Instant Imprints
Area Representative Disclosure Document

Franchise Disclosure Document

No Frill Franchising, Inc.
a Delaware Corporation
7310 Miramar Road, Suite 102
San Diego, CA 92126
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www.instantimprints.com

We offer area representatives the right to recruit Unit Franchisees to develop and operate Instant Imprint Centers (businesses that provide custom decorated apparel, embroidery, custom T-shirts, signage and banners, print services and promotional products under the name "Instant Imprints"); and provide training, on-going supervision and guidance to Instant imprints Unit Franchisees in a specific Territory in accordance with the System and under the Marks.

The total investment necessary to begin operation of an Instant Imprint area representative is $82,500 - $96,200. This includes $75,000 that must be paid to us or our affiliates for the right to develop 10 Instant Imprints Centers depending on whether you utilize our financing.

This disclosure document summarizes certain provisions of our Area Representative Agreement and other information in plain English. Information about our unit franchise is described in a separate FDD. Read this disclosure 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 payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in the document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Manager of the Franchise Administration Department at 7310 Miramar Road, Suite 102, San Diego, CA 92126, (858) 642-4848.

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 contracts carefully. Show your contract and this disclosure document to an advisor, 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 informational franchising.

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

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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 Exhibit F.
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. 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 C 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 Instant Imprints Area Program 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 Instant Imprints Area Program franchisee?	Item 20 or Exhibit F lists 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 Franchise *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 restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor delegates. These items may be more expensive than similar items you could buy or 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, your access to customers, what you sell, how you market, and your hours of operation.

Competition from the 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 E.

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

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

2. **Mandatory Minimum Performance.** You must maintain minimum performance levels. If you fail to do so, you could lose your protected territory, or the franchisor could terminate your agreement and you could lose your investment

3. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is No Frill Franchising, Inc., (also referred to as “we,” “us,” “our,” or “NFFI,”). We refer to the individual or legal entity, which includes a corporation, partnership, limited liability company or other legal entity who buys the franchise (collectively “legal entity”) and their owners, officers and directors, and their spouses as “you” or "your" throughout this Disclosure Document.

We were incorporated in Delaware on February 2, 2011. Our principal business address (our U.S. headquarters) is 7310 Miramar Road, Suite 102, San Diego, CA 92126. We started granting Instant Imprints Unit Franchises (as defined below) in June 2011 and Area Representatives (as defined below) in December 2011. We are also in the business of administering our franchise system.

If we have an agent in your state for service of process, we disclose that agent in Exhibit E.

Our parent is II Transatlantic, Inc. (“IITI”), a Delaware corporation formed February 19, 2015 which shares our same principal business address. IITI acquired both us and our affiliate (and former parent) IICA Inc., as wholly-owned subsidiaries on May 15, 2015. It does not offer franchises similar to your AREA Business (as defined below) or any other line of business.

Our affiliate IICA Inc. is an Ontario, Canada, corporation. IICA Inc. acquired a master franchise for Canada from Instant Imprints Franchising, Inc. (described below) in 2007, and subsequently acquired the "System" from Instant Imprints Franchising, Inc., in May 2011. IICA Inc. has offered franchises in Canada that are similar to the Instant Imprints franchise offered under this disclosure document, since 2007. IICA Inc.’s principal business address is #3-4 467 Speers Rd Suite 431, Oakville, ON, Canada L6K3S. It has not offered any franchises in any other line of business.

The first Instant Imprints Center was opened in San Diego, California in June 1992 by Instant Imprints, a sole proprietorship. Instant Imprints operated that Instant Imprints Center, which was similar to the Unit Franchises offered under a separate Disclosure Document. In March 2000, Instant Imprints was incorporated as Instant Imprints, Inc., a California corporation. Our predecessor, Instant Imprints Franchising, Inc. (“IIFI”) was incorporated under California law in October 2001. IIFI offered franchises from March 2002 to December 2010. On May 11, 2011, IIFI made an assignment for the benefit of creditors, assigning its assets (including the rights to the Instant Imprints Franchise System) to Instants Imprints Franchising LLC (“IIFI LLC”). On the same date, IIFI LLC sold those assets to IICA Inc. IICA Inc. has licensed to us the right to grant franchises and provide support and services to Unit Franchisees in the United States since 2011. Other than IICA Inc., we do not and have not in the past had any affiliates that offer franchises in any line of business or provide products or services to our Unit Franchisees.

Description of Our Business

Under this Disclosure Document we offer area representative rights to: (i) recruit prospective Unit Franchisees to open and operate Instant Imprint Centers; and (ii) provide training, on-going supervision and guidance to Unit Franchisees in a specific territory in accordance with the System and under the Marks (the "AREA Business"). “Marks” mean such service marks, trademarks, trade dress, trade names and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of an AREA Business and an Instant Imprint Center. Marks currently include "Instant Imprints Your Image People" and “Instant Imprints”. “System” means our distinct and proprietary business

format for the operation of an Instant Imprints Center business and includes copyrights, trade secrets, confidential information and know how, methods of creation, production and sale of embroidered and screen-printed apparel, direct garment printing, heat transfer products, digital wide format signs/banners, digital document services and advertising/promotional merchandise using specialized and highly developed techniques. This will include specific items such as T-shirts, golf shirts, caps, jackets, denims, team and work uniforms, outerwear, towels, bags, aprons, photographic gifts, pens, mouse pads, mugs, magnetic signs, banners, full color posters, as well as logo reproduction and creative design services. Also included is the training, equipment, standards of quality and uniformity of products and services offered, marketing techniques, methods and techniques for financial controls, record keeping, billing and collection procedures and process, accounting and reporting, personnel management, sales marketing and advertising, and development materials. For our Area Representatives only, System also includes the proprietary business format and methods of operating an AREA Business and all related information. We use the term "Instant Imprints Center" in this Disclosure Document to refer to any retail business operating under the System and Marks, whether owned and operated by us, our affiliates or franchisees, or licensees of us or our affiliates.

Area Representative. Under this Disclosure Document we offer qualified applicants ("Area Representatives" or "ARs") the right to recruit Unit Franchisees, providing training, and provide on-going supervision and guidance to Unit Franchisees in the territory (the "Territory") designated in your Area Representative Agreement ("Area Agreement"). If you qualify, you and we will sign an Area Agreement in the form attached as Exhibit A. Under the Area Agreement you must develop and operate at least 1 Instant Imprints Center (the "Pilot Center"), and, between you and other Unit Franchisees in the Territory, open the number of Instant Imprint Centers in the Territory and in the time period as designated in the Area Agreement in Schedule B ("Development Schedule"). You and we will agree on the minimum number of Instant Imprint Centers and Development Schedule prior to signing the Area Agreement.

We do not grant the AR any management responsibilities relating to the sale or operation of franchises and therefore, disclosure regarding these AR is not required in Item 2.

Unit and Multiple Instant Imprints Center Franchises. Under a separate Franchise Disclosure Document (the "Unit FDD") we grant franchises to operate Instant Imprint Centers. We refer to our franchisees which open Instant Imprints Centers as "Unit Franchisees." There are 3 types of Instant Imprints Centers offered in the Unit FDD which include a Brand Center, a Growth Center and a Studio Center. We also offer a Multiple Center Development Agreement which authorizes developers to develop, own and operate multiple Centers in a designated territory within a particular time frame.

Competition

Unit Franchisees' competitors include independent embroidery, and screen-printing businesses, vinyl banner/sign shops, and certain catalog uniform and ad specialty companies, print/copy shops and instant printing facilities. As an Area Representative, your competitors for the sale of unit franchises will be all franchisors, Area Representatives and master franchisees offering franchises at comparable investment levels as well as all other investment and business opportunity offerings.

Industry Regulations

In connection with your solicitation of potential franchisees, you must comply with, and conduct all franchise promotion, advertising and other activities in accordance with the Federal Trade

Commission Rule on Franchising and Business Opportunity Ventures (the "FTC Rule") and any and all state franchise and business opportunity laws and regulations. You may be required under certain state franchise registration laws to obtain your own franchise registration or your own franchise brokerage license before you can offer to sell unit franchises in those states. You are responsible for knowing and complying with all laws and licensing requirements related to the operation of your AREA Business and should consult an attorney regarding the laws and regulations that may be applicable. In addition, you must check all applicable governmental laws, regulations and ordinances, and are responsible for knowing and complying with all laws and licensing requirements related to the operation of your AREA Business.

ITEM 2
BUSINESS EXPERIENCE

Ralph Askar – President and CEO/Director

Mr. Askar was appointed as our President and Chief Executive Officer in May 2011. From May 2010 until February 2011, he served, first as Acting Chairman, and then as CEO of IIFI. He has been a partner in our Area Representative in San Diego, California since August 2008. Mr. Askar has also been CEO of IICA, Inc., and IITI our parents, in Burlington, Ontario, Canada since March 2007.

Christian Collucci – Executive Vice President Marketing and Development/Director

Mr. Collucci joined NFFI in May 2011 and served first as Chief Operating Officer and is currently Executive Vice President of Marketing and Development. Between October 2009 and February 2011, he served as a director of IIFI and has served as Chief Operating Officer of IICA since June 2010.

Jim Blackburn – Executive Vice President of Franchise Partner Support

Mr. Blackburn has been Executive Vice President of Franchise Support since January 2015. Mr. Blackburn was Vice President of Technology and Communication from May 2011 until January 2015 and he was the Director of Information Technology for IIFI from April 2008 to April 2011.

