed statement of Franchisee's Gross Receipts each Saturday, after the close of business and before midnight, for the week ending that Saturday, or at such other interval established by Franchisor, generated by an approved point-of-sale computer system or any other approved reporting system that may be required by Franchisor.

C. MARKETING FEES. Franchisee must contribute an amount equal to 2% of Gross Receipts as a marketing fee, payable in the same manner and reported in the same manner as set forth in Subsection 8.B of this Agreement for royalty fees, as a contribution to the Fund specified in Subsection 10.A of this Agreement. In its sole discretion, Franchisor may change Franchisee's schedule for making marketing and promotional fund contributions, and for making related reports of Gross Receipts and other financial information, to an interval established by Franchisor. See Section 10 of this Agreement for other obligations related to advertising.

D. TECHNOLOGY SERVICES FEE. Beginning after Franchisee (i) opens the Center, (ii) assumes the operation of an existing Center by transfer, or (iii) converts an existing business to a Center, Franchisor will collect from Franchisee as a Technology Services Fee the sum of \$15 per week each Tuesday after the close of business, for the previous week ending

Saturday, by automatic draft from Franchisee's designated bank account. The fee will be used for support of various technology services that Franchisor may provide to Franchisee in its sole discretion. The amount of the fee, frequency, date and method of collection, are subject to change in Franchisor's sole discretion, after at least 15 days' prior notice to Franchisee. See Subsection 9.C.

E. PAYMENT OF FEES. Franchisee will pay or enable Franchisor to collect any and all sums or amounts promptly as they became due. Franchisee's failure to pay amounts when due may constitute grounds for termination of the Franchise. Franchisee must authorize payment to Franchisor by automatic draft from Franchisee's designated bank account or otherwise establish a payment arrangement whereby Franchisor will be able to present a draft to Franchisee's financial institution and withdraw funds from Franchisee's bank account to pay royalty fees, marketing fees, equipment and/or supplies payments, national convention participation deposits, technology services fees and any other monies periodically owed by Franchisee to Franchisor. Franchisee agrees to always keep sufficient funds in its designated account to ensure that any draft will be honored by its financial institution. Franchisor may specify periodic amounts for regular transfer to its account, based on past reports of sales by Franchisee and Franchisor's reasonable expectations of amounts to become due from Franchisee. Franchisee agrees to advise Franchisor in advance of any change in its financial institution or account. Payments are deemed made when received by Franchisor at Franchisor's Corporate Office. Franchisor has the sole discretion to apply any payments by Franchisee, and any credits received by Franchisor on the Franchisee's behalf from any third-party vendor or supplier, to any past due indebtedness of Franchisee for royalty fees, marketing fees, national convention participation deposits, technology services fees, insurance premiums, expenses, lease or rental payments, purchases from Franchisor and its affiliates, interest, late fees or any other indebtedness. In its sole discretion, Franchisor may change Franchisee's schedule for making periodic fee payments, and for making related reports of Gross Receipts and other financial information, to an interval established by Franchisor, by giving advance written notice of the change and issuing an update to the Manuals.

F. LATE FEE; INTEREST. If Franchisee fails to pay when due any royalty fees, marketing fees, national convention participation deposits, technology services fees, amounts owed for a purchase from Franchisor or any of its affiliates, equipment lease or rental payments, or other amounts due to Franchisor or any of its affiliates, Franchisor may charge Franchisee a late fee of the greater of \$35 or 10% of the amount due (or the highest late fee allowed by law), plus interest at the rate of 1.5% per month (or the highest interest allowed by law) from the date that the payment was originally due until the date of payment. Franchisee must authorize payment by electronic funds transfer.

G. GROSS RECEIPTS. "Gross Receipts" means the total of all sales of products and services to customers of the Center, whether or not sold or performed at or from the Center, excluding: (i) sales, use or service taxes collected and paid to appropriate taxing authorities; (ii) customer refunds and adjustments; (iii) the cost of electronic funds transfers for resale; (iv) the cost of money orders for resale; (v) utility funds collected; (vi) the cost of lottery tickets for resale and phone cards for resale; (vii) the cost of third-party truck rental sales; (viii) the cost of eBay sales; (ix) the cost of metered postage and postage stamps purchased for resale; and (x) the cost of ancillary fees paid to the appropriate government agencies to process fingerprinting, LiveScan and passports. Franchisor reserves the right, in its sole discretion, to add additional exclusions to the list above as new programs, products or services are established, or as changes

to existing programs, products or services are established, as specified in the Manuals or otherwise. Original receipts for all reported purchases deducted must be included with Franchisee's Center Sales Report for verification. The extension of credit is the sole responsibility and risk of Franchisee. Royalty fees and marketing fees will be due and payable on credit sales to the same extent as if such business had been by cash sale.

9. IMAGE, STANDARDS, AND OPERATING REQUIREMENTS OF THE CENTER

A. **CONDITION AND APPEARANCE OF THE CENTER.** Franchisee agrees to maintain the condition and appearance of the Center consistent with the System and required uniform image of its franchised businesses as a modern, clean, attractive and efficiently operated Center, which offers high quality products to the public based on friendly, creative and efficient service. Franchisee agrees to perform or cause to be performed at Franchisee's expense whatever maintenance of the Center is required to maintain such condition, appearance, and efficient operation, including: continuous and thorough cleaning; periodic decoration and repair or remodeling, as necessary, of the interior and exterior of the Center; and replacement of worn-out or obsolete leasehold improvements, furnishings, fixtures, equipment, displays, signs, and graphics with approved leasehold improvements, furnishings, fixtures, equipment, displays, signs, and graphics. The Center must have new flooring, and the interior must be repainted to Franchisor's specifications at least once every 60 months. Any tile flooring must be cleaned daily and polished at least semi-annually, and any carpet flooring must be cleaned daily and dry-cleaned at least semi-annually, to Franchisor's specifications as necessary to maintain a clean appearance.

If Franchisee does not maintain the condition and appearance of the Center as is required by this Agreement, Franchisee will give Franchisor access to the Center on not less than 3 days' prior written notice from Franchisor, so that Franchisor may: 1) arrange for the necessary cleaning, repair, remodeling, upgrading, painting or decorating; and 2) replace the necessary leasehold improvements, furnishings, fixtures, equipment, displays, signs, or graphics. Franchisee must pay the entire cost thereof within 10 days of receipt of an invoice from Franchisor for the services or purchases. Franchisee's failure to give Franchisor access to the Center, or to reimburse Franchisor in accordance with this Subsection 9.A, is an act subject to the default and enforcement provisions of this Agreement.

No replacement of leasehold improvements, furnishings, equipment, displays, signs, or graphics will be made, nor will any material alteration to the Center as originally developed or approved by Franchisor be made, without Franchisor's prior written consent. Franchisee will place or display at and within the Center only such signs, logos, emblems, lettering, graphics, and display materials as are periodically approved or designated in writing by Franchisor. Franchisor may require any changes, replacements, or modifications not previously approved by Franchisor to be rectified at Franchisee's sole expense and Franchisee will promptly make any such changes, replacements or modifications.

B. **AUTHORIZED PRODUCTS, EQUIPMENT, AND SERVICES.** The presentation of a uniform image to the public and the resulting positive reputation and goodwill are essential elements of a successful franchise system. Franchisee therefore agrees that the Center will offer for sale such products, services, and will use those brands and models of equipment as Franchisor, in its sole discretion, periodically determines to be appropriate for Centers.

In determining approved brands and models of equipment, Franchisor may consider standards of quality, value, customer recognition and acceptance, advertising support and availability, and such other standards as are periodically determined by Franchisor to be relevant. Certain trade dress fixtures, equipment, supplies, other merchandise and services may be required to be purchased directly from Franchisor and/or its affiliates, or may be permitted to be purchased from other suppliers provided Franchisor is held harmless by Franchisee regarding any products liability cause of action. On items or services sold by Franchisor and/or its affiliates, Franchisor anticipates a reasonable profit to cover overhead expenses.

Franchisor may periodically publish a suggested price list for products and services offered at the Center. The purpose of such a list is for guidance only. Franchisee is not bound by these suggested prices and may offer products and services at prices determined at the sole discretion of Franchisee, except as otherwise noted in Subsections 9.J, 9.K, 10.A and 10.F of this Agreement.

If Franchisee desires to use any type, brand, or model of equipment which is not then currently approved by Franchisor, or if Franchisee desires to purchase any equipment from a supplier other than Franchisor, an affiliate of Franchisor or a supplier which is then currently approved by Franchisor for such equipment, Franchisee will notify Franchisor of his, her or their desire to do so and will submit to Franchisor specifications, photographs, samples, and/or other information requested by Franchisor. Franchisor will, within a reasonable time, determine whether the equipment or supplier meets Franchisor's specifications and standards and notify Franchisee whether the Center is authorized to use such equipment in the operation of the Center or to purchase from such supplier. Franchisor may grant its approval subject to certain conditions, including requirements relating to quality and condition of the equipment and its resulting products, the frequency of delivery, standards of service (e.g., prompt attention to complaints), and may grant its approval on a temporary basis, pending a further evaluation of the equipment or supplier by Franchisor. In approving suppliers for the Center, Franchisor may take into consideration such factors as the reliability of the supplier. Franchisor may concentrate purchases with 1 or more suppliers to obtain the lowest prices and/or the best advertising support or other services for any group of businesses franchised or operated by Franchisor or any of its affiliates. Franchisor may periodically prescribe procedures for the submission of requests for approval of equipment and suppliers.

C. COMPUTER SYSTEMS. Franchisee will obtain and maintain for the Center such computer hardware, software programs and licenses, dedicated and separated telephone, fax, and power lines, computer-related accessories and peripheral equipment, merchant card processing hardware and software, and Internet access as Franchisor specifies, at the time(s) Franchisor specifies, in this Agreement, in the Manuals, in writing or otherwise. Franchisee will purchase or lease approved brands, types and models of computer hardware, software programs and licenses, computer-related accessories and peripheral equipment, and merchant card processing hardware and software, only from suppliers approved or designated by Franchisor (which may include solely Franchisor and/or its affiliates). Franchisee will provide any assistance required by Franchisor to bring its computer system(s) "online" with Franchisor's computer systems(s) and/or to make Franchisee's computer system(s) remotely accessible by Franchisor and/or designated third-party service provider, at the earliest possible time, and Franchisee expressly agrees that Franchisor will thereafter have the free and unfettered right to retrieve such data and information from Franchisee's computer system(s) as Franchisor, in its sole discretion, deems necessary, desirable, or appropriate, with the cost of such retrieval to be borne by Franchisor. All of the

foregoing items specified to be installed or purchased, or activities specified to be accomplished by Franchisee, and the delivery costs of all computer hardware, software programs and software licenses, will be accomplished or borne at Franchisee's sole expense. Franchisee will utilize Franchisor's proprietary software, manuals and related materials for the operation of the Center, and will input and maintain such data and information as Franchisor prescribes in the Manuals, in writing or otherwise, in Franchisee's computer system(s), including the proprietary and non-proprietary software. Franchisor may (directly or through an approved supplier) furnish to Franchisee new or upgraded proprietary or non-proprietary software, licenses, manuals and/or materials whenever Franchisor determines to adopt such new or upgraded software, licenses, manuals and/or materials system-wide, for such fees and on such terms and conditions as Franchisor will determine in its sole discretion. Franchisee agrees to execute software licenses as requested, and pay such initial, ongoing, maintenance and/or support fees as periodically specified in order to receive the software, licenses, manuals and/or materials from Franchisor or its approved supplier.

Franchisee understands that Franchisor or the approved supplier may include a timer or other security program or device ("Security Device") in any software. Franchisor will have the right to use any Security Device to prevent use of the software if Franchisee breaches any obligation under this Agreement, or under any software license, or if the Franchise is transferred, expires, is terminated or is not renewed. Franchisor will not be liable to Franchisee for any loss of data, business interruption or any other damages alleged to be caused by use of any Security Device.

To the extent that any software Franchisor requires Franchisee to use contains modules for personnel-related functions, such as employee timekeeping, employee scheduling or payroll processing, Franchisee will have the option to use those modules, to use alternate software to handle those functions, or to handle those functions in any other manner that Franchisee chooses.

Franchisee understands that computer systems are designed to accommodate a certain maximum amount of data and terminals, and that, as such limits are achieved, and/or as technology and/or software is developed, Franchisor in its sole discretion may require that Franchisee add memory, ports and other accessories, peripheral equipment and/or additional, new or substitute software to the original computer system(s) purchased by Franchisee. Franchisee further understands that it may become necessary for Franchisee to replace or upgrade its entire computer system(s) with other system(s) capable of performing all tasks and functions specified by Franchisor. Franchisee further understands and agrees that computer system designs and functions change periodically and that Franchisor may be required to make substantial modifications to its computer system specifications, or to require installation of entirely different computer systems, during the term of the Franchise.

To ensure full operational efficiency and communication capability between Franchisor's computer system(s) and those of all Centers, Franchisee agrees, at its expense, to keep its computer system(s) in good maintenance and repair, and to install such additions, changes, modifications, substitutions and/or replacements to its computer hardware, software programs and licenses, telephone, fax and power lines, and other computer-related facilities as Franchisor directs in its sole discretion, in the Manuals, in writing or otherwise. All of the computer systems that Franchisee uses for the operation of the Center will be electronically networked together as Franchisor specifies. Upon transfer, or upon expiration, termination or non-renewal of the

Franchise, all computer software, disks, tapes and other magnetic storage media provided by Franchisor will be returned to Franchisor in good condition (allowing for normal wear and tear).

D. MODIFICATIONS TO THE SYSTEM. Franchisee understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, the System must not remain static, in order that it best serve the interests of Franchisor, Franchisee and the System. Accordingly, Franchisee expressly understands and agrees that Franchisor may periodically change the components of the System, including altering the programs, services, methods, standards, forms, policies, and procedures of the System; adding, adding to, deleting, deleting from, or modifying those programs and services which the Center is authorized to offer; and changing, improving or modifying the Marks. Subject to the other provisions of this Agreement, Franchisee expressly agrees to abide by any such modifications, additions, deletions, alterations, and other changes; provided, however, that such changes do not materially and unreasonably increase Franchisee's obligations hereunder, it being understood and agreed that no aggregate expense(s) during the term of the Franchise granted under this Agreement less than or equal to \$80,000 will be deemed material and/or unreasonable. Franchisor may condition Franchisee's participation in any program, or Franchisee's receipt of any System benefits, on Franchisee being in compliance with this Agreement and all other agreements between Franchisee and Franchisor or any of its affiliates.

E. AUTHORIZED SUPPLIES AND MATERIALS. Franchisee agrees that the Center will use forms, packaging materials, print materials, labels and other supplies, and use or offer for sale other services that conform to Franchisor's specifications and quality standards and/or are purchased from suppliers approved periodically by Franchisor (which may include Franchisor and/or any of its affiliates). Franchisor may periodically modify the list of approved brands and/or suppliers, and Franchisee will not, after receipt in writing of such modification, reorder any materials or services from any brand or supplier which is no longer approved. If Franchisee proposes to prepare or offer for sale any other services or use any supplies of any brand and/or supplier which is not then approved, he, she or they will first notify Franchisor and submit sufficient information, specifications, and samples concerning such brand and/or supplier for a determination by Franchisor whether such brand complies with Franchisor's specifications and standards and/or such supplier meets Franchisor's approved supplier criteria. Franchisor will, within a reasonable time, notify Franchisee whether such proposed brand and/or supplier is approved. Franchisor may periodically prescribe procedures for the submission of requests for approved brands or suppliers and obligations which approved suppliers must assume. Franchisor may impose limits on the number of suppliers and/or brands for any item used or sold by the Center.

F. SPECIFICATIONS, STANDARDS, AND PROCEDURES. Franchisee acknowledges that the image, appearance, layout, decor, furnishings, equipment, computer systems, cleanliness and efficient operation of the Center is important to Franchisor and to other System franchisees. Franchisor will endeavor to maintain high standards of quality and service at all Centers. To this end, Franchisee agrees to cooperate with Franchisor by maintaining such high standards in the operation of the Center. Accordingly, Franchisee agrees not to use the Center for any purpose other than the operation of the Center in compliance with this Agreement without Franchisor's prior written consent. Franchisee further agrees to comply with all mandatory specifications, standards and operating procedures relating to the operation of Centers, including:

1) an adoption and maintenance of Franchisor's trade dress (i.e., image, appearance, layout, design and decor) of the Center; 2) notices, signs, displays, graphics, marketing and advertising materials, business forms, print and digital communications, and other materials; 3) cleaning, repair, refurbishing, and remodeling; 4) type, brand, appearance, and functioning of equipment, computer systems, products, fixtures, and furnishings; 5) appearance and demeanor of personnel of the Center (including the wearing of name tags and logo apparel as Franchisor may periodically specify); 6) marketing methods or programs, and digital or online communications; 7) use of the Marks and use of and protection of Confidential Information; and 8) preparation and retention of records. Franchisee must be a member of Franchisor's Intranet network linking Franchisees with each other and Franchisor's Corporate Office. If so requested by Franchisor, Franchisee agrees to display, at a prominent location within the Center, a small sign and brochure holder full of brochures provided by Franchisor which inform the public of the opportunity to purchase franchises of Franchisor

G. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES. Franchisee agrees to operate the Center in full compliance with all applicable laws, ordinances, regulations, industry standards, and certification requirements, including federal laws such as the Fair Labor Standards Act, National Labor Relations Act and Americans with Disabilities Act, and laws and regulations governing matters such as occupational hazards, zoning, construction, business licensing, fictional business names, health, sanitation, safety, minimum wages, overtime, working conditions, workers' compensation insurance, unemployment insurance, discrimination, consumer protection, trade regulation, data protection and data breaches, environmental protection, and the withholding and payment of income, social security, sales, use, property and other taxes. Franchisee agrees that it is solely responsible for identifying and obtaining all (if any) licenses, permits, authorizations, certifications or otherwise that may be required in connection with the operation of the Center. Franchisee agrees to operate the Center in conformity with all U.S. Postal Service regulations and guidelines. Additionally, Franchisee agrees to implement all changes in U.S. Postal Service regulations within 3 working days of receiving any changes provided by the U.S. Postal Service or Franchisor. In all dealings with its customers, suppliers, and Franchisor and its affiliates, Franchisee will adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. Franchisee will refrain from any business or advertising practice that may be injurious to the goodwill associated with the Marks.

Franchisee will notify Franchisor immediately of any suspected data breach at or in connection with the Center. Franchisee will notify Franchisor in writing within 5 days of the commencement of any action, suit or proceeding; of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee or the Center, or of any notice of violation of any law, ordinance or regulation relating to the Center.

Franchisee agrees that it will not place any literature or unstamped mail or flyers (advertising) in any of the Center's boxes to the extent such materials may be reasonably construed as offensive, immoral, illegal or harmful to the reputation, goodwill or business interest of Franchisor. Franchisee further agrees that Franchisor will retain the right to periodically offer merchandise and/or services through the placement or insertion of literature and/or catalogs in all rented boxes, except to the extent such materials may reasonable be construed as offensive, immoral, illegal or harmful to the reputation, goodwill or business interest of Franchisee and

Franchisor, and except further, in the event that Franchisee's customer(s) elect not to have Franchisor's material placed in such rented boxes.

H. **MANAGEMENT OF THE CENTER AND TRAINING OF PERSONNEL.** Franchisee agrees at all times to faithfully, honestly and diligently perform obligations under this Agreement, and to exert Franchisee's best efforts to promote and enhance the Center. Franchisee will not engage in any other business or activity that may conflict with Franchisee's obligations under this Agreement. Franchisee agrees not to be associated, either directly or indirectly, with a business competitive with the Center. Franchisee will operate the Center in accordance with the Manuals, and in accordance with the Non-Competition and Non-Solicitation Agreement (Attachment 11). The Center must be under the direct, full-time and on-site management of Franchisee (or a managing partner or shareholder who has satisfactorily completed Franchisor's initial training program) or a manager who has satisfactorily completed Franchisor's initial training program. The person responsible for the day-to-day supervision of the Center will hold no other full-time job. Franchisee will hire all managers, assistant managers and other employees of the Center, and will be exclusively responsible for the terms of their employment and compensation. If a manager will supervise the Center, Franchisee (or a managing partner or shareholder who has satisfactorily completed Franchisor's initial training program) must remain active in overseeing the operation of the Center conducted under the supervision of such manager.

If Franchisee is unable to operate the Center for any reason beyond Franchisee's reasonable control, such as illness, incapacity or death, Franchisor may, but is not obligated to, operate the Center to ensure its uninterrupted operation. During Franchisor's period of operation, Franchisee will be responsible for any operating losses incurred by the Center, Franchisee will pay a reasonable daily management fee to Franchisor (\$300 per day as of the date of execution of this Agreement), and Franchisee will pay all travel, room, board and other expenses reasonably incurred by Franchisor's representative(s) while Franchisor is operating the Center.

Franchisee recognizes that continuous and daily availability of products and services to the public is essential to the adequate promotion of the Center and that any failure to provide such availability affects Franchisor and Franchisee both locally and nationally. Therefore, Franchisee is required to keep the Center open for business Monday through Saturday (Sunday opening is strongly recommended for Centers), except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, during the hours specified or as approved in writing by Franchisor or required by the lease of the premises on which the Center is operated, unless otherwise prohibited by law. However, for a standard or flex Center, the hours of operation will not be less than 55 hours a week.

I. **INSURANCE.** During the term of the Franchise, Franchisee will obtain and maintain in force, at Franchisee's sole expense, under policies of insurance issued by carriers with no less than a Best's rating of A, the following:

1) Comprehensive general, public, and product liability insurance, against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of the Center or otherwise in conjunction with the conduct of business by Franchisee under this Agreement, under 1 or more policies of insurance containing a minimum of \$2,000,000 per occurrence and \$4,000,000 aggregate liability coverage.

2) Notary professional liability insurance of at least \$500,000 or the maximum permitted by the state if less than \$500,000.

3) Property insurance against any claims at the Center included within the classification "Causes of Loss – Special Form," including vandalism, malicious mischief and theft. Such policies will include coverage in an amount not less than 100% of the actual replacement cost thereof. Said coverage will also include property of others in Franchisee's care, custody or control with a minimum limit of \$400,000, and employee dishonesty coverage with a minimum limit of \$25,000.

4) Business interruption coverage on an "actual loss sustained" basis for a period of not less than 24 months or the maximum permitted by the state if less than 24 months.

5) Motor vehicle liability insurance policies covering each and every owned or non-owned vehicle (owned, non-owned, leased, hired, rented or borrowed) operated by or on behalf of the business conducted under the Agreement and providing protection for injury caused to person or property by such vehicles in the minimum amount of \$2,000,000.

6) Any workers' compensation, employer's liability or comparable insurance required by the law of the jurisdiction where the Center is located, and all other insurance coverage that Franchisor periodically requires.

For a flex Center that chooses to provide expanded services of household moving and other relocation products and services, Franchisee must also obtain and maintain in force, as applicable:

7) "Bailee's" coverage insurance policy that is in addition to small parcel, freight or transit damage insurance. The policy must include coverage of personal property of others in an insured's care, custody and control that is temporarily at an insured's Center with a minimum limit of \$400,000, coverage of personal property of others in an insured's care, custody and control at another location with a minimum limit of \$300,000, and coverage that includes the transportation of personal property of others while in an insured's auto or truck with a minimum limit of \$400,000.

8) If you provide expanded services of household moving and other relocation products and services: i) employment practices insurance (including sexual harassment, wrongful termination and discrimination coverage) in the amount of at least \$500,000 for each incident and at least \$1,000,000 in the aggregate; and ii) umbrella insurance (covering general liability, auto and employer's liability) with a minimum limit of at least \$2,000,000.

For standard, flex and express Centers, coverage will be issued using the correct company classifications for businesses, such as Centers specializing in selling business support, mailbox rental (physical and virtual), package receiving, postal, printing, copying, packaging, shipping, office supply, passport photo, notary, fingerprinting, and related products and services.

Franchisor may periodically increase the minimum amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time, including 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. All insurance policies must provide for 30 days' prior written notice to Franchisor of any material

modification, cancellation or expiration of a policy. Nothing contained in this Agreement will be construed or considered an undertaking or representation by Franchisor that such insurance and bonding as may be required to be obtained by Franchisee, or by Franchisor for Franchisee, will insure Franchisee against any or all insurable risks of loss which may or can arise out of or in connection with the operation of the Center.

Franchisee's obligations to maintain insurance coverage as described in this Agreement will not be affected in any manner by reason of any separate insurance maintained by Franchisor, nor will the maintenance of such insurance relieve Franchisee of any obligations under Section 7 of this Agreement. Except for workers' compensation, employer's liability, comparable and/or employment practices insurance policies, all insurance policies maintained by Franchisee must list Franchisor, its affiliates and the indemnities specified in Subsection 7.B of this Agreement as additional insureds. Franchisee must submit to Franchisor at least annually or whenever the insurance is modified, a certificate of insurance for and a copy of each policy.

If Franchisee fails or refuses to acquire and maintain insurance coverage conforming to the standards and limits prescribed by Franchisor, or to furnish satisfactory evidence of his, her or their insurance coverage, at its option and in addition to its other rights and remedies under this Agreement, Franchisor may but is not required to obtain, through agents and insurance companies of Franchisor's choosing, such insurance coverage on behalf of Franchisee as is necessary to meet Franchisor's standards. Franchisee will fully cooperate with Franchisor in its effort to obtain such insurance policies, will promptly execute all forms or instruments required to obtain any such insurance and will allow any inspections of the Center which are required to obtain the insurance. Payments for such insurance will be borne by Franchisee, and Franchisee expressly agrees to pay the required premiums or to reimburse Franchisor, on demand, any costs and premiums incurred by Franchisor. Nothing contained in this Agreement will be construed or deemed to impose any duty or obligation upon Franchisor to obtain or maintain any specific forms, kinds or amounts of insurance for or on behalf of Franchisee.

Failure by Franchisee to purchase or maintain any insurance required by this Agreement, or failure to reimburse Franchisor for its purchase of such insurance on behalf of Franchisee, will constitute a material default of this Agreement which, unless waived by Franchisor, will entitle Franchisor to terminate the Franchise in accordance with Subsection 15.B of this Agreement.

In addition to carrying insurance coverage, as described elsewhere in this Agreement, Franchisee agrees to participate in any group-wide or other then-current Franchisor-sponsored transit insurance program regarding small parcel, freight or transit damage and related risks, and Franchisee agrees to pay fully and timely all premiums assessed for such transit insurance program.

J. FRANCHISOR CUSTOMER REFERRALS AND OTHER PROGRAMS.

1) Franchisor or its affiliates may choose to periodically offer Franchisee franchisor customer referrals, which may include business accounts, national accounts, work orders for products or services, and other fulfillment business. If Franchisee is willing and able to service a franchisor customer referral within its Protected Area in the manner and timeframe specified, and for the price that Franchisor has quoted Franchisee (which price will be less than the total price being paid by the customer), Franchisee may accept the franchisor customer referral and perform the work according to the specifications agreed to in advance. If Franchisee is not in

compliance with this Agreement or any other agreement between Franchisee and Franchisor or any of its affiliates, if Franchisee refuses a franchisor customer referral, or if Franchisor reasonably believes that Franchisee is unable to service a franchisor customer referral (including because Franchisee does not have the capability or resources, or is otherwise ineligible), Franchisor may service such franchisor customer referral itself, or through another Center or Commercial Logistics Center, an affiliated business, or a third party, regardless of where the customer is located and without any liability to Franchisee.

2) Franchisor may require Franchisee to participate in any system-wide transportation programs, which may include an international ocean program, in which Franchisor internally books international ocean shipments with the shipping lines, provides appropriate documentation, collects payments from customers, pays shipping lines, and completes transactions with Centers. Franchisee agrees to execute the then-current documents that may be necessary to participate in these system-wide programs, such as Attachment 7 for the international ocean program. Franchisor may charge a fee to the extent that it supplies or administers any such program.

K. CO-BRANDING. Notwithstanding other provisions in this Agreement, Franchisor reserves the right to establish relationships, partnerships, joint ventures, and other strategic alliances (collectively, "programs") with suppliers, retailers, service providers, and other franchise or distribution companies (collectively, "companies"), in which the products or services of those companies will be co-marketed with Franchisor's products and services, which may entail the promotion of the "brands" of those companies' products or services and the license of those companies' marks. If Franchisor establishes any programs of this type, Franchisee must participate in accordance with guidelines and requirements that Franchisor establishes, including the execution of separate licensing and distribution agreements in forms that Franchisor specifies, and the payment of reasonable fees related to the programs that may be in addition to royalty fees and marketing fees.

10. MARKETING/ADVERTISING AND PROMOTION

A. BY FRANCHISOR. Recognizing the value of marketing to the goodwill and public image of Centers, Franchisor maintains, and administers a marketing fund (the "Fund") for such marketing as Franchisor, in its sole discretion, deems necessary or appropriate. Franchisor directs all marketing and promotional programs of the Fund, with sole discretion over the creative concepts, materials, endorsements, and media used for the programs, the composition of all geographic territories and market areas for the development and implementation of programs, and the placement and allocation of all marketing. Any businesses owned by Franchisor or any of its affiliates will contribute to the Fund on the same basis as Franchisee.

Franchisee agrees that the Fund may be used to meet any and all costs of maintaining, administering, directing, developing and preparing national, regional or local marketing materials, programs, and public relations activities, including the costs of preparing and conducting television, radio, magazine, billboard, print or digital, Internet, email marketing programs, social media platforms, online directory listings, other networking platforms, and other media programs and activities, the costs of employing advertising agencies or suppliers to assist therewith, and the cost of providing promotional posters or brochures, print or digital marketing materials, and other sales aids to Centers. Franchisee also agrees that the fund may be used for soliciting the sale of franchises.

The Fund will be accounted for separately from other funds of Franchisor and will not be used to defray any of Franchisor's general operating expenses, except such reasonable salaries, administrative costs, and overhead as Franchisor may incur in activities related to the administration or direction of the Fund and its programs (including conducting market research, preparing marketing materials, and collecting and accounting for contributions to the Fund). An unaudited report of the operation of the Fund will be prepared annually by Franchisor within 90-120 days after each fiscal year end, and will be made available to Franchisee on written request. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of Centers to the Fund in that year. If less than the aggregate contribution amount is spent in 1 year, then the remainder will roll over to the next year. There will be no markup or profit to Franchisor from marketing, promotional programs or the collection and administration of the Fund.

Franchisee understands and acknowledges that the Fund is intended to maximize general recognition and patronage of the Marks and Centers for the benefit of Franchisor and all Centers. Franchisee agrees to participate in all Fund programs. Franchisee has the right to set its own prices, except that Franchisee agrees to honor fully all coupons, price-reduction promotions and other promotions/programs as directed by Franchisor. Franchisor undertakes no obligation in developing, implementing, or administering marketing or public relations programs to ensure that expenditures which are proportionate or equivalent to contributions from Centers in any geographic area are made for that area. Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction, or administration of the Fund except as expressly provided in this Agreement.

Franchisor may, but is not required to, establish a "Matching Funds Advertising Program" (governed by rules set forth in the Manuals) whereby any Advertising Association to which Franchisee belongs (see Subsection 10.D of this Agreement) may apply to Franchisor for a portion of the funds allocated to the Matching Funds Advertising Program. In addition to any funds available from the Matching Funds Advertising Program, Franchisee is expected to use additional funds to conduct individual Center marketing/advertising.

Franchisor may, but is not required to, maintain a corporate website on the Internet to market and promote the System and the products and services marketed by Franchisee. If Franchisor maintains a website, Franchisor may, but is not required to, establish and maintain a private Intranet, newsgroups and bulletin boards for use by Franchisee. Franchisor may, but is not required to, maintain a designated area on its corporate website for the purpose of promoting the Center or otherwise permitting an electronic link from Franchisor's website to a website that Franchisee maintains, subject to Franchisor's prior written consent. Franchisor may, but is not required to, provide email addresses to Franchisee for the Center. Franchisee must use the email addresses Franchisor provides Franchisee for all aspects of the operation of the Center, including in customer communications, in print or digital marketing/advertising or promotions, on letterhead and business cards, etc. Franchisee may not establish or use another email addresses without Franchisor's prior written consent. The corporate website (if established), related websites, private Intranet, and the Center's email addresses will be governed by Franchisor's Internet Policies and Procedure Agreement (Attachment 8), or as otherwise modified by us.

B. BY FRANCHISEE. In addition to the marketing fee contributions required by Subsection 8.C of this Agreement as a contribution to the Fund, the new Center/new owner marketing program deposit required by Subsection 10.C of the Agreement, the advertising

Association fees and/or assessments required by Subsection 10.D of this Agreement and the in-Center TV marketing program of Subsection 10.E of this Agreement, beginning about 90 days after Franchisee (i) opens the Center, (ii) assumes the operation of an existing Center by transfer, or (iii) converts an existing business to a Center, Franchisee agrees to spend at least the minimum monthly amount Franchisor designates, in the Manuals, in writing or otherwise, for ongoing local retail center marketing, advertising and promotional programs (currently \$800 per month, or 4% of monthly Gross Receipts, whichever is greater).