Danny Lyon – Executive Vice President of Training and Franchise Partner Support/Director

Mr. Lyon became a director in May 2011 and in 2016 became the Executive Vice President of Training and Support. He has also been a Director of Instant Imprints, LLC in Alberta, Canada since August 2010. Mr. Lyon has also been an area developer for The UPS Store in Alberta, Canada from September 1998 until 2019. He resides in Alberta, Canada.

Noel Eustace – COO

Mr. Eustace was appointed as Chief Operating Officer in December of 2023. From October 2011 till December 2023 he successfully ran a franchise location in Fredericton NB. He has been and is currently an Area Representative in Atlantic Canada since 2013.

Wilson Sawyer – Director

Mr. Sawyer has been a director since May 2011, and was a director of IIFI from June 2009 until February 2011. He founded Ten Nineteen LLC in March 2005, became its Managing Member, and acquired an Instant Imprints Area Representative in Raleigh, North Carolina in December 2004. Mr. Sawyer continues to be the Managing Member of Ten Nineteen LLC and is an Instant Imprints Area Representative in Raleigh, North Carolina.

Jason Leigh Otte – Area Representative
Mr. Otte, as President of Flatwater Corporation, has been an Instant Imprints Area Representative in Charlotte, NC since January 2019. From July 2018 until January 2019, Mr. Otte was self-employed doing franchise research in Tega Cay, South Carolina. From September 2016 until July 2018, Mr. Otte was a Director of Honeywell in Fort Mill, South Carolina and from September 2004 until September 2018, Mr. Otte was the Senior Vice President of Bank of America in Charlotte, North Carolina.

Steve Efroymson – General Counsel
Since 2014, Mr. Efroymson has been the owner of Stephen W. Efroymson Law Office in La Jolla California. From 2005 until August 2014, Mr. Efroymson was of counsel with Barker Olmstead & Barnier.

ITEM 3
LITIGATION

Pending Actions

Ruby Rules, LLC v No Frill Franchising, Inc.

Ruby Rules, LLC v No Frill Franchising, Inc., a Delaware corporation; BizUp, Inc. a California corporation; Ralph Askar, an individual (Case No 37-2020-00027801-CU-BC-CTL) was filed in the Superior Court of the State of California, San Diego, CA on August 7, 2020. No Frill is a wholly-owned subsidiary of II Transatlantic, Inc. and franchises Instant Imprints franchises in the United States. Ruby Rules was a franchisee for an Instant Imprints franchise and had a management services agreement with BizUp, Inc., a company then owned by Mr. Askar and Mr. Lotfollahi, to run the operations of the franchise for a period before the majority member of Ruby Rules received a visa to immigrate to the United States. There was also an Option pursuant to which the franchisee could request that BizUp either find a third-party purchaser for the franchise and if unsuccessful require BizUp to purchase the franchise at a formula based price. Requests were made by the plaintiff under the Option. The defendant BizUp believed it had responded appropriately to the requests. Among other claims, Ruby Rules alleges breach of BizUp obligations. The causes of action are breach of contract, breach of covenant of good faith and fair dealing, fraud, promise without intent to perform, violation of California Franchise Investment laws, and unfair business practices. The Plaintiff seeks damages according to proof of not less than $250,000 plus punitive or exemplary damages, costs of suit, prejudgment interest and attorney fees. Defendants filed an Answer claiming 22 affirmative defenses. Defendants believe that the law firm who filed the complaint on Plaintiff's behalf is no longer representing the plaintiff. As a result of Covid-19, significant delays in court proceedings are occurring resulting in uncertain timelines for the case moving forward. No trial date has been set.

Prior Actions

Gunther Graphics and Lori Francin v. No Frill Franchising, Inc and Gregg Chaisson

On April 15, 2020, Gunther Graphics, Inc. filed a lawsuit against No Frill Franchising, Inc. and Gregg Chiasson in the District Court of Arapahoe County, Colorado, Case No. 2020CV30839. In the lawsuit, Gunther Graphics, Inc. alleged that No Frill Franchising, Inc. breached the Franchise Agreement by failing to provide marketing support and training services. No Frill Franchising, Inc. denied these allegations and took the position that Gunther Graphics, Inc.'s business failed due to a complete lack of effort by its principal Lori Francin. The trial took place from April 10, 2023,

through April 13, 2013. During the trial the Judge dismissed Gunther Graphics, Inc.'s claim related to marketing support for lack of evidence. On April 20, 2023, the Judge entered Judgment in favor of No Frill Franchising, Inc. and against Gunther Graphics, Inc., finding that No Frill Franchising, Inc. did not breach the Franchise Agreement. Following trial, No Frill Franchising, Inc. filed a motion to recover the costs of the attorney fees it expended in the litigation. On September 6, 2023, the Judge granted that motion and ordered Gunther Graphics, Inc. to pay No Frill Franchising, Inc. $84,115.00. Gunther Graphics, Inc. filed an appeal with the Colorado Court of Appeals, Case No. 2023CA972 on June 6, 2023. On February 10, 2024, Gunther Graphics, Inc., No Frill Franchising, Inc., and Gregg Chiasson entered into a settlement agreement wherein Gunther Graphics, Inc. dismissed its appeal and paid No Frill Franchising, Inc. a portion of the attorney fees awarded by the Court.

Hamid Lotfollahi v. Ralph Askar, John Tillger, II Transatlantic, Inc.

Hamid Lotfollahi v. Ralph Askar, John Tillger, II Transatlantic, Inc., a Delaware Corporation, 1184126 Ontario, Inc., a Canadian Corporation (Case 37-2019-00062129-CU-FR-CTL) was filed in the Superior Court of the State of California, San Diego, California on November 22, 2019. Mr. Lotfollahi is a shareholder in IITI. 1184126 Ontario Inc is a Canadian corporation owned by Ralph and Lisa Askar. The lawsuit alleged causes of action for fraudulent misrepresentation, negligent misrepresentation, fraudulent concealment and recession involving the sale of IITI common shares owned by Mr. Askar and the Ontario company to Mr. Lotfollahi. The complaint was amended in early January 2020 and subsequently amended for a second time in March 2020. IITI and the other defendants denied the claims set forth in the complaint and IITI filed a Cross Complaint against Hamid Lotfollahi for Breach of Fiduciary Duty; Negligent Misrepresentation; Fraud; Abuse of Control; Corporate Waste; Breach of Contract; Trade Libel; Tortious Interference; and requested Injunctive relief on the original lawsuit. The parties reached a settlement on November 9, 2021 and the lawsuit was dismissed with prejudice on November 20, 2021. The terms of the settlement were that Mr. Lotfollahi retained his ownership of the IITI stock, however he is not permitted to attend any Board meetings except by telephone and is not permitted to serve on the Board or nominate any director for the Board. Further Mr. Lotfollahi cannot use any trademarks or proprietary information without the consent of IITI. The parties agreed to a full release and the payment of their own legal fees. There was no admission of liability by either side.

Hamid Lotfollahi v. Ralph Askar, Bizup, Inc. and DOES 1-20

A related case, Hamid Lotfollahi v. Ralph Askar, Bizup, Inc. and DOES 1-20 (Case: 37-2019-00040181-CU-FR-CTL) was filed in the Superior Court of the State of California, San Diego, California on August 2, 2019. Mr. Lotfollahi and Ralph Askar (our President) were both 50% owners of Bizup, Inc. Mr. Lotfollahi brought a shareholder derivative action under California Corporations Code §304 against Mr. Askar and Bizup, Inc. Mr. Lotfollahi further alleged fraudulent and negligent misrepresentation against the defendants. The defendants denied the claims and filed a Cross Complaint against Hamid Lotfollahi for involuntary dissolution of Bizup. The parties reached a settlement agreement on November 9, 2021, and the lawsuit was dismissed with prejudice on November 20, 2021. The focus of the settlement was to equitably divide the assets of Bizup, Inc. based on each owner's capital contributions and sweat equity in order to be able to dissolve Bizup, Inc. The assets include the Instant Imprints' San Diego area development rights, the Instant Imprint San Diego "Hub & Spoke", the Instant Imprint Colorado area development rights including its interest in 2 Instant Imprints operating in Colorado and ownership in 2 UPS Stores. There were no admissions of liability by either side and both parties agreed to a full release.

No Frill Franchising, Inc. v. Instant Imprints of Westminster and Shelley Varasteh

No Frill Franchising, Inc. (Plaintiff) v. Instant Imprints of Westminster and Shelley Varasteh (Defendants), Case No. 73114E0312309. Our predecessor IIFI sought recovery of past due royalties from the franchisee Defendants, through a prior arbitration proceeding before the American Arbitration Association (AAA File No: 73 114 E 0312309 LGB; 77114 Y 00355 09). In the arbitration, Defendants asserted a counterclaim against IIFI, seeking recovery from IIFI for alleged breach of contract, fraud and misrepresentation. On October 12, 2012, following mediation, the parties agreed to a conditional settlement which required Defendants to enter Plaintiffs' resale program and to work in good faith towards the sale of the Center to a potential third-party franchisee. At that time, the AAA held the case in abeyance pending final resolution under the settlement. In this action, we sought injunctive relief to enforce the terms of settlement agreement, to compel transfer of Defendants' business assets and to enjoin Defendants from continuing to operate the business. We also sought recovery of royalties and other monetary damages from Defendants for failure to submit required royalty statements and payments. This matter was resolved under a confidential Settlement Agreement dated February 9, 2015, under which the parties released one another and dismissed their respective claims, without payment by either party.

Other than these actions, 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

You must pay us an initial fee equal to $7,500 multiplied by the number of Instant Imprints Centers which you agree to develop and support in the Territory (the "Initial Area Fee"). Our standard offering will be for the development of 10 Centers in the Territory, which would result in an Initial Area Fee equal to $75,000. The Initial Area Fee may be increased if there are Instant Imprint Center(s) already operating within your Territory when you sign your Area Agreement because you will be receiving compensation for providing training and services to these Instant Imprint Centers. In such event, we typically require you to pay the Initial Area Fee described above plus 3 times the annual Royalty Fees generated by the existing Instant Imprints Center(s) in your Territory paid in the previous year.

The franchisor does not normally offer financing on the Area Agreement, but if it does you will be required to sign a Promissory Note for the amount financed. The terms of the Promissory Note are described in item 10. A copy of the Promissory Note is in Schedule B of the Area Agreement.

All of the fees described above are fully earned when paid and not refundable under any circumstances.

ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Transfer Fee	$15,000	Upon Transfer	If you are planning on transferring ownership in you or the AREA Business
Renewal Fee	25% of the initial area fee for the number of Instant Imprint Centers to be developed	Upon Renewal	If you renew your Area Agreement
Technology Fee	Currently, $85 per month	Monthly	We may deduct this fee from amounts we owe you, if any. This fee is subject to change over the term of the agreement based on the needs of the business.
Referral Fee	$5,000 per Unit Franchisee who is referred by another AR or franchisee who signs a Franchise Agreement within your Territory $10,000 per Unit Franchisee that we develop the lead to you who signs a Franchise Agreement within your Territory	On demand	If you refer a potential Unit Franchisee who locates in someone else's' Territory, you will receive the $5,000 referral fee from the other AR.
Missed Convention Fee	$5,000	On demand	Only due if you or your CEO fails to attend 2 of our conventions
Lead Follow-up Fees	$200 per lead for each lead that you do not follow up with and log in our management system within the time we prescribe	On demand	This fee applies whether or not the lead becomes a Unit Franchisee. If you do not follow up on a lead and we do so, resulting in the lead becoming a Unit Franchisee, will deduct 50% of the franchise establishment fee otherwise payable to you
Area Representative Agreement and IP Protection Fees	Proportionate share of costs we incur in enforcing Unit Franchise Agreements	On demand	The proportionate share of costs is based on the percentage of the Royalty Fees you receive at that time (i.e. 40% or 50%)
Sales Materials	Reasonable costs	On demand	We may provide brochures, sales materials and related materials to you
Additional Assistance and Guidance	Reasonable fee and expenses	On demand	If you request additional assistance or we determine you need additional assistance or guidance

Type of Fee[1]	Amount	Due Date	Remarks
Local Lead Generation Requirement	Minimum of $250 per month	On demand	You are required to spend this minimum amount on local lead generation activities that we approve. Although we are not obligated to do so under the Area Representative Agreement, we currently reimburse Area Representatives for 50% of amounts spent on pre-approved local lead generation activities in excess of the $250 monthly minimum
Enforcement Default Fee	50% of ongoing fees otherwise due you	Monthly	Applies if you fail to provide the required services and training to the Unit Franchisees in your Territory
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from the operation of your AREA Business
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when we have to enforce or defend the Area Agreement, or if you request us to amend the agreement after it has been signed
National Lead Generation Fee	$250 per month	Monthly	We may deduct this fee from amounts we owe you, if any. We cannot guarantee that National Lead Generation Fees will result in leads for your specific Territory
Dispute Resolution Fees	$50,000 plus attorneys' fees and expenses	Upon invoice	Only applicable if you do not follow the dispute resolution requirements in the Area Agreement

[1] Unless otherwise noted, all fees are uniformly imposed and non-refundable.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Estimate	Method Of Payment	When Due	To Whom Payment Is Made
Initial Area Fee Note 1	$75,000	Lump Sum	At signing of Area Agreement	Us
Travel and Living Expense while at training school	$0 - $2,000	Lump Sum	During Training	Airlines, hotels, food service
Local Lead Generation Requirement (3 months)	$750	Monthly	After opening	Us and 3rd party vendors
National Lead Generation (3 months)	$750			
Insurance Note 2	$300 - $500	1st 3 months of premium	As incurred	Insurance company
Computer & Software	$0 - $3,000	Lump sum	Before opening	Vendors

Type of Expenditure	Low Estimate	Method Of Payment	When Due	To Whom Payment Is Made
Professional Fees	$1,000 - $3,500	As incurred	Before opening	Attorneys and accountants
Initial Additional Funds [first 90 days of operation] Note 3	$5,000 - $ 11,000	As incurred	As incurred	Employees, suppliers and other third-party vendors
Total Note 4	**$82,800 - $96,500**			

Area Representatives will also incur the expenses of establishing a unit franchise business (the Pilot Center), which is described in our Unit FDD which will be provided to you by us at the same time we provided you with this FDD. You will usually operate your AREA Business from your Pilot Center, and therefore we do not include additional office or real estate related expenses. We also assume you own a vehicle which you will use in the conduct of the AREA Business. The payments made to us in this table are non-refundable.

Note 1:The Initial Area Fee is $7,500 per Instant Imprint Center you plan to develop within the Territory. For purposes of this Table, you and we agree upon a development obligation of 10 Instant Imprints Centers, which will be our standard offering. The above estimates assume there are no pre-existing Instant Imprints Centers in the Territory.

Note 2: Your costs for insurance may vary depending on the insurer, and where you are located. This is an estimate of your first 3 months of premiums for the minimum amounts of insurance described in the Area Agreement in Section 5.G and Item 8.

Note 3: This item estimates your expenses during the initial period of operating the AREA Business (other than the items identified separately in this table). These expenses do not include fees from Item 6, a salary for your owner or debt service. These figures are estimates and you may have additional expenses in order to start the AREA Business. Your costs will depend on factors similar to these: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and sales levels reached during the initial period. These figures were based on the experience of our affiliates beginning in 2002 and our experience since 2011.

Costs and expenses can vary depending on factors like cost of labor and supplies. Expenses may differ in other parts of the country. Except as described above, none of the fees listed in this Item are refundable. Your financial condition and arrangements negotiated by you and the business decisions made by you will also affect these costs. There can be no assurance that the experience of a particular Area Representative will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer, either directly or indirectly, financing to you for any items except as described in Item 10. The availability of financing will depend upon various factors like the availability of financing generally, your credit worthiness, other security that you may have, and the requirements of lending institutions concerning the type of business to be operated by you.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a standard image and standard quality of products and services in all Instant Imprints franchised businesses, you must maintain and comply with our quality standards. You also must use equipment (which includes hardware and software for the computer system), products, supplies, and marketing and sales promotion materials that meet the specifications and/or standards in our Manual. We may change our specifications and standards at any time in our sole discretion

You must sell or use only those products and services in connection with the AREA Business that we have approved in writing or that otherwise meet our quality standards. The purpose of this requirement is to ensure that all franchises adhere to the quality standards associated with Instant Imprints businesses. Requests for approval of additional products or services or of an additional supplier may be submitted in writing to us and you will be notified of an acceptance or rejection within 30 days. We are not required to approve your requests. We do not charge a fee to review your proposed supplier. We do not provide our criteria for approving suppliers to franchisees. We may revoke our approval of a supplier or of a particular product or service at any time. We are the sole approved supplier for our Unit Franchisees of the Equipment Package. None of our officers own an interest in any other supplier with whom you are required to deal except for us.

In the year ending December 31, 2023, we did not receive any revenues based on purchases from the sale of products to our Unit Franchisees. We did not sell any products or services to our Area Representatives. The cost of goods and services purchased in accordance with our specifications will represent approximately 1% of your total purchases in establishing your AREA Business and approximately 1% of your total purchases during operation of the AREA Business.

We have not established any purchasing or distribution cooperatives. Although we are not required to provide material benefits to you based on your purchase of particular products or services or use of a particular supplier, it is our practice to seek out and establish strategic procurement relationships with key vendors and these relationships may generally benefit our franchisees. Benefits to our franchisees from our relationship with key vendors may include automatic qualification for preferred pricing programs, reduced or no cost product training, and priority ordering for limited stock supplies. Although we do not receive any revenue from sales of goods and services to our Unit Franchisees and Area Representatives or from any Unit Franchisee and Area Representatives purchases from vendors, key vendors may independently contribute to our Marketing Fund or sponsor our annual conference. In the fiscal year ended. In the fiscal year ended December 31, 2023, we received administrative fees and rebates from vendors totaling approximately $23,450. A portion of this was given to our franchisees. We have no obligation to pass these on to our franchisees in the future.