Prior to their use by Franchisee, samples of all local marketing/advertising and promotional materials or methods of distribution not prepared or previously approved by Franchisor within the immediately preceding 12 months, even assuming they conform to then-current guidelines, must be submitted to Franchisor for Franchisor's prior written consent. Franchisee will not use any marketing/advertising or promotional materials that Franchisor has not yet approved, that Franchisor has disapproved, or that do not conform to then-current guidelines.

All marketing/advertising and promotion by Franchisee will be completely factual and will conform to the highest standards of ethical advertising. Franchisor's marketing/advertising standards, policies and procedures, as periodically specified in the Manuals, in writing or otherwise, apply to any Internet or other online marketing/advertising or promotion, including any approved websites, email marketing programs, social media platforms, online directory listings, and other networking platforms, as well as print or digital, and other traditional forms of marketing/advertising (see Attachment 8).

C. NEW CENTER/NEW OWNER MARKETING PROGRAM. In addition to the marketing fee contributions as specified in Subsection 8.C of this Agreement and the Association fees and/or assessments required by Subsection 10.D of this Agreement and the in-Center TV marketing program of Subsection 10.E of this Agreement, Franchisee will cooperate and participate in Franchisor's efforts to advertise the Franchisee's (i) opening of the Center, (ii) assumption of the operation of an existing Center by transfer, or (iii) conversion of an existing business to a Center, as follows:

1) Franchisee will deposit at least \$5,500 with Franchisor: before or at initial training, for a new Center or for a conversion of an existing business to a Center; or on or before the closing date of a transfer, if Franchisee is assuming of the operation of an existing Center by transfer;

2) Franchisor will collect and hold the deposit for Franchisee, and will use it to purchase promotional items and advertising to promote the Center before, and for about 90 days, after Franchisee (i) opens the Center, (ii) assumes the operation of an existing Center by transfer, or (iii) converts an existing business to a Center. Franchisor may purchase promotional items and place advertising in 1 or more types of media, including Internet, print and/or digital, direct mail and/or any other media, in its sole discretion. The deposit will not be used for signage, including electronic signs, window graphics or banners, logo floor mats, etc. Franchisor may allocate a portion of the deposit to purchase required initial logo attire, and to cover the cost of the in-Center TV marketing program device and initial set up, in its sole discretion. Franchisor will not charge a fee for this service. Franchisor will not place any advertising outside Franchisee's Area of Dominant Influence ("ADI"), or use the deposit for any other purpose, without Franchisee's consent. An ADI is defined as the area covered by a particular advertising medium as recognized in

the advertising industry. Franchisor generally will use all of the deposit, and will provide Franchisee with a written accounting of how the deposit was used. Franchisor will provide the accounting to Franchisee a reasonable time after the deposit is exhausted, or within 150 days after Franchisee (i) opens the Center, (ii) assumes the operation of an existing Center by transfer, or (iii) converts an existing business to a Center. Notwithstanding anything in this Agreement to the contrary, Franchisor will not refund any portion of the deposit if Franchisee (i) attends initial training, even if Franchisee does not open or convert the Center, (ii) opens the Center, (iii) assumes the operation of the Center by transfer, or (iv) converts an existing business to a Center.

D. **ADVERTISING ASSOCIATION.** Franchisor will create or assign an Advertising Association ("Association") for the Center and designate the Association's geographic coverage, which may be a portion of an ADI or an entire ADI (see definition of ADI above). Franchisee must be a member of the Association even if Franchisee is the only member. Any other businesses operating under the same type and/or brand within the Association's geographic coverage, including franchised businesses and any businesses Franchisor or any Affiliates own, also will be members of the Association, as Franchisor determines. If Franchisee is the only member of the Association, Franchisee must reserve the greater of \$150 or 1% of Gross Receipts per month for local and regional advertising and promotional programs, in order to qualify to participate in any Matching Funds Advertising Program that Franchisor is administering. If the Association has 2 or more members, Franchisee is required to comply with its written bylaws, which will be available for Franchisee's review on request to the Association, and which may be adopted or changed only with Franchisor's approval. The purpose of the Association, if it has multiple members, is to develop cooperative local or regional advertising or promotional programs. A multi-member Association will be administered by a board of directors selected in accordance with its bylaws, or may be administered by a regional licensee if there is one for Franchisee's geographic area. The fees and additional assessments of the Association will be allocated equitably among members of the Association. The Association fees and assessments will be the greater of \$150 or 1% of Gross Receipts per month. The board of directors of the Association, or a regional licensee if there is one, may also periodically impose special assessments on the Association's members. The Association will require Franchisee to pay fees and assessments by automatic bank draft. These fees and assessments are non-refundable and are not collected for any 3rd party. The Association's bylaws will provide for each member to receive an annual accounting of expenditures by the Association. Franchisor, in its sole discretion, may elect to collect Association fees (including single-member Association fees) and/or assessments by automatic bank draft, and/or may elect to use these fees and/or assessments to fund multiple-Association regional or national marketing/advertising campaigns. Any Association fees and/or assessments collected by Franchisor that are not spent in the year in which they are collected will roll over into the Fund (see Subsection 10.A of this Agreement).

E. **IN-CENTER TV MARKETING PROGRAM.** Franchisor may, but is not required to, establish an in-Center TV marketing program that is in addition to the marketing fee contributions as specified in Subsection 8.C of this Agreement, the new Center/new owner marketing fee required by Subsection 10.C of the Agreement, and the Association fees and/or assessments required by Subsection 10.D of this Agreement.

Franchisee will be required to participate in any in-Center TV marketing program established by Franchisor as follows:

1) Prior to opening the Center, prior to assuming the operation of an existing Center by transfer, or prior to converting an existing business to a Center, Franchisee will purchase a TV, according to Franchisor's specifications in the Manuals, in writing or otherwise, to participate in this program;

2) Franchisee may be required to purchase additional equipment, devices, or software necessary to operate the program. However, in Franchisor's sole discretion, Franchisor may allocate a portion of the new Center/new owner marketing fund to purchase any the additional required equipment or devices on Franchisee's behalf; and

3) Franchisee will pay to Franchisor a monthly in-Center marketing program fee, currently \$17 per month. The amount of the fee, frequency, date and method of collection, are subject to change in Franchisor's sole discretion, after at least 15 days' prior notice to Franchisee;

Franchisor reserves the right to change or discontinue the program in its sole discretion, but will give Franchisee at least 15 days' advance written notice of any change to or discontinuation of the program.

F. STRATEGIC MARKETING ALLIANCES. Franchisor, in its discretion, may require Franchisee to participate in sales fulfillment or other programs related to strategic marketing alliances Franchisor negotiates and/or forms with other companies, which may include affiliates of Franchisor. Such programs may involve sales fulfillment services connected with online estimating, purchasing, shipping services systems, or printing services employed by web-based sites or other platforms. As a participant in any such program, Franchisee will be required to service each order in the time and manner and for the price and terms offered to the consumer through the program. Franchisor or the applicable program supplier, which may be an affiliate of Franchisor, may require Franchisee to pay a reasonable fee for any business generated for Franchisee under any such program.

11. RECORDS AND REPORTS

A. ACCOUNTING AND RECORDS. During the term of the Franchise, Franchisee agrees to establish and maintain, at Franchisee's expense, computer-based record keeping and accounting systems conforming to the requirements periodically prescribed by Franchisor, including all point-of-sale reports, sales checks, purchase orders, invoices and cash receipts. Franchisee will capture and record customer information in a computerized database, and link each customer's transactions to it, as Franchisor specifies. All books and records of the Center will be maintained at Franchisee's principal business address, as shown on the first page of this Agreement, or as otherwise designated in writing to Franchisor.

B. REPORTS AND TAX RETURNS. Franchisee will combine all data into periodic reports that Franchisee will send to Franchisor, electronically or otherwise, as Franchisor specifies. Franchisee will participate in Franchisor's approved electronic reporting system. Franchisee must furnish to Franchisor the following reports: 1) the statements specified in Subsection 8.B; 2) within 45 days after the end of each calendar quarter, an income statement and balance sheet for that calendar quarter; and 3) within 90 days after the end of the calendar year, annual financial statements including income statement, balance sheet, and income tax return for that calendar year. The statements will be certified by Franchisee that they accurately reflect the financial condition of Franchisee as of the date of the statements. If Franchisee fails to submit

annual reports to Franchisor as noted in this Subsection 11.B.3) herein, Franchisor may charge Franchisee a fee of \$525 per document not supplied, but in no event an amount greater than \$1,600 per occurrence. In lieu of such statements of condition, Franchisee may elect to have the financial statements prepared by a Certified Public Accountant at Franchisee's expense.

Franchisee will furnish to Franchisor any other periodic reports prescribed by Franchisor, and will furnish or make available (on computer disk, by modem, or other electronic means) such other information and supporting records as Franchisor may periodically prescribe, including sales information, advertising materials and supporting invoices, and reports of operating or service problems of any equipment used by the Center. All reports, financial statements (except audited statements), and information will be on forms prescribed or approved by Franchisor and will be verified and signed by Franchisee. Franchisee must maintain readily available for inspection by Franchisor, and must furnish to Franchisor upon its request, exact copies of any state sales tax returns and federal and state income tax returns filed by Franchisee that reflect the operation of the Center. Franchisor will keep confidential all financial records furnished to Franchisor by Franchisee.

12. INSPECTIONS AND AUDITS

To determine whether Franchisee is complying with this Agreement, Franchisor will have the right at any time during business hours, and without prior notice to Franchisee, to inspect the Center, interview personnel of the Center, and conduct an equipment audit of the Center. Franchisee will cooperate with representatives of Franchisor making any such inspection or conducting such interviews or audit. Any feedback, coaching or recommendations given by Franchisor or its agents to any personnel of the Center during any inspection will be informational and non-mandatory, and Franchisee acknowledges that it may be required to communicate with, give instructions to, train or retrain those personnel during or after the inspection in order to bring the operation of the Center into compliance with the System.

Franchisor will have the right at any time during business hours, upon at least 2 days' prior written notice to Franchisee, to inspect and audit, or cause to be inspected and audited (together with a right to make photocopies), the business and accounting records, sales and income tax returns, marketing/advertising materials and supporting invoices, and other records of the Center and of Franchisee. Franchisee will cooperate with representatives of Franchisor, independent contractors and/or accountants hired by Franchisor to conduct any such inspection or audit. In the event any such inspection or audit will disclose an understatement of the Gross Receipts of the Center, Franchisee will pay to Franchisor, within 10 days after receipt of the inspection or audit report, the royalty fees and marketing fees due on the amount of such understatement, plus interest at the rate of 1.5% per month (or the maximum rate allowed by law on underpayment) from the date originally due until the date of payment. Further, if an inspection or audit is made necessary by the failure of Franchisee to furnish reports, supporting records, or other information, as required by this Agreement, or to furnish reports, records, and information on a timely basis, or if an understatement of Gross Receipts for any accounting period is determined by the audit or inspection to be greater than 5%, or if Franchisor discovers a history of similar under-reporting offenses, Franchisee also will reimburse Franchisor for the cost of the audit or inspection (minimum \$500), including the charges of any independent accountants and/or contractors and the travel expenses, room and board, and compensation of employees of Franchisor performing the audit. A late fee of \$35 per week will be charged from December 31st of each year showing under-reporting of greater than 5%, or from the end of the audit period for a partial year audited,

calculated until the audit fees are paid in full. Franchisor may charge Franchisee a fee of \$525 per type of document not available on the audit date or within the timeframe requested by Franchisor, but in no event an amount greater than \$2,600 per occurrence, within 10 days after receipt of invoice if franchisees fails to provide auditor with requested documentation or if the audit is rescheduled because Franchisee was not prepared. The foregoing remedies are in addition to all other remedies and rights of Franchisor under this Agreement or under applicable law.

13. TRANSFER

A. BY FRANCHISOR. This Agreement is fully transferable by Franchisor and will inure to the benefit of any transferee or other legal successor to the interests of Franchisor in this Agreement.

B. FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL. Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee or its owners and that Franchisor has granted rights to Franchisee under this Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee or its owners. Accordingly, without the prior written approval of Franchisor, the Franchise (or any interest in the Franchise), this Agreement (or any interest in this Agreement), the Center (or any interest in the Center), or the assets of the Center that are not purchased for resale (or any interest in such assets), may not be voluntarily, involuntarily, directly or indirectly, assigned, sold or otherwise transferred by Franchisee or any owner of Franchisee. Any such assignment, sale or other transfer without Franchisor's approval is a default of this Agreement and conveys no rights to or interests in the Franchise, this Agreement, the Center or the assets of the Center that are not assets purchased for resale, or Franchisee. Assignments, sales or other transfers subject to the foregoing restriction include, without limitation, the following:

- 1) sale, gift or other transfer of capital stock, or of a partnership, LLC or other ownership interest, in Franchisee;
- 2) merger or consolidation of Franchisee with another corporation, or issuance of capital stock, partnership, LLC or other ownership interests in Franchisee;
- 3) transfer of any rights under this Agreement, any capital stock, partnership, LLC or other ownership interest in Franchisee, or any interest in the Center, in a divorce proceeding or otherwise by operation of law; and
- 4) transfer of any rights under this Agreement, any capital stock, partnership, LLC or other ownership interest in Franchisee, or any interest in the Center, in the event of the death of Franchisee, or any shareholder, partner, member or other owner of Franchisee, by will, declaration of or transfer in trust, or under the laws of intestate succession.

C. CONDITIONS FOR FRANCHISOR APPROVAL OF TRANSFER BY FRANCHISEE. If Franchisee and its owners are in full compliance with this Agreement and all other agreements between Franchisee and Franchisor or any of its affiliates, Franchisor will not unreasonably withhold its approval of a requested transfer that meets all the applicable requirements of this Subsection 13.C. The proposed transferee or its owners must be individuals of good moral character and otherwise meet Franchisor's then-applicable standards for

franchisees. If the transfer is of a controlling interest in Franchisee, or is one of a series of transfers that in the aggregate constitute the transfer of a controlling interest in Franchisee, all of the following conditions must be met prior to, or concurrently with, the effective date of the transfer:

1) The transferee, including all its officers, directors or partners will jointly and severally execute the then-current franchise agreement and other standard ancillary agreements thereby agreeing to be bound by all the terms and conditions of those agreement(s) (except that no additional initial franchise fee will be charged). A transfer has the effect of superseding the previous franchise agreement, when a new franchise agreement is entered into with the transferee. A consequence of entering into a new franchise agreement is that a new Protected Area described in Attachment 3 will be granted to the transferee and this new Protected Area may be smaller in size than the original Protected Area. Franchisee should not represent to transferee that transferee will be granted the original Protected Area. There may be other changes, such as changed fee, payment, operational and reporting requirements.

2) Franchisee must pay all royalty fees, marketing fees, national convention participation deposits, technology services fees, amounts owed for purchases from Franchisor or any of its affiliates, and any other amounts owed to Franchisor or any of its affiliates which are then due and unpaid.

3) To the extent such consent is required by the terms of the lease, the lessor of the Center must have consented to the assignment or sublease of the Center to the transferee.

4) Except as provided in this Agreement, in lieu of an initial fee, Franchisee or the transferee must pay Franchisor a transfer fee of 15% of the then-current non-discounted initial franchise fee for a standard Center. If Franchisee or transferee qualifies for the VetFran program, a 25% discount will be applied to the transfer fee. In no event will more than one VetFran discount be applied to the transfer fee.

5) Except to the extent prohibited or restricted by applicable law, Franchisee and its owners must execute general releases, in forms satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective officers, directors, employees, and agents. No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in the Franchise or this Agreement will release Franchisee or any other party to the transfer from the obligations or covenants in this Agreement, unless there is a specific written release by Franchisor.

6) Franchisee (if transferring), or any transferring owner, must execute a non-competition covenant in substantially the form of the Non-Competition and Non-Solicitation Agreement (Attachment 11) in favor of Franchisor and the transferee agreeing, for not less than a continuous 2 year period after the transfer, not to have any interest, either directly or indirectly, or through an Immediate Family Member, as an employee, manager, consultant, operator, lender, investor, financier, representative, disclosed or beneficial owner, part owner, proprietor, partner, principal, officer, director, co-venturer, stockholder (except as the owner of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of that class of securities), member, agent, participant or in any other capacity, in a business that offers business support, mailbox

rental (physical and virtual), package receiving, postal, printing and copying (including digital printing and copying), digital transfer, offset printing, large-format printing, binding, finishing, personalized mailing, direct mail, packaging, crating, pick-up and delivery, palletizing, freight, shipping, office supply, boxes and packaging materials, notary or fingerprinting products or services, or related products or services ("competitive business"), that is located within a radius of not less than 5 miles of: a) the Center or b) any Center in operation or under construction on the effective date of the transfer.

7) The transferee, or other individuals who will be the actual managers of the Center, must successfully complete initial training then in effect for franchisees before the transfer or before the transferee's assumption of operational responsibility for the Center. If Franchisor authorizes the transferee or the individuals who will be the actual managers of the Center to attend initial training after the transfer or assumption, the transferee or such individuals must attend initial training within 90 days after the transfer or assumption. The transferee must pay to Franchisor a \$4,000 training and processing fee before attending initial training or before the transfer, as well as any then-current license fees associated with pre-training or post-training requirements (such as the current one-time 12-month license and administrative fee of \$330 for the online financial training portal), whichever occurs first. The training and processing fee and the license fees are non-refundable.

8) Franchisee or the transferee must, within the time specified by Franchisor, remodel the interior of the Center, add or delete equipment, change signage and other requirements, to comply with Franchisor's then-current specifications and standards being required of all new franchisees at the time of transfer.

9) Franchisee and the transferee must use the services of a third-party escrow company, title company, or escrow/closing attorney ("Escrow Agent") to administer certain aspects of the transfer process including the exchange of monies, execution of transfer documents, and other related items. The fees charged by the Escrow Agent (typically \$1,000 to \$4,000, depending on documents required by the locality and other factors) must be paid by Franchisee and/or the transferee. Franchisee and/or transferee must notify Franchisor of the Escrow Agent's contact information, and copies of fully executed escrow instructions be on file with Franchisor before transferee attends initial training. Franchisee and transferee must authorize Escrow Agent to release to Franchisor copies of any documents related and/or submitted to Escrow Agent for the transfer.

10) On or before the closing date of a transfer, the transferee must deposit \$5,500 with Franchisor to be used for the new Center/new owner marketing program in accordance with Subsection 10.C of this Agreement.

11) Before or at initial training, transferee must pay the then-current software license transfer fees to Franchisor in accordance with Attachment 6, as applicable, and prior to the transfer, transferee must transfer, purchase or obtain any other required software and/or software licenses from approved suppliers necessary to operate the Computer Systems and to comply with the then-current computer specifications.

12) If Franchisee utilizes the services of any of Franchisor's sales consultants (including outside agencies and brokers) to complete any transfer, prior to the transfer,

Franchisee or the transferee must reimburse Franchisor an amount equal to any commission or other sales compensation that Franchisor must pay to such person(s).

13) If Franchisee has any deposits with Franchisor, Franchisor will transfer all of the deposits to transferee's account as of the transfer closing date. The Franchisee may negotiate with the transferee that the amount be reimbursed to Franchisee by transferee through the Escrow Agent at the closing as an adjustment to the sales price.

14) If, for any reason, Franchisee regains ownership or control of the Center after an approved transfer (even if the Center is relocated), Franchisee will continue to be bound by the terms and conditions of this Agreement.

The fees and/or deposits noted in Subsections 13.C.4 and 13.C.7 through 13.C.12 of this Agreement will apply if Franchisee transfers 50% or more of ownership interest or if the sale of less than 50% ownership interest would transfer a controlling interest in Franchise and/or the Center. For example: If A owns 49%, B owns 20% and C owns 31%, then sale of C's 31% interest to B would effectively transfer a controlling interest in the Franchise and/or the Center from A to B; otherwise, see Subsection 13.E or 13.F of this Agreement for fees relative to transferring less than a controlling interest.

Franchisee is required to give Franchisor 90 days' prior written notice of any intended sale or assignment by Franchisee. Franchisee is required also to notify Franchisor in writing of receipt of an offer to buy within 15 days of receipt, and provide Franchisor with a copy of the executed offer. Franchisee is required to give Franchisor written notice simultaneously with any offer to sell made by, for or on behalf of Franchisee, and to provide Franchisor with a copy of the executed offer. This will enable Franchisor to comply with any applicable state or federal franchise disclosure laws. Franchisee is also required to give Franchisor a copy of the prospectus or any other documents, and/or reports presented to the prospective transferee upon Franchisor's request. Franchisee may not, without Franchisor's prior written consent, advertise in any manner the sale of the Center or the Franchise. Franchisee agrees to indemnify and hold Franchisor harmless for Franchisee's failure to comply with these requirements.

D. DEATH OR DISABILITY OF FRANCHISEE. Upon the death or permanent disability of Franchisee or, if Franchisee is a corporation, partnership, LLC or other entity, the owner of a controlling interest in the Franchise or Franchisee, or the executor, administrator, conservator, guardian or other personal representative of such person or entity, will transfer such person or entity's ownership interest to a third party approved by Franchisor. Transfer of such interest in the Franchise or Franchisee (including transfer by bequest or inheritance) will be completed within a reasonable time, not to exceed 6 months from the date of death or permanent disability, and will be subject to all the terms and conditions applicable to transfer contained in this Section 13. Failure to transfer such interest in the Franchise or Franchisee within said period of time may constitute a default of this Agreement. For purposes of this Agreement, the term "permanent disability" will mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or an owner of a controlling interest in the Franchise or Franchisee from managing and/or supervising the Center as required under Subsection 9.H of this Agreement for a period of 90 days from the onset of such disability, impairment or condition.

E. **TRANSFER TO A LEGAL ENTITY.** The Franchise, and the assets and liabilities of the Center, may be assigned to a legal entity that conducts no business other than operation of the Center and other businesses franchised by Franchisor, which is actively managed by Franchisee, and in which Franchisee owns and controls all issued and outstanding capital stock, or equivalent ownership interests. The bylaws or other organizational documents of the legal entity will recite that the issuance and assignment of any interest therein is restricted by this Section 13 and all stock certificates, or other evidence of ownership of such legal entity, will bear a legend reciting or referring to the restrictions. Franchisee must deliver to Franchisor copies of organizational documents of such entity (such as articles of incorporation, articles of organization, partnership agreement, etc.) certified by the appropriate governmental authority and other documents of the legal entity as required by Franchisor and will execute and deliver all then-current documents required by Franchisor. Each member, partner, owner or shareholder of Franchisee at any time during the term of the Franchise will execute a Continuing Personal Guarantee (Attachment 2) undertaking to be bound jointly and severally by all provisions of this Agreement. Franchisee will furnish to Franchisor at any time upon request, in such form as Franchisor may require, a list of all members, partners, owners or shareholders (of record and beneficially) reflecting their respective interests in Franchisee. Franchisee will pay to Franchisor the then-current transfer to a legal entity fee only if the documents are not completed and delivered within 90 days after the Center opens, after the closing date of escrow on the Center after a transfer, or after the conversion of an existing business to a Center.

Notwithstanding the above, if Franchisee is an entity, the Franchise is held in that entity, and Franchisee seeks Franchisor's consent and waiver of Franchisor's first right of refusal to change the name of such entity without changing the controlling ownership in the Franchise and/or the Center, then Franchisee will pay to Franchisor the then-current entity name change fee.

F. **NON-TRANSFER OWNERSHIP CHANGE.** If Franchisee seeks to change less than a controlling ownership interest in the Franchise, Franchisee will provide documentation as required by Franchisor, will execute and deliver all then-current documents required by Franchisor, and will pay to Franchisor the then-current non-transfer ownership change fee only if the documents are not completed and delivered within 90 days after the opening of the Center, after the closing date of escrow on the Center after a transfer, or after the conversion of an existing business to a of the Center.

G. **FAMILY TRANSFER.** For purposes of this Agreement, "Immediate Family Member" means, with respect to any individual, that individual's spouse or domestic partner, and whether through blood, adoption, marriage to a biological parent, de facto family arrangement or operation of law, that individual's and his, her or their spouse's or domestic partner's parents, grandparents, siblings, children, grandchildren, aunts, uncles, nieces, nephews, and guardians. Notwithstanding the provisions of Subsection 13.C of this Agreement, if Franchisee seeks to transfer controlling interest to an Immediate Family Member, then Franchisee or transferee will pay to Franchisor the then-current family transfer fee in lieu of the transfer fee defined in Subsection 13.C.4 of this Agreement.

H. **FRANCHISOR'S RIGHT OF FIRST REFUSAL.** If Franchisee or its owners will at any time determine to sell an interest in the Franchise, the Center or this Agreement, or an ownership interest in Franchisee, Franchisee or its owners will obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and will submit an exact copy of the offer to Franchisor. Franchisor will have the right, for the term of the Franchise granted under

this Agreement plus 1 year, exercisable by written notice given to Franchisee or its owners within 30 days from the date of delivery of an exact copy of the offer to Franchisor, to purchase the interest in the Franchise, the Center or this Agreement, or the ownership interest in Franchisee for the price and on the terms and conditions contained in the offer. Franchisor's credit will be deemed equal to that of any proposed purchaser, and Franchisor will be entitled to all warranties, closing documents, and post-closing indemnifications as it may require. Franchisor may substitute cash for any form of payment proposed in the offer and will have not less than 60 days to prepare for closing. If Franchisor does not exercise its right of first refusal, Franchisee or its owners may complete the sale to the purchaser under and in compliance with the offer submitted to Franchisor, subject to Franchisor's approval of the purchaser as provided in Subsections 13.B and 13.C of this Agreement. If the sale to the purchaser is not completed within 120 days after delivery of the offer to Franchisor, or there is a material change in the terms and conditions of the sale, Franchisor will again have the right of first refusal provided in this Subsection 13.H. Franchisor's right of first refusal, as set forth in this Subsection 13.H, is assignable separate and apart from the remainder of this Agreement.

I. EFFECT OF FRANCHISOR APPROVAL OF TRANSFER. Franchisor's approval of the transfer of the Franchise, the Center or this Agreement, or of any interest in the Franchise, the Center, this Agreement or Franchisee, will not constitute a waiver of any claim it may have against the transferor, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms or conditions of the new franchise agreement by the transferee.

14. RENEWAL OF FRANCHISE

A. FRANCHISEE'S RIGHT TO RENEW. Franchisee will have the right to renew the Franchise for an additional 20-year term, subject to the terms and conditions in Franchisee's then-current franchise agreement. The following renewal terms and conditions apply under this Agreement:

- 1) Franchisee has, during the entire term of the Franchise granted under this Agreement, substantially complied with all of the provisions of this Agreement and all of the provisions of any other agreements between Franchisee and Franchisor or any of its affiliates, and has stayed in substantial compliance with this Agreement and such agreements up to the date of renewal;
- 2) Franchisee has given written notice of renewal to Franchisor as provided in Subsection 14.B of this Agreement;
- 3) Franchisee has maintained possession of the Center, and by the expiration of the term of the Franchise granted under this Agreement, has brought the Center into full compliance with the specifications and standards then applicable for Centers operating under the specified brand; or Franchisee has secured substitute premises approved by Franchisor prior to the expiration of the term of the Franchise granted under this Agreement, if Franchisee is unable to maintain possession of the Center, or if in Franchisor's reasonable business judgment the Center should be relocated;
- 4) Franchisee has executed the renewal agreements and releases as provided in Subsection 14.C of this Agreement; and
- 5) Franchisee has paid Franchisor a \$5,000 renewal fee.

B. NOTICES BY FRANCHISEE AND FRANCHISOR. If Franchisee desires to renew the Franchise on the 20-year anniversary of the execution date of this Agreement, Franchisee must give Franchisor written notice of his, her or their desire to renew the Franchise not more than 12 months and not less than 6 months prior to the 20-year anniversary of the execution date of this Agreement. Within 90 days after its receipt of such timely given notice, Franchisor will give Franchisee written notice of: 1) reasons which could cause Franchisor not to renew, including any deficiencies which require correction and a schedule for correction of the deficiencies by Franchisee; and 2) Franchisor's then-current requirements relating to the image, appearance, decoration, furnishing, equipping and stocking of new Centers operating under the designated brand.

If Franchisor believes there are grounds for non-renewal, Franchisor will give Franchisee written notice of its decision not to permit renewal of the Franchise at least 90 days prior to the 20-year anniversary of the execution date of this Agreement, which notice will specify the reasons for the decision not to permit renewal. If Franchisor gives such notice, and if the reasons given for the decision are not curable or Franchisee fails to cure any reasons given that are curable, the term of the Franchise granted under this Agreement will expire on the 20-year anniversary of the execution date of this Agreement.

C. RENEWAL AGREEMENT/RELEASES. To renew the Franchise, Franchisee, Franchisee's owners and Franchisor will execute the then-current franchise agreement (which may contain provisions, including royalty fee and marketing fee provisions, materially different from those contained in this Agreement) and any ancillary agreements and other legal documents then customarily used by Franchisor in the grant of a franchise for the operation of a new Center under the designated brand (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal), and Franchisee and its owners will (unless prohibited or restricted by applicable law) execute general releases, in forms satisfactory to Franchisor, of any and all claims against Franchisor and all of its affiliates, and all their respective officers, directors, employees and agents.

D. NOTICE BY FRANCHISEE OF NON-RENEWAL; FAILURE BY FRANCHISEE TO SATISFY RENEWAL TERMS AND CONDITIONS. If Franchisee does not desire to renew the Franchise on the 20-year anniversary of the execution date of this Agreement, Franchisee may give Franchisor written notice of his, her or their desire not to renew the Franchise not more than 12 months and not less than 2 months prior to the 20-year anniversary of the execution date of this Agreement. If Franchisee timely gives such notice, the term of the Franchise granted under this Agreement will expire on such 20-year anniversary. If Franchisee does not timely give such notice, or if Franchisee fails to satisfy all of the renewal terms and conditions applicable under this Agreement by the 20-year anniversary of the execution date of this Agreement, the term of the Franchise granted under this Agreement will not expire on such 20-year anniversary, but rather, will continue until Franchisor elects to terminate such term upon 60 days' prior written notice to Franchisee.

15. TERMINATION OF FRANCHISE BY FRANCHISOR

A. TERMINATION WITHOUT OPPORTUNITY TO CURE. Franchisor may, in its sole discretion, terminate the Franchise, effective upon giving written notice of termination to Franchisee, if Franchisee or any of its owners:

- 1) has intentionally made any material misrepresentation or omission in connection with his, her or their application for the Franchise;
 - 2) is convicted of or pleads no contest to a felony or other crime or offense that may adversely affect the reputation of Franchisee or the Center;
 - 3) makes any unauthorized use or disclosure of any of the Confidential Information;
 - 4) surrenders or transfers control of the operation of the Center, or breaches any of the provisions of Subsections 13.B, 13.D, 13.E or 13.G of this Agreement;
 - 5) submits to Franchisor on 3 or more separate occasions at any time during the term of the Franchise granted under this Agreement any reports or other data, information or supporting records which understate by more than 5% the royalty fees or marketing fees for any period of 1 or more months;
 - 6) knowingly and intentionally misuses or makes an unauthorized use of any Mark or commits any act which Franchisor in good faith believes may reasonably be expected to impair the goodwill associated with any Mark;
 - 7) terminates or cancels, or allows the termination or cancellation of the lease or sublease of the Center, except as otherwise provided in Subsection 2.C of this Agreement;
 - 8) fails to complete the full initial training program;
 - 9) has been given 3 or more notices of breaches within any period of 12 consecutive months with respect to Franchisee's failure to:
 - a) submit when due reports or other information or supporting records;
 - b) pay when due royalty fees, marketing fees, national convention participation deposits, technology services fees, amounts owed for purchases from Franchisor or any of its affiliates, or any other amounts due to Franchisor or any of its affiliates; or,
 - c) comply with this Agreement, regardless whether such failure to comply is corrected after written notice of default is given to Franchisee.
- or
- 10) fails to locate an acceptable site or open the Center within 365 days after the execution of this Agreement, except as otherwise provided in Subsection 8.A of this Agreement.

B. TERMINATION WITH OPPORTUNITY TO CURE. Franchisor may terminate the Franchise, subject to giving Franchisee a subsequent written notice of termination, if Franchisee or any of its owners does not correct the following described failure or refusal within the specified number of days after written notice of default is given to Franchisee:

- 1) fails or refuses to make payments of any amounts due Franchisor or any of its affiliates for royalty fees, marketing fees, national convention participation deposits,

technology services fees, amounts owed for purchases from Franchisor or any of its affiliates, or any other amounts due to Franchisor or any of its affiliates, and does not correct such failure or refusal within 10 days;

2) fails or refuses to comply with any provision of this Agreement (other than those set forth in Subsections 15.B(1) or 15.B(3) of this Agreement), or any mandatory specification, standard or operating procedure prescribed by Franchisor in the Manuals, in writing or otherwise, and does not correct such failure or refusal within 30 days; or

3) abandons or refuses to actively operate the Center for 5 consecutive business days, unless the Center has been closed for a purpose approved by Franchisor; and does not reopen or resume active operation within 7 business days.

C. **DISCLAIMER.** Franchisor disclaims any right under this Section 15 to terminate this Agreement based on any decision or action by Franchisee regarding recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining and firing its personnel.

16. RIGHTS AND OBLIGATIONS OF FRANCHISOR AND FRANCHISEE UPON TRANSFER, OR UPON EXPIRATION, TERMINATION OR NON-RENEWAL OF FRANCHISE

A. **PAYMENT OF AMOUNTS OWED TO FRANCHISOR.** Franchisee agrees to pay to Franchisor and its affiliates within 10 days after the effective date of expiration, termination or non-renewal of the Franchise, such royalty fees, marketing fees, national convention participation deposits, technology services fees, amounts owed for purchases from Franchisor and any of its affiliates, interest due to Franchisor and any of its affiliates on any of the foregoing, and all other amounts owed to Franchisor and any of its affiliates which are then unpaid.

B. **PROTECTION OF MARKS AND GOODWILL VALUE.** Franchisee agrees that after any transfer (as applicable), or after the expiration, termination or non-renewal of the Franchise:

1) Franchisee will not directly or indirectly at any time identify any business as a current or former Center, or in any manner identify itself as a current or former franchisee, licensee or dealer of or as otherwise associated with Franchisor, or use any Mark, any colorable imitation thereof, or other indicia of a Center in any manner or for any purpose, or utilize for any purpose any trade name, trademark, service mark, trade dress or other commercial symbol that suggests or indicates a connection or association with Franchisor or any of its affiliates or franchisees;

2) Franchisee will promptly remove from the Center, and discontinue using for any purpose, and will destroy or, at Franchisor's option and expense, promptly return to Franchisor, any and all signs, decor items, advertising materials, forms, print and digital communications, and other articles which display any of the Marks or any distinctive features, images, or designs associated with Centers, and at Franchisee's expense, make such alterations as may be necessary to distinguish the former Center so clearly from its former appearance and from other Centers as to prevent any possibility of confusion therewith by the public. If Franchisee fails to initiate immediately or completely such

alterations and/or removals within such time as Franchisor deems appropriate, Franchisee agrees that Franchisor or its representative(s) may enter the former Center and adjacent areas without prior notice and forcibly, if necessary, make such alterations and/or removals, at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or otherwise, and without liability for trespass or other tort or criminal act. Franchisee expressly acknowledges that its failure to make such alterations will cause irreparable injury to Franchisor, and Franchisee consents to entry, at Franchisee's expense, of an ex parte order by any arbitrator or court of competent jurisdiction authorizing Franchisor or its representative(s) to take such action, if Franchisor seeks such an order;

3) Franchisee will promptly take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to his, her or their use of any Mark, and if Franchisee fails to do so, Franchisee authorizes Franchisor and any officer of Franchisor, to cancel at Franchisee's expense, all such fictitious or assumed name or equivalent registrations, and Franchisor is hereby irrevocably appointed by Franchisee as Franchisee's attorney-in-fact to do so;

4) Franchisee acknowledges that, after any transfer, or after the expiration, termination or non-renewal of the Franchise, as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone and fax numbers, classified or other telephone and fax directory listings, email addresses, domain names, email marketing programs, social media platforms, online directory listings, other networking platform listings, or other comparable electronic identities, that are associated with the Marks or relate to the Center. Franchisee will promptly notify its telephone service provider and all listing agencies, as well as its Internet service provider or comparable authorities, of the discontinuance of Franchisee's right to use any telephone and fax numbers and any classified or other telephone directory listings associated with the Marks, or any email addresses, domain names, email marketing programs, social media platforms, online directory listings, other networking platform listings or other comparable electronic identities that may use the Marks or relate to the Center. At the direction of Franchisor, Franchisee will promptly authorize the immediate transfer to Franchisor or its designee or authorize termination of the service. Franchisee authorizes Franchisor, and hereby appoints Franchisor and any officer of Franchisor as his, her or their attorney-in-fact, to direct the service providers and all listing agencies to transfer same to Franchisor or at Franchisor's direction, should Franchisee fail or refuse to do so, and the service providers and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive right of Franchisor in such telephone and fax numbers and directory listings, email addresses, domain names, email marketing programs, social media platforms, online directory listings, and other networking platform listings, or other comparable electronic identities, and Franchisor's authority to direct their transfer or termination (see Attachment 4). Franchisee agrees to provide to Franchisor any other assistance, documentation, or information required to effectuate the transfer of these items; and

5) Franchisee will furnish to Franchisor, at Franchisor's request, a copy of the Center's sales history and customer database for the most recent 2-year period (or shorter if applicable) prior to the effective date of any transfer, or after the expiration, termination or non-renewal of the Franchise.

6) Franchisee will furnish to Franchisor, within 30 days after the effective date of any transfer, or after the expiration, termination or non-renewal of the Franchise, evidence satisfactory to Franchisor of Franchisee's compliance with the foregoing obligations.

C. CONFIDENTIAL INFORMATION. Franchisee agrees that upon any transfer, or upon the expiration, termination or non-renewal of the Franchise, Franchisee will immediately cease use of the Confidential Information in any business or otherwise and will return to Franchisor all copies of the Manuals and other Confidential Information which have been loaned to it by Franchisor.

D. COVENANTS NOT TO COMPETE OR DIVERT. During the term of the Franchise and for a continuous 2-year period after any transfer, or after the expiration, termination or non-renewal of the Franchise, either directly or indirectly, or through an Immediate Family Member, as an employee, manager, consultant, operator, lender, investor, financier, representative, disclosed or beneficial owner, part owner, proprietor, partner, principal, officer, director, co-venturer, stockholder (except as the owner of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of that class of securities), member, agent, participant or in any other capacity, Franchisee agrees to **not**:

1) have any interest in a business that offers business support, mailbox rental (physical and virtual), package receiving, postal, printing and copying (including digital printing and copying), digital transfer, offset printing, large-format printing, binding, finishing, personalized mailing, direct mail, packaging, crating, pick-up and delivery, palletizing, freight, shipping, office supply, boxes and packaging materials, notary or fingerprinting products or services, or related products or services ("competitive business"), and that is located within a radius of 5 miles of: a) the Center or b) any Center or Commercial Logistics Center in operation or under construction on the effective date of any transfer, or the expiration, termination or non-renewal of the Franchise; or

2) divert or attempt to divert any business or customer of the Center to a competitive business.

If Franchisee violates any covenant in this Subsection 16.D during the 2-year period immediately after the effective date of any transfer, or the expiration, termination or non-renewal of the Franchise, Franchisee agrees to comply with such covenant during a subsequent 2-year period, and Franchisee further agrees that an arbitrator or judge may order compliance with such covenant during any subsequent 2-year period.

If any covenant in this Subsection 16.D is deemed unenforceable by law or by virtue of its scope in terms of length of time, business activity prohibited and/or area, but could be enforceable by reducing any part thereof, Franchisee and Franchisor agree that the covenant will be so modified and enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

Franchisee agrees to execute the Non-Competition and Non-Solicitation Agreement (Attachment 11). Franchisor and Franchisee agree that the law of the jurisdiction in which the Center is located will govern the enforceability of the covenants in this Subsection 16.D.

Franchisee acknowledges that violation of any covenant in this Subsection 16.D will result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee hereby consents to the entry of a temporary restraining order, or a preliminary or permanent injunction, prohibiting any conduct by Franchisee in violation of any such covenant, without the need for Franchisor to prove irreparable harm. Franchisee expressly agrees that it may conclusively be presumed by an arbitrator or judge that any violation of a covenant in this Subsection 16.D was accomplished by and through Franchisee's unlawful utilization of Franchisor's Confidential Information, know-how, methods and procedures. Further, Franchisee expressly agrees that the existence of any claims Franchisee may have against Franchisor, whether or not arising from this Agreement, will not constitute a defense to the enforcement by Franchisor of the covenants in this Subsection 16.D. Franchisee further agrees to pay all costs and expenses (including reasonable accounting, expert and witness fees, and reasonable attorneys' fees) incurred by Franchisor through appeal in connection with the enforcement of the covenants in this Subsection 16.D.

E. CONTINUING OBLIGATIONS. All obligations of Franchisor and Franchisee which expressly or by their nature survive any transfer, mutual rescission, expiration, termination, or non-renewal of the Franchise, will continue in full force and effect subsequent to and notwithstanding the transfer, mutual rescission, expiration, termination, or non-renewal of the Franchise, until they are satisfied in full or by their nature expire (including indemnity, non-competition, Franchisor's rights to the Marks, confidentiality rights and obligations, dispute resolution provisions, and the rights and obligations in Attachment 11). These obligations will continue notwithstanding any rejection of this Agreement in a bankruptcy proceeding or otherwise.

If the Franchise is terminated because of Franchisee's default and Franchisee continues to operate, or if Franchisee makes an unapproved transfer, Franchisee agrees that it would be commercially unreasonable and damaging to the integrity of the System if Franchisee could escape the financial consequences of its contractual commitment to obligations for the term of the Franchise. Accordingly, Franchisee will not be released or discharged from its obligations under this Agreement for the remainder of the term, including payment of all amounts then due and other amounts which would have become due under this Agreement if Franchisee had continued in operation for the full term. Franchisor's remedies will include (but are not limited to) the right to collect the present value of these amounts and to receive the benefit of Franchisor's bargain with Franchisee.

If Franchisor chooses, in its sole discretion, to waive its rights to collect any amounts that would have become due if Franchisee had continued to operate the Center, Franchisee and each of its affiliates agree to sign a general release. Franchisor may exercise this option at any time.

If Franchisee continues to operate any business using any of the intellectual property, the Brand, the Marks, Confidential Information or any aspect of the System, Franchisor's remedies will include but will not be limited to recovery of the greater of: 1) all profits earned by Franchisee in the operation of such business, or 2) all royalty fees, marketing fees, and other amounts which would have been due if this Agreement had been in effect for such business.

F. RIGHT OF ENTRY, OPERATION AND SALE. If the Franchise expires, is terminated, or is not renewed, then Franchisor or its representative(s) may, at any time, in Franchisor's sole discretion, without prior notice and forcibly, if necessary, enter and operate the

former Center, at Franchisee's sole risk and expense, without any responsibility for any actual or consequential damages to the property of Franchisee or otherwise, and without liability for trespass or other tort or criminal act. At Franchisor's option, Franchisee will assign to Franchisor any interest which Franchisee has in any lease, sublease, right of entry or easement for the premises of the Center, and will vacate the Center promptly and completely, rendering all necessary assistance to Franchisor, including requesting the approval of Franchisee's landlord, to enable Franchisor to take prompt possession thereof.

Franchisor will have the discretionary right, for a period of up to 180 days after entry under this Subsection 16.F. to operate the Center. During that period, Franchisor will attempt to sell the Center at a price determined by the average of 2 independent appraisals obtained by Franchisor (at Franchisee's expense). Goodwill and other intangible assets will be excluded from the determination of the price. During Franchisor's period of operation, Franchisee will be responsible for any operating losses incurred by the Center, Franchisee will pay a reasonable daily management fee to Franchisor (\$300 per day as of the date of execution of this Agreement), and Franchisee will pay all travel, room, board and other expenses reasonably incurred by Franchisor's representative(s) while Franchisor is operating the Center. If no bona fide offer is received within 4 months after the effective date of expiration, termination or non-renewal, then Franchisor may sell the Center at a price substantially below the appraised value of the Center, or in Franchisor's sole discretion, Franchisor may liquidate any or all of the assets of the Center.

The proceeds derived from the sale of the Center or any assets of the Center, as well as any operating profits, will first go to satisfy amounts Franchisee owes to Franchisor (including any operating losses, and the management fees and expenses referenced in this Subsection 16.F), and will then go to satisfy amounts Franchisee owes to other creditors. Any remaining balance will be paid to Franchisee.

Franchisee expressly acknowledges that its failure to or unwillingness to abide by the provisions of this Subsection 16.F, in whole or in part, will cause irreparable injury to Franchisor and Franchisor's interest in, and ownership of, the goodwill established at the Center. Accordingly, Franchisee consents to the issuance by any arbitrator or court of competent jurisdiction, at Franchisee's expense, of: 1) any ex parte or other orders authorizing Franchisor or its agents to take actions to effectuate the terms of these provisions; or 2) any orders requiring Franchisee to render any necessary assistance to Franchisor (including making valid requests to others who are not parties to this Agreement) to effectuate the terms of these provisions, if Franchisor seeks such orders.

G. LIEN FOR COSTS AND EXPENSES. In the event of any default by Franchisee of any provision in this Section 16, Franchisee agrees to pay to Franchisor, in addition to those sums due to Franchisor under Section 17 of this Agreement, all damages, costs and expenses (including reasonable accounting, expert and witness fees, and reasonable attorneys' fees) incurred by Franchisor through appeal as a result of the default, which obligation will give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by Franchisee or the Center at the time of the default and/or against any monies of Franchisee held or otherwise in the possession of Franchisor.

17. ENFORCEMENT

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS. Except as expressly provided to the contrary in this Agreement, each Section, Subsection and provision of this Agreement, and any portion thereof, will be considered severable and if, for any reason, any such part of this Agreement is held to be invalid, contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, arbitrator, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling will not impair the operation of, or have any other effect upon, such other parts of this Agreement as may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any part held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if Franchisee is a party thereto, otherwise upon Franchisee's receipt of a written notice of non-enforcement thereof from Franchisor.

Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement, or any specification, standard or operating procedure prescribed by Franchisor, any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or arbitration order. Such modifications to this Agreement will be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the expiration, termination or non-renewal of the Franchise, or the taking of some other action not required hereunder, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor will have the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable.

B. WAIVER OF OBLIGATIONS. Franchisor and Franchisee may by written instrument waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon giving written notice thereof to the other or upon such other effective date stated in the notice of waiver. Any waiver granted by Franchisor will be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor and may be withdrawn, in Franchisor's sole discretion, effective upon giving Franchisee 30 days' prior written notice of withdrawal.

Franchisor and Franchisee will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every provision, condition and covenant in this Agreement or to declare any default thereof to be a default and to terminate the Franchise prior to the expiration of its term) by virtue of any custom or practice of the parties at variance with the provisions of this Agreement; any failure, refusal or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon

exact compliance by the other with its obligations hereunder including any mandatory specification, standard or operating procedure; any waiver, forbearance, delay, failure or omission by Franchisor to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Centers; or the acceptance by Franchisor of any payments due from Franchisee after any default of this Agreement.

C. **FORCE MAJEURE.** Neither Franchisor nor Franchisee will be liable for loss or damage or deemed to be in default of this Agreement if its failure to perform its obligations results from: 1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; 2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; 3) acts of God; 4) fires, strikes, embargoes, war or riot; or 5) any other similar event or cause. Any delay resulting from any of said causes will extend performance accordingly or excuse performance in whole or in part, as may be reasonable, except that said causes will not excuse payments of amounts owed at the time of such occurrence or payment of royalty fees due on any sales thereafter.

D. **INJUNCTIVE RELIEF.** Nothing contained in this Agreement will bar Franchisor's or Franchisee's right to obtain injunctive relief against threatened conduct that will cause it irreparable loss or damages, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Franchisee agrees that Franchisor may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). Any action for such injunctive relief will be submitted to a court or to the American Arbitration Association as provided in Subsection 17.H of this Agreement.

E. **RIGHTS OF PARTIES ARE CUMULATIVE.** The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce.

F. **COSTS AND ATTORNEYS' FEES.** If a claim for amounts owed by Franchisor or Franchisee is asserted in any judicial proceeding, arbitration or appeal thereof, or if either party seeks to enforce or interpret this Agreement or Continuing Personal Guarantee (Attachment 2) in any judicial proceeding, arbitration or appeal thereof, the party substantially prevailing in such proceeding will be entitled to reimbursement of its costs and expenses (including reasonable accounting, expert and witness fees, and reasonable attorneys' fees) through appeal.

G. **FRANCHISEE MAY NOT WITHHOLD PAYMENTS.** Franchisee agrees that he, she or they will not, on grounds of the alleged nonperformance by Franchisor of any of its obligations under this Agreement, withhold payment of any royalty fees, marketing fees or contributions, national convention participation deposits, technology services fees, amounts owed

for purchases from Franchisor or any of its affiliates, or any other amounts due Franchisor or any of its affiliates.

H. COURT ACTIONS/ARBITRATION/GOVERNING LAW/CONSENT TO JURISDICTION. Any party may, but is not required to, submit to any court of competent jurisdiction any controversy, dispute or claim involving a request for: (1) monetary or injunctive relief concerning any Mark, (2) injunctive relief concerning any lease of real estate, or (3) temporary injunctive relief seeking enforcement of Subsection 16.D and/or Subsection 16.F of this Agreement.

Except as provided in the previous sentence, any and all controversies, disputes or claims between Franchisor (and/or its subsidiaries and affiliates, and their respective shareholders, officers, directors, agents, employees and attorneys in their representative capacity, if applicable) and Franchisee (and/or its owners, guarantors and employees, if applicable) arising out of or related to:

- 1) this Agreement or any other agreement between the parties or any provision of such agreements;
- 2) the relationship of the parties hereto;
- 3) the validity of this Agreement or any other agreement between the parties or any provision of such agreements;
- 4) any specification, standard or procedure relating to the establishment or operation of the Center;
- 5) a request for monetary relief concerning any lease of real estate; and/or
- 6) enforcement of and/or relief under any provision in Sections 15 and 16 of this Agreement, including any claims for loss of goodwill and related damages

will be submitted to the San Diego, California office of the American Arbitration Association for arbitration, as the parties' sole and exclusive remedy, on demand of either party. The arbitration will take place in San Diego, California and, except as otherwise provided in this Agreement, will be conducted by 1 arbitrator in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association, including the Optional Rules for Emergency Measures of Protection of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) will be governed by that Act. All other matters related to the Franchise, this Agreement and the relationship between Franchisor and Franchisee will be governed by: the laws of California to the extent that the matters are within the scope of such laws, except the in-term and post-term covenants found in Subsection 16.D of this Agreement, which will be governed by the law of the jurisdiction in which the Center is located; and the franchise or business opportunity registration, disclosure or relationship laws of other jurisdictions to the extent that the matters are within the scope of such laws.

The Arbitrator will have the right to award or include in his, her or their award any relief which he, she or they deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, sanctions, and attorneys' fees and costs, provided that the Arbitrator will not have the authority to award exemplary or punitive damages. The award and decision of the Arbitrator will be conclusive and

binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The parties further agree that, in connection with any such arbitration proceeding, each will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed within the aforementioned time period will be barred.

Franchisor and Franchisee agree that arbitration will be conducted on an individual, not a class-wide basis and that an arbitration proceeding between Franchisor and Franchisee will not be consolidated with any other arbitration proceeding involving Franchisor and any other person, corporation or partnership.

This provision will continue in full force and effect subsequent to and notwithstanding any transfer, mutual rescission, or the expiration, termination, or non-renewal of the Franchise.

I. ENTIRE AGREEMENT; MODIFICATION. This Agreement constitutes the entire understanding and agreement of the parties as to its subject matter, superseding all prior written or oral understandings and agreements of the parties concerning its subject matter, except the representations made to you in our Franchise Disclosure Document (including its exhibits and any updates or amendments). Except as otherwise specified in this Agreement, this Agreement may not be modified except in a written agreement of at least equal formality signed by the parties. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval hereunder, will be binding upon the other party or effective unless in writing signed by Franchisee and an authorized representative of Franchisor, except that a waiver needs to be signed only by the party waiving. The terms and conditions of this Agreement are binding on the parties, and on their heirs, executors, administrators, successors and assigns.

J. LIMITATION OF CLAIMS. Any and all claims arising out of or relating to this Agreement or the relationship of Franchisee and Franchisor in connection with Franchisee's operation of the Center will be barred unless an action, arbitration or proceeding is commenced within 1 year after the date of the occurrence of the facts giving rise to such claim, excluding any claim for Franchisee's failure to make any payment due hereunder.

K. CONSTRUCTION. The preambles and exhibit(s) are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement, except the representations made to you in our Franchise Disclosure Document (including its exhibits and any updates or amendments). Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates Franchisor to reasonably approve or not unreasonably withhold approval of any action or request by Franchisee, Franchisor has the absolute right to refuse any request by Franchisee or to withhold its approval of any action by Franchisee. The headings of the Sections and Subsections of this Agreement are for convenience only and do not define, limit, or construe the contents of Sections or Subsections. The term "Franchisee" includes 1 or more persons, a corporation or a partnership, and the owners of interests in a corporation or partnership, as the case may be. The singular usage includes the plural, the

plural usage includes the singular and the masculine and neuter usages include the other and the feminine. If 2 or more persons are at any time the Franchisee under this Agreement, whether as partners, co-owners, or joint venturers, their obligations and liabilities to Franchisor will be joint and several. References to "Franchisee", "owner", and "transferee" which are applicable to an individual or individuals mean all shareholders and partners of Franchisee, its owner or the assignee, if Franchisee, its owner or the assignee is a corporation or partnership. Reference to a controlling interest in Franchisee means 51% or more of the equity or voting control of Franchisee. The term "affiliate" includes any company directly or indirectly owned or controlled by any of Franchisor's shareholders that sells products to or otherwise transacts business with Franchisee.

This Agreement may be executed in counterparts, each of which will be deemed an original and all of which together will constitute 1 document. Emailed or other electronic signatures of the parties will be deemed to constitute original signatures, and emailed or other electronic copies hereof will be deemed to constitute duplicate original counterparts.

18. NOTICES AND PAYMENTS

All notices and reports will be in writing, and will be deemed given immediately if delivered by hand, on acknowledgment of receipt if sent by personal service courier, 1 business day after transmission by verifiable email or other electronic means, or 3 business days after placement in the United States Mail, by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at the address shown on the first page of this Agreement, unless and until a different address has been designated by written notice to the other party. All payments and reports required by this Agreement will be directed to Franchisor at the address periodically notified to Franchisee, or to such other persons and places as Franchisor may periodically direct. Any required payment or report not actually received by Franchisor during regular business hours on the date due (or postmarked by postal authorities at least 2 days prior thereto) will be deemed delinquent.

19. ACKNOWLEDGMENTS

Franchisee acknowledges, warrants, represents and certifies to Franchisor that:

A. The terms and conditions of this Agreement and all negotiations concerning this Agreement are, and are to remain, confidential and not communicated to any third party, unless such communication is authorized by Franchisor and that should any disclosure contrary to this Subsection 19.B occur, material damages will be incurred by Franchisor.

B. Franchisor has a substantial interest in maintaining within its System, the value of any and all goodwill associated with, or otherwise derived from the Franchisee's access to, and use of its Marks, Confidential Information, and System, in its operation of the Center, upon any transfer, or upon the expiration, termination or non-renewal of the Franchise.

C. The individuals executing this Agreement on behalf of Franchisee represent and warrant that the signatures listed below constitute all of the individuals, partners, directors, officers and/or shareholders of Franchisee necessary to bind Franchisee.

D. The individuals executing this Agreement, including every individual having an ownership interest in any legal entity proposed as the Franchisee and any affiliates, parents, children or spouses of any such individual, have never been engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes; nor been designated

as a suspected terrorist as set forth on the list of Specially Designated National promulgated by the Office for Asset Control under the U.S. Department of Treasury; nor does any such individual otherwise support terrorism or provide money or financial services to terrorists.

E. If any individual executing this Agreement, including every individual having an ownership interest in any legal entity proposed as the Franchisee, is not a U.S. citizen, each non-U.S. citizen is eligible under applicable U.S. immigration law to travel to and from the U.S. for training and other purposes required under this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement as of the day and year written below to be effective as of the day and year written on the first page of this Agreement.

FRANCHISEE:

{ _____ }

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

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ILLINOIS STATE RIDER TO FRANCHISE AGREEMENT

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, the Franchise Agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

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MARYLAND STATE RIDER TO FRANCHISE AGREEMENT

Any limit on the period of time in which arbitration claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether the forum selection requirement in the Franchise Agreement is legally enforceable.

Regarding the releases referenced in Subsections 8.A.3.a, 8.A.3.b, 8.A.3.c.i, 13.C.5, 14.A.4, and 14.C of the Franchise Agreement, the releases will exclude any and all claims that may arise under the Maryland Franchise Registration and Disclosure Law, if that law applies to Franchisee or its owners.

The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

MINNESOTA STATE RIDER TO FRANCHISE AGREEMENT

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring arbitration to be conducted outside Minnesota.

Nothing in the disclosure document or the Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in the Minnesota Franchises Act, Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. The period of limitation for claims under the Minnesota Franchises Act is 3 years after the cause of action accrues.

Regarding the releases referenced in Subsections 8.A.3.a, 8.A.3.b, 8.A.3.c.i, 13.C.5, 14.A.4, and 14.C of the Franchise Agreement, the releases will exclude any and all claims that may arise under the Minnesota Franchises Act, if that law applies to Franchisee or its owners.

Regarding Section 14 of the Franchise Agreement and renewal, Franchisor will comply with Minn. Stat. Sec. 80c.14, subds, 3, 4 and 5, which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of a franchise.

Regarding Section 15 of the Franchise Agreement and termination, Franchisor will comply with Minn. Stat. Sec. 80C.14, subds, 3, 4 and 5, which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of a franchise.

Regarding Subsections 16.D and 17.D of the Franchise Agreement and injunctive relief, Franchisor will not be automatically entitled to the entry of injunctive relief against Franchisee, but Franchisor will be entitled to seek injunctive relief.

The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

NORTH DAKOTA STATE RIDER TO FRANCHISE AGREEMENT

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.
2. **Refund of Initial Fee.** Subparts A(3)(a), A(3)(b) and A(3)(c) in Section 8 of the Franchise Agreement is modified to state that any release required to be signed in connection with refund of the initial franchise fee under the Subparts will not apply to any claims arising under the North Dakota Franchise Investment Law.
3. **Transfer.** Subpart C(5) in Section 13 of the Franchise Agreement is modified to provide that any release required to be signed in connection with a transfer under Section 13 will not apply to any claims arising under the North Dakota Franchise Investment Law.
4. **Renewal.** Subparts A(4) and C in Section 14 of the Franchise Agreement are modified to provide that any release required to be signed in connection with a transfer under Section 14 will not apply to any claims arising under the North Dakota Franchise Investment Law.
5. **Covenants Not to Compete.** Sections 9.H, 13.C(6) and 16.D of the Franchise Agreement, and Attachment 11 to the Franchise Agreement, are amended to state: "Covenants not to compete such as those referenced in this Section may be unenforceable in the State of North Dakota."
6. **Arbitration or Litigation.** Subpart H in Section 17 of the Franchise Agreement is amended to add the following sentence: "Under the North Dakota Franchise Investment Law, if applicable, the site of arbitration or litigation must be in either North Dakota or a mutually agreeable location.
7. **Governing Law.** Subpart H in Section 17 of the Franchise Agreement is amended to delete the reference to the laws of California applying, and to provide that North Dakota law applies.
8. **Statute of Limitations.** Subpart J in Section 17 of the Franchise Agreement is amended to provide that the period of limitations for claims in the Franchise Agreement will not apply, and the statute of limitations under North Dakota law will apply.
9. **Waiver of Trial By Jury.** If the North Dakota Franchise Investment Law applies, Franchisor is prohibited from requiring Franchisee to waive trial by jury for any claims arising under the North Dakota Franchise Investment Law.
10. **Releases.** When executing the Franchise Agreement, you may not be required to sign a release for any claim arising under the North Dakota Franchise Investment Law.
11. **No Liquidated Damages.** Regarding Section 13 in Attachment 6, the reference to Master Licensee being entitled to liquidated damages is deleted, and the first sentence is amended to state: "End User agrees that, if any unauthorized copy of the Product is made, End User will

pay all reasonable attorneys' fees of Master Licensee through appeal in protecting its rights under this Agreement.”

12. **Punitive Damages.** Regarding Section 9 in Attachment 8 and punitive damages, the North Dakota Securities Commissioner has determined that requiring you to consent to waiver of punitive damages is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, and is unenforceable in the State of North Dakota.

13. **Notice.** The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

WASHINGTON STATE RIDER TO FRANCHISE AGREEMENT AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchise, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent legal counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of

(i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

**STATE RIDER TO FRANCHISE AGREEMENT FOR CALIFORNIA, HAWAII,
INDIANA, MICHIGAN, NEW YORK, RHODE ISLAND, SOUTH DAKOTA,
VIRGINIA, AND WISCONSIN**

The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

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Attachment 1

INITIAL FRANCHISE FEE DEPOSIT RECEIPT

Please make check payable to: Annex Brands, Inc. or its designated representative.

Receipt of _____ (\$ _____) is acknowledged as ____% payment for a Retail Center Franchise for the Brand and Center Type designated on Attachment 3, being granted in the name(s) of:

Name(s): _____

Address: _____

City/State/Zip: _____

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

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Attachment 2

CONTINUING PERSONAL GUARANTEE

As an inducement to Annex Brands, Inc., a California corporation ("Franchisor"), to enter into that certain franchise agreement with an effective date of _____ ("Agreement") by and between Franchisor and _____ ("Franchisee"), I/we, as personal guarantor(s) (each a "Guarantor"), jointly and severally, absolutely and unequivocally, personally guarantee the performance by Franchisee of all obligations of Franchisee to Franchisor under, or arising out of, the Agreement and agree to perform those obligations should Franchisee be unable to perform. The obligations assumed under this Continuing Personal Guarantee are not transferable.

Should the time or manner of payment of any amounts owed by Franchisee to Franchisor change or should any obligation of Franchisee to Franchisor be modified, such action will not affect the liabilities of Guarantor in any manner.

Guarantor agrees to become bound by, and participate in, any judicial proceedings or arbitration proceedings brought by Franchisor to enforce the Agreement and this Continuing Personal Guarantee.

Guarantor will pay reasonable attorneys' fees and all other costs and expenses, which may be incurred by Franchisor through appeal in the enforcement of this Continuing Personal Guarantee.

This is a continuing personal guarantee and it will remain in full force until all obligations of Franchisee to Franchisor under the Agreement are fully performed.

Should any one or more provisions of this Continuing Personal Guarantee be determined to be illegal or unenforceable, all other provisions will nevertheless remain effective.

This Continuing Personal Guarantee will inure to the benefit of Franchisor, its successors and assigns, and is intended to bind Guarantor and his/her/their heirs, executors, administrators, successors and assigns.

Guarantor, having received a true copy of this Continuing Personal Guarantee, hereby agrees to be bound by its terms.

Dated: _____, at _____
(City/State)

(Guarantor):

(Guarantor):

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Attachment 3

DESIGNATION OF BRAND, CENTER TYPE, APPROVED LOCATION AND PROTECTED AREA

Subsection 2.A – Brand:

- _____ PostalAnnex® or PostalAnnex+®
- _____ Pak Mail®
- _____ AIM Mail®
- _____ Handle With Care Packaging Store®
- _____ Parcel Plus®
- _____ Sunshine Pack & Ship®

Subsection 2.A – Center Type:

- _____ standard Center
- _____ flex Center
- _____ express Center

Subsection 2.A – Approved Location: _____

Subsection 2.B – Protected Area:

_____ For a standard Center the Protected Area will be the area within a one-half-mile radius of the approved location of the Center.

_____ For a flex Center, the Protected Area will be the area within a one-half-mile radius of the approved location of the Center.

_____ For an express Center, the Protected Area will be the facility in which the Center is located.

The Protected Area description may be amended only by mutual written agreement of Franchisee, Franchisor and any regional licensee for Franchisee's area.

{SIGNATURE PAGE IMMEDIATELY FOLLOWING}

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

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Attachment 5

COLLATERAL ASSIGNMENT OF LEASE

{Subject to negotiation with Lessor}

FOR VALUE RECEIVED, the undersigned ("Assignor") hereby assigns, transfers and sets over unto ANNEX BRANDS, INC., a California corporation ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (the "Lease"), respecting premises commonly known as _____ (the "Premises"). This Assignment is for collateral purposes only and, except as specified herein, Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee will take possession of the Premises demised by the Lease pursuant to the terms hereof and will assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not otherwise obligated to assign or transfer, any of its interest in the Lease or the Premises demised thereby.

On a default by Assignor under the Lease or under that certain Franchise Agreement with an effective date of _____ ("Franchise Agreement") between Assignor and Assignee for that certain Center located at the Premises, in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or on expiration, termination or non-renewal of the Franchise granted in the Franchise Agreement, Assignee will have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease and will remain liable to Assignee for all past due rents Assignee will be required to pay to Lessor to effectuate the assignment contemplated hereunder. All provisions of the Franchise Agreement remain enforceable, including but not limited to Subsection 16.F, irrespective of whether this Collateral Assignment of Lease is fully executed, implemented or otherwise enforced.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise, Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. On Assignee's failure otherwise to agree in writing, and on failure of Assignee to elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal.