You must purchase and maintain liability insurance in an aggregate amount that we designate periodically. You must hold certain business insurance policies including comprehensive general liability policy, a policy covering “all risk” of physical loss business interruption and additional policies as may be required under your local laws or ordinances. Each policy must name us and the Franchisor-Related Persons/Entities (us, or affiliates and/or officers, directors, employers and representatives) as additional named insureds, will contain a waiver of all subrogation rights against us, our affiliates (if any), the Franchisor- Related Persons/Entities and any successors and assigns, and must provide for 30 days’ prior written notice to us of any material modifications, cancellation, or expiration of the policies.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section In Area Franchise Agreement	Item In Disclosure Document
a.	Site selection and acquisition	Section 1	Items 11 and 12
b.	Pre-Opening Purchases	Section 5.C	Items 5, 7 and 8
c.	Site development and other pre-opening requirements	Sections 5.C and E	Items 5, 7 and 11
d.	Initial and ongoing training	Sections 4.G and 7.A	Items 7 and 11
e.	Opening	Section 5.C	Item 11
f.	Fees	Section 3	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Section 7.D	Item 11
h.	Trademarks and proprietary information	Section 8	Items 13 and 14
i.	Restrictions on products or services offered	Section 4	Items 8 and 16
j.	Warranty and customer service requirements	Section 4.E	Item 11
k.	Territorial development and sales quotas	Section2	Item 12
l.	Ongoing product/service purchases	Section 5C	Item 8
m.	Maintenance, appearance and remodeling requirements	Sections 9 and 12.A	Item 11
n.	Insurance	Section 5.G	Item 6
o.	Advertising	Section 4. H	Item 11
p.	Indemnification	Section 14	Item 6
q.	Owner's participation/ management/ staffing	Sections 5.B and C	Items 11 and 15
r.	Records and reports	Section 4.G	Item 6
s.	Inspection and audits	Section 4.G	Items 6 and 11
t.	Transfer	Section 12	Item 17
u.	Renewal	Section 3	Item 17
v.	Post-termination obligations	Section 11	Item 17
w.	Non-competition covenants	Section 6	Item 17
x.	Dispute resolution	Section 13	Item 17

ITEM 10
FINANCING

We may offer to finance up to 30% of the Initial Area Fee for the term of the agreement at 9.0% per annum. The portion of the Initial Area Fee that is not financed is the only down payment required. You will sign a promissory note in a form which is presented on Schedule C of the Area

Representative Agreement ("Note") and you will repay the Note by allowing us to retain 75% of your share of franchise establishment fees for each franchise awarded in your Territory and 100% of the royalties from all stores in the region until the Note is paid in full. This Note will provide that you pay a minimum of $1,000 per month for monthly principal and interest for the 10-year term until the Note is paid in full. If your Area Agreement is terminated, you are not obligated to pay the balance of the Note, however your rights and benefits under the Area Agreement will immediately cease. If your interest in the Area Agreement or AREA Business is transferred, the balance of the Note, including accrued and unpaid interest, becomes immediately due and payable to us. The Note will also be secured by your rights under the Area Agreement. See Area Agreement Schedule B.

You may prepay the Note without a penalty at any time for a 10% discount off the balance owing at any time. If you default under the Note or under any agreement you have with us, and the default is not cured under the terms of the agreement, if any, we may terminate the Area Agreement, but you will not be responsible for the balance due under the Note. We may also obtain court costs and attorneys' fees if a collection action is necessary. You waive presentment, protest and demand, delinquency, notice of protest, demand and dishonor, and any other notice otherwise required to be given by law in connection with the delivery, acceptance, performance, default, enforcement or collection of the Note, and expressly agree that the Note and any payments due under the Note may be extended or subordinated without affecting your liability.

The Note does not require you to waive legal defenses against us. However, we may assign the Note to a third party, and if we do you will lose your right to assert defenses against us.

If you elect to pay cash for the Area Development rights under the Area Agreement, we offer a 10% discount off of the Initial Area Fee.

Other than as described above, we do not arrange financing from other sources. It is not our practice or intent to sell, assign, or discount to a third party all or part of the financing arrangement. We and our affiliates do not receive any consideration for placing financing with a lender.

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

Except as listed below, Instant Imprints is not required to provide you with any assistance:

Pre-opening obligations

Before you open your AREA Business, we, or our designee will:

(1) Designate your Territory (See the Area Agreement, Section 1.A and Summary Pages).

(2) Provide initial training for you (See Area Agreement, Section 7.A).

(3) Set up your AREA Business in an office within the Territory (See the Area Agreement, Section 5.C).

You are responsible for obtaining and maintain your office space in order to operate your AREA Business. Once you open your Pilot location, you may want to move your office space to that location. In any event, you are responsible for making sure your office space conforms to local

ordinances and building codes and for obtaining any permits required to occupy and use the premises. We will not assist you in constructing, remodeling or decorating your office or in recruiting employees (Area Agreement- Section 5.C)

(4) A list of the equipment, signs, fixtures, supplies and files that you need to operate your AREA Business as well as provide specifications and the names of suppliers for some items. (See Area Agreement, Section 5.C).

(5) Loan you a copy of the Area Representative Operations Manual (See the Area Agreement, Section 7.D);

This Area Representative Operations Manual, which may be in a format determined by us (i.e., in writing, on CD-ROM, via electronic media through a secure website, etc.) ("Manual") is confidential and remains our property. You will operate your AREA Business in strict compliance with those operational systems, procedures, policies, methods and requirements found in the Manual which are designated as mandatory and in any supplemental bulletins and notices, revisions, modifications, or amendments thereto, all of which are a part of the Manual.

You must treat the Manual, any other manuals or written materials provided by us or our affiliates for use in the operation of the AREA Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place within the AREA Business. It must be returned to us upon termination or expiration of your Franchise Agreement.

We have the right to make additions to, deletions from or revisions to the Manual which you have to comply with at your own cost. You must ensure that the Manual is kept current at all times. If there is any dispute as to the contents of the Manual, the terms of the master copy maintained by us, at our principal office, will be controlling. The table of contents of the Manual, including allocation of pages to each subject, is included as Exhibit D to this disclosure document. Currently, the Manual contains 75 pages

Time for Opening the AREA Business

Under the Area Agreement, once you have completed our initial training program for the AREA Business you are considered open for business and can begin soliciting potential Unit Franchisees. In addition, simultaneous with the signing of the Area Agreement, you must enter into a Unit Franchise Agreement for the Pilot Center. You will be given a separate Unit FDD for the Pilot Center. This Pilot Center will typically be opened within 20-40 weeks. If you do not open the Pilot within that time period, you will be in default under the Franchise Agreement and the Area Agreement and we have the right to terminate both agreements unless we have agreed to delay the opening in writing.

Post-Opening Assistance

During the operation of the AREA Business, we or our designees will:

(1) Continue to loan one copy of the Manual (A – Section 7.D).

(2) May make available, at our discretion and your expense, ongoing marketing and promotional materials (Area Agreement– Section 7.B).

(3) Pay you the following portion of the fees we collect from the Unit Franchisees within your Territory in compliance with the terms of the Area Agreement (See Area Agreement – Section 3.I):

(i) 40% of the franchise establishment fees;

(II) 40% of the Royalty Fees; and

(iii) 1/3 of any Renewal Fees, Transfer Fees and Training Fees. We may change or modify the fees we charge at any time.

(4) Provide final approval or disapproval on potential Unit Franchisees within your Territory (Area Agreement- Section 2.C). Our Approval will not be unreasonably withheld.

(5) Provide you with our Unit FDD, which you must use to refer Unit Franchisees to us who will be located within your Territory. We will attempt to maintain effective franchise registrations in all franchise registration states in your Territory. You may have to register before you make these referrals, should any franchise registration state determine that, as an Area Representative, you are a franchise broker or sub-franchisor. A franchise registration state may also require you to use your own franchise disclosure document when providing these services to Unit Franchisees, and you must use that document instead of our disclosure document in that case (Area Agreement – Section 7.E.)

ADVERTISING

Our advertising programs for Instant Imprints Centers are described in our Unit FDD.

Local Lead Generation

You are required to spend a minimum of $250 per month on local lead generation activities to promote the brand to prospective new Unit Franchisees in your Territory. We have the right to review and approve any marketing materials that you propose to use. You must submit all of your own advertising and sale promotion materials to our designated advertising agency or us for approval before use. If you do not receive written disapproval within 20 days after we or they receive the materials, we will be deemed to have given approval. You are responsible to ensure that all advertising and promotion materials used by you, whether created or consented to by us, comply with applicable laws. You may not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols (“©”, “®”, “TM” or “SM”) as we direct.

You may not advertise or use any of the Marks on the Internet except after obtaining our consent. Any advertising on the Internet, delivered by facsimile, electronic mail or other electronic means shall be pre-approved by us and on terms specified by us. We may require you to place all such electronic advertisements with our designated third party vendor or us. Further, you may not use the Marks (or any marks or names confusingly similar to the Marks) as an Internet domain name, user or account name, or in the content of any world wide website or mobile application, including any social media website (such as LinkedIn, Facebook or Twitter). We maintain and control the

web site www.instantimprints.com. We may provide contact information for Instant Imprints Centers on our website for so long as we determine.

Marketing and Promotion Materials

We may, in our sole discretion prepare marketing and promotional materials which you may purchase from us at a reasonable cost.

National Lead Generation

You must pay us a National Lead Generation fee equal to $250 per month. We have the right to deduct this monthly National Lead Generation Fee from the fees we collect from the Instant Imprints Centers within your Territory which are due to you.

We have no advertising funds, councils or cooperatives which are designed for our Area Representatives, although we may form, change, merge and dissolve them in the future. As an Area Representative, you may be required to coordinate the advertising and promotional activities of Unit Franchisees operating in your Territory.