ASSIGNOR:

Dated: _____

Dated: _____

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

{Subject to negotiation with Lessor}

The undersigned Lessor, under the afore described Lease, hereby:

- 1) Agrees to notify Assignee in writing of the failure of Assignor to cure any default by Assignor under the Lease, at the time of such failure;
- 2) Agrees that Assignee will have the right, but will not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of written notice thereof in accordance with Section (1) above;
- 3) Consents to the foregoing Collateral Assignment and agrees that, if Assignee will take possession of the Premises demised by the Lease and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within said 30-day period the defaults of Assignor under the Lease; and
- 4) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who will agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor and, on such assignment, Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that such additional assignee or sublessee operates the Premises demised by the Lease as a Center.

Dated: _____

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Attachment 6

END USER SUBLICENSE AGREEMENT

THIS END USER SUBLICENSE AGREEMENT ("**Agreement**") is made by and between ANNEX BRANDS, INC., a California corporation ("**Master Licensee**"), and _____ ("**End User**") with an effective date of _____, regarding the license and use of certain proprietary computer software as fully set forth below:

RECITALS AND DEFINITIONS

This Agreement is made with reference to the following recital of essential facts and definitions.

Product. The "**Product**" referred to herein consists of the following:

1. The single self-work computer product named "PostalMate". The Program is available for download via a file transfer protocol site for use on a microcomputer. The Program is designed to be used to produce a UPS approved manifest, a shipping estimating system and a Point-of-Sale registry system, a accounts receivable system and interface with Quick Books accounting software in conjunction with the operation of the End User's franchise; and

2. All related printed documentation, including but not limited to manuals covering the installation, application and use of the Program and published specifications.

3. All subsequent improvements to either the Program or the related printed documentation made by Master Licensee or PC Synergy, Inc., a California corporation (a subsidiary of Visible Supply Chain Management), as Master Licensor of the Product ("PC Synergy").

A. Master Licensee has been granted the exclusive world- wide license of the rights to sublicense the Product from PC Synergy. PC Synergy is the legal owner of all right, title and interest in and to the Product, along with all related copyrights and trademarks.

B. End User is a franchisee of Master Licensee, under the terms of that certain franchise agreement with an effective date of _____ for the operation of a Center ("franchise agreement").

C. Master Licensee has the right to sublicense the use of the Product and the copyright and trademark materials related to the Product under the terms of that certain Master License Agreement between PC Synergy, as Licensor, and Master Licensee, as Licensee.

D. End User desires to obtain a non-exclusive right to use the Product in connection with the operation of its Center.

NOW, THEREFORE, in consideration of the mutual promises and covenants of this Agreement, the parties hereto agree as follows:

1. Grant of Sublicense. Master Licensee hereby grants, and End User hereby accepts, a non-exclusive, non-transferable personal license for the access and use of the Product, solely in the course of operating End User's Center.

2. Copies and Transfer. End User is permitted to install and use the Program on up to 7 computers at one time at the same location. Installation and use of the Program at additional locations or on additional computers will require payment of additional license, support and maintenance fees. The Program may be freely moved from 1 computer to another, so long as there is no possibility of it being used at 1 location while it is being used at another. Master Licensee authorizes End User to make archival copies of the Program for the sole purpose of backing-up the software and protecting the End User's investment. Any reproductions made pursuant to the terms of this paragraph must include PC Synergy's copyright notice, patent notice, trademark, service mark, and other proprietary Master Licensee markings and/or confidential legends on any and all copies of the Product.

3. End User's Rights, Responsibilities and Duties.

3.1 End User may transfer the Program from 1 computer to another at the same location.

3.2 End User may not modify or translate the Product without the prior written consent of both Master Licensee and PC Synergy.

3.3 End User may not use, transfer, alter, or copy the Product or any portion thereof in any way that is contrary to this Agreement.

3.4 End User will be exclusively responsible for the supervision, management and control of its use of the Product, including but not limited to the following:

3.4.1 Ensuring proper configuration of the designated hardware and related equipment or devices;

3.4.2 Establishing adequate operating procedures;

3.4.3 Implementing procedures sufficient to satisfy its obligations for security under this Agreement, including but not limited to appropriate action to prevent misuse, unauthorized copying, modification or disclosure of the Product;

3.4.4 Implementing procedures sufficient to prevent decoding, decompiling, merging, modifying, translating, reverse engineering or otherwise altering the Product in any form;

3.4.5 Preventing reproduction or duplication of any copies of the Product, except as expressly set forth in this Agreement or hereinafter agreed to in writing;

3.4.6 Implementing procedures sufficient to prevent transfer, resale or grant of any of the rights of any kind, to the Product to any other party;

3.4.7 End User will not be permitted to use the Product in a network environment without Master Licensee's specific written permission.

4. **Term.** This Agreement will continue until either (a) End User destroys the Product and all copies in its possession; or (b) upon termination of this Agreement. Upon such termination, End User will destroy all copies of the Product.

5. **Property Rights.** End User agrees that PC Synergy is the sole and exclusive owner of all rights in the Product. Title to the Product is reserved to PC Synergy, as exclusive Master Licensor to Master Licensee. End User acknowledges and agrees that PC Synergy is and will remain the sole owner of the Product and will be the owner of all copies made therefrom by any user, to the extent permitted under the express terms of this Agreement.

6. **Nondisclosure of Product.** End User acknowledges that the Program and the Product are confidential in nature and constitute a trade secret belong to PC Synergy and Master Licensee. End User agrees not to sell, rent, license, distribute, transfer, or directly or indirectly disclose or permit the sale, rental, licensing, distribution, transfer or disclosure of the Product to any other party either during the term of this Agreement or thereafter, except as expressly permitted herein.

7. **Security.** End User agrees to keep the Product locked in a secured place, under access and use restrictions designed to prevent disclosure of the Product to unauthorized persons in a manner substantially similar to End User's protection of its own trade secrets.

8. **Degree of Care.** End User agrees to instruct its employees, independent contractors, representatives and agents to keep the Product confidential by using the same care and discretion that they use with other data designated by End User as confidential.

9. **Copyrights, Trademarks and Other Proprietary Markings.** End User agrees not to remove, deface or destroy any copyright, patent notice, trademark, service mark, other proprietary markings and/or confidential legends placed on or within the Product. All copies of the Product provided to End User pursuant to this Agreement will carry notices of PC Synergy's copyrights and trademarks and notice that Master Licensee is the exclusive Licensee of PC Synergy. Failure by End User to properly mark any copies or reproductions made to the above will constitute a material default of this Agreement and will be grounds for termination hereof.

10. **Payment.** As payment for the sublicense granted under this Agreement, End User will pay Master Licensee an initial license fee of \$250, an annual license fee of \$35 and a maintenance fee of \$100 payable monthly on the 1st of the month to PCSynergy by automatic draft or credit card. Both the annual license fee and the monthly maintenance fee are subject to Master Licensee's right to modify the maintenance fee and/or license fee, in its reasonable discretion, after at least 15 days' prior written notice to End User. The annual maintenance fee will be invoiced 45 days before the renewal date and paid by automatic draft 30 days before the renewal date (or on the 1st of the month) (See Subsection 8.D, Payment of Fees, of the franchise agreement, for an explanation of the automatic draft payment requirement.) This sublicense may be transferred to a new franchisee ("New End User") only if Master Licensee approves and authorizes the transfer. The New End User must execute the then-current Agreement and pay any applicable transfer fee. Currently, there is no transfer fee, if the Center will be operated in the same location, subject to Master Licensee's right to charge and modify the transfer fee, in its reasonable discretion, after at least 15 days' prior written notice to End User.

11. Equipment and Software.

11.1 Remedy: Limited Warranty. Master Licensee will correct and replace any defective Program within 1 year after the date of this Agreement with a description of the defect and if not misused by the End User. Neither PC Synergy nor Master Licensee makes any warranty of any kind, express or implied. PC Synergy and Master Licensee will not be liable for warranties of merchantability or fitness for a particular purpose or for damages, whether direct, indirect, special or consequential. If this disclaimer is not allowed, PC Synergy and Master Licensee's liability will be limited to refund of the license fee. End user agrees that the Product is not a consumer good for purposes of federal or state warranty laws.

11.2 Warranty and Warranty Services. Master Licensee represents and warrants to End User that Master Licensee has full right and authority to Sublicense the Program to End User pursuant to the terms and conditions of this Agreement and of Master Licensee's Master License Agreement with PC Synergy. Except as otherwise provided in the preceding sentence, all services, equipment, software and other products furnished by Master Licensee to End User are provided on and "as is" and "as available" basis.

11.3 Warranty Disclaimers.

11.3.1 Except as expressly set forth in this Sublicense Agreement, Master Licensee disclaims any and all promises, representations, and warranties with respect to the Program, including but not limited to its condition, its conformity to any representation for description, the existence of any latent or patent defects, and its merchantability or fitness for a particular use.

11.3.2 Master Licensee does not warrant that the functions contained in the Program will meet End User's requirements or that the operation of the Program will be uninterrupted or error free. End User is advised to test the Program thoroughly before relying on it.

11.3.3 Without limiting the generality of the foregoing, Master Licensee will not be liable for any loss, injury, claim, liability or damage of any kind resulting in any way from (i) any errors or omissions from the Product or any materials included therein, (ii) the unavailability or interruption of the Program or any features thereof or any materials included therein, (iii) End User's use of the Product, (iv) End User's use of any equipment in connection with the Product, or (v) the content of materials included in the Product.

11.3.4 Master Licensee is not responsible for obsolescence of the Product that may result from changes in End User's requirements. The foregoing limited warranty will apply only to the most current version of the Program periodically issued by Master Licensee. Master Licensee assumes no responsibility for End User's use of superseded, outdated, or uncorrected versions of the Program.

11.4 End User will use its own equipment ("End User Equipment") or, if available, equipment provided by Master Licensee ("Master Licensee Equipment") for use in accessing the Program or in connection with the Product.

11.5 Master Licensee specifically disclaims any responsibility for determining compatibility between the Product and any equipment or software not specified by Master

Licensee and in no way warrants the capabilities of any such equipment or software in conjunction with the use of the Product.

12. Update Policy. PC Synergy may, but is not obligated to, update the Product periodically. Notification of updates will be sent to licensed users. On a monthly basis, from the date of the grant of this sublicense, such updates, as available, will be made available at no charge, as long as End User is in compliance with this Agreement (including but not limited to those terms relating to timely payment).

13. Damages; Attorneys' Fees; Injunctive Relief. End User agrees that, if any unauthorized copy of the Product is made, End User will pay to Master Licensee liquidated damages in the amount of PC Synergy's maximum published retail price for the Product, which End User agrees is reasonable, plus all reasonable attorneys' fees of Master Licensee through appeal in protecting its rights under this Agreement. End User also agrees that Master Licensee will have the right to obtain an injunction against unauthorized copying of the Product, in addition to any other rights and remedies to which Master Licensee may be entitled.

14. Security Device. End User acknowledges and consents that the Product may include a timer or other security program or device ("Security Device"). Master Licensee will have the right to prevent use of the Product with the Security Device if End User breaches its obligations under this Agreement or the franchise agreement, or if the Franchise or this Agreement expires or is terminated. Master Licensee will not be liable to End User for any damages, including but not limited to lost profits, lost savings or other incidental or consequential damages, arising from Master Licensee's use of the Security Device.

15. Termination.

15.1 Master Licensee will have the right to terminate this Agreement immediately if End User breaches any of the terms of this Agreement (including but not limited to those terms relating to timely payment) or any of the representations and warranties which End User has made under this Agreement. Any such termination will be subject to End User's obligation to pay fees incurred by End User under this Agreement which obligation will survive the termination of this Agreement.

15.2 This Agreement will terminate automatically if the franchise agreement between Master Licensee and End User expires, terminates or is not renewed for any reason whatsoever.

15.3 Upon any termination of this Agreement, End User will return to Master Licensee (or, at Master Licensee's option, destroy and certify in writing to Master Licensee that it has destroyed) the original and all copies of the Product, including but not limited to compilations, translations, partial copies and modifications, if any.

16. Confidentiality. End User will at all times treat the Product as confidential material as the valuable trade secret and proprietary property of Master Licensee, taking all reasonable measures to protect the same against unauthorized use, access, or disclosure, which measures will be no less than those employed by End User to protect its own most valuable trade secrets and confidential materials, including but not limited to limiting access to the Product to only those of its personnel who are familiar with the confidentiality provisions of this Agreement, and who agree in writing to be bound by such provisions, and further, by placing or maintaining on the Product

the identical copyright notice or proprietary statement furnished by Master Licensee to End User or as instructed by Master Licensee from time-to-time. End User hereby authorizes Master Licensee to enter End User's premises in order to inspect the Product in any reasonable manner during End User's regular business hours.

17. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California.

18. **Further Assurances.** Each party to this Agreement will execute all instruments and documents and take all actions as may be reasonably required to effectuate this Agreement.

19. **Venue and Jurisdiction.** For purposes of venue and jurisdiction, this Agreement will be deemed made and to be performed in the City of San Diego, State of California.

20. **Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original and all of which together will constitute 1 document. Emailed or other electronic signatures of the parties will be deemed to constitute original signatures, and emailed or other electronic copies hereof will be deemed to constitute duplicate original counterparts.

21. **Interpretation.** Whenever the context so requires in this Agreement, all words used in the singular will be construed to have been used in the plural (and vice versa), each gender will be construed to include any other genders, and the word "person" will be construed to include a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate, or any other entity.

22. **Partial Invalidity.** The provisions of this Agreement will be valid and enforceable to the fullest extent permitted by law. If any provision of this Agreement or the application of such provision to any person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected by such invalidity or unenforceability, unless such provision or the application of such provision is essential to the Agreement.

23. **Expenses.** The prevailing party as to any disputes relating to this Agreement will be entitled to recover from the unsuccessful party to this Agreement all costs, expenses and actual attorneys' fees relating to the enforcement or interpretation of, or any litigation, arbitration or appeal relating to, this Agreement. Any judgment or order entered in such action will contain a specific provision providing for the recovery of reasonable attorneys' fees and costs incurred in enforcing such judgment through appeal. For purposes of this paragraph, attorneys' fees will include, without limitation, fees incurred in the following: (1) post judgment motions; (2) contempt proceedings; (3) garnishment, levee, and debtor and third-party examinations; (4) discovery; and (5) bankruptcy litigation.

24. **Modification in Writing.** This Agreement may be modified only by an agreement in writing executed by the parties to this Agreement against whom enforcement of such modification is sought.

25. **Effectiveness.** This Agreement will become effective when it has been executed by all of the parties to this Agreement.

26. **Successors-in-Interest and Assigns.** This Agreement will be binding upon and will inure to the benefit of the successors-in-interest and assigns of each party to this Agreement. Notwithstanding the foregoing, End User is expressly prohibiting from assigning its rights and obligations under this Agreement to a successor franchisee or any other party without the express written permission of Master Licensee.

27. **Headings.** The headings of the paragraphs of this Agreement have been included only for convenience, and will not be deemed in any manner to modify or limit any of the provisions of this Agreement or to be used in any manner in the interpretation of this Agreement.

28. **Time of Essence.** Time and strict and punctual performance are of the essence with respect to each provision of this Agreement.

29. **Prior Understandings.** This Agreement contains the entire Agreement between the parties to this Agreement with respect to the subject matter herein and supersedes all prior understandings, agreements, representations and warranties, if any, with respect to said subject matter.

30. **Notices.** All notices or other communications required or permitted to be given to a party to this Agreement will be in writing and will be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or sent by an overnight express courier service that provides written confirmation of delivery, to such party at the following respective addresses:

End User: _____

Master Licensee: Annex Brands, Inc.
7580 Metropolitan Drive, Suite 200
San Diego, CA 92108

31. **Waiver.** Any waiver of a default under this Agreement must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement. No delay or omission in the exercise of any rights or remedies will impair its right or remedy or be construed as a waiver. A consent to or approval of any act will not be deemed to waive or render unnecessary consent to or approval of any other or subsequent act.

32. **Drafting Ambiguities.** Each party to this Agreement and its counsel have reviewed and revised this Agreement. The rule of construction that any ambiguities are to be resolved against the drafting parties will not be employed in the interpretation of this Agreement or of any amendments or exhibits to this Agreement.

{SIGNATURE PAGE IMMEDIATELY FOLLOWING}

End User:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

Master Licensee:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

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Attachment 7

INTERNATIONAL OCEAN PROGRAM SALES AGENCY AGREEMENT

This Sales Agency Agreement (“Agreement”) is entered into by and between Annex Brands, Inc. (“Franchisor”), who is a Non-Vessel Operating Common Carrier (“NVOCC”) under the Federal Maritime Commission OTI License No. 023289NF, and _____

_____ (“Franchisee”) regarding Franchisee’s engagement by Franchisor to act as a sales agent (“Ocean Freight Broker”) as set forth below.

Federal shipping regulations define an Ocean Freight Broker as an entity which is engaged by a carrier (NVOCC) to secure cargo for such carrier and/or to sell or offer for sale ocean transportation services, and which holds itself out to the public as one who negotiates between shipper or consignee and carrier for the purchase, sale, conditions and terms of transportation. (See 46 CFR Sec. 5152(n).)

Franchisee hereby acknowledges that it is NOT an ocean freight forwarder or an NVOCC, and that it does not provide, and will not provide, either ocean freight forwarding or NVOCC services. Franchisee will act ONLY as an Ocean Freight Broker. Moreover, Franchisee hereby acknowledges that it does not have, and will not have, a direct or indirect beneficial interest in any shipment being forwarded.

As an Ocean Freight Broker, Franchisee agrees that it will not provide NVOCC or ocean freight forwarding services under this Agreement and will disclose to all shippers that Franchisee is acting solely as an Ocean Freight Broker on behalf of Franchisor.

This Agreement is effective when Franchisor signs and accepts that certain Franchise Agreement with an effective date of _____ (“Franchise Agreement”) by and between Franchisor and Franchisee. This Agreement will automatically terminate on expiration, termination or non-renewal of the franchise granted under the Franchise Agreement. Franchisor will have the right to terminate this Agreement immediately if Franchisee breaches any of the terms of this Agreement or any of the terms of the Franchise Agreement.

{SIGNATURE PAGE IMMEDIATELY FOLLOWING}

FRANCHISEE:

Sales Agent/Ocean Freight Broker

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

Non-Vessel Operating Common Carrier – FMC License No. 023289NF

By: _____

Name/Title: _____

Date: _____

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Attachment 8

INTERNET POLICIES & PROCEDURES AGREEMENT

This INTERNET POLICIES & PROCEDURES AGREEMENT ("Agreement") is entered into by and between Annex Brands, Inc., a California corporation having a principal place of business at 7580 Metropolitan Drive, Suite 200, San Diego, CA 92108 ("we", "us" or "our") and _____, having an address of _____ ("you").

1. Our Website. We may, but are not required to, maintain a corporate website on the Internet ("our website") to advertise and promote our franchise system and the products and services marketed by us and by our franchisees. The content of our website is in our sole discretion and under our sole control.

2. Intranet; Newsgroups; Bulletin Boards. In addition to our website, we may establish a private Intranet area, newsgroups or bulletin boards for our franchisees that can be accessed only by means of user names and passwords. We intend to provide support to our franchisees through this Intranet, private newsgroups, and bulletin boards, and will allow for a dynamic means of electronic communication among franchisees. Franchisee should monitor the Intranet, newsgroups, and bulletin boards on a regular basis. Our Intranet and these newsgroups are intended to be accessible only to us and our franchisees, not to the general public. We may monitor the newsgroups and any email sent, uploaded or accessed using the user name and password referred to in Section 3. We will remove any content that does not comply with our Internet Code of Conduct. We may terminate or suspend your access to our Intranet and the newsgroups without terminating this Agreement.

3. Passwords & Confidentiality. You will receive a user name and passwords for utilizing our Intranet, email and website portals, if established. We may change your passwords periodically after giving you prior written notice. We may change your passwords without notice if an alleged compromise exists. You agree not to disclose your password to any person or entity who is not under your direct supervision and who does not have a need to know such password. You agree to inform all persons under your supervision who may have access to such password of this obligation of confidentiality and you agree to indemnify and hold us harmless for any default of confidentiality by such persons. You are responsible for the personnel and agents to whom you distribute passwords. You must refrain from allowing access to our Intranet by any unauthorized party.

4. Your Website. We must approve any website (or equivalent electronic advertising) that utilizes the Marks before publication. If we establish our website, we will prepare and post a designated area on our website for the purpose of promoting your Center ("your website"). Your website will be accessible without charge to anyone with access to the Internet. You may not maintain another website without our prior written consent.

(a) Standard Web Pages. The initial fee for creation and posting of standard web pages is currently included in your technology services fee, but we reserve the right to change this in the future. We will design the content of standard web pages.

(b) Customized Standard Web Pages or Website. If we offer customization services, you may request us to customize portions of your standard web pages or create a customized website for you. We will not commence any design or programming work for you that will entail additional charges without your prior written approval. Once you agree, we will charge you at our then-current rate for design or programming services, and we may charge you an annual fee for maintaining a customized website for you. We will design the layout, including but not limited to determination of content, number of pages, consideration of alternate pages for graphics or text, and the overall navigation; create the programming code for display on the Internet including but not limited to the encoding of images, the creation of hyperlinking of both text and images, and the creation of email hyperlinking; and test the programming code. You agree to submit to us, in computer-readable, digital form, any additional text and graphics you would like us to include on your customized standard web pages or in your website. If a 3rd party owns any copyright, trademark or other intellectual property right which relates or pertains to any part of any content you deliver to us, you must obtain all necessary rights or licenses, at your sole cost and expense, so that our rights in and to such content will be no less than if such intellectual property right belonged to you and were licensed to us pursuant to Section 7 hereof. To post a website that you develop or to move an existing website to our website, you must submit the programming code to us to facilitate our development of your website.

(c) Customized E-Commerce Services. We may make various e-commerce services available to you for reasonable fees. We will periodically notify you, in our Manuals, in bulletins, in our newsletter (360), in postings on our Intranet franchisee support site, by email, by publishing a list, in writing or otherwise, of available e-commerce services, together with a schedule of applicable fees. We also may provide a method by which you will be able to offer websites to your customers and to offer to your customers some of the same e-commerce services that will be available to you. Currently, you are not required to use any of these e-commerce services, but we reserve the right to make this a requirement in the future. We reserve the right to discontinue or modify these e-commerce services, in our sole discretion.

(d) Approval & Posting of Customized Standard Web Pages or Your Customized Website. For customized standard web pages, depending on the complexity of the requested customizations, we may either publish them to our website after the customizations are completed or send or present to you a copy of your customizations for your approval. For customized websites, we will either send or present to you a copy of your customized website or make such website accessible to you in an unpublicized portion of the Internet for your approval before we post your customized website in a public fashion on our website. We will not post your customized website in a public fashion on our website until you have given us your approval. You agree to review the customized website and, within a reasonable time, either to inform us of reasonable changes you would like to make or to inform us in writing of your approval, which approval you will not unreasonably withhold. We do not make any representation regarding the time it will take to post or to modify your customized standard web pages or customized website. Once your customized standard web pages or customized website has been posted, we may ask you to verify the content at any time, for accuracy or otherwise, and you agree to promptly respond to any such request, either in writing or by email.

(e) Advertising. We own all right, title and interest in and to all advertising space in your web pages or website. We may advertise and promote your web pages or website as part of our promotion of our website. We also may advertise and promote your web pages or

website without your prior approval of any such advertising or promotion. Within your web pages or website, we may include any advertising or promotion of and links to websites of any 3rd parties that we deem desirable, as well as any other materials or content we deem appropriate.

(f) Links. We may, but are not required to, link your web pages or website to any other approved website, including but not limited to one that you maintain in your capacity as our franchisee or any other website that lists your retail center. We may condition such linking on the linking of such websites back to our website. We may remove or request at any time that you remove such links back to our website and you agree to promptly comply with any such request. Any such linked websites will be subject to the license described in Section 7 and the covenants and indemnity described elsewhere in this Agreement. We will have no duties, obligations or other commitments of any kind with respect to any of your linked websites outside of our website. You agree to notify us of any website known to you that features or lists you in your capacity as a franchisee and to notify us of any new websites as they periodically list you.

(g) General. Your web pages or website will not have a separate domain name of its own but will be a subdirectory under our domain name, without our prior written consent. We may modify the format or content of your web pages or website periodically without prior notice to you. We intend to make any changes that are required by law promptly. We intend to make all other requested changes when we update your web pages or website, which need not be more than once a year. All modifications, design work and programming coding we do will be a derivative work, owned by us. As such, we will have the right to post a copyright notice in our name on all of your pages in your web pages or website. You may make 1 print copy of your web pages or website for your internal use. Any other copying, redistribution, retransmission or publication of any downloaded material is prohibited without our prior written consent.

5. Email Marketing Programs, Social Media Platforms, Online Directory Listings, and Other Networking Platforms. In order to accomplish our business goals and protect our system, we control the manner in which our Marks are used on the Internet and you agree to follow our policies and procedures when using email marketing programs, social media platforms, online directory listings, other networking platforms, or other comparable electronic identities. We may publish, update, or remove content at any time, in our sole discretion. You acknowledge that the Code of Conduct applies to email marketing programs, social media platforms, online directory listings, other networking platforms, and other comparable electronic identities; that email marketing programs, social media platforms, online directory listings and other networking platforms are continuously evolving; and that our policies and procedures will be periodically updated by us in the Manuals, in writing or otherwise.

6. Computer Hardware, and Software Programs and Licenses. You affirm that you have acquired and will maintain all necessary computer hardware, and all necessary software programs and licenses, to meet or exceed our stated minimum requirements for e-commerce and other strategic marketing alliance initiatives. You must install a virus detector on all of your computer workstations and you must take all reasonable and necessary steps to ensure that all transmissions are free of viruses. We will maintain a virus scanner on the host system at all times. You must not use or distribute unlicensed software or data. You understand that we do not provide technical support for computer hardware, software programs, Internet network systems and/or operating systems.

7. Policies & Procedures; Code of Conduct. Our system is an Internet-based data communications network service designed for the exclusive use of authorized participants. You must be a registered user in order to participate. We may withdraw all of your rights and privileges of access at any time for any reason if deemed necessary to protect our system. Your participation is intended as a business tool, and your conduct is governed by our Internet Code of Conduct, which we may modify or delete, in whole or part, without prior notice to you, as we deem necessary to accomplish our business goals. You will be notified of any changes that we make to our Internet Code of Conduct. You hereby covenant that you will comply in all respects with the Internet Code of Conduct.

(a) No Infringing Materials. In your capacity as a franchisee, you agree that you are prohibited from creating, reproducing, distributing, transmitting, creating derivative works of, or publicly displaying or performing, any communication, data, file, image, graphics, video clip, audio clip or software in, through or on the Internet that might infringe upon or violate the property rights of others, including but not limited to any of the following types of property belonging to a person or entity other than us when such person or entity has not given his, her or its prior written consent or license: (1) any text, images, graphics, video clip, audio clip or software protected by copyright or patent law; (2) trade secrets or other confidential proprietary information; and (3) trademarks or service marks.

(b) Email. You agree to use the method and format of email communications for your Center as determined by us, including but not limited to using your Center's brand domain name in the email address. We may, but are not required to, provide you with up to two email addresses per Center, currently included in your technology services fee, but we reserve the right to change this in the future. If additional email addresses are provided to you, you will be charged the then-current fee for those email addresses. You must use the email addresses we provide you for all aspects of the operation of your center, including but not limited to customer communications, print or digital marketing, advertising or promotions, on letterhead and business cards, etc. You may not establish or use your own email addresses without our prior written consent. The following guidelines apply to your electronic mail communication in your capacity as a franchisee:

(1) Keep email messages brief and informal. Attach any lengthy text as a separate document, as most emails are read on screen and should be limited to 1 screen in length.

(2) Do not overload recipients with unwanted emails.

(3) Whenever you send an email to a person other than us, indicate in your email (in the signature portion or elsewhere) that your Center is an independently owned and operated business, and that your views do not necessarily reflect our policies. You agree to use any standardized signature blocks in formats we determine, if required.

(4) Check emails throughout the day, and respond to the emails in a timely manner.

(5) Remember that you are a representative of the System and conduct yourself appropriately, in a way that increases the goodwill of the System, both for your benefit and for the benefit of all System franchisees.

(6) Any email marketing/advertising, promotional, or campaign communications must be approved by us, and must conform to then-current guidelines, as specified in the Manuals, in writing or otherwise.

(c) General Prohibitions. If you receive a message or data of the nature described below, you are encouraged to mail a copy of the message/data to us for proper investigation and disposition. You cannot create, transmit, view, retrieve, maintain or store any electronic communication, data, file, image, graphics, video clip, audio clip, or software in or through your website or anywhere on the Internet in your capacity as a franchisee, whether it is intended in a serious manner or as a joke or satire or is otherwise not intended to be taken seriously, that is: (1) a virus, worm, "Trojan horse" or any other harmful, contaminating, destructive or disruptive element; (2) illegal or solicits the performance of any illegal activity, including but not limited to gambling, anti-competitive activities such as price fixing, boycotting of suppliers or allocating markets, any violation of the securities laws, or a chain letter or message relating to pyramid schemes; (3) discriminatory, such as referring in a negative manner to an individual's race, age, disability, religion, national origin, physical attributes or sexual preference; (4) profane, indecent, obscene, pornographic or otherwise containing sexual content or innuendo; offensive, harassing, sexually harassing, abusive, intimidating, threatening, derogatory, libelous, defamatory, rude, imprecating, hateful or inflammatory; (5) private or personal matters concerning any person without permission of the person; (6) a political message, charity request or petition for signatures; (7) a password, a credit card number, a social security number, a PIN or the scanned copy of anyone's signature; (8) a testimonial or name or picture of any person for the purpose of advertising or promotion without that person's written permission; or (9) inaccurate, derogatory, libelous or defamatory relating to our employees, proprietors, business associates, clients, business practices, procedures or policies or any other content contrary to our interests or disclosing our confidential, sensitive or proprietary information, including but not limited to the Manuals, business plans, customer lists, unpublished financial information and the like.

8. Your Grant to Us. You hereby grant us a worldwide, perpetual license, without charge or payment of a royalty, to reproduce, distribute, transmit, create derivative works of, publicly display and publicly perform all materials and information you submit to us for posting in your web pages and website, and all materials and information you submit to our Intranet or newsgroups described in this Agreement, by all means and in any media now known or hereafter developed, including but not limited to the right to use such materials and information that we deem appropriate on similar web pages or websites of our other franchisees; and use your name and any likeness of you that you submit to us for posting in your web pages or website, or that you submit to us in connection with all advertising, marketing and promotional materials related to our website or your web pages or website; and sublicense and to authorize 3rd parties to do any, all or some of the things that we are permitted to do under this Agreement. In addition, you grant us the right to change, transfer or terminate any email addresses, domain names, email marketing programs, social media platforms, online directory listings, other networking platform listings and comparable electronic identities that use or include our trademarks or brand names, if the franchise expires, is not renewed or is terminated.

9. Limitation on Liability. The products and services provided by us pursuant to this Agreement are provided on an "as is" basis. We make no representation or warranty, express or implied, relating to the products or services provided by us pursuant to this Agreement, including but not limited to any implied warranty of merchantability or fitness for a particular purpose, any

implied warranty of title, and any implied warranty arising from course of dealing or course of performance. Without limiting the generality of the foregoing, we specifically disclaim any warranty regarding the efficacy of any promotion of your Center by means of our website or your website and any representation or warranty against infringement, express or implied. In no event will we, our owners, directors or officers, be liable to you for any indirect, incidental, consequential, punitive, special or other similar damages (including but not limited to any damages for loss of information, lost profits, or business interruption) arising from or in any way related to the use of or inability to use our website or your website, any delay or failure to post your website or to make any update or modification you request, or any other event related to this Agreement, even if we or our authorized representative has been informed, is aware or should have been aware of the possibility of such damages.

10. Security, Privacy & Cyberspace Jurisdiction. While we will endeavor to maintain the security of your website and will endeavor to act promptly in the event of a security breach, we will not be liable to you in the event of any such breach, whether it results in a modification of your website or the shutdown of all or part of our website or your website. You understand that unauthorized persons may gain access to our Intranet. You specifically understand that you have no expectation of privacy with respect to any email or other data or transmission created, transmitted, retrieved or stored through our Intranet or otherwise communicated to or from us. We may access, review and monitor all such transmissions, email and data, at any time, for any reason, without prior notice to you. All information, data, images and messages contained in and/or created through our website are our property. Any unauthorized use, duplication, viewing or transmission of these materials, without our prior written consent, is strictly prohibited. Access to and use of our Intranet constitutes agreement to this notice. You understand that laws regarding Internet advertising and jurisdiction are uncertain and evolving and that the posting of your website pursuant to this Agreement may expose you to unexpected material, adverse consequences, including but not limited to liability to legal claims and to jurisdiction in remote locations worldwide. We will not be liable for any such adverse consequence.