COMPUTER HARDWARE AND SOFTWARE SYSTEMS

As an Area Representative, you must use or acquire an up-to-date desktop or laptop computer which will run Windows software and install all of the programs which we require of Unit Franchisees. You are required to acquire and use the computer hardware and software systems and have a dedicated high speed internet connection which we prescribe and which we require Unit Franchisees to use in the operation of their Instant Imprints Centers. You are not required to use other computer hardware or software or internet connections. Our computer systems may be modified and updated in response to business, operations and marketing conditions. These systems must meet our quality standards. You must upgrade or update your computer systems and other equipment used in your area representative franchise when we require you to do so. The cost of purchasing the computer system is between $0 and $3,000, depending on whether you already have a computer of your own to use. The annual cost of such maintenance and upgrades may be $360. We are not limited in the number of changes we may require. The cost and frequency of such changes are not restricted by the Area Representative Agreement. We will have independent access to your computer system at all times during the term of your Area Representative Agreement, and you must make sure that we have this access, at your expense. We may download any data regarding your Business from your computer, with no compensation to you. There are no contractual limitations on our right to access this data.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Introduction and Preparation of the Area Business Annual Business Plans Time Planning	2	0	San Diego/virtually or in the field
FIND NEW FRANCHISEES Generating Leads & Guiding Prospects Why people buy Building & Managing the Pipeline Marketing/Sales Programs	4	10	San Diego/virtually or in the field
TRAIN Pre-training requirements Post-training requirements FAST Start mentoring program	2	8	San Diego/virtually or in the field
SUPPORT (pre-opening) Franchise Opener Real Estate and Leases Center Build Out & Construction	3	4	San Diego/virtually or in the field
SUPPORT (ongoing) Maintaining Communications Financial Performance Network Meetings Marketing and Customer Relations Vendor Programs and Purchasing Center Visits and Record Keeping	4	4	San Diego/virtually or in the field
AREA OPERATIONS Emergency Procedures Auditing Technology	2	2	San Diego/virtually or in the field
Total Hours	**17**	**28**	

Your CEO must satisfactorily complete our 5-day Area Representative training courses to our satisfaction before commencing business. The training is offered virtually or at our headquarters in San Diego, California, without additional charge to Area Representatives. You must pay all travel and living costs associated with attending the training program in San Diego. Training is usually offered 30-60 days after the Agreement is signed.

Training is conducted by Christian Collucci, Danny Lyon, Jim Blackburn. Mr. Collucci is our EVP of Franchise Development and Marketing. He is a shareholder, and director of the company. He has over 13 years of experience in Franchise Development with Instant Imprints. Mr. Lyon has over 25 years in the franchising industry and over 25 years of experience as an Area Representative with The UPS Store franchise system. Mr. Blackburn is our Executive Vice President of Franchise Support. He began working with the Instant Imprints system with IIFI in April 2008 and joined us (NFFI) when we were incorporated in 2011. Mr. Blackburn has more than 25 years of information technology and small business experience, including 10 years of experience with franchise organizations.

We require Area Representatives to attend our annual convention and up to 4 training programs each year. Our training program will be offered as needed. You are responsible for the costs of travel, food and accommodations incurred by you and your staff to attend training.

ITEM 12
TERRITORY

When you sign your Area Agreement, we will designate an area within which you will operate your AREA Business. The size of the Territory will depend upon the population of the Territory and its demographics, the number of other types of businesses in the area, the number of Instant Imprints Centers we believe that you can establish and support during the initial term of your Agreement, and your financial and business resources.

As long as you are in compliance with your Area Representative Agreement, we will not grant any other Area Representative to operate within your Territory, and we will not directly recruit or establish an Area Representative in your Territory or otherwise compete with you in the Territory, except under certain, specified circumstances. Except as limited above in this Item 12, we and our affiliates retain all rights with respect to Instant Imprints Centers, the System, the Marks, the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including (1) the right to own or operate, or license others to own or operate Instant Imprints Centers within and outside of your Territory; (2) the right to grant other Area Representatives the right to operate anywhere outside of your Territory; (3) the sole right to offer any products or services, offers for sale of franchises and development rights through other channels of distribution (including catalogues, the Internet and other outlets) both inside and outside of your Territory, and to establish a wholesale production facility which would be prohibited from competing for commercial or retail/consumer accounts; and (4) the right to operate or grant others the right to operate businesses different than an Instant Imprints Center within and outside of your Territory. We are not required to pay you if we exercise any of the rights specified above inside your Territory. You have an exclusive territory as described by the FTC Rule and related documents.

You may relocate your AREA Business anywhere within the Territory upon notice to us. You will have no right of first refusal to acquire additional Territory. You can solicit potential franchisees anywhere, but their territories must be located within your Territory.

If you fail to open the number of Instant Imprints Centers required by the Development Schedule, we will give you 180 days to come into compliance. If you do not, we will, at our sole option, either

(i) terminate the Area Agreement; or

(ii) may permit you to continue to provide the training and services to the existing Instant Imprints Centers in your Territory, but terminate your right to develop or recruit others to establish Instant Imprint Centers in your Territory. In such event, you will no longer have any protection within your Territory except within the Designated Territory of any Instant Imprints Centers you own and operate. We will then be permitted to sell your Territory (excluding any Designated Territories of any Instant Imprint Centers within the Territory)

You have no options, rights of first refusal or similar rights to acquire additional franchises except as provide in the Area Agreement.

Neither we nor any of our affiliates have granted, or presently intend to grant other territory developer rights for franchises selling or leasing similar products or services under a different trade name or trademark, but we have the right to do so.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant you the right to operate your AREA Business under the Marks. The Mark, "Instant Imprints – The Image People" is owned by us. The Mark, "Instant Imprints" is owned by our parent, IITI. The Marks are registered or are to be registered on the Principal Register of the United States Patent and Trademark Office ("PTO"). The principal Marks are:

Mark	Registration No.	Registration Date
"Instant Imprints – The Image People"	3,020,810	Nov. 29, 2005
Instant Imprints	4,950,435	May 3, 2016

We have filed all necessary affidavits with respect to these trademarks by the dates they are due.

We will grant you a nontransferable, non-sublicensable, non-exclusive license to use the Marks at the AREA Business. You must follow our rules when you use the Marks. You cannot use the Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the principal Marks. There are no superior prior rights in the Marks or infringing uses actually known to us, which could materially affect your use of the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There is an oral agreement between the parent and us regarding the use of the Marks.

We are not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense and/or indemnify you. We reserve the right to control any trademark litigation and will be the sole judge as to whether suit will be brought or settled in any instance when any person or entity infringes the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks that you become aware of and to cooperate with any action that we undertake. If any party claims that its rights to use any of the Marks are superior and if we determine that the claim is valid, you must at your expense, immediately make the changes and use the substitutions to the Marks we require.

If we decide to modify or discontinue the use of the Marks and/or to use one or more additional or substitute names or marks, you must make the changes at your own expense and without claim against us. You will need to comply within a reasonable time of the request.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We own no special patents which pertain to the System. We or our affiliates have copyright rights in the Manual, sales material and brochures, and related items used in operating the franchise. We and our affiliates have not registered these copyrights with the United States Registrar of Copyrights but need not do so at this time to protect them. You may use these items only as we specify while operating the AREA Business.

There currently are no effective adverse determinations of the PTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if it is in the system's best interest.

Although neither we nor any of our affiliates have filed an application for a copyright registration for these materials, it has copyright rights and the information is proprietary. Item 11 describes limitations on the use of the Manual by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information in a manner we think is appropriate.

The Area Representative Agreement provides that all ideas, concepts, techniques, or materials concerning your AREA Business, Instant Imprints Centers in general or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or help us obtain intellectual property rights in the item.

The Area Representative Agreement provides that you acknowledge that the System and the methods of operation licensed by us for the operation of an Instant Imprints Center are proprietary, confidential trade secrets of us and our affiliates, and you agree to maintain the confidentiality of all materials and information lent or otherwise furnished to you by us at all times, including after the termination or expiration of the Franchise Agreement, for any reason.

Further, under the Area Representative Agreement, you agree that you shall not, during the term of the Area Representative Agreement (other than to the extent necessary to operate the AREA Business) or after its expiration transfer or termination, for any reason, communicate or divulge to any others, any information or knowledge concerning the System and any trade secrets except those already in the public domain. You also agree to exercise the highest degree of diligence and will make every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the term of the Area Agreement.

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

You must designate a chief executive officer (CEO) whom we approve and who satisfactorily completes our training program to directly operate the AREA Business. Unless we otherwise agree, the CEO must have at least a 10% ownership interest in the Area Representative entity. We strongly encourage at least 1 owner of the Area Representative to operate the AREA Business. The CEO must devote his full time and best efforts to the operation of the business.

Everyone involved in the management of the Area Business must satisfactorily complete our training programs and execute and comply with confidentiality and non-compete agreements which we prescribe.

Your managers sign the confidentiality and non-compete agreements in a form acceptable to us. If you are a corporation, limited liability company or partnership, each principal owner and their spouse must agree to be personally bound by, and personally liable for the breach of every provision of the Area Representative Agreement according to the principal owner's Guaranty and Assumption of Obligations attached to the Area Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to provide those services that we require for AREA Businesses. We have the right to change the types of required and/or authorized services and you will be notified by a bulletin or supplement to the Manual. You are prohibited from offering or selling any products or services not authorized or approved by us. You will be required to add such equipment, at your expense, as may be necessary to equip the AREA Business for as we may require. You may need to make an additional investment to do so.

There is no restriction imposed by us on where you may solicit Unit Franchisees to open Instant Imprints Centers in the Territory. The Area Agreement also does not restrict us or our affiliates or agents from soliciting prospective Unit Franchisees from within the Territory for Instant Imprint Centers outside the Territory. However, if another AR or franchisee refers a potential Unit Franchisee which locates within the Territory, you will pay the other AR or franchisee a referral fee of $5,000 or vice versa. If we find and develop a potential Unit Franchisee which located within your Territory, you will pay us a referral fee of $10,000.

Other than as described in this Item and in Item 12, we do not impose any restrictions or conditions that limit your access to customers.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	Provision	Section In Franchise or Other Agreement	Summary
a.	Length of Franchise Term	Section 9	10 Years
b.	Renewal or Extension of the Term	Section 9	10 Year Term
c.	Requirements for franchisee to renew or extend.	Section 9	Give notice, sign new agreement that may contain terms and conditions materially different from those in your previous area representative agreement such as different fee requirements a new Development Schedule, sign release, and pay renewal fee
d.	Termination by Franchisee	Section 10	If you are in compliance with the Area Representative Agreement, and we materially breach the Area Representative Agreement and fail to cure this breach within 60 days after you deliver written notice to us, then you may terminate the Area Representative Agreement, effective 30 days after delivery to us of proper notice.*
e.	Termination by Franchisor Without Cause	None	Not applicable
f.	Termination by Franchisor with Cause	Section10	Material, uncured breaches of the Area Agreement.
g.	"Cause" Defined-Curable	Sections 10. B and C	Breach of Agreement, Failure to Pay Fees, Cure Development Schedule Defaults with 180 days of Notice.
h.	"Cause" Defined-Non-Curable Defaults	Section 10.D	Abandonment, bankruptcy, you or your owners are convicted or plead guilty to a felony; materially false information on franchise application; 3 notices of default within a consecutive 12-month period; unauthorized transfer; disclosure of confidential information or failure to attend 2 consecutive mandatory meetings of Area Representatives.
i.	Franchisee's Obligations on Termination / Non-renewal	Section 11	The Developer shall immediately cease operation and use of copyrighted materials and all items identifying our Marks or name, immediately deliver to the Franchisor the Confidential Information and all documents relating to the Instant Imprints Centers in the Territory and pay to the Franchisor any amounts due
j.	Assignment of Contract by Franchisor	Section 12.C	No restriction on our right to reassign.
k.	"Transfer" by Franchisee-Defined	Section 12.A	The transfer all of the assets, transfer of ownership interest in you or transfer of the Area Representative Agreement
l.	Franchisor Approval of Transfer by Franchisee	Section 12.A	We retain the right to approve all transfers but will not unreasonably withhold approval.

	Provision	Section In Franchise or Other Agreement	Summary
m.	Conditions for Franchisor Approval of Transfer	Section 12.A	The transferee meets our qualifications, signs our then-current Area Agreement which might contain different terms and conditions, and satisfactorily completes training; a transfer fee is paid to us; and you must sign a general release
n.	Franchisor's Right of First Refusal to Acquire Franchisee's Business	Not Applicable	Not Applicable
o.	Franchisor's Option to Purchase Franchisee's Business	Not Applicable	Not applicable
p.	Death or Disability of Franchisee	Section 12.B	The Area Representative Agreement is transferable without additional fee or penalty, subject to Instant Imprints approval, to qualified applicant and subject to all transfer requirements.
q.	Non-competition Covenants During the Term of the Franchise	Section 6	No ownership interests in any other Competitive Business*
r.	Non-competition Covenants after the Franchise is Terminated or Expires	Section 6	No ownership or covenant in a competing business for 3 years within the Area Representative's Territory, another Area Representative's territory or within a 10-mile radius of an Instant Imprints Center.*
s.	Modification of the Agreement	Section 6.E	Area Representative Agreement subject to change, but only as provided by its terms. Manual and System are subject to change by the Franchisor.
t.	Integration/ Merger Clause	Section 15.E	Only the terms of the franchise agreement and other related written agreements are binding (subject to state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u.	Dispute Resolution by Arbitration or Mediation	Section 13	Mediation in Wilmington, Delaware*
v.	Choice of Forum	Section 15.Q	Suit may be brought in the federal court in Wilmington, Delaware, but if no jurisdiction, then state court in Wilmington, Delaware subject to applicable state law. *
w.	Choice of Law	Section 15.R	Delaware*

*Subject to state law. Applicable state law may require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit B.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise. We do reserve the right to do so in the future.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing area representatives' area rights, however, we may provide you with the actual records of that franchise. 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 Ralph Askar, President and CEO at 7310 Miramar Road, Suite 102, San Diego, CA 92126, (858) 642-4848, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlet at the Start of the Year	Column 4 Outlet at the End of the Year	Column 5 Net Change
Franchised	2021	11	11	0
	2022	11	11	0
	2023	11	11	0
Company-Owned *	2021	3	3	0
	2022	3	4	1
	2023	4	4	0
Total Areas	**2021**	**14**	**14**	**0**
	2022	**14**	**15**	**1**
	2023	**15**	**15**	**0**

*Owned by us or an affiliate of ours.

Table No. 2
Transfers of Outlets from Franchisees To New Owners (Other Than the Franchisor)
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	**2021**	**0**
	2022	**0**
	2023	**0**

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at the Start of the Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations Other Reasons	Col. 9 Outlets Operating At Year End
Colorado	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	1	0	0
	2023	0	0	0	0	0	0	0
Florida	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Georgia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	**2021**	**11**	**0**	**0**	**0**	**0**	**0**	**11**
	2022	**11**	**1**	**0**	**0**	**1**	**0**	**11**
	2023	**11**	**0**	**0**	**0**	**0**	**0**	**11**

Table No. 4
Status of Company-Owned Outlets*
For Years 2021 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Oulets Sold to Franchisee	Col. 8 Outlets at Year End
California	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
Colorado	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	0	0	1
Washington	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Total	**2021**	**3**	**0**	**0**	**0**	**0**	**3**
	2022	**3**	**0**	**1**	**0**	**0**	**4**
	2023	**4**	**0**	**0**	**0**	**0**	**4**

*Owned by us or an affiliate of ours.

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Business Not Open	Projected Franchised Outlet in Next Fiscal Year	Projected Company Owned Outlet in Next Fiscal Year (2016)
Pennsylvania	0	1	0
Texas	0	2	0
Ohio	0	2	0
Georgia	0	2	0
Total	0	7	0

Franchise List

A list of the names of all Area Representatives and the addresses and telephone numbers of their businesses is included as Exhibit F to this Disclosure Document.

The name, city and state and the current business telephone number (or, if unknown, the last known home telephone number) of every Area Representative who had an area representative business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the area representative agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed and attached as Exhibit F. If you buy this Area Representative Business, your contact information may be disclosed to other buyers when you leave the franchise system.

Some of our franchisees have signed confidentiality clauses with us during the last 3 fiscal years. In some instances, current and former Area Representatives have signed provisions restricting their ability to speak openly about their experience with Instant Imprints. You may wish to speak

with current and former Area Representatives, but be aware that not all such Area Representatives will be able to communicate with you.

Our Franchisee Advisory Council's the only trademark-specific association we have. It was established by us. Its contact information is as follows: 7310 Miramar Road, Suite, 102, San Diego, CA 92126, (858) 642-4848, FAC@intstantimprints.com.

ITEM 21
FINANCIAL STATEMENTS

Our audited financial statement for the years ending December 31, 2023; December 31, 2022 and December 31, 2021, are attached to this Disclosure Document as Exhibit C. Unaudited financial statements will be included in Exhibit C if required.

ITEM 22
CONTRACTS

The following contracts are included in this Disclosure Document as follows:

- Exhibit A: Area Representative Agreement
- Exhibit G: Release

ITEM 23
RECEIPTS

TWO COPIES OF AN ACKNOWLEDGMENT OF YOUR RECEIPT OF THIS DISCLOSURE DOCUMENT APPEAR AS EXHIBIT H. PLEASE SIGN BOTH THEN RETURN ONE COPY TO US AND RETAIN THE OTHER FOR YOUR RECORDS.

Exhibit A

Area Representative Agreement

Area Representative Agreement

DATED: _____, 20_____

BETWEEN

No Frill Franchising, Inc.

AND

_____

_____

_____

_____

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GUARANTY AND ASSUMPTION OF OBLIGATIONS

SCHEDULE A - INSTANT IMPRINTS CENTERS IN TERRITORY ON EFFECTIVE DATE

SCHEDULE B – DEVELOPMENT SCHEDULE

SCHEDULE C – PROMISSORY NOTE

SUMMARY PAGES

Franchisor:	No Frill Franchising, Inc.
Address:	7310 Miramar Road, Suite 102 San Diego, CA 92126
Telephone:	(858) 642-4848
Facsimile:	(858) 453-6513
Email:	ralpha@instantimprints.com
Attention:	Ralph Askar
Area Representative ("AR"):	_____
Address:	_____
Telephone:	_____
Email:	_____
Attention:	_____
Territory:	_____
Effective Date:	_____
Expiration Date:	_____
Term:	10 years from the Effective Date
Initial Fee for AR:	$_____ ($7,50.nb0 X # of Units) + (amount due to existing Instant Imprints Centers, if any)
Amount Financed:	$_____
Date Amount is Due:	_____
Interest Rate:	_____
Renewal Period:	__ years
Renewal Fee:	25% of the current initial area fee for the number of Franchise Units to be developed.
AR's Share of:	the fees Franchisor collects from the Unit Franchisees.
Franchise Establishment Fees	within the Territory: 40% of the franchise establishment fees collected after deducting all direct costs of selling the franchises, including brokerage fees.
Royalty Fees	40% of the Royalty Fees collected; and
Renewal /Transfer/Training Fees	1/3 of any Renewal Fees, Transfer Fees and Training Fees collected.
Development Schedule:	See Schedule B

Transfer Fee:	$15,000
Lead Follow-up Default Fees:	$200 per occurrence
Area Representative Agreement and IP Protection Fees	The proportionate share of the costs Franchisor incur in enforcing franchise agreements or in protecting its IP in the Territory based on the percentage of Royalty Fees AR receives at that time (40%)
National Lead Generation Fee	$250 per month
Local Lead Generation Minimum Expenditure:	$250 per month
Enforcement Default Fee:	50% of ongoing fees otherwise due AR

AREA REPRESENTATIVE AGREEMENT

THIS AGREEMENT dated _____, 20_____, is between NO FRILL FRANCHISING, INC., a Delaware corporation with its principal place of business at 7310 Miramar Road, Suite 102San Diego, CA 92126, (the "Franchisor") and _____ with its principal place of business at _____ (the "AR"). AR shall be deemed to include: (a) all persons and their spouses owning any interest in AR if it is a corporation or a limited liability company; (b) all partners and their spouses owning any interest in AR if it is a partnership; and (c) all of the individuals and their spouses owning any interest in AR if it is a sole proprietorship. For purposes of determining ownership in AR, the interests owned by one spouse shall be considered also owned by the other spouse and both shall be obligated hereunder, regardless of whether the interest is owned by just one spouse or both spouses.