11. Choice of Law and Dispute Resolution. This Agreement will be (a) deemed made and entered into, and (b) construed and governed under and in accordance with the laws of the State of California. Any party may, but is not required to, submit to any court of competent jurisdiction any controversy, dispute or claim involving a request for monetary or injunctive relief concerning any Mark, involving a request for injunctive relief concerning any lease of real estate, or involving a request for temporary injunctive relief seeking enforcement of this Agreement. Except as provided in the previous sentence, all disputes arising out of or relating to this Agreement, or rendered under this Agreement, or a default of this Agreement, that cannot be settled amicably, will be resolved by arbitration in San Diego, California before 1 neutral arbitrator and administered under the Commercial Arbitration Rules of the American Arbitration Association. Any provisional or equitable remedy that would be available from a court of law will be available from the arbitrator. Judgment on the award of the arbitrator may be enforced in any court having jurisdiction thereof. The parties consent to the non-exclusive jurisdiction of the federal and state courts located in San Diego County, California for any action (a) to compel arbitration, (b) to enforce the award of the arbitrator or (c) at any time before the qualification and appointment of the arbitrator, for temporary, interim or provisional equitable remedies. The parties further consent to service of process in any such action by certified mail, return receipt requested, or by any other means permitted by law.

12. Term & Termination. This Agreement is effective when we sign it and accept your franchise agreement. This Agreement will automatically terminate on expiration, termination or non-renewal of the franchise granted under your franchise agreement. We may cancel your passwords and otherwise suspend your access to our Intranet at any time if we give you written notice that you are in default of this Agreement or your franchise agreement. We will cancel your passwords and remove your website as soon as practicable after termination of this Agreement for any reason.

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

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Attachment 9

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

Date of Application: _____ Phone: _____
Franchisee: _____
Name/Title: _____
Name/Title: _____
Address: _____

Please attach a copy of a voided check or supply the following information:

Name & Address on Account: _____
Financial Institution Name & Address: _____
Bank Routing Number: _____
Bank Account Number: _____

In accordance with the franchise agreement between me and Annex Brands, Inc. ("COMPANY"), I hereby authorize COMPANY to withdraw funds by initiating entries to my account at the financial institution indicated above ("BANK"), and to initiate adjustments for any erroneous transactions, if necessary, each Wednesday after the close of business or at such other interval established by COMPANY. I agree to submit a completed Unit Sales Report ("Report") to COMPANY each Saturday, after the close of business and before midnight, for the week ending that Saturday, or at such other interval established by COMPANY. COMPANY agrees that the amount due on the Report for royalty fees, marketing fees, and any other fees (but not national convention participation deposits or technology fees), including but not limited to fees for additional email accounts and insurance premiums, will be the amount withdrawn from my account on the following Wednesday or at such other interval established by COMPANY, unless COMPANY notifies me of an adjusted amount. National convention participation deposits and technology fees will be withdrawn each Tuesday from my account after the close of business or at such other interval established by COMPANY. I further authorize COMPANY to initiate entries for any amounts owed by me, including but not limited to amounts owed for Association fees and assessments, or equipment and/or supplies, or any other monies I periodically owe to COMPANY, on prior written notice to me. I authorize BANK to accept all entries by COMPANY to my account.

{SIGNATURE PAGE IMMEDIATELY FOLLOWING}

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

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Attachment 10

**AUTHORIZATION FOR BACKGROUND CHECK AND WAIVER OF LIABILITY
AND AUTHORIZATION FOR RELEASE OF INFORMATION**

I/we, _____ ("Franchisee"), hereby authorize Annex Brands, Inc. ("Franchisor"), in its sole discretion and as it deems necessary, to investigate Franchisee's background. Franchisee understands that Franchisor may use an outside firm(s) to assist it in checking such information, and Franchisee specifically authorizes such an investigation by information services and outside entities of the Franchisor's choice. Franchisee understands that Franchisee may withhold permission and that in such a case, no investigation will be done, however, the execution of the Franchise Agreement by Franchisor may not be processed.

Franchisee hereby authorizes a representative of the Franchisor bearing this release to obtain any information from credit reporting agencies, employers, individuals, schools, residences or criminal justice agencies relating to Franchisee's activities, in Franchisor's sole discretion and as Franchisor deems necessary. This information may include, but is not limited to, academic, achievement, arrest, attendance, conviction, credit, disciplinary, performance, personal history and residential records. Franchisee hereby directs you to release such information on request of the bearer.

Franchisee hereby releases and holds harmless any individual, including but not limited to record custodians, from any and all liability, whether from negligence or violation or any other applicable legal standard that may potentially result from the release and/or use of such information.

FRANCHISEE:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

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Attachment 11

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This Non-Competition and Non-Solicitation Agreement ("Agreement") is entered into by and between Annex Brands, Inc. ("ABI") and _____ ("Covenantor"), with an effective date of _____.

RECITALS

WHEREAS, Covenantor is either (1) "Franchisee" named in a Franchise Agreement that is being executed corresponding to this Agreement ("Franchise Agreement"), or (2) an equity owner of the legal entity (corporation, LLC, partnership, etc.) that is named as "Franchisee" in such Franchise Agreement, and operates a franchised business under any of the trademarks and/or service marks ("Marks") of ABI ("the Center");

WHEREAS, Covenantor acknowledges that ABI has a legitimate business interest in protecting its franchisees from unfair competition by an existing or former franchisee that has or had special, intimate knowledge of ABI's valuable trade secrets and Confidential Information and proprietary operating methods;

WHEREAS, Covenantor acknowledges that ABI has a legitimate business interest in protecting its franchisees from unfair competition by an existing or former ABI franchisee that transfers (without permission) the goodwill associated with ABI's Marks to a business that competes with ABI's franchisees;

WHEREAS, Covenantor acknowledges that ABI has a legitimate business interest in protecting its franchisees from unfair competition by an existing or former franchisee that is able to take advantage of the knowledge and experience gained as an ABI franchisee by operating its new business without having to continue to pay royalty fees and other fees for access to such information, thereby placing at a competitive disadvantage such remaining ABI franchisees that continue to abide by their contractual obligations;

WHEREAS, Covenantor acknowledges that (1) ABI has a legitimate business interest in refranchising the formerly protected territory of a former franchisee, and (2) ABI would suffer irreparable harm absent this Agreement because it would be unable to attract new franchisees to the area served by its former franchisee;

WHEREAS, Covenantor acknowledges that ABI has a legitimate business interest in protecting its franchisees from unfair competition by an existing or former franchisee that diverts or attempts to divert business from any Retail Center or Commercial Logistics Center to a competitor; and

WHEREAS, Covenantor acknowledges that ABI requires the execution of this Agreement as an ancillary requirement to ABI's simultaneous grant of the Franchise under the Franchise Agreement to, as applicable, (i) Covenantor, or (ii) a legal entity (corporation, LLC, partnership, etc.) of which Covenantor is an equity owner.

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

1. Consideration In Exchange For Covenantor's Covenants in This Agreement.

Covenantor hereby expressly acknowledges and confirms that all of the valuable benefits, advantages and opportunities enjoyed by Covenantor immediately on (and solely as a result of) Covenantor's (or, as applicable, Covenantor's legal entity) becoming Franchisee under the Franchise Agreement (which occurs simultaneous to, and corresponding with, the execution of this Agreement) serve as valuable and adequate consideration received in simultaneous exchange for all of Covenantor's promises and covenants made in this Agreement.

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

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

- a. divert or attempt to divert any business or customer of any Retail Center or Commercial Logistics Center to any competitor or do anything injurious or prejudicial to the goodwill associated with ABI's proprietary Marks or System;
- b. own, maintain, engage in, be associated with, be employed by, advise, assist, invest in, be landlord to, franchise, make loans to or have any interest in any business which is the same, competes with, or is substantially similar to Franchisee's Center or any Retail Center or Commercial Logistics Center; and/or
- c. enter into a business relationship with an ABI Corporate Account, outside of ABI's Corporate Account program, unless pre-authorized by ABI in writing.

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

- a. For purposes of this Section 3, the word "Conclusion" means the expiration, termination, non-renewal or transfer of the Franchise under the Franchise Agreement, regardless of whether such expiration, termination, non-renewal or transfer occurs prior to, or at the end of, the Franchise's term.
- b. Upon the Conclusion of the Franchise under the Franchise Agreement, and in accordance with the time period and geographic restrictions set forth below, Covenantor will not directly or indirectly (such as through corporations or other entities controlled by Covenantor or by, through or in conjunction with, any other individual person or person, including but not limited to Covenantor's spouse if any, relatives, employees or business affiliates):
 - i. divert or attempt to divert any business or customer of any Retail Center or Commercial Logistics Center to any competitor, or do anything injurious or prejudicial to the goodwill associated with ABI's Marks or System for a two

- (2) year period following the Conclusion of the Franchise under the Franchise Agreement and without geographic restriction;
- ii. own, maintain, engage in, be associated with, be employed by, advise, assist, invest in, be landlord to, franchise, make loans to, or have any interest in any business which is the same, competes, or is substantially similar to, Franchisee's Center or any Retail Center or Commercial Logistics Center, which is located within 5 miles of Franchisee's Center or any Retail Center or Commercial Logistics Center in operation or under construction as of the Conclusion of the Franchise under the Franchise Agreement (with such restriction limited to a two (2) year period following the Conclusion of the Franchise under the Franchise Agreement); and/or
 - iii. enter into any business relationship with any terminated (former) Corporate Account(s) of any Retail Center or Commercial Logistics Center for a one (1) year period following ABI's termination of any of its Corporate Accounts.
- c. As an alternative to Subsection 3(b)(iii) above, and only if the applicable former Center is located in a state whose public policy disfavors the enforceability of post-term non-competition covenants against franchisees, then on the Conclusion of the Franchise under the Franchise Agreement, in accordance with the time period and geographic restrictions set forth below, Covenantor will not directly or indirectly (such as through corporations or other entities controlled by Covenantor or by, through or in conjunction with, any other individual person or persons including but not limited to Covenantor's spouse if any, relatives, employees or business affiliates), own, maintain, engage in, be associated with, be employed by, advise, assist, invest in, be landlord to, franchise, make loans to, or have any interest in any business which is the same, competes with, or is substantially similar to Franchisee's Center, and:
- i. which sells packaging and shipping services (which constitute only a limited portion of all products and services sold by Franchisee's Center);
 - ii. which is located at the premises of Franchisee's Center; and
 - iii. with such partial restriction limited to a six (6) month period following the Conclusion of the Franchise under the Franchise Agreement.
- d. ABI may (in its sole discretion) at any time unilaterally reduce the scope of any part of the post-term non-competition covenant to something less than the restriction provided in Section 3 of this Agreement, and Covenantor agrees and promises to comply with any such reduced restriction on receipt of written notice from ABI.

4. ABI's Franchise System.

Covenantor acknowledges that its obligations and ABI's rights under this Agreement extend to ABI's entire franchise system, including but not limited to its Retail Centers, its Commercial Logistics Centers, its System, its former franchisees, its Marks and its Corporate Accounts.

5. Exception to Non-Competition Covenants.

The non-competition covenants described will not apply to the ownership by Covenantor of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation.

6. Suspension of Non-Compete Time Periods During Dispute Resolution Proceedings.

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

7. Severability.

It is the parties' desire and intention that the covenants contained in this Agreement will be construed as agreements severable from and independent of each other and of any other provision of this or any contract or agreement between the parties, except that any violation of Section 2 of this Agreement by Covenantor will also constitute a default by Franchisee of the Franchise Agreement corresponding to this Agreement. It is the parties' further desire and intention that if any court of competent jurisdiction finds (in a final judgment to which ABI and Covenantor are parties) that any portion of any covenant in this Agreement is invalid or unenforceable, then the maximum legally allowable restriction permitted by applicable law will control and bind Covenantor.

8. Injunctions.

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

9. Enforcement Costs.

Covenantor promises to pay to ABI all of the costs and expenses (including but not limited to reasonable attorneys' fees) incurred by ABI in connection with its enforcement of this Agreement.

10. Choice of Law and Dispute Resolution.

This Agreement will be (a) deemed made and entered into, and (b) construed and governed under and in accordance with the laws of the State where Franchisee's Center is located (that is owned and operated by Covenantor or, as applicable, Covenantor's legal entity). Any party may, but is not required to, submit to any court of competent jurisdiction any controversy, dispute or claim involving a request for monetary or injunctive relief concerning any Mark, involving a request for injunctive relief concerning any lease of real estate, or involving a request for temporary injunctive relief seeking enforcement of this Agreement. Except as provided in the previous sentence, all disputes arising out of or relating to this Agreement, or rendered under this Agreement, or a default of this Agreement, that cannot be settled amicably, will be resolved by arbitration in San Diego, California before 1 neutral arbitrator and administered under the Commercial Arbitration Rules of the American Arbitration Association. Any provisional or equitable remedy that would be available from a court of law will be available from the arbitrator. Judgment on the award of the arbitrator may be enforced in any court having jurisdiction thereof. The parties consent to the non-exclusive jurisdiction of the federal and state courts located in San Diego County, California for any action (a) to compel arbitration, (b) to enforce the award of the arbitrator or (c) at any time before the qualification and appointment of the arbitrator, for temporary, interim or provisional equitable remedies. The parties further consent to service of process in any such action by certified mail, return receipt requested, or by any other means permitted by law.

11. Counterparts, Entire Agreement, and Amendments.

This Agreement may be executed in counterparts, each of which will be deemed an original and all of which together will constitute 1 document. Emailed or other electronic signatures of the parties will be deemed to constitute original signatures, and emailed or other electronic copies hereof will be deemed to constitute duplicate original counterparts. This Agreement contains the entire agreement of the parties pertaining to the subject matter hereof, and no prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the parties not set forth herein will be of any force and effect. Any modifications to this Agreement must be accomplished by a written agreement signed by both parties.

AGREED TO AND ACCEPTED BY

COVENANTOR:

By: _____

Name/Title: _____

Date: _____

By: _____

Name/Title: _____

Date: _____

FRANCHISOR:

ANNEX BRANDS, INC.

By: _____

Name/Title: _____

Date: _____

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EXHIBIT C

RETAIL CENTER FRANCHISEES AND COMPANY-OWNED RETAIL CENTERS

AS OF SEPTEMBER 30, 2023

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
2nd Gen Business Development and Investments, LLC	813 Oak St Ste 10	Conway	AR	72032-4419	(501) 358-6210
Howard and Misty Ridenhour	12963 Old Route 66 Ste 50340	Parks	AZ	86018-9997	(928) 635-4741
Postal Cat Foot, LLC	4764 E Sunrise Dr	Tucson	AZ	85718-4535	(520) 529-5738
Paryas, Inc.	5737 Kanan Rd	Agoura Hills	CA	91301-1689	(818) 707-9197
Alpine Shipping and Printing	2710 Alpine Blvd Ste K	Alpine	CA	91901-2276	(619) 659-8082
RDANDBD, LLC	751 S Weir Canyon Rd Ste 157	Anaheim	CA	92808-1800	(714) 998-8806
Paul S. & Reshmini D. Dealmeida	3377 Deer Valley Rd	Antioch	CA	94531-6664	(925) 706-0166
Shreya Inc.	1171 E Alostia Ave	Azusa	CA	91702-2740	(626) 771-2340
Dilan Rajesh Patel	300 S Highland Springs Ave Ste 6C	Banning	CA	92220-9802	(951) 769-7170
Nareshkumar and Pragna Bhakta	2425 Channing Way Ste B	Berkeley	CA	94704-2260	(510) 548-4680
Khalid Rassuli & Asila Momand	3130 Balfour Rd Ste D	Brentwood	CA	94513-5516	(925) 513-1750
CaptMat Shipping Inc.	85 W Highway 246	Buellton	CA	93427-9719	(805) 688-3694
NARKA, LLC	321 N Pass Ave	Burbank	CA	91505-3859	(818) 557-8201
RB Group, Inc.	23679 Calabasas Rd	Calabasas	CA	91302-1502	(818) 591-1097
Datte & Datte Services, Inc.	2033 San Elijo Ave	Cardiff by the Sea	CA	92007-1726	(760) 753-4875
La Costa Postal Partners, Inc.	2588 El Camino Real Ste F	Carlsbad	CA	92008-1290	(760) 729-1115
Aquino Business Corporation	2647 Gateway Rd Ste 105	Carlsbad	CA	92009-1757	(760) 579-0044
La Costa Postal Partners, Inc.	7668 El Camino Real Ste 104	Carlsbad	CA	92009-7932	(760) 944-5666
Stephen Dale & Vicki Lee Collo	3451 Via Montebello Ste 192	Carlsbad	CA	92009-8495	(760) 944-6040
Emad Eddie & Inas Sayage	3056 Castro Valley Blvd	Castro Valley	CA	94546-5510	(510) 750-1116
Pankajkumar & Chandni Chaganlal	750 Otay Lakes Rd	Chula Vista	CA	91910-6915	(619) 482-0914
Luz Maria Liberato & Miguel Angel Liberato	374 E H St Ste A	Chula Vista	CA	91910-7496	(619) 585-7400
Lancyco Investments, LLC	601 E Palomar St Ste C	Chula Vista	CA	91911-6976	(619) 397-2960
Dilen Ganatra	2220 Otay Lakes Rd Ste 502	Chula Vista	CA	91915-1009	(619) 656-8484
Honu YK Group, Inc.	1741 Eastlake Pkwy Ste 102	Chula Vista	CA	91915-2032	(619) 271-0166
Postal Ventures LLC	5433 Clayton Rd Ste K	Clayton	CA	94517-1140	(925) 673-5246
Mark Harold & Carleen Kay Fondren	1187 N Willow Ave Ste 103	Clovis	CA	93611-4411	(559) 324-7083
Dilan Patel	83103 Avenue 48 Ste 1B	Coachella	CA	92236-9555	(760) 863-4645
KowthaPrint LLC	785 Oak Grove Rd Ste E2	Concord	CA	94518-3617	(925) 687-7151
PHAR Enterprise, Inc.	387 Magnolia Ave Ste 103	Corona	CA	92879-3308	(951) 340-3896

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Bhavesh & Pritibala Patel	12672 Limonite Ave Ste 3E	Corona	CA	92880-4208	(951) 898-2131
BWest & CJ Enterprises, Inc.	2621 Green River Rd Ste 105	Corona	CA	92882-7454	(951) 272-1479
Willson Shipping Inc.	941 Orange Ave	Coronado	CA	92118-2609	(619) 437-1635
Shreya Investments Inc.	964 E Badillo St	Covina	CA	91724-2950	(626) 966-9300
Kalpesh & Pinal Vaidya	3494 Camino Tassajara	Danville	CA	94506-4680	(925) 964-9346
La Costa Postal Partners, Inc.	2683 Via de La Valle Ste G	Del Mar	CA	92014-1961	(858) 350-4930
Jogi & Swati Vyas & Mehul & Hemaxi Rawal	2658 Del Mar Heights Rd	Del Mar	CA	92014-3100	(858) 755-6400
Jenny C. Guevara & Wilfredo A. Gomez	4101 Dublin Blvd Ste F	Dublin	CA	94568-4603	(925) 556-2510
GTAM, Inc.	2514 Jamacha Rd Ste 502	El Cajon	CA	92019-4492	(619) 660-9874
GTAM, Inc.	2840 Fletcher Pkwy	El Cajon	CA	92020-2185	(619) 589-6133
Ablahad Hommy	1175 Avocado Ave Ste 101	El Cajon	CA	92020-7784	(619) 938-4412
El Dorado Hills Mailbox & Shipping Center LLC	3385 Bass Lake Rd Ste 140	El Dorado Hills	CA	95762-6636	(916) 790-8024
Andrew N. O'Loughlin	1345 Encinitas Blvd	Encinitas	CA	92024-2845	(760) 944-9494
Datte & Datte Services, Inc.	162 S Rancho Santa Fe Rd Ste E70	Encinitas	CA	92024-6335	(760) 230-2135
EMM PEE Logistics Inc.	970 W Valley Pkwy	Escondido	CA	92025-2554	(760) 480-9140
Alan & Dina Wheeland	555 W Country Club Ln Ste C	Escondido	CA	92026-1226	(760) 317-5913
John & Shannon Gabbour	1637 E Valley Pkwy	Escondido	CA	92027-2408	(760) 747-7828
Rakesh & Rupal Shah	855 S Main Ave Ste K	Fallbrook	CA	92028-3302	(760) 728-4345
Steven & Eddica Sanchez	7426 Cherry Ave Ste 210	Fontana	CA	92336-4263	(909) 355-7328
NGVUUPOSTALANNEX111 CORPORATION	39270 Paseo Padre Pkwy	Fremont	CA	94538-1617	(510) 713-8531
Rose M. Lewis and Loren G. Lewis	5730 N 1st St Ste 105	Fresno	CA	93710-6251	(559) 447-0744
Rose M. Lewis, Loren G. Lewis, Kevin McCoy and Shari McCoy	8839 N Cedar Ave Ste B4	Fresno	CA	93720-1832	(559) 435-5858
Nirmal Deswal	6737 N Milburn Ave Ste 160	Fresno	CA	93722-2143	(559) 432-6375
Mark Harold & Carleen Kay Fondren	6083 N Figarden Dr	Fresno	CA	93722-3226	(559) 275-1644
Michael Camero	1822 E Route 66 Ste A	Glendora	CA	91740-3800	(626) 914-7113
Sela Inc.	6885 Douglas Blvd	Granite Bay	CA	95746-6259	(916) 872-1139
Aila Shing Loi Inc.	249 W Jackson St	Hayward	CA	94544-1811	(510) 785-3980

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Hemet PA LLC	3507 W Stetson Ave	Hemet	CA	92545-9734	(951) 652-2300
Kanu N. & Mausou K. Patel	82204 US Highway 111 Ste C	Indio	CA	92201-5689	(760) 775-2318
Office Services & Shipping, Inc.	3943 Irvine Blvd	Irvine	CA	92602-2400	(714) 508-1838
Chaching, Inc.	15333 Culver Dr Ste 340	Irvine	CA	92604-3051	(949) 857-6782
Ishver Bhakta and Kalavati Bhakta	15081 W Whitesbridge Ave	Kerman	CA	93630-1013	(559) 846-4001
Vinod S. Kashyap & Sameer Kashyap	317 W La Habra Blvd #2	La Habra	CA	90631-5497	(562) 691-2757
Jeam Lee	7514 Girard Ave Ste 1	La Jolla	CA	92037-5199	(858) 456-3935
Ken Castle, Inc.	8677 Villa La Jolla Dr	La Jolla	CA	92037-8324	(858) 453-9798
SJC PA29, Inc.	8030 La Mesa Blvd	La Mesa	CA	91942-0397	(619) 461-8977
BWest & CJ Enterprises, Inc.	1502 Foothill Blvd Ste 103	La Verne	CA	91750-3439	(909) 596-6110
ShipCo LLC	23986 Aliso Creek Rd Ste A12	Laguna Niguel	CA	92677-3908	(949) 600-7037
Dhanao & Sons Associates, Inc.	32295 Mission Trl Ste R8	Lake Elsinore	CA	92530-4590	(951) 674-3189
East Venker, Inc.	29991 Canyon Hills Rd Ste 1709	Lake Elsinore	CA	92532-2579	(951) 246-1121
Zahid Riar & Abdul Rafay Riar	22365 El Toro Rd	Lake Forest	CA	92630-5053	(949) 454-2410
Mail Zoom Corporation	5464 Woodruff Ave	Lakewood	CA	90713-1533	(562) 278-2514
CLASSIC UNIVERSAL, INC.	7107 Broadway	Lemon Grove	CA	91945-1495	(619) 460-4420
The Vimal P. Solanki and Purvi Solanki Revocable Trust dated Mar	2150 Portola Ave Ste D	Livermore	CA	94551-1793	(925) 456-2960
Suresh Bhakta & Divyesh Patel	1030 S Hutchins St Ste 4	Lodi	CA	95240-5251	(209) 367-4699
KC Wain, LLC	6510 E Spring St	Long Beach	CA	90815-1554	(562) 270-5644
Lotus Petals LLC	2310 Homestead Rd Ste C1	Los Altos	CA	94024-7302	(408) 481-0580
David Ahdoot	5280 E Beverly Blvd Ste C	Los Angeles	CA	90022-2044	(323) 726-3100
Satish Addagadde	1484 Pollard Rd	Los Gatos	CA	95032-1031	(408) 374-9255
Malibu Coast Shipping LLC	30745 Pacific Coast Hwy Ste 21	Malibu	CA	90265-3666	(310) 589-4800
Muhammad Zeeshan Khan	1256 W Lathrop Rd	Manteca	CA	95336-9671	(209) 665-4996
Menifee PA Inc.	30141 Antelope Rd Ste D	Menifee	CA	92584-8066	(951) 679-2600
Menifee PA Inc.	26100 Newport Rd Ste A12	Menifee	CA	92584-9072	(951) 301-7070
Abbas & Faati Maroofi	35 Miller Ave	Mill Valley	CA	94941-1903	(415) 381-1486
Zuma Mail Service LLC	1801 H St Ste A2	Modesto	CA	95354-1221	(209) 312-9531
Luis A. Garcia Rojas & Maria L. Garcia	3900 Pelandale Ave Ste 420	Modesto	CA	95356-9104	(209) 545-2301

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Nirmal Singh Dhanoa	14910 Perris Blvd Ste B	Moreno Valley	CA	92553-7135	(951) 601-6500
Mark F. and J'ona L. Moritz	14420 Elsworth St Ste 102	Moreno Valley	CA	92553-9027	(951) 653-7703
Voxeb Enterprise Inc.	409 Tennant Station	Morgan Hill	CA	95037-7115	(408) 776-2892
Bryan G Olivar	1049 El Monte Ave Ste C	Mountain View	CA	94040-2399	(650) 282-5560
Zarif Tariqi	40960 California Oaks Rd	Murrieta	CA	92562-5747	(951) 696-1450
39525Annex L.L.C.	39525 Los Alamos Rd Ste C	Murrieta	CA	92563-5027	(951) 239-0427
Todd & Kellie Curry & Ron & Karen Curry	40477 Murrieta Hot Springs Rd Ste D1	Murrieta	CA	92563-6405	(951) 677-9448
Ramkum, Inc.	29910 Murrieta Hot Springs Rd Ste G	Murrieta	CA	92563-9802	(951) 304-7311
Mahesh & Bharti Mody	34972 Newark Blvd	Newark	CA	94560-1216	(510) 818-9010
AML Management Co. LLC	501 S Reino Rd Ste I	Newbury Park	CA	91320-2717	(805) 214-9600
Sai Packaging & Shipping Services, Inc.	926 Diablo Ave A	Novato	CA	94947-4025	(415) 898-3511
GAM Enterprise Corporation and Javad Forouzeh	530 Alameda del Prado Ste C	Novato	CA	94949-6067	(415) 883-2486
Vaneet & Venu Kapila	638 Lindero Canyon Rd	Oak Park	CA	91377-5457	(818) 597-8816
John & Shannon Gabbour	4140 Oceanside Blvd Ste 159	Oceanside	CA	92056-6005	(760) 724-6245
Edgar A. and Dori D. Harris	825 College Blvd Ste 102	Oceanside	CA	92057-6263	(760) 414-1090
BWest & CJ Enterprises, Inc.	3045 S Archibald Ave Ste H	Ontario	CA	91761-9001	(909) 947-4413
DavCor PostnShip, Inc.	78206 Varner Rd Ste D	Palm Desert	CA	92211-4151	(760) 772-4499
Akal Associates, Inc.	75 W Nuevo Rd Ste E	Perris	CA	92571-0861	(951) 657-8339
RDANDBD, LLC	170 E Yorba Linda Blvd	Placentia	CA	92870-3327	(714) 524-0188
Saheli, LLC	3020 Bernal Ave Ste 110	Pleasanton	CA	94566-6606	(925) 249-5130
Teresita Pfarr	14781 Pomerado Rd	Poway	CA	92064-2837	(858) 668-0777
Mark Bassam Eshaq	13446 Poway Rd	Poway	CA	92064-4714	(858) 486-1880
H G Smith Lumber Co.,	1441 Main St	Ramona	CA	92065-2128	(760) 789-7849
Shan Pat Inc.	28625 S Western Ave	Rancho Palos Verdes	CA	90275-0810	(310) 732-1841
Postal Annex RB, Inc.	553 N Pacific Coast Hwy Ste B	Redondo Beach	CA	90277-2105	(310) 376-1011
Self Made Inc.	274 Redwood Shores Pkwy	Redwood City	CA	94065-1173	(650) 622-9094

POSTALANNEK/POSTALANNEK+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Rad an I Inc	3410 La Sierra Ave Ste F	Riverside	CA	92503-5272	(951) 352-2105
Regal Optimal Ventures	3457 Arlington Ave Ste 104	Riverside	CA	92506-3220	(951) 742-5853
Desar Business Ventures, LLC	19510 Van Buren Blvd Ste F3	Riverside	CA	92508-2000	(951) 653-8080
Hiam Tayeh	701 Pleasant Grove Blvd Ste 180	Roseville	CA	95678-6171	(916) 771-5035
Kailey Investments LLC	4010 Foothills Blvd Ste 103	Roseville	CA	95747-7241	(916) 787-6245
KMC Enterprises, LLC	10265 Rockingham Dr Ste 100	Sacramento	CA	95827-2523	(916) 246-2800
Schauhan Inc	5325 Elkhorn Blvd	Sacramento	CA	95842-2526	(916) 349-2444
Testa Partners Group, LLC	1212 El Camino Real Ste H	San Bruno	CA	94066-1312	(650) 871-6251
Bayhill Partners Group, LLC	851 Cherry Ave Ste 27	San Bruno	CA	94066-2954	(650) 873-6593
KD Retail Group Inc.	415 Laurel St	San Diego	CA	92101-1650	(619) 232-1832
Willson Shipping Inc.	113 W G St	San Diego	CA	92101-6096	(619) 702-7522
Joao Bosco Freitas Veloso & Rebecca Perreira de Sa Ferreira	1050 University Ave Ste E107	San Diego	CA	92103-3359	(619) 230-5148
Joao Bosco Freitas Veloso & Rebecca Perreira de Sa Ferreira	1286 University Ave	San Diego	CA	92103-3392	(619) 298-7155
Willson Shipping Inc.	2907 Shelter Island Dr Ste 105	San Diego	CA	92106-2785	(619) 222-1664
Kheder & Badriyha, Inc.	7710 Hazard Center Dr Ste E	San Diego	CA	92108-4552	(619) 295-8810
Joao Bosco Freitas Veloso and Rebecca Perreira de Sa Ferreira	2307 Fenton Pkwy Ste 107	San Diego	CA	92108-4746	(619) 280-2380
Willson Shipping Inc.	3960 W Point Loma Blvd Ste H	San Diego	CA	92110-5692	(619) 224-9930
Ahmed Alobaidi and Ragad Sultan	342 Euclid Ave Ste 406	San Diego	CA	92114-3545	(619) 310-5007
La Costa Postal Partners, Inc.	4203 Genesee Ave Ste 103	San Diego	CA	92117-4950	(858) 541-1882
Stephen Dale Collo & Vicki Lee Collo	6549 Mission Gorge Rd	San Diego	CA	92120-2395	(619) 284-4006
Abu Bakr and Sherajade Ahmed	9450 Scranton Rd Ste 108	San Diego	CA	92121-4742	(858) 246-6047
Stephen Dale Collo & Vicki Lee Collo	3268 Governor Drive	San Diego	CA	92122-2902	(858) 546-3845
Stephen Dale Collo and Vicki Lee Collo	8895 Towne Centre Dr Ste 105	San Diego	CA	92122-5542	(858) 546-1700
Imad Abolhosn	10606 Camino Ruiz Ste 8	San Diego	CA	92126-3297	(858) 549-9989
Bloom Family Trust Dated September 23, 1998	11956 Bernardo Plaza Dr	San Diego	CA	92128-2580	(858) 485-9498

POSTALANNEK/POSTALANNEK+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Ritesh Inc.	13223 Black Mountain Rd Ste 1	San Diego	CA	92129-2699	(858) 484-8200
Jad SD Global Inc	3830 Valley Centre Dr Ste 705	San Diego	CA	92130-3307	(858) 350-1274
Postal Services Plus, Inc.	4653 Carmel Mountain Rd Ste 308	San Diego	CA	92130-6650	(858) 793-7935
Ritesh Inc.	9984 Scripps Ranch Blvd	San Diego	CA	92131-1899	(858) 566-1288
Postal Square Inc.	555 Saturn Blvd Ste B	San Diego	CA	92154-4798	(619) 424-9800
Kacek Inc	6051 Business Center Ct Ste 4	San Diego	CA	92154-6641	(619) 710-0888
Eugenia Areizaga	2498 Roll Dr	San Diego	CA	92154-7213	(619) 661-1671
Octane Services, LLC	1599 La Media Rd	San Diego	CA	92154-7810	(619) 500-5623
David T. Chan and Cecilia K. Chan	350 Bay St Ste 100	San Francisco	CA	94133-1998	(415) 772-9022
Henry and Ngozi Enunwa	1281 N State St Ste A	San Jacinto	CA	92583-6320	(951) 654-3177
Sinha Premier Inc.	123 E San Carlos St	San Jose	CA	95112-3680	(408) 975-0893
JN Services, Inc.	1177 Branham Ln	San Jose	CA	95118-3705	(408) 269-7000
CYNZ Business Enterprises, Inc.	117 Bernal Rd Ste 70	San Jose	CA	95119-1375	(408) 629-1796
Lotus Premier Inc.	171 Branham Ln Ste 10	San Jose	CA	95136-2379	(408) 972-9768
Bikram Jeet and Raman Deep	5655 Silver Creek Valley Rd	San Jose	CA	95138-2473	(408) 531-1444
Reliance Pro, Inc.	3277 S White Rd	San Jose	CA	95148-4056	(408) 274-1453
Emad Eddie & Inas Sayage	17854 Hesperian Blvd	San Lorenzo	CA	94580-3038	(510) 880-5834
John & Shannon Gabbour	979 Woodland Pkwy Ste 101	San Marcos	CA	92069-2226	(760) 737-0800
Yalcin Investment LLC	197 Woodland Pkwy Ste 104	San Marcos	CA	92069-3021	(760) 744-9648
Sarab Corp	711 Center Dr Ste 105	San Marcos	CA	92069-3517	(760) 741-1112
Stephen Dale and Vicki Lee Collo	1501 San Elijo Rd S Ste 104	San Marcos	CA	92078-2048	(760) 471-4748
Raju and Leena Mansharamani	9110 Alcosta Blvd Ste H	San Ramon	CA	94583-3852	(925) 648-0608
Nancy A. Rasor Separate Property Trust dated June 10, 2003	416 W San Ysidro Blvd Ste L	San Ysidro	CA	92173-2494	(619) 428-5924
Nancy A. Rasor Separate Property Trust dated June 10, 2003	641 E San Ysidro Blvd Ste B3	San Ysidro	CA	92173-3129	(619) 690-4401
Thomas Hector & Margherita Scoglio	2010 El Camino Real	Santa Clara	CA	95050-4051	(408) 247-0139
Chuck and Vivian G. Kim	3561 Homestead Rd	Santa Clara	CA	95051-5161	(408) 557-9401
Baral Inc.	3964 Rivermark Plz	Santa Clara	CA	95054-4155	(408) 980-9200
Julio D.C.L. Simoes & Suzette Maria Simoes	9640 Mission Gorge Rd Ste B	Santee	CA	92071-3897	(619) 562-8654

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
PostalAnnex S.V., Inc.	5610 Scotts Valley Dr Ste B	Scotts Valley	CA	95066-3465	(831) 440-0400
ZANZOUN, LLC	13535 Ventura Blvd Ste C	Sherman Oaks	CA	91423-3891	(818) 788-2387
BarSun Incorporated	543 Country Club Dr Ste B	Simi Valley	CA	93065-7696	(805) 584-0840
Ki Hoon Choi	991 Lomas Santa Fe Dr Ste C	Solana Beach	CA	92075-2198	(858) 259-6020
RK's Enterprise Inc.	2615 Sweetwater Springs Blvd Ste G	Spring Valley	CA	91978-1725	(619) 439-2612
Manan Investment, Inc.	30650 Rancho California Rd Ste D406	Temecula	CA	92591-3215	(951) 695-1830
R B Amog Corporation	27636 Ynez Rd Ste L7	Temecula	CA	92591-4664	(951) 699-7535
Shubhangi Zumale & Sachin Kalanke	40335 Winchester Rd Ste E	Temecula	CA	92591-5573	(951) 296-0290
Coronel-Endaya Corporation	31938 Temecula Pkwy Ste A	Temecula	CA	92592-5809	(951) 303-8868
East Venker, Inc.	33175 Temecula Pkwy Ste A	Temecula	CA	92592-7311	(951) 302-5516
Tommy & Mandana Sobhanpanah	1336 N Moorpark Rd	Thousand Oaks	CA	91360-5200	(805) 497-6245
Masoud Pazokitabar & Shohreh Parsa	860 E Thousand Oaks Blvd	Thousand Oaks	CA	91360-6056	(805) 371-0462
Hanif Thakor	24325 Crenshaw Blvd	Torrance	CA	90505-5349	(310) 326-3498
AA Jattala, LLC	17602 17th St Ste 102	Tustin	CA	92780-7915	(714) 838-9566
Mei Su & Zhongying Liu	15090 Kensington Park Dr Ste 430	Tustin	CA	92782-1817	(657) 660-5163
Kirti Enterprises, Inc.	2913 El Camino Real	Tustin	CA	92782-8909	(714) 832-9212
Raj K. and Kiran R. Sidher	1830 Springs Rd	Vallejo	CA	94591-5555	(707) 648-0605
RB Group, Inc.	13300 Victory Blvd	Van Nuys	CA	91401-1831	(818) 453-8895
Rishi, Inc.	13782 Bear Valley Rd Ste D3	Victorville	CA	92392-8516	(760) 955-2374
Sidharth Oza	17100 Bear Valley Rd Ste B	Victorville	CA	92395-5888	(760) 951-7311
Rajnikant S. Parikh	3231 Business Park Dr Ste C	Vista	CA	92081-8532	(760) 560-0184
Kristine Murray & Kazim Konyar	770 Sycamore Ave Ste 122	Vista	CA	92083-7904	(760) 598-0201
Rabih Abdulsalam	1839 Ygnacio Valley Rd Ste B	Walnut Creek	CA	94598-3214	(925) 937-4142
AJ's Mailbox LLC	5776 Lindero Canyon Rd Ste D	Westlake Village	CA	91362-6419	(818) 707-2425
Zhuang Zhi Jiao Yang, Inc.	30724 Benton Rd Ste C302	Winchester	CA	92596-9801	(951) 926-7333
Justin Um and Chloe Kang	21781 Ventura Blvd	Woodland Hills	CA	91364-1835	(818) 713-2626
B & P Postal, LLC	23371 Mulholland Dr	Woodland Hills	CA	91364-2734	(818) 224-2118
Alpa Y. Patel & Vishakha C. Patel	33562 Yucaipa Blvd Ste 4	Yucaipa	CA	92399-2072	(909) 790-5140

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Christian Sandoval	4370 Palm Ave Ste D	San Diego	CA	92154-1760	(619) 934-2800
EC Ventures I, LLC	834 S Perry St Ste F	Castle Rock	CO	80104-1941	(303) 663-6976
KT Business Group - Northgate, LLC and Maria Cristina Jorgensen	6510 S Academy Blvd Ste A	Colorado Springs	CO	80906-0002	(719) 576-3470
G & V Futures LLC	3472 Research Pkwy Ste 104	Colorado Springs	CO	80920-1066	(719) 282-6699
Kenneth Lee & Maria Cristina Jorgensen	13395 Voyager Pkwy Ste 130	Colorado Springs	CO	80921-7677	(719) 488-1077
Evinger PA One, Inc.	7661 McLaughlin Rd	Falcon	CO	80831-4727	(719) 886-7447
Parmeter, Inc.	15954 Jackson Creek Pkwy Ste B	Monument	CO	80132-8532	(719) 487-7333
All Biz Group, Inc	8903 Glades Rd Ste A14	Boca Raton	FL	33434-4023	(561) 680-2800
Amit J. Jetwa & Jagdish Jethwa	2520 N McMullen Booth Rd Ste B	Clearwater	FL	33761-4181	(727) 400-6801
The Sweetest Place, LLC.	7520 NW 104th Ave Ste 103	Doral	FL	33178-3374	(786) 245-7721
Global Future Service Corp.	8835 SW 107th Ave	Miami	FL	33176-1411	(305) 630-9608
The Annex 14011 LLC	1728 NE Miami Gardens Dr	North Miami Beach	FL	33179-5301	(305) 948-9701
Emerald Coast Postal Services, Inc.	5568 Woodbine Rd	Pace	FL	32571-8766	(850) 463-4995
Walhealth, LLC, a Florida LLC	17860 SE 109th Ave Ste 616A	Summerfield	FL	34491-8909	(352) 775-0888
212 Enterprises, LLC	5121 Washington Rd Ste 2	Evans	GA	30809-6449	(706) 426-8594
Posteris Enterprise Inc.	2665 Lee Rd	Lithia Springs	GA	30122-3356	(404) 991-9059
J&E Postal Service LLC	318 Mall Blvd Ste B	Savannah	GA	31406-4797	(912) 239-4563
Postal Station LLC	3527 S Federal Way Ste 103	Boise	ID	83705-5228	(208) 384-0777
Golden Bunny LLC	212 W Ironwood Dr Ste D	Coeur d'Alene	ID	83814-1408	(208) 666-1823
Paula & Matthew Falconieri	2976 E State St Ste 120	Eagle	ID	83616-6394	(208) 938-2860
Kenneth B. Kile & Nara C. Kile	9030 N Hess St	Hayden	ID	83835-9827	(208) 762-0770
Hendrickson Inc.	3313 W Cherry Ln	Meridian	ID	83642-1119	(208) 401-0024
Mesopotamia, Inc.	9783 E 116th St	Fishers	IN	46037-2822	(317) 863-8680
Diandy Inc.	6844 Bardstown Rd	Louisville	KY	40291-3050	(502) 409-5789
Beat the Bucs Corporation	2616 Chapel Lake Dr Ste B	Gambrills	MD	21054-1637	(410) 451-6938
MFRC - ADA LLC	6749 Fulton St E Ste A	Ada	MI	49301-8102	(616) 227-8091
KB Packaging Corporation	280 W Kagy Blvd Ste D	Bozeman	MT	59715-6056	(406) 219-2210
KB Packaging Corporation	3701 Trakker Trl Unit 1B	Bozeman	MT	59718-9202	(406) 577-2939

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
NW Ventures, Inc.	175 Hutton Ranch Rd Ste 103	Kalispell	MT	59901-2142	(406) 755-4801
NW Ventures, Inc.	6475 US Highway 93 S STE 55	Whitefish	MT	59937-7824	(406) 862-6245
CPLI PA Apex LLC	1457 Kelly Rd	Apex	NC	27502-9572	(919) 367-6133
Dynactics Corporation	920 US 64 HWY W	Apex	NC	27523-7184	(919) 367-6727
Peak City Brands, LLC	1105 Tryon Village Dr Ste 303	Cary	NC	27518-7170	(984) 200-5797
CPLI PA W Cary, LLC	411 Emissary Dr	Cary	NC	27519-2608	(984) 465-4063
Carolina Print & Logistics, Inc.	12218 Bradford Green Sq	Cary	NC	27519-9228	(919) 650-3800
Hemal Patel	9900 Poplar Tent Rd Ste 115	Concord	NC	28027-9505	(704) 787-8837
RP Postal Express Plus, Inc.	2120 E Fire Tower Rd #107	Greenville	NC	27858-8013	(252) 689-6920
Griffin Postal Crew LLC	6720 Old Monroe Rd Ste B	Indian Trail	NC	28079-5353	(704) 218-2022
RNJ Ventures LLC	521 Yopp Rd Ste 214	Jacksonville	NC	28540-3597	(910) 333-8569
Zahid Akhter	391 Carolina Forest Blvd Ste 200	Jacksonville	NC	28546-0163	(910) 333-0010
Brown N Company, Inc.	2075 N Marine Blvd Ste U	Jacksonville	NC	28546-5537	(910) 968-0013
RNJ Ventures LLC	3537 M L King Jr Blvd	New Bern	NC	28562-2209	(252) 635-0200
The Ellen Family Trust, dated September 23, 2021	3661 Sunset Ave	Rocky Mount	NC	27804-3411	(252) 443-2225
Annex N.C., Inc.	8163 Kensington Dr Ste C	Waxhaw	NC	28173-0102	(704) 243-2643
Rudrani, LLC	180 Talmadge Rd	Edison	NJ	08817-2860	(732) 902-6460
Pharma Plus Pharmacy LLC	10 S New Prospect Rd	Jackson	NJ	08527-1645	(732) 370-4777
Mountain Office Services, Inc.	1404 Sudderth Dr	Ruidoso	NM	88345-6103	(575) 257-5606
James Musgrove	3827 S Carson St Unit 505-25	Carson City	NV	89701-5538	(775) 350-7576
And the Jello's Jigglin' LLC	6130 W Flamingo Rd	Las Vegas	NV	89103-2280	(702) 873-8005
Brian Keith & Porntipa Childers	1344 Disc Dr	Sparks	NV	89436-0684	(775) 626-6868
Benari Services LLC	2918 Avenue I	Brooklyn	NY	11210-2935	(347) 374-2067
Richmond Postal Service, LLC	5247 Wilson Mills Rd	Richmond Heights	OH	44143-3033	(440) 442-8161
Trailblazing Worthams Inc.	941 W I 35 Frontage Rd Ste 116	Edmond	OK	73034-7375	(405) 906-3452
Khurram Qasmi, Aliyah Cyr-Qasmi, and Muhammad Kamran Rashid	12220 N MacArthur Blvd Ste F	Oklahoma City	OK	73162-1851	(405) 242-3480
Brian & Mary Morris	7122 S Sheridan Rd Ste 2	Tulsa	OK	74133-2736	(918) 523-7122
SNL Adventure LLC	2850 SW Cedar Hills Blvd	Beaverton	OR	97005-1393	(503) 641-3917
Moon and Sons LLC	14845 SW Murray Scholls Dr Ste 110	Beaverton	OR	97007-9231	(503) 579-4750
Sp8 Industries, LLC	12042 SE Sunnyside Rd	Clackamas	OR	97015-6394	(503) 698-8114
SNL Adventure LLC	13203 SE 172nd Ave Ste 166	Happy Valley	OR	97086-8738	(503) 855-5710

POSTALANNEK/POSTALANNEK+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Gray Skies Enterprise Inc.	2149 Cascade Ave Ste 106A	Hood River	OR	97031-1097	(541) 386-6122
Moon and Sons LLC	3 Monroe Pkwy Ste P	Lake Oswego	OR	97035-8899	(503) 635-3830
Shivsim Inc.	25 NW 23rd Pl Ste 6	Portland	OR	97210-5599	(503) 228-8393
Scott Alexander Mapes	3439 SE Hawthorne Blvd	Portland	OR	97214-5048	(971) 279-5151
Duke Tran & Anna Thi Vo	11954 NE Glisan St	Portland	OR	97220-2143	(503) 261-1575
Dakai, Inc.	6663 SW Beaverton Hillsdale Hwy	Portland	OR	97225-1499	(503) 297-6120
LSOREN LLC	7327 SW Barnes Rd	Portland	OR	97225-6119	(503) 203-8404
OVO Business Services, LLC	1631 NE Broadway St	Portland	OR	97232-1425	(503) 284-6092
Shivsim Inc.	16409 SE Division St Ste 216	Portland	OR	97236-1982	(503) 761-7121
Snail Mail LLC	5331 S Macadam Ave Ste 258	Portland	OR	97239-3871	(503) 248-4488
Moon and Sons LLC	33470 SW Chinook Plz	Scappoose	OR	97056-3726	(503) 543-6363
Overnight Package Solutions LLC	20673 SW Roy Rogers Rd Ste 207	Sherwood	OR	97140-9222	(503) 822-5737
Martin Scott & Michelle A. Popkes	15532 SW Pacific Hwy Ste C1B	Tigard	OR	97224-3794	(503) 443-4833
Manchester Ventures, LLC	2607 Woodruff Rd Ste E	Simpsonville	SC	29681-3625	(864) 288-1171
Franchise 605, LLC	5013 S Louise Ave	Sioux Falls	SD	57108-2268	(605) 271-1334
57 LLC	5331 Mount View Rd	Antioch	TN	37013-2308	(615) 731-8855
Express Post LLC	2509 Ocoee St N Ste A	Cleveland	TN	37312-5369	(423) 468-9432
Express Post LLC	111 Durkee Rd NE	Cleveland	TN	37323-6401	(423) 299-7141
JPN LLC	9234 Kingston Pike	Knoxville	TN	37922-2380	(865) 221-8846
Deane Cox & Dennis Cox	651 S Mount Juliet Rd	Mount Juliet	TN	37122-6319	(615) 288-4827
The Gladana Group, Inc.	4183 Franklin Rd Ste 1B	Murfreesboro	TN	37128-4255	(615) 624-8695
Eastin Investments LLC	6001 W Parmer Ln Ste 370	Austin	TX	78727-3908	(512) 331-5855
SERCOMEX, LLC	6705 W Highway 290 Ste 607	Austin	TX	78735-8408	(512) 892-1450
Fort Pulliam, Inc.	2113 Harwood Rd Ste 309	Bedford	TX	76021-4755	(817) 554-2480
MASIMA LLC	12600 Hill Country Blvd Ste R-130	Bee Cave	TX	78738-6723	(512) 382-0020
GATC Packing & Shipping LLC	10160 Highway 242 Ste 800	Conroe	TX	77385-4379	(936) 224-7549
Shipping & Mailboxes, LLC	6537 S Staples St Ste 125	Corpus Christi	TX	78413-5423	(361) 992-9323
Rudy Saucedo	7250 N Mesa St Ste C	El Paso	TX	79912-3617	(915) 833-7447

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Pete Armendariz & Graciela Carbajal	910 E Redd Rd Ste K	El Paso	TX	79912-7357	(915) 581-5555
Casas Shipping & More Corp.	6450 N Desert Blvd Ste B106	El Paso	TX	79912-8524	(915) 345-1300
B&J Outfitters LLC	10710 Gateway Blvd N Ste B5	El Paso	TX	79924-1741	(915) 821-1212
Edgar Nuñez & Victor Nuñez	12210 Montwood Dr Ste 103	El Paso	TX	79928-1785	(915) 856-7100
Edgar Nunez & Victor Nuñez	13371-11 Eastlake Blvd Ste 104	El Paso	TX	79928-6316	(915) 234-2076
Pete & Letty Enterprises, Inc.	8001 N Mesa St Ste E	El Paso	TX	79932-1670	(915) 585-0045
Apodaca Holdings Inc.	1490 George Dieter Dr Ste A	El Paso	TX	79936-7601	(915) 855-7555
Edgar Nunez & Victor Nunez	3590 N Zaragoza Rd Ste B103	El Paso	TX	79938-8010	(915) 921-6420
N Patel, LLC	1530 Sun City Blvd Ste 120	Georgetown	TX	78633-5352	(512) 869-8080
Mahesh N. and Varsha M. Patel	16516 El Camino Real	Houston	TX	77062-5723	(281) 480-6245
Keyosha Business, Inc.	2261 Northpark Dr	Kingwood	TX	77339-1744	(281) 312-4355
James Massey	11430 Quaker Ave Ste 250	Lubbock	TX	79424-7692	(806) 701-5270
Daniel Preston Price	6710 Virginia Pkwy Ste 215	McKinney	TX	75071-5615	(214) 592-0855
Akshanvi Services LLC	10330 Highway 6 Ste D	Missouri City	TX	77459-4741	(281) 972-9371
Karl R. and Doris D. Schmidt	2055 Central Plz Ste 110	New Braunfels	TX	78130-2066	(830) 627-4400
DEV NIRVAKA, LLC	7000 Independence Pkwy Ste 156	Plano	TX	75025-5752	(972) 208-0780
Sulatha Kudva Karkala	9115 FM 723 Rd Ste 550	Richmond	TX	77406-9234	(281) 762-2697
Amit J. Jetwa	2051 Gattis School Rd Ste 540	Round Rock	TX	78664-7445	(512) 218-4700
CTX EAE Group, LLC	110 N Interstate 35 Ste 315	Round Rock	TX	78681-5022	(512) 992-0244
J. D. Jax, LLC	3371 Knickerbocker Rd	San Angelo	TX	76904-6814	(325) 939-0090
Table One Corporation	9110 N Loop 1604 W Ste 104	San Antonio	TX	78249-3397	(210) 507-2604
Nina E. Zenon	8765 Spring Cypress Rd Ste L	Spring	TX	77379-1900	(281) 655-4278
Keshav Narayan, Inc.	2211 Rayford Rd Ste 111	Spring	TX	77386-1548	(281) 419-0044
Halberg Enterprises, Inc.	4057 Riley Fuzzel Rd Ste 500	Spring	TX	77386-4628	(346) 224-8033
BNDezigns LLC	2162 Spring Stuebner Rd Ste 140	Spring	TX	77389-5299	(832) 482-0444

POSTALANNEX/POSTALANNEX+ FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
ONIOVET III LLC	400 Promenade Way Ste 1200	Sugar Land	TX	77478-5039	(832) 580-2821
Allen and Janet Nelson	1285 N Canyon Creek Pkwy	Spanish Fork	UT	84660-1319	(801) 798-5456
Rhoberley H. and Caroline F. Elliott	1523 132nd St SE Ste C	Everett	WA	98208-7200	(425) 357-0500
Patrick and Masumi King	5114 Point Fosdick Dr Ste F	Gig Harbor	WA	98335-1734	(253) 858-5360
Hendrickson Inc.	816 W Francis Ave	Spokane	WA	99205-6512	(509) 328-3354
T&F Express Services, LLC	16420 SE McGillivray Blvd Ste 103	Vancouver	WA	98683-3599	(360) 891-2484
Elizabeth A. Robinson	800 NE Tenney Rd Ste 110	Vancouver	WA	98685-2899	(360) 546-5606
Moon and Sons LLC	13023 NE Highway 99 Ste 7	Vancouver	WA	98686-2699	(360) 573-3007
Sheila Ann & Dean Andrew Proefrock	1644 Plaza Way	Walla Walla	WA	99362-4325	(509) 526-5770
Ten Minas Enterprise, Inc.	N4488 Powers Ave	Mauston	WI	53948-9472	(608) 960-7011

POSTALANNEX+ FRANCHISEES			
Franchise Agreements Signed but not Open as of 09/30/2023			
FRANCHISE OWNER	CENTER ADDRESS	CITY	ST
Package Deal LLC	TBD	Mesa	AZ
Shreya Inc.	TBD	Chino	CA
Thomas Hector & Margherita Scoglio	TBD	Cupertino	CA
Expedited Postal Services Inc.	7119 Elk Grove Blvd Ste 121	Elk Grove	CA
Margie Chrin & Sieu Ngov	TBD	Jurupa Valley	CA
Armonia Biz Services LLC	222 Cochrane Plz	Morgan Hill	CA
Tomas Coronel	TBD	Murrieta	CA
Stephen & Brenda Conner	TBD	San Jose	CA
Rufino Lujano	TBD	Santa Maria	CA
Business Strategies Inc.	TBD	Ft. Collins	CO
Randall & Jing Chains	TBD	Millsboro	DE
Miral Patel	6712 Hanley Rd	Tampa	FL
Alina Management, LLC	634 Springfield St	Feeding Hills	MA
Mack & Jacquelyn Johnson	TBD	Rochester Hills	MI
Kirk George II	TBD	Union	MO
GRK Investments LLC	350 George W Liles Pkwy NW Ste 160	Concord	NC
Thomas W. & Leticia Silverio Petty	TBD	Las Vegas	NV
Curtis & Michelle Haman	15115 Rankin Ave	Dunlap	TN
Mike Stinnett	705 S Broadway St	Portland	TN
Robert & Leslie Welch Hopkins	TBD	Smyrna	TN
Edgar Nuñez	TBD	El Paso	TX

POSTALANNEX+ FRANCHISEES			
Franchise Agreements Signed but not Open as of 09/30/2023			
FRANCHISE OWNER	CENTER ADDRESS	CITY	ST
Mark Crittendon	1201 Oakland Blvd Ste 1121	Fort Worth	TX
Siew May Seow	TBD	Manassas	VA
ARPA Services, LLC	TBD	Seattle	WA
WIPA-A Holdings LLC	6969 N Port Washington Rd Ste 150B	Glendale	WI

PAK MAIL FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
KC Athens, LLC	1207 E Forrest St Ste D	Athens	AL	35613-2061	(256) 232-1725
KHK Enterprise, LLC	300 N Dean Rd Ste 5	Auburn	AL	36830-5045	(334) 821-0629
KHK Enterprise, LLC	2415 Moores Mill Rd Unit 265	Auburn	AL	36830-8484	(334) 826-1650
Ragus, LLC	1401 Doug Baker Blvd Ste 107	Birmingham	AL	35242-4975	(205) 980-8879
Mirian Hubbard	1655 McFarland Blvd N	Tuscaloosa	AL	35406-2244	(205) 345-6245
Shipping Services of NWA, LLC	1720 S Walton Blvd Ste 4	Bentonville	AR	72712-7533	(479) 254-8601
NEA Shipping, Inc.	361 Southwest Dr	Jonesboro	AR	72401-5854	(870) 931-5151
MV Battaglia, LLC	3218 E Bell Rd	Phoenix	AZ	85032-8708	(602) 971-2300
Monterey Investments, Inc.	4747 E Elliot Rd Ste 29	Phoenix	AZ	85044-1629	(480) 893-3278
Monterey Investments, Inc.	3961 E Chandler Blvd Ste 111	Phoenix	AZ	85048-0334	(480) 759-5533
JTOP Incorporated	7090 N Oracle Rd Ste 178	Tucson	AZ	85704-4356	(520) 797-0355
Quail Mail, Inc.	2900 E Broadway Blvd Ste 101	Tucson	AZ	85716-5344	(520) 327-7725
Jack E. Patterson	PO Box 5337	Carmel By The Sea	CA	93921-5337	(831) 626-8100
Liandra Sapien-Perez	527 N Azusa Ave	Covina	CA	91722-3556	(626) 332-7955
Scott K. Yoder	1520 E Covell Blvd Ste B5	Davis	CA	95616-1366	(530) 297-6390
DQJ Mail Service Center 1, Inc.	2201 Francisco Dr Ste 140	El Dorado Hills	CA	95762-3741	(916) 939-9122
Dara Tan	9580 Oak Avenue Pkwy Ste 7	Folsom	CA	95630-9997	(916) 990-9002
Liandra Sapien-Perez	1510 W Whittier Blvd	La Habra	CA	90631-3617	(562) 691-9300
Melih Gunay	7486 La Jolla Blvd	La Jolla	CA	92037-5029	(858) 456-8573
Rohit Rai Corporation	1040 W Kettleman Ln Ste 1B	Lodi	CA	95240-6056	(209) 367-0922
Terry Edwards	649 Main St Ste 102	Martinez	CA	94553-1137	(925) 228-6209
ABC Printing, Inc.	1090 S Milpitas Blvd	Milpitas	CA	95035-6307	(408) 915-2108
SoftMedia Systems, Inc.	1570 East F St	Oakdale	CA	95361-9610	(209) 845-8366

PAK MAIL FRANCHISEES

FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Ahmad R. Mohammady & Fatemeh Tamiz Toosi	5424 Sunol Blvd Ste 10	Pleasanton	CA	94566-7705	(925) 462-2292
NAMK, LLC	454 Las Gallinas Ave	San Rafael	CA	94903-3618	(415) 472-2533
Josh D. Dean and Michael J. Golub	1535 Farmers Ln	Santa Rosa	CA	95405-7525	(707) 571-7707
Rohit Rai Corporation	4719 Quail Lakes Dr Ste G	Stockton	CA	95207-5267	(209) 478-9827
Scott K. Yoder	3069 Alamo Dr	Vacaville	CA	95687-6344	(707) 452-1231
Futa Cargo, Inc.	9191 Bolsa Ave Ste 120	Westminster	CA	92683-5549	(714) 373-9191
M&T Trucking Corp	2525 Arapahoe Ave Unit E4	Boulder	CO	80302-6746	(303) 444-0831
Jacobs Mailbox LLC	4419 Centennial Blvd	Colorado Springs	CO	80907-3739	(719) 593-1212
Hawtree, Inc.	2443 S University Blvd	Denver	CO	80210-5407	(303) 744-6245
Aeneas Corp.	98 Wadsworth Blvd Unit 127	Lakewood	CO	80226-1518	(303) 237-9240
Robby & Ryan, Inc.	8601 W Cross Dr Unit F5	Littleton	CO	80123-2200	(303) 971-0088
Verreaux Ventures, LLC	304 W Main St	Avon	CT	06001-4355	(860) 674-8698
Pak Mail by Buyse US 799, LLC	1245 Farmington Ave Ste 3	West Hartford	CT	06107-2667	(860) 561-1369
Shipping 770, LLC	2234 N Federal Hwy	Boca Raton	FL	33431-7710	(561) 393-5064
LITOHaus, LLC	7282 55Th Ave E	Bradenton	FL	34203-8002	(941) 751-2070
Espacio Chileno Investments Corp	2575 S US Highway 17-92	Casselberry	FL	32707-2971	(407) 265-2575
Ship My Package, LLC	5379 Lyons Rd	Coconut Creek	FL	33073-2810	(954) 582-0788
Scott Shipping, Inc.	934 N University Dr	Coral Springs	FL	33071-7029	(954) 340-2881
ALCATOSA LLC	5944 Coral Ridge Dr	Coral Springs	FL	33076-3300	(954) 757-7175
Athens International LLC	4301 S Flamingo Rd Ste 106	Davie	FL	33330-1902	(954) 452-2707
Manuel Rodriguez	10555 NW 41st St Ste 300	Doral	FL	33178-4949	(786) 801-3416
Ariadna Moline	4737 N Ocean Dr	Fort Lauderdale	FL	33308-2901	(954) 942-3101
Shipping 770, LLC	1931 Cordova Rd	Fort Lauderdale	FL	33316-2157	(954) 522-4550
The Weston Team LLC	15751 Sheridan St	Fort Lauderdale	FL	33331-3484	(954) 252-3426
William J. Norkelun, Inc.	2436 N Heritage Oaks Path	Hernando	FL	34442-6332	(352) 746-1782
JM & IV Enterprises, LLC	24 Dockside Ln	Key Largo	FL	33037-5261	(305) 367-3096
Paradise Property Services, LLC	1200 4th St	Key West	FL	33040-3763	(305) 295-1491
Expedient World Solutions Services, Inc.	3275 S John Young Pkwy	Kissimmee	FL	34746-6556	(407) 932-2522

PAK MAIL FRANCHISEES

FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Advanced Hauling, LLC	4095 S State Road 7 Ste L	Lake Worth	FL	33449-8176	(561) 721-2414
Pack & Fix Inc	8927 Hypoluxo Rd Ste A4	Lake Worth	FL	33467-5249	(561) 469-7189
Ricardo Rosales & Maria Rodriguez	5794 SW 40th St	Miami	FL	33155-5302	(305) 666-1134
AV Universal Import Export, LLC	12080 SW 127th Ave B1	Miami	FL	33186-6454	(305) 969-2029
Interflash Corp	8901 SW 157th Ave Unit 16	Miami	FL	33196-1158	(305) 382-3292
Leslet Jean Charles	3823 Tamiami Trl E	Naples	FL	34112-6224	(239) 529-2729
Leslet Jean Charles	15044 Sandpiper Ln Unit 7	Naples	FL	34114-8585	(239) 213-0001
IAMA&TJ, Inc.	4516 E Highway 20	Niceville	FL	32578-9755	(850) 897-9688
RS&W Enterprises, LLC	1202 SW 17th St Ste 201	Ocala	FL	34471-1283	(352) 368-9779
Sabera Enterprise, Inc.	2212 S Chickasaw Trl	Orlando	FL	32825-8414	(407) 381-0084
Marart International Inc.	6231 PGA Blvd Ste 104	Palm Beach Gardens	FL	33418-4033	(561) 624-8686
Salago Corp	2114 N Flamingo Rd	Pembroke Pines	FL	33028-3501	(954) 667-6671
Total Sports One, LLC	18331 Pines Blvd	Pembroke Pines	FL	33029-1421	(954) 450-9555
Pakxperts, LLC	8255 W Sunrise Blvd Ste 31	Plantation	FL	33322-5403	(954) 474-3414
JP Elite Shipping LLC	5824 Bee Ridge Rd	Sarasota	FL	34233-5054	(941) 378-1660
The Khosla Corporation	1563 Capital Cir SE	Tallahassee	FL	32301-5115	(850) 309-7225
MKI Holdings LLC	2780 E Fowler Ave	Tampa	FL	33612-6297	(813) 971-2555
Claudia Patricia Gomez Salazar & Camilo Andres Mendez Ramirez	4522 W Village Dr	Tampa	FL	33624-3429	(813) 960-4006
Starhill Ent., LLC.	19046 Bruce B Downs Blvd Ste B6	Tampa	FL	33647-2434	(813) 910-8044
Pack It In, Inc.	505 Beachland Blvd Ste 1	Vero Beach	FL	32963-1798	(772) 231-0021
Clan Emporium, LLC	13833 Wellington Tree Ste E4	Wellington	FL	33414-8576	(561) 795-2373
Meric Musa Dovek	5977 SW 21st St	West Park	FL	33023-3010	(305) 274-2700
D-Mand Better Products, LLC	4920 Atlanta Hwy	Alpharetta	GA	30004-2921	(770) 664-7808
CHARWIK LLC.	9925 Haynes Bridge Rd Ste 200	Alpharetta	GA	30022-1913	(770) 410-9910
BBV Investments LLC	300 Peachtree St NE Ste CS2	Atlanta	GA	30308-3565	(404) 228-1314
KAN PAK MAIL INC	136 W Belmont Dr Ste 11	Calhoun	GA	30701-3064	(706) 629-6245
WBJAG Services, Inc.	258 Beartooth Pkwy Ste 100	Dawsonville	GA	30534-9407	(706) 216-6245
Samina Pakmail, Inc.	2090 Baker Rd NW Ste 304	Kennesaw	GA	30144-4603	(770) 426-9811
Miocene, Inc.	1475 Buford Dr Ste 403	Lawrenceville	GA	30043-3798	(770) 338-2727
Miocene, Inc.	930 New Hope Rd Ste 11	Lawrenceville	GA	30045-3837	(770) 236-8800
Lamarq, Inc.	4045 Five Forks Trickum Rd SW Ste B8	Lilburn	GA	30047-7630	(770) 638-7201
ShipIt Sandy Plains LLC	1860 Sandy Plains Rd Ste 204	Marietta	GA	30066-7864	(770) 321-8262
Timothy Dinsmore	1741 Newnan Crossing Blvd E Ste O	Newnan	GA	30265-6600	(678) 423-8339