RECITALS

A. Franchisor and its affiliates have developed, use and license the distinctive method of operating format for the operation of an Instant Imprints Center business under the Marks and includes copyrights, trade secrets, confidential information and know how, methods of creation, production and sale of embroidered and screen printed apparel, direct garment printing, heat transfer products, digital wide format signs/banners, digital document services and advertising/promotional merchandise using specialized and highly developed techniques. This will include specific items such as T-shirts, golf shirts, caps, jackets, denims, team and work uniforms, outerwear, towels, bags, aprons, photographic gifts, pens, mouse pads, mugs, magnetic signs, banners, full color posters, as well as logo reproduction and creative design services. Also included is the training, equipment, standards of quality and uniformity of products and services offered, marketing techniques, methods and techniques for financial controls, record keeping, billing and collection procedures and process, accounting and reporting, personnel management, sales marketing and advertising, and development materials ("System"). For the area representatives only, "System" also includes the proprietary business format and methods of operating an AREA Business (as defined herein) and all related information. "Marks" mean such service marks, trademarks, trade dress, trade names and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by Franchisor or its affiliates, in connection with the operation of an AREA Business and an Instant Imprints Center. Marks currently include "Instant Imprints Your Image People" and "Instant Imprints".

B. Franchisor offers single and multiple unit franchise agreements ("Franchise Agreements"), which grant the right to own and operate Instant Imprints Center(s) under the System and the Marks ("Instant Imprints Center(s)). Instant Imprints Centers also include all businesses operating under the System and Marks owned by Franchisor, its affiliates or other franchisees.

C. Franchisor also offers territory development rights under this Area Representative Agreement ("Area Agreement" or "Agreement") in exchange for the right to receive a portion of the fees collected from Instant Imprints Centers located within a specific area.

D. AR has simultaneously with the execution of this Agreement entered into with Franchisor a Franchise Agreement for an Instant Imprints Center to be the Pilot Center.

E. AR recognizes the value of the System and the benefits which may be obtained by use of the System and wishes to be granted the development rights for the specific area described herein and Franchisor wishes to grant AR said rights pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the covenants contained in this Agreement and other valuable consideration, it is hereby mutually agreed as follows:

The recitals above are part of this Agreement. Acknowledging these results, the parties hereto agree as follows:

1. APPOINTMENT

A. Subject to the terms and conditions of this Agreement and the continuing faithful performance by AR of its obligations hereunder and under the other agreements between Franchisor and AR, Franchisor hereby grants to AR, during the term of this Agreement the right to: (i) recruit prospective franchisees to open and operate Instant Imprints Centers ("Unit Franchisees"); and (ii) provide training, on-going supervision and guidance to Unit Franchisees within a specific territory in accordance with the System and under the Marks (the "AREA Business"). The specific territory which is granted to AR to operate its AREA Business in is called the "Territory" and is set forth in the Summary Pages above.

B. Exclusivity. So long as AR is not in default of any provision of this Agreement or any other agreement between Franchisor and AR or its affiliates, neither Franchisor nor any of its affiliates will, during the Term of this Agreement, grant anyone else the right to be an area representative within the Territory.

C. Rights Reserved. Franchisor and its affiliates retain all rights with respect to Instant Imprints Centers, the System, the Marks, the sale of similar or dissimilar products and services and any other activities Franchisor deems appropriate whenever and wherever Franchisor desires, including (1) the right to own or operate, or license others to own or operate Instant Imprints Centers within and outside of the Territory; (2) the right to grant other area representatives anywhere outside of the Territory; (3) the right to offer any products or services, offers for sale of franchises and development rights through other channels of distribution (including catalogues, the Internet and other outlets) both inside and outside of the Territory, and to establish a wholesale production facility which would be prohibited from competing for commercial or retail/consumer accounts; and (4) the right to operate or grant others the right to operate businesses different than an Instant Imprints Center within and outside of the Territory. Franchisor is not required to pay AR if Franchisor exercises any of the rights specified above.

Franchisor and its affiliates have the right to purchase, be purchased, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "Instant Imprints" operating under the Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which Unit Franchisee acknowledges may be within AR's Territory or near the Territory).

Franchisor and its affiliate may sell themselves, their assets, their Marks or other trademarks or service marks, or its System or any other system to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above transactions, AR expressly and specifically waives any claims, demands or damages arising from or related to the loss of the name, the Marks (or any variation thereof), the System and/or the loss of association with or identification of "Instant Imprints" as an area representative

under this Agreement. If Franchisor assigns its rights in this Agreement, nothing will be deemed to require Franchisor to remain in this business or to offer or sell any products or services to AR.

2. DEVELOPER SCHEDULE.

A. Development Schedule. AR must open not less than the number of Instant Imprints Centers set forth in Schedule B attached hereto at any time prior to the times set forth therein ("Development Schedule"). Except as provided below, all Instant Imprints Centers, whether owned by AR or a 3rd party unit franchisee and regardless of whether these Unit Franchisees were referred to Franchisor by AR, shall be counted in determining whether the Development Schedule is met. The establishment of any Instant Imprints Centers in excess of the minimum number required in any time period shall be credited to the subsequent time period. Any existing Instant Imprints Center operating at the Effective Date of this Agreement as described in Schedule A attached hereto, is not counted toward the number of Instant Imprints Centers required under the Development Schedule.

B. Execution of Franchise Agreements. Each Instant Imprints Center shall operate according to the terms of an individual Franchise Agreement entered into between the Unit Franchisee and Franchisor. The Franchise Agreement shall be Franchisor's then-current form of Franchise Agreement. This Agreement is not a Franchise Agreement or a license to operate Instant Imprints Centers under the System and Marks, and AR shall have no right to use the System or Marks in any manner by virtue of this Agreement, other than as necessary to recruit potential Unit Franchisees and provide training and assistance to Unit Franchisees within the Territory, as contemplated under this Agreement. This Agreement does not give AR any right to license others to operate Instant Imprints Centers under the System.

C. Franchisor's Discretion. AR acknowledges that all Instant Imprints Centers must be developed and operated in accordance with Franchisor's standards. Therefore, AR agrees and recognizes that Franchisor may refuse to execute a Franchise Agreement with a potential Unit Franchisee or with AR, if Franchisor believes, in its reasonable judgment, that the potential Unit Franchisee or AR does not have sufficient financial resources or other ability (including, but not limited to, experience, character, skill, aptitude, attitude, and business acumen sufficient to operate multiple locations) to properly develop and operate the proposed Instant Imprints Center. Franchisor's approval, however, shall not be deemed a warranty of the potential Unit Franchisee's or AR's financial or other ability to develop or operate the proposed Instant Imprints Center. AR acknowledges and agrees that it is in Franchisor's sole discretion whether to grant a franchise or approve a Unit Franchisee or AR to open an Instant Imprint Center within the Territory, however, Franchisor's approval will not unreasonably be withheld. Notwithstanding anything to the contrary in this Agreement, AR shall not have the authority to negotiate a Franchise Agreement with any potential Unit Franchisee, such negotiation being within the sole control or discretion of Franchisor.

D. Reasonableness of Development Schedule. Franchisor and AR hereby acknowledge and agree that the Development Schedule contained herein is a fair and reasonable time frame for the development of Instant Imprints Centers within the Territory and is an accurate reflection of market demand without over saturation of Franchisor's proprietary goods and services offered under the System.

3. FEES

A. Initial Area Fee. Upon execution of this Agreement, AR shall pay Franchisor an Initial Area Fee in the amount listed on the Summary Pages attached hereto, which shall be a number that is equal to $7,500 multiplied by the number of Instant Imprints Centers to be developed as set forth on the Development Schedule and the amount determined by the parties for any existing Instant Imprints Centers in the Territory ("Initial Area Fee"). The amount attributable to the existing Instant Imprints Centers is typically 3 times the annual Royalty Fees generated by the existing Instant Imprints Center(s) in the Territory paid in the previous year. The Initial Area Fee is fully earned by Franchisor when paid and is not refundable for any reason

If Franchisor has offered to finance a portion of the Initial Area Fee, the following shall apply: The amount financed is listed on the Summary Pages attached hereto and will be up to 30% of the Initial Area Fee. The Note will bear interest at 9.5%. Upon execution of this Agreement, AR will pay Franchisor at least 70% of the Initial Area Fee and sign a promissory note in a form which is presented on Schedule C ("Note") for the balance due to Franchisor. The Note will provide that Franchisor can retain 75% of AR's share of franchise establishment fees for each franchise awarded in the Territory and 100% of the Royalties collected from Instant Imprints Centers in the Territory to apply to the monthly payments due under the Note until all amounts due under the Note are paid in full. This Note will provide that AR will pay a minimum of $1,000 per month for monthly principal and interest for the 10-year term until the Note is paid in full (based on a 10 unit territory). If this Agreement is terminated, AR is not obligated to pay the balance of the Note, however AR's rights and benefits under this Agreement will immediately cease. If there is a Transfer under the terms of this Agreement, the balance of the Note, including accrued and unpaid interest, becomes immediately due and payable to Franchisor. The Note will also be secured by AR's rights under this Agreement.