PAK MAIL FRANCHISEES

FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Penultimate Enterprises, LLC	1227 N Peachtree Pkwy	Peachtree City	GA	30269-1743	(770) 486-7364
One Stop Shipping, LLC	1200 Highway 74 S Ste 6	Peachtree City	GA	30269-3071	(770) 486-0069
Bro-Car Development, Inc.	8725 Roswell Rd Ste H	Sandy Springs	GA	30350-7500	(770) 587-2898
Pakmail of St. Simons, LLC	1700 Frederica Rd Ste 101	St Simons Island	GA	31522-2582	(912) 638-8004
J & J Shipping, Inc.	3245 Peachtree Pkwy Ste D	Suwanee	GA	30024-6008	(678) 513-9898
Lee R. and Christine E. Fredrickson and Mark E. and Lisa A. Eades	5249 N Park Pl NE	Cedar Rapids	IA	52402-6210	(319) 373-5595
Pak Mail 248, Inc.	407 Belt Line Rd	Collinsville	IL	62234-4407	(618) 346-4884
GZBA International, LLC	2661 N Illinois St	Swansea	IL	62226-2302	(618) 277-4884
The TNH Inc.	52 E Main St Ste 3	Danville	IN	46122-1853	(317) 386-3574
JRMA, Inc	6435 W Jefferson Blvd	Fort Wayne	IN	46804-6203	(260) 432-8718
JRMA, Inc.	10214 Chestnut Plaza Dr	Fort Wayne	IN	46814-8970	(260) 625-6063
WCKD LLC	429 E Dupont Rd	Fort Wayne	IN	46825-2051	(260) 637-4809
JB Incorporated	7525 Maplecrest Rd	Fort Wayne	IN	46835-1897	(260) 486-0204
David Kirschman	11715 Fox Rd Ste 400	Indianapolis	IN	46236-8431	(317) 823-8383
Sonden Investments, LLC	7532 Peachwood Dr	Newburgh	IN	47630-2693	(812) 858-7368
SonDen, LLC	2946 Fairview Dr	Owensboro	KY	42303-4549	(270) 926-9847
ARC Shipping, LLC	400 Lapalco Blvd Ste H	Gretna	LA	70056-7372	(504) 393-1942
Postal Enterprise, Inc.	499 Electric Ave	Fitchburg	MA	01420-5316	(978) 353-1800
GX4 SHIPPING, LLC	3821 Falmouth Rd Ste 15B	Marstons Mills	MA	02648-1899	(508) 420-1105
Earthsea LLC	25 Storey Ave Ste 8	Newburyport	MA	01950-1869	(978) 465-6420
Madinah Inc.	22664 Three Notch Rd	Lexington Park	MD	20653-2154	(301) 863-4949
Smoot Enterprises	30 Columbia Ave E Ste F1	Battle Creek	MI	49015-3737	(269) 660-1985
Cadillac Express, LLC	2141 Plett Rd	Cadillac	MI	49601-1070	(231) 775-9920
Shipping Unlimited, LLC.	1409 W Main St	Gaylord	MI	49735-8946	(989) 732-1558
Trevor Kyle LLC	6670 Kalamazoo Ave SE Ste D	Grand Rapids	MI	49508-7856	(616) 803-5531
KAWAM CO.	5355 Northland Dr NE Ste C	Grand Rapids	MI	49525-1090	(616) 364-8383
Next Venture LLC and Elizabeth Snyder	1971 E Beltline Ave NE Ste 106	Grand Rapids	MI	49525-7045	(616) 447-7447
MFRC - Alpine LLC	3547 Alpine Ave NW	Grand Rapids	MI	49544-1635	(616) 785-8181
KDUBS, LLC	6757 Cascade Rd SE	Grand Rapids	MI	49546-6849	(616) 285-4622
Augnine, LLC	4370 Chicago Dr SW Ste B	Grandville	MI	49418-1694	(616) 531-9790
Home Advertisers, LLC	563 W 9 Mile Rd Ste B	Hazel Park	MI	48030-1755	(248) 543-3097

PAK MAIL FRANCHISEES

FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
NAIEG, LLC	3079 S Baldwin Rd	Lake Orion	MI	48359-1028	(248) 393-3277
Platinum Enterprises, LLC	778 S Main St	Lapeer	MI	48446-3032	(810) 245-3844
Schienze Mail, LLC	23210 Greater Mack Ave	Saint Clair Shores	MI	48080-3422	(586) 773-3377
Fishing For Faith, LLC	510 W Savidge St Ste B	Spring Lake	MI	49456-3108	(616) 935-7712
Northwoods Printers LLC	3311 S Airport Rd W	Traverse City	MI	49684-7879	(231) 932-0622
Pak Mail Metro, Inc.	14115 Lincoln St NE Ste 500	Ham Lake	MN	55304-4659	(763) 862-0333
Capstone Logistics, LLC	1501 Jackson Ave W Ste 113	Oxford	MS	38655-2566	(662) 236-9075
George A. Sisk	665 S Pear Orchard Rd Ste 106	Ridgeland	MS	39157-4859	(601) 956-2927
Capstone Logistics, LLC	115 Northgate Dr	University	MS	38677-9705	(662) 915-2611
Nathan Fortlage and Gabriela Kupkova	11312 US 15 501 N Ste 107	Chapel Hill	NC	27517-6377	(919) 967-3020
Roy Alvin Swatzell, Jr. & Amanda Kaye Swatzell	1704 N Bell St	Fremont	NE	68025-3159	(402) 727-7440
MAA Khodiyar Corporation	859 US Highway 130 Ste 5	East Windsor	NJ	08520-2900	(609) 443-6245
Tilton Pak Mail, LLC	2600 Tilton Rd	Egg Harbor Township	NJ	08234-1831	(609) 415-2308
Packers and Traders Ltd	369 Montezuma Ave	Santa Fe	NM	87501-2647	(505) 989-7380
Good Dog Mail Center, LLC	930 Tahoe Blvd Ste 802	Incline Village	NV	89451-9488	(775) 832-7770
B3NTON PAKMAIL 724, LLC	132 W Columbus Ave	Bellefontaine	OH	43311-1469	(937) 292-7279
Pak Mail of UA LLC	1985 Henderson Rd	Columbus	OH	43220-2465	(614) 538-8905
Global EJ 21, LLC	825 N Houk Rd	Delaware	OH	43015-4423	(740) 363-5530
PM525, Inc	1255 N Hamilton Rd	Gahanna	OH	43230-6785	(614) 337-0067
We Ship Columbus LLC	2167 Stringtown Rd	Grove City	OH	43123-2989	(614) 801-1900
Khyam LTD	838 S 30th St	Heath	OH	43056-1254	(740) 522-2564
2110 Cloverleaf, LLC	491A Colemans Xing	Marysville	OH	43040-7068	(937) 707-5102
Starting Over Enterprises, Inc. & Kathryn S. Delozier	812 Coshocton Ave Unit 1	Mount Vernon	OH	43050-1947	(740) 392-6245
CK Shippers, Inc.	150 W South Boundary St	Perrysburg	OH	43551-1754	(419) 872-5671
Putney-Sigmundstad, Inc.	2397 NW Kings Blvd	Corvallis	OR	97330-3985	(541) 754-8411
Oregon Business Solutions, LLC	1292 High St	Eugene	OR	97401-3238	(541) 343-1313

PAK MAIL FRANCHISEES

FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Always Us 3 Limited Liability Company	1700 Sullivan Trl Ste 7	Easton	PA	18040-8333	(610) 330-6730
Duramac, Inc.	150 Water St	Irwin	PA	15642-3421	(724) 382-5147
Gortat, LLC	1941 Savage Rd Ste 400A	Charleston	SC	29407-4791	(843) 795-7197
Bairam Munawar	1754 Woodruff Rd Ste 204	Greenville	SC	29607-5975	(864) 627-8400
E & A Enterprises, Ltd	976 Houston Northcutt Blvd Ste 3	Mt Pleasant	SC	29464-3488	(843) 849-0310
Jancorp Enterprises	1121 Park West Blvd Ste B	Mt Pleasant	SC	29466-7122	(843) 856-1888
Scott & Beth Moore	1085 Old Clemson Hwy Ste E	Seneca	SC	29672-8029	(864) 654-1717
MaysCorp LLC	1519 Union Ave	Memphis	TN	38104-3726	(901) 672-7130
Frank Denham	2809 Kirby Rd Ste 116	Memphis	TN	38119-8245	(901) 362-1122
Peter Hall Corporation, LLC	3112 Windsor Rd Ste A	Austin	TX	78703-2350	(512) 478-7600
TwoYaksDancing LLC	5501 Balcones Dr Ste A	Austin	TX	78731-5043	(512) 323-2300
BIM Pack N Ship, LLC	2900 N Quinlan Park Rd Ste 240	Austin	TX	78732-6085	(512) 266-6262
JJLBD MMR LLC	3801 N Capital of Texas Hwy Ste E240	Austin	TX	78746-1482	(512) 330-0691
Ramakrishnan Sundararaman & Victoria Ramakrishnan	13359 N Highway 183 Ste 406	Austin	TX	78750-7154	(512) 249-7447
TBBT, LLC	2900 W Anderson Ln Ste C-200	Austin	TX	78757-1363	(512) 451-9700
Trident Corporation	202 Walton Way Ste 192	Cedar Park	TX	78613-7046	(512) 260-7011
Dan Warmbrodt & LaWanna Warmbrodt	7517 Campbell Rd Ste 607	Dallas	TX	75248-1762	(972) 661-1994
Gill's LLC	2334 W Buckingham Rd Ste 230	Garland	TX	75042-3971	(972) 487-0260
Shibaam Corporation & Taher Mohammed Ali	6725 S Fry Rd Ste 700	Katy	TX	77494-8103	(281) 395-7733
N Patel, LLC	2303 Ranch Road 620 S Ste 160	Lakeway	TX	78734-6229	(512) 402-9393
8 D's, Ltd.	3323 N Midland Dr Ste 113	Midland	TX	79707-4631	(432) 522-1022
Palo Duro Supply, Inc.	2317 W 5Th St	Plainview	TX	79072-7611	(806) 288-0199
Turnkey Delivery Solutions, LLC	1270 Crabb River Rd Ste 600	Richmond	TX	77469-5677	(281) 937-1900
Crate and Freight San Antonio, LLC	7700 Broadway St Ste 104	San Antonio	TX	78209-3260	(210) 804-1725
Johnson & Penn Enterprise, LLC	102 Wonder World Dr Ste 304	San Marcos	TX	78666-6070	(512) 393-3420
Bray Ventures, LLC	1101 Thorpe Ln Ste 105	San Marcos	TX	78666-7105	(512) 878-7894
Amboy Enterprises, LLC	42 Broad Street Rd	Manakin Sabot	VA	23103-2213	(804) 708-0945
Harness Inc.	4393 Kevin Walker Dr	Montclair	VA	22025-1636	(703) 583-7304

PAK MAIL FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Kahu Lako-Maika'i, Inc.	222 W 21st Street, Ste F	Norfolk	VA	23517-2200	(757) 626-0065
Kahu Lako-Maika'i, Inc.	1624 Laskin Rd Ste 736	Virginia Beach	VA	23451-7501	(757) 491-6330
The Williams & Scott Holding Co.	2129 General Booth Blvd Ste 103	Virginia Beach	VA	23454-5899	(757) 430-0997
Inderjit Ventures LLC	2620 Bellevue Way NE	Bellevue	WA	98004-2211	(425) 803-0627
TM Ventures LLC	2950 Newmarket St Ste 101	Bellingham	WA	98226-3800	(360) 738-8919
Ambenence Industries LLC	5050 State Highway 303 NE Ste 103	Bremerton	WA	98311-3691	(360) 434-7421
Wisconsin Parcel Service, LLC	2809 E Hamilton Ave	Eau Claire	WI	54701-6863	(715) 831-8808

PAK MAIL FRANCHISEES			
Franchise Agreements Signed but not Open as of 09/30/2023			
FRANCHISE OWNER	CENTER ADDRESS	CITY	ST
Lake Medical Shipping LLC	1087 Clearlake Rd	Cocoa	FL
Bizpost Group GA LLC.	4401 Shallowford Rd Ste 166	Roswell	GA

AIM MAIL FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
A to Z OV, LLC	12112 N Rancho Vistoso Blvd Ste 150	Oro Valley	AZ	85755-1720	(520) 797-2100
Siris Services, Inc.	4464 Lone Tree Way	Antioch	CA	94531-7413	(925) 756-7102
Kathryn Dunn	2279 Eagle Glen Pkwy Ste 112	Corona	CA	92883-0790	(951) 817-2566
Young S. Choi	10073 Valley View St	Cypress	CA	90630-4601	(714) 220-0121
Netclimb, Inc.	32565 Golden Lantern St Ste B	Dana Point	CA	92629-3261	(949) 443-1192
Hansa and Arvind P. Savsani	16027 Brookhurst St Ste I	Fountain Valley	CA	92708-1564	(714) 531-7070
C.J. West Corp	13210 Harbor Blvd	Garden Grove	CA	92843-1737	(714) 539-0949
Ocean Depths, Inc.	9121 Atlanta Ave	Huntington Beach	CA	92646-6309	(714) 965-7874
Neighborhood Enterprises P	19051 Goldenwest St Ste 106	Huntington Beach	CA	92648-2156	(714) 500-4916
Jeffrey B. Schwartz	5267 Warner Ave	Huntington Beach	CA	92649-4079	(714) 377-1333
JHAM Enterprise, Inc.	6789 Quail Hill Pkwy	Irvine	CA	92603-4233	(949) 854-1788

AIM MAIL FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Eunice Kyung & Jin Kyu Lee	5319 University Dr	Irvine	CA	92612-2935	(949) 552-5285
Aspaa LLC	27702 Crown Valley Pkwy Ste D4	Ladera Ranch	CA	92694-0613	(949) 481-6378
Rapid Business Services LLC	30025 Alicia Pkwy	Laguna Niguel	CA	92677-2090	(949) 249-8879
Parnaz Safaei	24338 El Toro Rd Ste E	Laguna Woods	CA	92637-2776	(949) 768-0450
Vijay & Sonia Sehgal	1141 Catalina Dr	Livermore	CA	94550-5928	(925) 449-9110
Fred Haechan Lee	11278 Los Alamitos Blvd	Los Alamitos	CA	90720-3985	(562) 799-1414
Polarium, Inc.	15559 Union Ave	Los Gatos	CA	95032-3904	(408) 377-2005
MDAK, Inc.	1590 Rosecrans Ave Ste D	Manhattan Beach	CA	90266-3716	(310) 643-8043
Rnam Corporation	2601 Oakdale Rd Ste H2	Modesto	CA	95355-2256	(209) 571-1077
Oliveira & Vieira Investments Corp.	4120 Dale Rd Ste J8	Modesto	CA	95356-9239	(209) 545-1935
MaryAna	11875 Pigeon Pass Rd Ste B13	Moreno Valley	CA	92557-6017	(951) 485-4440
Boxes by Matt LLC	1775 E Palm Canyon Dr Ste 110	Palm Springs	CA	92264-1601	(760) 416-3399
Lucky Acquisitions, Inc.	31441 Santa Margarita Pkwy Ste A	Rancho Santa Margarita	CA	92688-1835	(949) 589-1340
MDAK, Inc.	1732 Aviation Blvd	Redondo Beach	CA	90278-2810	(310) 406-8620
Ramsey Bassam Dahduli	3031 Stanford Ranch Rd Ste 2	Rocklin	CA	95765-5554	(916) 435-3140
Kullar Express Inc.	3511 Del Paso Rd Ste 160	Sacramento	CA	95835-2808	(916) 419-1323
Magdy & Neven Mahfouz	27943 Seco Canyon Rd	Santa Clarita	CA	91350-3872	(661) 263-6327
Joochang Lee	2309 Santa Monica Blvd	Santa Monica	CA	90404-2040	(310) 315-1818
Ashish Patel and Vaishali Patel	465 Stony Point Rd	Santa Rosa	CA	95401-5969	(707) 526-4008
NAMK, LLC	708 Gravenstein Hwy N	Sebastopol	CA	95472-2808	(707) 823-7007
Office Services Central	1014 S Westlake Blvd Ste 14	Westlake Village	CA	91361-3133	(805) 495-6229
Mingwen Enterprises, Inc.	2205 W 136th Ave Ste 106	Broomfield	CO	80023-9306	(303) 280-6245

AIM MAIL FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Allomar, LTD	1063 S State Route 157 Ste 2	Edwardsville	IL	62025-3695	(618) 655-1601
Tinemark Enterprises, LLC	9655 Perkins Rd Ste C	Baton Rouge	LA	70810-1534	(225) 757-8077
Shivsim Inc. and Radnee R. Kadam	14925 SW Barrows Rd Ste 109	Beaverton	OR	97007-7565	(503) 747-2278
J.V. Johnson Enterprises Inc.	1379 Dilworthtown Xing	West Chester	PA	19382-8267	(610) 399-9092
Narnie Inc.	8595 Pelham Rd Ste 400	Greenville	SC	29615-5763	(864) 288-2669
Richard A. & Jill Winter	168 Highway 274	Lake Wylie	SC	29710-6045	(803) 631-5300
Christine P. & Kerry V. Gephart	1306 Decatur Pike	Athens	TN	37303-2418	(423) 507-9736
David S. Reid	4414 82nd St Unit 212	Lubbock	TX	79424-3369	(806) 785-0000
Michael & Jennifer Byrd	220 Adams Dr Ste 280	Weatherford	TX	76086-6370	(817) 599-6607

PARCEL PLUS FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Hamid Hooshangi	3710 Lone Tree Way	Antioch	CA	94509-6018	(925) 778-6900
Coqui of Delaware, LLC	19266 Coastal Hwy Unit 4	Rehoboth Beach	DE	19971-6117	(302) 227-9220
Figg U.S. Holdings, Inc., Firbank, LLC	2875 S Orange Ave Ste 500	Orlando	FL	32806-5471	(407) 872-0533
Staunch Investment LLC	8787 Branch Ave	Clinton	MD	20735-2630	(301) 856-2805
WiRa Business Group, LLC	43 Randolph Rd	Colesville	MD	20904-1209	(301) 384-4300
B.D.M., LLC	4725 Dorsey Hall Dr Ste A	Ellicott City	MD	21042-7738	(410) 740-0900
KDW Ventures, LLC	267 Kentlands Blvd	Gaithersburg	MD	20878-5446	(301) 990-1070
Jimbaa, LLC	402 King Farm Blvd Ste 125	Rockville	MD	20850-5899	(301) 590-0300
TLM, LLC	701 E Cathedral Rd Ste 45	Philadelphia	PA	19128-2128	(215) 483-9405
Elephant Parcel LLC	10900 Research Blvd Ste 160C	Austin	TX	78759-5718	(512) 418-9983
J&S McIntyre Holdings, Inc.	13121 Louetta Rd	Cypress	TX	77429-5299	(281) 376-0054
Shree Dhruv, Inc.	5161 San Felipe St Ste 320	Houston	TX	77056-3648	(713) 623-4848
Worldwide Shipping & Packaging, Inc.	1510 Eldridge Pkwy Ste 110	Houston	TX	77077-2062	(281) 589-6245
Dinesh & Vinod Gupta	1539 S Mason Rd	Katy	TX	77450-4556	(281) 398-4200
Aslam P. Jamal & Asmita Jamal	5826 New Territory Blvd	Sugar Land	TX	77479-5399	(281) 565-1515
WD & J Partners, LLC	1520 Belle View Blvd	Alexandria	VA	22307-6530	(703) 660-0080

PARCEL PLUS FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
J&C Yeung Corporation	2503D N Harrison St	Arlington	VA	22207-1640	(703) 752-1888
ING & El Naggar, LLC	1390 Chain Bridge Rd	McLean	VA	22101-3904	(703) 883-2983
Marinich Enterprises, Inc.	21010 Southbank St	Sterling	VA	20165-7227	(703) 406-7505
Jap Ji, Inc.	278 Cedar Ln SE	Vienna	VA	22180-6613	(703) 255-1448
Jae Y. Song & John J. Song	5868 Mapledale Plz	Woodbridge	VA	22193-4535	(703) 491-7306

PARCEL PLUS FRANCHISEES			
Franchise Agreements Signed but not Open as of 09/30/2023			
FRANCHISE OWNER	CENTER ADDRESS	CITY	ST
NCC Enterprises, Inc.	TBD	Atlanta	GA

HANDLE WITH CARE PACKAGING STORE					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Darren Armor	1625 University Ave	Berkeley	CA	94703-1424	(510) 540-6311
Darren Armor	4364 Piedmont Ave Ste D	Oakland	CA	94611-4769	(510) 420-1171
Wilnik, Ltd.	3200 Ingersoll Ave Ste C	Des Moines	IA	50312-3917	(515) 255-4242
Scott and Barbara McMahan	1000 N Keller Dr	Effingham	IL	62401-1743	(217) 342-7221
Box Em Dano, Inc.	7999 Clys Rd Ste C	Dayton	OH	45459-4973	(937) 436-3776
A K Long Corporation	1513 Gehman Rd	Harleysville	PA	19438-2930	(215) 361-6940
Jain Enterprises, Inc.	5145 Duke St Ste D	Alexandria	VA	22304-2923	(703) 751-2446
Richard K. Hayes	6535 Commonwealth Dr	Roanoke	VA	24018-5160	(540) 772-0999

SUNSHINE PACK & SHIP FRANCHISEES					
FRANCHISE OWNER	ADDRESS	CITY	ST	ZIP	PHONE NO.
Howenstine Hardware, Inc.	1351 N Cass St	Wabash	IN	46992-1029	(260) 563-8797
Lumax, LLC	1351 N M 43 Hwy	Hastings	MI	49058-8499	(269) 948-9610
Beach Break, LLC	1001 Fischer Blvd Ste 3	Toms River	NJ	08753-3818	(732) 573-1700

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

COMPANY-OWNED RETAIL CENTERS

None

EXHIBIT D

FORMER RETAIL CENTER FRANCHISEES

AS OF SEPTEMBER 30, 2023

POSTALANNEX+			
FORMER UNIT FRANCHISEES			
ST	FRANCHISE OWNER	ADDRESS	PHONE NUMBER
<u>Transfers</u>			
CA	Steve Dunger & Tien Huynh-Dunger	Citrus Heights, CA 95621	(916) 725-7589
CA	Hytham Bedawi	Concord, CA 94520	(415) 361-9893
CA	Bhavesh Patel	Corona, CA 92880	(909) 226-3838
CA	Dong Hua & Jian Chen	Eastvale, CA 92880	(626) 383-9200
CA	Luiz Otero & Joe Geus	Malibu, CA 90265	(310) 457-5970
CA	Dexter & Sophie Lyu	Orange, CA 92865	(323) 899-0855
CA	Rajwant Singh and Shivjot Kaur Bedi	Sacramento, CA 95835	(530) 574-1942
CA	Zareh & Rula Krikorian	San Diego, CA 92130	(858) 793-0054
CA	Huong & Thuy Nguyen	San Diego, CA 92139	(619) 472-8915
CA	Amber & Anthony Casolari	Spirit Lake, ID 83869	(909) 899-0420
CA	AJ & Nargis Popal	Tracy, CA 95376	(209) 814-2393
CA	Heidi Eftekhari & Mehran Etemadi	West Hills, CA 91307	(818) 888-8041
CO	Gregg & Mary Perry	Fort Collins, CO 80521	(719) 488-1013
OR	Valentina & Varnava Pavlov	Mount Angel, OR 97362	(509) 570-3122
OR	Mark & Penny Gerstner	Oregon City, OR 97045	(503) 860-8065
TX	Ramesh & Sirisha Nannapaneni	Spring, TX 77379	(832) 562-0890
<u>Left for Other Reasons</u>			
CA	Pedro Otero & Joseph Geus	Santa Monica, CA 90401	(805) 262-0066
CA	Yoon & So Byun	Irvine, CA 92602	(909) 839-3809
CA	Diana Taylor	Santee, CA 92071	(619) 715-7202
CA	Rita Patel	Los Gatos, CA 95032-2552	(408) 356-1236
NC	Darrin & Sandra Downey	Statesville, NC 28677	(704) 662-8530

PAK MAIL			
FORMER UNIT FRANCHISEES			
ST	FRANCHISE OWNER	ADDRESS	PHONE NUMBER
Transfers			
CO	Gil & Rochelle Karpel	Boulder, CO 80302	(303) 931-9187
CT	Philip & Susan Buyse (<i>Currently owns 1 Flex Retail Center</i>)	Avon, CT 06001	(860) 751-9827
FL	Diego Reggio & Paula Salvia	Davenport, FL 33837	(407) 728-6781
FL	Don Smith	Fort Worth, TX 76123	(407) 461-9965
FL	Terri Adams	Palm Beach Gardens, FL 33412	(203) 206-9532
FL	Chuck & Lori Radtke	Sarasota, FL 34233	(941) 807-4921
FL	Matthew Cleary	Sarasota, FL 34233	(941) 587-6708
GA	Madeline Lauren	Marietta, GA 30066	(678) 540-2757
NC	Bob Carter	Chapel Hill, NC 27516	(919) 824-5484
PA	Richard & Rhonda Powell	Easton, PA 18045	(610) 393-4956
TX	Joel & Deborah Altzman	Lavon, TX 75166	(512) 567-4674
TX	Jerry Parker	Marble Falls, TX 78654	(206) 200-8445
TX	Richard & Jacqueline Aqui	Richardson, TX 75082	(972) 495-6439
WA	Nasir Ali	Bellevue, WA 98004	(206) 769-5776
Left for Other Reasons			
GA	Rhonda Dowling	Hooboken, GA 31542	(912) 614-0524
MD	Walter Poole	Glen Burnie, MD 21060	(443) 474-8480
NY	Kevin Kobs & Tony Napolitano	Massapequa, NY 11758	(917) 560-9847
SC	Will Wilson	Greer, SC 29650	(864) 304-2836

AIM MAIL			
FORMER UNIT FRANCHISEES			
ST	FRANCHISE OWNER	CITY/STATE/ZIP	PHONE NUMBER
Transfers			
CA	Kwan Ahn & Hyung Ahn	Ladera Ranch, CA 92694	(949) 690-8060
CA	Alex Kassem	Irvine, CA 92618-8891	(949) 689-8463
CA	Jessy Kuriakose	Irvine, CA 92620	(713) 410-5463
CA	Daniel & Susan Trescott	Sacramento, CA 95835	(916) 769-8438
CA	Joseph S. Skaria & Nabil S. Skaria	Modesto, CA 95357	(209) 614-8893
Left for Other Reasons			
AL	Teresa Nuhfer	Mobile, AL 36609	(251) 666-6432
MS	Stephen Mark Bullock	Southaven, MS 38671	(662) 393-3464

PARCEL PLUS			
FORMER UNIT FRANCHISEES			
ST	FRANCHISE OWNER	CITY/STATE/ZIP	PHONE NUMBER
Transfers			
MD	Kamal G. Ramchandani	Silver Spring, MD 20904	(240) 460-8861
TX	Tasneem Lokhandwala	Austin, TX 78717	(512) 577-7915

HANDLE WITH CARE			
FORMER UNIT FRANCHISEES			
ST	FRANCHISE OWNER	CITY/STATE/ZIP	PHONE NUMBER
Left for Other Reasons			
CO	Owen & Jeanette Evinger (<i>Currently owns 1 Standard Retail Center</i>)	Colorado Springs, CO 80924	(719) 375-5545

EXHIBIT E

FRANCHISEE ORGANIZATIONS

Retail National Advisory Council

Tim Kincade
Pak Mail Service Center US487
361 Southwest Dr.
Jonesboro, AR 72401-5854
(870) 931-5151
ud487@pakmail.com
www.pakmail.com/stores/pak-mail-jonesboro

Local and/or Regional Multi-Member Advertising Associations

(For PostalAnnex/ PostalAnnex+ franchisees)

San Diego Advertising Association

Tyler Willson
PostalAnnex+ Service Center #0016
3960 W Point Loma Blvd., Ste. H
San Diego, CA 92110-5692
(619) 224-9930
pa16@postalannex.com
www.postalannex.com/location/san-diego/16

Inland Empire Advertising Association

Gurinder Dhanoa
PostalAnnex+ Service Center #4019
75 W Nuevo Rd Ste E
Perris, CA 92571-0861
(951) 657-8339
pa4019@postalannex.com
www.postalannex.com/location/perris/4019

Greater Bay Area Advertising Association

Thomas Hector
PostalAnnex+ Service Center #14024
2010 El Camino Real
Santa Clara, CA 95050-4051
(408) 247-0139
pa14024@postalannex.com
www.postalannex.com/location/santa-clara/14024

Marin County Advertising Association

Abbas Maroofi
PostalAnnex+ Service Center #0226
530 Alameda Del Prado Ste C
Novato, CA 94949-6067
(415) 883-2486
pa226@postalannex.com
www.postalannex.com/location/novato/226

Conejo Valley Advertising Association

Robert Eftekhari
PostalAnnex+ Service Center #0170
5737 Kanan Rd
Agoura Hills, CA 91301-1689
(818) 707-9197
pa170@postalannex.com
www.postalannex.com/location/agoura-hills/170

Portland Advertising Association

Trisha Derr
PostalAnnex+ Service Center #2030
5331 S Macadam Ave Ste 258
Portland, OR 97239-3871
(503) 248-4488
pa2030@postalannex.com
www.postalannex.com/location/portland/2030

El Paso Advertising Association

Pete Armendariz
PostalAnnex+ Service Center #0258
910 E Redd Rd Ste K
El Paso, TX 79912-7357
(915) 581-5555
pa258@postalannex.com
www.postalannex.com/location/el-paso/258

(For AIM Mail franchisees)

Southern California Advertising Association

Jim Duncan
AIM Mail Center #1006
9121 Atlanta Ave
Huntington Beach, CA 92646-6309
(714) 965-7874
aim6@aimmailcenters.com
www.aimmailcenters.com/location/huntington-beach/6

EXHIBIT F
FINANCIAL STATEMENTS

ANNEX BRANDS, INC. AND SUBSIDIARY

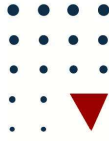
**INDEPENDENT AUDITORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS**

**As of September 30, 2023 and 2022,
and for the Years Ended
September 30, 2023, 2022, and 2021**

ANNEX BRANDS, INC. AND SUBSIDIARY

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Consolidated Statements of Shareholders' Equity.....	5
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**LAVINE, LOFGREN, MORRIS
& ENGELBERG, LLP**

**CERTIFIED
PUBLIC
ACCOUNTANTS**

4180	PHONE
LA JOLLA VILLAGE DRIVE	(858) 455-1200
SUITE 300	FAX
LA JOLLA	(858) 455-0898
CALIFORNIA	WEB SITE
92037	www.llme.com

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Annex Brands, Inc.
San Diego, California

Opinion

We have audited the accompanying consolidated financial statements of Annex Brands, Inc. and Subsidiary (together, the "Company"), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of income, shareholders' equity, and cash flows for the years ended September 30, 2023, 2022, and 2021, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Annex Brands, Inc. and Subsidiary as of September 30, 2023 and 2022, and the results of their operations and their cash flows for the years ended September 30, 2023, 2022, and 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Larive, Lofgren, Mowin & Engelberg, LLP

La Jolla, California
January 5, 2024

ANNEX BRANDS, INC. AND SUBSIDIARY

Consolidated Balance Sheets As of September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,992,000	\$ 12,554,000
Accounts receivable, net of allowance for doubtful accounts of \$948,000 and \$924,000, respectively	1,642,000	957,000
Prepaid expenses and other current assets	<u>704,000</u>	<u>640,000</u>
Total current assets	14,338,000	14,151,000
Property and equipment, net	812,000	678,000
Deposits and other noncurrent assets	1,122,000	1,218,000
Intangible assets, net	<u>278,000</u>	<u>441,000</u>
Total assets	<u><u>\$ 16,550,000</u></u>	<u><u>\$ 16,488,000</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,757,000	\$ 2,783,000
Deferred franchise revenue	<u>396,000</u>	<u>262,000</u>
Total liabilities	<u>3,153,000</u>	<u>3,045,000</u>
Shareholders' equity:		
Common stock, no par value, 1,000,000 shares authorized, 57,490 and 60,050 shares issued and outstanding as of September 30, 2023 and 2022, respectively	2,406,000	3,731,000
Retained earnings	<u>10,991,000</u>	<u>9,712,000</u>
Total shareholders' equity	<u>13,397,000</u>	<u>13,443,000</u>
Total liabilities and shareholders' equity	<u><u>\$ 16,550,000</u></u>	<u><u>\$ 16,488,000</u></u>

See accompanying notes to consolidated financial statements.

ANNEX BRANDS, INC. AND SUBSIDIARY

Consolidated Statements of Income For the Years Ended September 30, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenue:			
Continuing franchise fees	\$ 15,167,000	\$ 15,260,000	\$ 14,911,000
Freight	3,985,000	3,594,000	3,129,000
Insurance, customer referrals and other	4,223,000	4,179,000	4,635,000
Merchandise and equipment sales	775,000	634,000	540,000
Unit franchises sold	<u>387,000</u>	<u>428,000</u>	<u>455,000</u>
Total revenue	<u>24,537,000</u>	<u>24,095,000</u>	<u>23,670,000</u>
Cost of revenue:			
Cost of freight	3,767,000	3,367,000	2,948,000
Cost of merchandise and equipment sold and direct franchise costs	679,000	547,000	487,000
Cost of insurance premiums, claims, customer referrals and other	<u>3,173,000</u>	<u>3,301,000</u>	<u>3,276,000</u>
Total cost of revenue	<u>7,619,000</u>	<u>7,215,000</u>	<u>6,711,000</u>
Gross profit	16,918,000	16,880,000	16,959,000
Selling, general, and administrative expenses	<u>9,645,000</u>	<u>9,592,000</u>	<u>9,936,000</u>
Income from operations	<u>7,273,000</u>	<u>7,288,000</u>	<u>7,023,000</u>
Other income:			
Interest income	327,000	12,000	3,000
Paycheck Protection Program loan forgiveness	-	-	597,000
Other income, net	<u>26,000</u>	<u>176,000</u>	<u>28,000</u>
Other income, net	<u>353,000</u>	<u>188,000</u>	<u>628,000</u>
Net income	<u>\$ 7,626,000</u>	<u>\$ 7,476,000</u>	<u>\$ 7,651,000</u>

See accompanying notes to consolidated financial statements.

ANNEX BRANDS, INC. AND SUBSIDIARY**Consolidated Statements of Shareholders' Equity
For the Years Ended September 30, 2023, 2022, and 2021**

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at September 30, 2020	\$ 3,403,000	\$ 6,355,000	\$ 9,758,000
Net income	-	7,651,000	7,651,000
Share-based compensation (stock options)	-	24,000	24,000
Distributions	-	(4,709,000)	(4,709,000)
Stock options exercised (1,305 shares)	<u>235,000</u>	<u>-</u>	<u>235,000</u>
Balance at September 30, 2021	3,638,000	9,321,000	12,959,000
Net income	-	7,476,000	7,476,000
Distributions	-	(7,085,000)	(7,085,000)
Stock options exercised (555 shares)	<u>93,000</u>	<u>-</u>	<u>93,000</u>
Balance at September 30, 2022	3,731,000	9,712,000	13,443,000
Net income	-	7,626,000	7,626,000
Distributions	-	(6,347,000)	(6,347,000)
Stock repurchase (2,560 shares)	<u>(1,325,000)</u>	<u>-</u>	<u>(1,325,000)</u>
Balance at September 30, 2023	<u>\$ 2,406,000</u>	<u>\$ 10,991,000</u>	<u>\$ 13,397,000</u>

See accompanying notes to consolidated financial statements.

ANNEX BRANDS, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows For the Years Ended September 30, 2023, 2022, and 2021

	2023	2022	2021
Cash flows from operating activities:			
Net income	\$ 7,626,000	\$ 7,476,000	\$ 7,651,000
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	718,000	1,134,000	1,379,000
Gain on sale of corporate location	-	(218,000)	-
Disposal of long-lived assets	-	3,000	-
Forgiveness of Paycheck Protection Program loan	-	-	(592,000)
Share-based compensation	-	-	24,000
Provision for bad debts	120,000	120,000	120,000
Changes in operating assets and liabilities:			
Accounts receivable	(805,000)	48,000	(330,000)
Inventory	-	2,000	6,000
Prepaid expenses and other current assets	(66,000)	112,000	(59,000)
Deposits and other noncurrent assets	14,000	(288,000)	(5,000)
Accounts payable and accrued expenses	(26,000)	92,000	204,000
Deferred franchise revenue	134,000	30,000	9,000
Net cash provided by operating activities	7,715,000	8,511,000	8,407,000
Cash flows from investing activities:			
Purchase of equipment	(689,000)	(408,000)	(391,000)
Issuance of notes receivable	(14,000)	(43,000)	-
Receipt of payments on notes receivable	98,000	96,000	36,000
Net cash used in investing activities	(605,000)	(355,000)	(355,000)
Cash flows from financing activities:			
Distributions to shareholders	(6,347,000)	(7,085,000)	(4,709,000)
Proceeds from exercise of stock options	-	93,000	235,000
Stock repurchase	(1,325,000)	-	-
Net cash used in financing activities	(7,672,000)	(6,992,000)	(4,474,000)
Net increase (decrease) in cash	(562,000)	1,164,000	3,578,000
Cash and cash equivalents at beginning of year	12,554,000	11,390,000	7,812,000
Cash and cash equivalents at end of year	<u>\$ 11,992,000</u>	<u>\$ 12,554,000</u>	<u>\$ 11,390,000</u>
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>
Cash paid during the year for income taxes	<u>\$ 226,000</u>	<u>\$ 205,000</u>	<u>\$ 104,000</u>

See accompanying notes to consolidated financial statements.

ANNEX BRANDS, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2023, 2022, and 2021

NOTE 1. NATURE OF BUSINESS

Annex Brands, Inc. and Subsidiary (together, the “Company” or “Annex Brands”) was incorporated on June 4, 1986, under the laws of the State of California. The Company was incorporated for the purpose of granting rights to franchise in the United States and internationally. These rights provide for the development and operation of shipping and business service centers specializing in custom packaging, shipping via freight and small package carriers, private mailbox rentals, postal services, notary public, copy and fax services, printing, document scanning, office supplies, and related products and services. The Company's franchisees operate under the PostalAnnex+, PostalAnnex, AIM Mail Centers, Navis Pack & Ship, Handle with Care Packaging Store, Sunshine Pack & Ship, Parcel Plus, and Pak Mail trade names.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Unit franchise agreements grant the holder the right to use the trademarks and systems developed by the Company in the operation of an Annex Brands franchise, at a designated location for a certain period. The period of the original unit franchise agreement may range from ten to twenty years, except for Handle with Care Packaging Store franchises, which have unlimited terms. The unit franchisee pays an initial unit franchise fee at the inception of the agreement. The Company's performance obligations under its franchise agreements include pre-opening services, continuing licensing rights for the Company's intellectual property, and certain other ongoing services over the term of the franchise agreement. Preopening services which are distinct within the contract include (i) location selection and brokerage services, (ii) grand opening advertising assistance, and (iii) initial training provided to the franchisee, among other items. The Company accounts for all pre-opening services as a single performance obligation. Fees associated with pre-opening services are recognized as revenue upon the completion of training to the franchisee, which is when the Company has completed such services. The unit franchisee also pays a continuing franchise fee that is based on a percentage of the unit franchisee's gross sales, subject to certain adjustments.

Continuing franchise fees, which are based on a percentage of franchisee sales, are recognized as revenue in the period that they are earned.

Freight, insurance, and customer referral revenue are recognized at the time of shipment.

Merchandise and equipment revenue is recognized upon receipt of payment from the franchisee, which approximates the date of shipment of the merchandise/equipment to the franchisee.

As of September 30, 2023, 2022, and 2021, receivables, net of the allowance for doubtful accounts from franchisees totaled \$1,642,000, \$957,000, and \$1,165,000, respectively. Deferred revenue associated with initial franchise fees as of September 30, 2023, 2022, and 2021 was \$396,000, \$262,000, and \$232,000, respectively.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents. Cash equivalents as of September 31, 2023 were \$8,895,000. As of September 30, 2022, there were no cash equivalents.

ANNEX BRANDS, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2023, 2022, and 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable primarily consists of continuing franchise fees. Accounts receivable are stated at the amount the Company expects to collect. Accounts receivable are unsecured, and the Company is at risk to the extent such amounts become uncollectible. Accounts receivable are generally considered past due when payments have not been received within 30 days of the due date. The allowance for doubtful accounts includes management's estimate of the amounts expected to be lost on specific accounts receivable and for losses on non-specific accounts included in accounts receivable. In estimating potential losses, management relies on factors surrounding the credit risk of specific franchisees, historical trends, and other information that assists in management's evaluation. The Company writes off accounts receivable once all the Company's standard collection procedures have been unsuccessful and management determines that the receivable is uncollectible.

Equipment and Leasehold Improvements

Equipment, which includes furniture and fixtures, and leasehold improvements are stated at cost. Depreciation on equipment is calculated using the straight-line method over the estimated useful lives of the assets ranging from two to seven years. The amortization of leasehold improvements is computed using the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

Inventory

Inventory consists of supply-type items, franchise location fixtures and equipment held for resale and is stated at the lower of cost (first-in, first-out) or net realizable value.

Intangible Assets

Intangible assets consist of the cost of purchasing non-Postal Annex+ franchises and the cost to convert certain of those locations to Postal Annex+ operations. The cost is amortized using the straight-line method over the estimated remaining lives of the acquired franchise agreements.

Other intangible assets consist of the following as of September 30:

	<u>2023</u>	<u>2022</u>
Franchise rights and non-competes	\$ 589,000	\$ 3,030,000
Trademarks and other intangibles	<u>823,000</u>	<u>823,000</u>
	1,412,000	3,853,000
Less: accumulated amortization	<u>(1,134,000)</u>	<u>(3,412,000)</u>
	<u>\$ 278,000</u>	<u>\$ 441,000</u>

Amortization expense of intangible assets for the years ended September 30, 2023, 2022, and 2021, was \$163,000, \$627,000 (including \$9,000 related to goodwill), and \$916,000 (including \$29,000 related to goodwill), respectively.

ANNEX BRANDS, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2023, 2022, and 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets (Continued)

Amortization expense for each of the next five years is expected to be as follows for the years ending September 30,

2024	\$	55,000
2025		55,000
2026		38,000
2027		30,000
2028		30,000
Thereafter		<u>70,000</u>
	\$	<u>278,000</u>

Impairment of Long-Lived Assets

The Company reviews its equipment and leasehold improvements and intangibles with finite lives at least annually and assesses the recoverability of these assets by determining whether the balance of the respective assets can be recovered through undiscounted projected cash flows. Intangible assets with indefinite lives are not amortized, but are tested for impairment at least annually or more frequently if circumstances indicate potential impairment. The Company has adopted the use of a qualitative approach in testing other intangible assets for impairment by determining whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If it is determined that this is the case, then the Company will perform the prescribed two-step impairment test, by comparing the respective fair values of the intangible assets, calculated as the present value of expected future cash flows, to their carrying amounts.

Advertising

The Company expenses advertising production costs as they are incurred and media placement costs the first time the advertising takes place. For the years ended September 30, 2023, 2022, and 2021, advertising expense totaled \$2,282,000, \$2,174,000, and \$2,263,000, respectively.

Income Taxes

The Company has elected, with the consent of the shareholders, to be taxed as an S Corporation for federal and state income tax purposes, whereby its taxable income or loss is included in the shareholders' personal federal and state income tax returns. Accordingly, no federal tax provision has been recorded in the Company's consolidated financial statements. For state income tax purposes, the Company is subject to certain minimum franchise taxes for the states in which the Company files its income tax returns. Management believes that the Company has not taken any significant uncertain tax positions and that it is no longer subject to income tax examinations for fiscal years prior to 2019 for state purposes and fiscal years prior to 2020 for federal purposes.

ANNEX BRANDS, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2023, 2022, and 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Company has a September 30 year end, while its shareholders, individuals responsible for the tax liabilities of the Company, have a calendar year end. This creates a tax reporting gap for the period October through December. Consequently, the Internal Revenue Service ("IRS") requires the Company to make a deposit to cover estimated income taxes for the three months not reported on the shareholders' federal income tax returns for their current filing year. As of September 30, 2023 and 2022, the Company has \$763,000 and \$777,000, respectively, deposited with the IRS for such purpose. This amount is included in deposits and other noncurrent assets on the accompanying consolidated balance sheets.

Share-Based Compensation

The Company recognizes as compensation expense the value of all share-based awards, including those granted to employees in exchange for services, over the related service (vesting) period.

The Company estimates the value of its share-based compensation using the calculated value method. The calculated value method permits certain nonpublic companies which do not have sufficient information available regarding the expected volatility of their share prices to account for stock options and similar instruments using the historical volatility of an appropriate industry sector index rather than the expected volatility of their own share price.

Due to the lack of a public market for its shares and its limited history of equity transactions, it is not practicable for the Company to estimate the expected volatility of its stock price. Accordingly, the Company has selected the Dow Jones Select MicroCap industry sector index, an index it believes is most representative of its own position in the market, as an estimate of the expected volatility of its own share price. In calculating the value of its options, the Company uses the volatility of the index for the historical period equal to the expected term of the options granted.

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance codified in Accounting Standards Codification ("ASC") 606, "Revenue Recognition - Revenue from Contracts with Customers," which amends the guidance in ASC 605, "Revenue Recognition." The core principle of the standard is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. The standard also calls for additional disclosures around the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted this standard effective October 1, 2020. The adoption of ASC 606 did not have a material effect on the Company's consolidated financial statements.

In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers", which defines the pre-opening services that may be accounted for as distinct from the franchise license as a practical expedient, and also allows the franchisor to make an accounting policy election to account for the pre-opening services as a single performance obligation. The update is effective for periods beginning after December 15, 2020, with early adoption permitted. The Company adopted ASU 2021-02 effective October 1, 2020. The adoption of ASU 2021-02 did not have a material effect on the Company's consolidated financial statements.

ANNEX BRANDS, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2023, 2022, and 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

In February 2016, the FASB issued guidance codified in ASC 842, "Leases", to increase transparency and comparability among entities by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the balance sheet for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Company adopted the standard effective October 1, 2022 and has applied the guidance retrospectively. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

The Company elected the available practical expedients to account for its existing operating leases as an operating lease under the new guidance, without reassessing (a) whether the contracts contain a lease under the new standard, (b) whether classification of the operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Company leases office space pursuant to operating lease agreements. The Company determines if an arrangement is at lease at inception.

The Company has elected to apply the short-term lease exemption to its office leases with an expiration date less than twelve months from the balance sheet date. The Company's operating leases qualify for this exemption.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities, revenue and expenses, and the disclosure of assets and liabilities to prepare these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through the date of the independent auditors' report, which is the date these consolidated financial statements were available to be issued.

ANNEX BRANDS, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2023, 2022, and 2021

NOTE 3. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents, and accounts receivable. The Company maintains its cash in bank accounts which, at times, may exceed federally-insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

Concentrations of credit risk with respect to accounts receivable are limited because a large number of geographically diverse franchisees make up the Company's customer base. The Company performs credit evaluations of its franchisees but generally does not require collateral to support accounts receivable.

NOTE 4. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements consist of the following as of September 30:

	<u>2023</u>	<u>2022</u>
Equipment and software	\$ 4,400,000	\$ 3,727,000
Furniture and fixtures	449,000	433,000
Leasehold improvements	<u>115,000</u>	<u>115,000</u>
	4,964,000	4,275,000
Less: accumulated depreciation and amortization	<u>(4,152,000)</u>	<u>(3,597,000)</u>
	<u>\$ 812,000</u>	<u>\$ 678,000</u>

During 2023, 2022, and 2021, the Company incurred depreciation expense in the amount of \$555,000, \$507,000, and \$463,000, respectively.

NOTE 5. NOTE PAYABLE

In April 2020, the Company received a loan from a financial institution in the principal amount of \$592,000 pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP loan had a two-year term and bore interest at a rate of 1.0% per annum. Proceeds from the PPP loan were available to the Company to fund designated expenses, including certain payroll costs, group health care benefits and other permitted expenses, in accordance with the PPP.

Under the terms of the PPP, subject to specific limitations, up to the entire amount of principal and accrued interest may be forgiven to the extent the PPP loan proceeds are used for qualifying expenses as described above and in the CARES Act. In April 2021, the Company received notice that the PPP loan, including accrued interest of \$5,000, was forgiven by the U.S. Small Business Administration. Accordingly, the Company has recorded \$597,000 to other income in the accompanying 2021 consolidated statement of income.

ANNEX BRANDS, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2023, 2022, and 2021

NOTE 6. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company leases a facility located in San Diego, California, under a noncancelable operating lease which extends through June 2024. Total rent expense under this agreement for the years ended September 30, 2023, 2022, and 2021 was \$211,000, \$204,000, and \$199,000, respectively.

The Company also leases a facility located in Centennial, Colorado which was extended on May 31, 2021 through May 31, 2024. Total rent expense under this agreement for the years ended September 30, 2023, 2022, and 2021 was \$75,000, \$73,000, and \$74,000, respectively.

Future minimum payments under operating leases for the year ended September 30, 2024 is \$233,000.

The Company had a lease at a facility located in Key Largo, Florida. In October 2016, a lease extension was signed extending the lease through June 30, 2022. The lease was terminated when the location was sold in December 2021. Total rent expenses for the Key Largo lease for the years ended September 30, 2022 and 2021 totaled \$11,000 and \$45,000, respectively.

Legal

From time-to-time the Company is involved in various legal proceedings and claims arising in the normal course of business. Management believes there are no matters which will have a materially adverse effect on the consolidated financial condition or results of operations of the Company.

NOTE 7. EMPLOYEE BENEFIT PLAN

The Company sponsors a safe harbor 401(k) employee savings plan (the "401(k) Plan"), which covers substantially all of the Company's employees. Employees may contribute up to 75% of their compensation to the 401(k) Plan, subject to limits stated in the Internal Revenue Code. The Plan provides for automatic enrollment, automatic contribution of employee deferral and automatic escalation of such employee deferral. The Plan requires the Company to make matching contributions to the Plan. For the calendar years ended December 31, 2022 and 2021, the Company's matching contributions were 100% of the employee deferrals for the first 1% of compensation and 70% of employee deferrals thereafter, with matching contributions provided for up to 6% of compensation. For the calendar year ended December 31, 2023, the Company's matching contributions are 100% of the employee deferrals up to 6% of compensation.

Matching contributions for the years ended September 30, 2023, 2022, and 2021 totaled \$186,000, \$133,000, and \$139,000, respectively. There were discretionary profit-sharing contributions in the amounts of \$0, \$0, and \$150,000 made to the 401(k) Plan for the years ended September 30, 2023, 2022, and 2021, respectively.

ANNEX BRANDS, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements For the Years Ended September 30, 2023, 2022, and 2021

NOTE 8. STOCK OPTION PLAN

The Company has an incentive stock option plan (the "Plan") for executives and key employees. As of September 30, 2023, there were 20,000 shares reserved for the Plan. The options to purchase the Company's common stock generally vest over five years from the date of grant and expire at the earlier of five years after the date the options become vested or upon the employee's termination.

The Company uses the calculated value method in determining its share-based compensation expense in connection with the Black-Scholes pricing model. There were no options granted during the fiscal years ended September 30, 2023, 2022, or 2021. The Company recognized \$0, \$0, and \$24,000 in share-based compensation expense for the years ended September 30, 2023, 2022, and 2021, respectively. As of September 30, 2023, total compensation cost related to nonvested options not yet recognized is \$0.

The following table summarizes activity under the Plan:

	<u>No. of Options</u>	<u>Price Range Per Share</u>	<u>Weighted Average Exercise Price</u>
Outstanding at September 30, 2020	2,050	\$ 83.00 - 174.00	\$ 162.42
Expired	(70)	83.00 - 108.00	89.14
Exercised	<u>(1,305)</u>	83.00 - 174.00	167.18
Outstanding at September 30, 2021	675	83.00 - 174.00	160.81
Exercised	<u>(555)</u>	83.00 - 174.00	157.96
Outstanding at September 30, 2022	<u>120</u>	174.00	174.00
Outstanding at September 30, 2023	<u><u>120</u></u>	\$ 174.00	\$ 174.00

As of September 30, 2023, the weighted average life of outstanding options was 1.01 years, and there were 120 exercisable options with a weighted average exercise price of \$174.

As of September 30, 2023, all options were vested. For the year ended September 30, 2023, there were no options exercised.

In addition, the following table presents the total intrinsic value of options exercised and the total fair value of options vested during each of the years ended September 30, 2023, 2022, and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Intrinsic value of options exercised during the year	<u>\$ -</u>	<u>\$ 282,000</u>	<u>\$ 452,000</u>
Fair value of options vested during the year	<u>\$ -</u>	<u>\$ 19,000</u>	<u>\$ 22,000</u>

EXHIBIT G

**EMPLOYEE/INDEPENDENT CONTRACTOR CONFIDENTIALITY AND NON-
COMPETITION AGREEMENT**

EMPLOYEE/INDEPENDENT CONTRACTOR CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(Note: To be signed by each employee or independent contractor who is not an owner of the Franchise.)

This CONFIDENTIALITY AND NON-COMPETITION AGREEMENT ("Agreement") is entered into by _____ ("we," "us," or "our"), a franchisee of **ANNEX BRANDS, INC.** ("Franchisor"), and _____ ("you," "your" or "yourself").

WHEREAS, we desire to employ or engage you, and you desire to be employed or engaged by us, in connection with the operation of our franchised business.

NOW, THEREFORE, in consideration of the recitals above and the terms below, you and we acknowledge and agree:

1. Acknowledgement That You Are Our Employee or Independent Contractor, and That You Are Not an Employee or Independent Contractor of Franchisor. You acknowledge that you are our employee or independent contractor, and that you are not an employee or independent contractor of Franchisor, even though you will be selling products and services identified by Franchisor's brand name and/or logo, may be receiving payroll checks or other communications that contain Franchisor's brand name and/or logo, may have applied for employment or engagement by us through Franchisor's website, or may communicate with or receive non-mandatory feedback, coaching or recommendations from representatives of Franchisor in emails or other electronic or written communications, or during telephone calls, meetings or inspections.

2. Covenants Not to Disclose; Covenants Not to Compete. You agree that certain methods of doing business and other elements comprising the System are distinctive and have been developed by Franchisor and us at great effort, skill, time and expense; that you will have regular and continuing access to valuable trade secrets, Confidential Information and valuable training regarding the System; and that you recognize your obligation to promote and develop our franchised business. You accordingly agree as follows:

(a) Except as required in duties performed for us, you will never, either during or after the term or engagement or employment, either directly or indirectly, use, or disseminate or disclose to any person or entity, any trade secrets or Confidential Information, including but not limited to customer names, other customer information and business methods, of Franchisor or us, and will always seek to preserve the confidentiality of those trade secrets and Confidential Information.

(b) During your engagement or employment, you will not, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, divert or attempt to divert any business or customer of ours to any competitor or other person by direct or indirect inducement or otherwise, but this Section will not prevent you from referring customers in good faith to other businesses, including but not limited to competitors' businesses, that may be able to provide those customers with products or services not available from our business.

(c) During your engagement or employment, you will not, without the written consent of us and Franchisor, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business other than us located in the United States that, offers or that franchises or licenses others to offer, products or services that are the same as or substantially similar to products and services offered by us or Franchisor.

(d) For 1 year after termination of your engagement or employment, regardless of the cause of termination, you will not, without the written consent of us and Franchisor, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business that offers, or that franchises or licenses others to offer, products or services that are the same as or substantially similar to the products or services that were or could have been offered by us or Franchisor when you were engaged or employed, and that operates: (1) within our Territory, or (2) within the Territory of any other franchisee's Franchised Business operating at the time of termination.

3. Reduction in Scope of Covenant. You agree that we or Franchisor may, in our sole discretion, reduce (but never increase) the scope of any term or subpart of any term in this Agreement without your consent, effective immediately on written notice from us or Franchisor, and you agree that you will promptly comply with any term or subpart so modified, that will be fully enforceable notwithstanding any other term or subpart of this Agreement.

4. Covenants As Independent and As Conditions Precedent to Employment or Engagement. Your covenants in Section 1 are independent of any other terms of this Agreement, and are conditions precedent to engagement or employment. Any claim or cause of action against us or Franchisor, whether predicated on this Agreement or otherwise, will not be a defense to the enforcement by us or Franchisor of the covenants in Section 1.

5. Covenants Concerning Company Property. You agree that all our records, including but not limited to records of our customers and all other records relating in any manner to our franchised business, whether prepared by you or otherwise coming into your possession, are the exclusive property of us or Franchisor, in accordance with the terms of our franchise agreement with Franchisor. Additionally, you agree that all files, records, documents, drawings, specifications and similar items for our franchised business, including but not limited to all copies of those items, whether prepared by you or otherwise coming into your possession, will not be removed by you from our office without our written consent. Any records not at our site will immediately be returned to us by you on termination of your engagement or employment, regardless of the cause of termination.

6. Severability. If a part of a covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, you agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement. If an entire covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, the remaining covenants in this Agreement will continue in effect.

7. Injunctive Relief. We or Franchisor, in addition to other legal and equitable rights, will be entitled to seek to obtain temporary, preliminary or permanent injunctive relief, on posting a \$1,000 bond, restraining your actual or threatened violation of any covenant in this Agreement.

8. Attorneys' Fees. In a legal action for damages, injunctive relief, the return of property or any other legal or equitable remedy, you agree to pay our or Franchisor's reasonable attorneys' fees, court costs and reasonable out-of-pocket expenses for the action.

9. Governing Law. This Agreement will be governed by the laws of the state in which our principal business office is located on the date of signing of this Agreement.

10. Binding Effect. This Agreement will be binding on the parties, and their heirs, executors, administrators, successors and assigns.

11. Modification. Except as provided in Section 2, this Agreement may not be modified except in written agreement of at least equal formality signed by the parties.

The undersigned agree to the terms of this Agreement.

Signature of Employee/Independent Contractor

Printed Name: _____

Address: _____

Telephone Number: _____

Date: _____

Franchisee

By: _____

Printed Name: _____

Title (if any): _____

Date: _____

EXHIBIT H

CURRENT FORM OF GENERAL RELEASE

**CURRENT FORM OF GENERAL RELEASE
(SUBJECT TO CHANGE)**

This **GENERAL RELEASE** ("Release") is made and executed by {NAME}, individually ("you"), as of {DATE} ("Effective Date").

WHEREAS, **ANNEX BRANDS, INC.**, a California corporation ("us") and you entered into a franchise agreement with an effective date of {DATE}, and {DESCRIBE FACTS}.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, you agree as follows:

Release-General Provisions. You, for yourself and on behalf of your heirs, executors, administrators, personal representatives, employees, agents, successors, and assigns, in their corporate and individual capacities (collectively "Releasers"), jointly and severally, hereby release and forever discharge each of the Franchisor-Related Persons/Entities as defined below (collectively "Franchisor-Related Persons/Entities") of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, known or unknown, fixed or contingent, past or present, that Releasers ever had, now have or hereafter may have against any or all of the Franchisor-Related Persons/Entities by reason of any matter, cause or thing whatsoever from the beginning of time through the Effective Date hereof (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against the Franchisor-Related Persons/Entities are hereby forever canceled and forgiven.

YOU ACKNOWLEDGE THAT YOU ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

YOU, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF YOUR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR _____ {THE JURISDICTIONS OF FRANCHISEE'S RESIDENCE AND THE LOCATION OF THE FRANCHISE(S)}.

You expressly assume the risk of any mistake of fact or fact of which you may be unaware or that the true facts may be other than any facts now known or believed to exist by you, and it is your intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by you are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. You represent and warrant that you have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as you, in your independent judgment, believe necessary or appropriate. You have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor-Related Persons/Entities or anyone else, not expressly set forth herein, in executing this Release.

No Assignment or Transfer of Interest. You represent and warrant that there has not been and will not be any assignment or other transfer of any interest in any Claims that you may have against the Franchisor-Related Persons/Entities, all Claims having been fully and finally extinguished, and you agree to forever indemnify and hold the Franchisor-Related Persons/Entities harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor-Related Persons/Entities as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Persons/Entities as a condition precedent to recovery against you under this indemnity.

Attorneys' Fees. If you or anyone acting for, or on behalf of you or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based on or relating to any of the Claims released hereunder or in any manner assert against any of the Franchisor-Related Persons/Entities any of the Claims released hereunder, you agree to pay all attorneys' fees and other costs incurred by any of the Franchisor-Related Persons/Entities in defending or otherwise responding to said suit or assertion directly to the Franchisor-Related Persons/Entities incurring such costs.

"Franchisor-Related Persons/Entities." Annex Brands, Inc. and its past, current and future: predecessors, successors, partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees and/or any affiliated companies and/or persons, and each of their respective partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees, as well as any company(ies)/person(s) acting by, through, under or in concert or affiliated or associated in any way with any of the foregoing, including but not limited to Navis Logistics Management, Inc. and each of its shareholders, officers, directors, agents, attorneys, accountants, and/or employees, as well as any of the Affiliates, predecessors, successors and/or assigns of any of the foregoing.

Date of Releases, Joint and Several Liability. The releases granted hereunder will be deemed effective as of the Effective Date hereof. The liabilities and obligations of you, the Releasers (and any other person/entity providing releases to the Franchisor-Related Persons/Entities) will be joint and several.

This Release does not apply with respect to any claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Name, individually

STATE OF _____ §
 §
COUNTY OF _____ §

I hereby certify that before me, a notary public, personally appeared {NAME} who made oath in due form of law that s/he was executing the foregoing General Release for the purposes therein contained.

As witness, my hand, and Notarial Seal on _____, 20__.

Notary Public
My Commission Expires:

EXHIBIT I

STATE EFFECTIVE DATES

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	(Exempt) January 8, 2024
Hawaii	[]
Illinois	(Exempt) []
Indiana	(Exempt) []
Maryland	[]
Michigan	January 19, 2024
Minnesota	[]
New York	(Exempt) []
North Dakota	(Exempt) []
Rhode Island	[]
South Dakota	[]
Virginia	[]
Washington	[Pending]
Wisconsin	[]

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

RECEIPTS

RECEIPT
(YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Annex Brands, Inc. ("we" or "us") offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the 1st personal meeting, or 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Michigan requires that we give you this disclosure document 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: _____, 7580 Metropolitan Drive, Suite 200, San Diego, California 92108 (800) 456-1525.; and _____.

Issuance Date: January 24, 2024

See Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated January 24, 2024, that includes the following Exhibits:

- A. Agencies/Agents for Service of Process
- B. Retail Center Franchise Agreement and Attachments
- C. Retail Center Franchisees and Company-Owned Retail Centers
- D. Former Retail Center Franchisees
- E. Franchisee Organizations
- F. Financial Statements
- G. Employee/Independent Contractor Confidentiality and Non-Competition Agreement
- H. Current Form of General Release
- I. State Effective Dates
- J. Receipts

Date

Prospective Franchisee

Date

Prospective Franchisee

KEEP THIS COPY FOR YOUR RECORDS. This disclosure document is also available in paper format by request to Mary Ann Canup at mcanup@annexbrands.com

RECEIPT
(OUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Annex Brands, Inc. ("we" or "us") offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the 1st personal meeting, or 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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- H. Current Form of General Release
- I. State Effective Dates
- J. Receipts

Date

Prospective Franchisee

Date

Prospective Franchisee

PLEASE SIGN THIS COPY OF THE RECEIPT, DATE YOUR SIGNATURE, AND RETURN IT TO US ADDRESSED AS FOLLOWS: Mary Ann Canup, 7580 Metropolitan Drive, Suite 200, San Diego, California 92108. This disclosure document is also available in paper format by request to Mary Ann Canup at mcanup@annexbrands.com