B. National Lead Generation Fee. AR must pay Franchisor a National Lead Generation Fee of $250 per month. This monthly National Lead Generation Fee may be deducted from the amount of Commission (defined below) which Franchisor pays to AR. Franchisor cannot guarantee that National Lead Generation Fees will result in leads for the Territory.

C. Technology Fee. AR must pay Franchisor its then-current monthly Technology Fee (currently, $850). This monthly Technology Fee may be deducted from the amount of Commission which Franchisor pays to AR. Franchisor has the right to increase this fee upon 90 days prior written notice.

D. Referral Fee. AR must pay a $5,000 Referral Fee per Unit Franchisee who signs a Franchise Agreement within the Territory who is referred by another franchisee or area representative. If Franchisor develops the lead for a Unit Franchisee who signs a Franchise Agreement to be located within the Territory, AR will pay Franchisor a Referral Fee of $10,000. Further, in the interests of maintaining harmony among Franchisor's franchise system, if any area representative or unit franchisees are in the dispute, these parties are encouraged to attempt to resolve their dispute through negotiation. However, if the parties are unable to resolve the dispute, each party shall present their position to Franchisor and Franchisor will have the sole and absolute right to resolve it. Franchisor reserves the right to set forth guidelines for the conduct of the proceedings in relation to the resolution of any such disputes. Franchisor's decision shall be binding on the parties with respect to the particular dispute at issue; however, any determination by Franchisor will not be binding on future disputes.

E. Lead Follow-Up Fees. AR is required to pay Franchisor $200 per lead for each lead that AR does not follow-up with and log in the management system within the prescribed time period. This fee applies whether or not the lead becomes a Unit Franchisee. If AR does not follow up on a lead and Franchisor does so, resulting in the lead becoming a Unit Franchisee, Franchisor will deduct 50% of the franchise establishment fee otherwise payable to AR.

F. Area Representative Agreement and IP Protection Fees. If Franchisor incurs costs in enforcing any Unit Franchise Agreement within the Territory, AR must pay its proportionate share of the costs based on the percentage of Royalty Fees AR is otherwise entitled to at that time.

G. Local Lead Generation Requirement. AR is required to spend a minimum of $250 per month on local lead generation activities that Franchisor approves. Although Franchisor is not obligated to do so, Franchisor currently reimburses AR for 50% of amounts spent on pre-approved local lead generation activities in excess of the $250 monthly minimum.

H. Commissions paid to AR. The Franchisor shall deliver payments to the AR by the twentieth (20th) day of each month based upon funds received from Unit Franchisees and deposited in the Franchisor's account by the tenth (10th) of the preceding month ("Commissions"). AR will not be entitled to any payments from franchise sales outside of the Territory that are a result of AR's referral or introduction of a prospective Unit Franchisee to Franchisor. AR will not be entitled to any payments so long as AR or its affiliates are not in compliance with this Agreement or any other agreement it has with the Franchisor or its affiliates. Commissions shall be comprised of the following:

1. Franchise Establishment Fees. The Franchisor shall pay the AR a 40% of the Franchise Establishment Fees it collects from Unit Franchisees in the Territory minus any direct costs in selling franchises including broker's fees; provided, however, that this amount shall be paid only after the Franchisor has received payment in full of the Franchise Establishment Fee, Unit Franchisee has completed training and the Unit Franchisee's Instant Imprints Center opens for business.

2. Royalty Fees. The Franchisor shall pay to the AR 40% of the Royalty Fees collected from Unit Franchisees in the Territory. Payment of the AR's share is conditioned on the Franchisor having received payment in full of the Unit Franchisee's Royalty Fees.

3. Transfer, Training and Renewal Fees. The Franchisor shall pay the AR a percentage of all transfer, renewal and training fees, which it collects from Unit Franchisees in the Territory, in the amount(s) listed in the Summary Pages; provided, however, that this amount shall be paid only after the Franchisor has received payment in full for such fees. Franchisor may change or modify the fees Franchisor charges at any time.

4. Franchisor's Reduction of Fees Owed to the AR. If an Instant Imprints Center in the Territory is not in substantial compliance with its applicable Unit Franchise Agreement and if the AR is not working diligently to bring the Instant Imprints Center into prompt compliance, then the payments to the AR related to that Instant Imprints Center may be suspended by Franchisor. Also, Franchisor can deduct 50% of the ongoing fees that would otherwise be due to AR.

5. Payments After Termination. All payments set forth above shall cease after expiration or termination of the Term of this Agreement, except that AR shall receive all

amounts which have accrued to AR as of the effective date of such expiration or termination. Should Franchisor terminate this Agreement for any reason all payments previously withheld from AR shall be surrendered and become the sole property of Franchisor at the time of such termination.

4. OBLIGATIONS OF AREA REPRESENTATIVE RELATING TO THE UNIT FRANCHISEES

A. Recruiting Unit Franchisees. Franchisor shall have the sole right to formulate and make policy decisions concerning every aspect of sales, promotions, advertising and other programs used in soliciting prospective Unit Franchisees. AR acknowledges that many jurisdictions have enacted laws concerning the advertising, sales, renewal and termination of franchises including, without limitation, laws concerning disclosure requirements. AR shall promptly become aware of and comply with all such local, state and federal laws and legal requirements in force in the Territory and will utilize only the FDD and related documents that Franchisor has approved for use in the applicable jurisdiction. AR will make no financial performance representations, promises, representations or commitments to any prospective franchisee other than as stated in the then current FDD, and will only make offers and presentations pertaining directly or indirectly to the Instant Imprints Center in strict compliance with the laws of the United States, and any other applicable laws and regulations. AR will register with any state franchise regulator prior to soliciting any potential Unit Franchisee in that state if required by applicable law. AR will cause all sales efforts made by it or under its direction to be courteous and dignified, and in a professional, ethical and responsible manner. If AR shall decide to engage a broker to aid in soliciting Unit Franchisees, AR shall be responsible for such broker's conduct and shall ensure such broker complies at all times with the provisions of this Section. The AR should consult with the Franchisor to ensure that there are no pre-existing broker relationships before engaging with a new broker.

AR shall use its best effort to recruit or refer potential Unit Franchisees to Franchisor. In recruiting prospective Unit Franchisees, AR shall use its best efforts to locate persons of good standing, professional competence, experience, reputation, ability and financial responsibility. Franchisor will notify AR and the prospective Unit Franchisee within 15 days of its acceptance or rejection of such application. Franchisor's determination, for which it will have complete discretion, will be conclusive, final and binding. AR shall forward to Franchisor the original of any and all FDD receipts immediately upon its receipt from a prospective Unit Franchisee. AR may retain a copy of such FDD receipts for its reference.

If any franchise or business opportunity trade shows are conducted in the Territory in any year during the Term, the AR shall, at its own expense, exhibit at least one (1) such show per year. Provided the AR is in compliance with this Agreement, Franchisor will pay or reimburse the AR for up to 50% of the exhibition costs for exhibition at one (1) show per year. Franchisor’s payment or reimbursement of 50% of the exhibition costs is conditioned on Franchisor’s advance approval of the show attended and full documentation of the AR’s expenditures. For purposes of this provision, “exhibition costs” means direct costs for exhibition at a show, such as booth rental fees, exhibitor fees, and related charges and taxes thereon, but does not include travel and living expenses, transportation, hotel costs, meals, payment of employee wages or other incidental costs.

B. Follow up with all Leads. The AR must follow the recruiting process prescribed by the Franchisor. If the AR fails to initiate and to continue contact with any prospects which have been generated by the Franchisor or if AR fails to record information regarding those prospects

(as defined in the Manual) within the times and in the manner prescribed by the Franchisor, the AR shall, regardless of whether the prospect becomes a Unit Franchisee, pay the Franchisor the Lead Follow-Up Fees.

C. Train Unit Franchisees. AR is responsible for delivering to any Unit Franchisee the pre and post training curriculums or programs within the required time periods as outlined in the Manual.

D. Provide Ongoing Support. The AR shall cause all Unit Franchisees in the Territory to maintain their Instant Imprints Centers in full compliance with their Franchise Agreements and the Franchisor's policies. The AR shall provide all Instant Imprints Centers in the Territory with the support, supervision and assistance prescribed in the Manuals. The AR acknowledges the terms and conditions of individual Franchise Agreements may change from time to time and that the AR shall provide all of the services and assistance required by the terms of all Franchise Agreements for the fees that are set forth in this Agreement. The AR shall advise Unit Franchisees in the construction of their Instant Imprints Centers according to Franchisor policies, including but not limited to color schemes and design, hiring of contractors, and the purchase of equipment and signs. The AR shall ensure that only equipment which meets the Franchisor's standards for design, construction, appearance and function is installed in Instant Imprints Centers in the Territory.

E. Relations with Unit Franchisees. Following procedures prescribed in the Manual, the AR shall communicate regularly with Unit Franchisees in the Territory, conduct such meetings as the Franchisor shall prescribe, be available by telephone, internet and in person at all reasonable times to address issues raised by Unit Franchisees in the Territory and by the Franchisor and shall implement all new programs developed by the Franchisor. The AR shall advise Unit Franchisees on how to try to improve revenues, respond to operational questions and provide training on new profit centers. The AR shall encourage consolidation of Unit Franchisees' purchasing power in the Territory and on a national basis and encourage and support strategic alliances and vendor partnership programs. However, only programs which have been approved by the Franchisor may be implemented by the AR. The AR shall conduct its business in such a way as to maintain a high degree of satisfaction with the AR by the Unit Franchisees in the Territory. The AR shall maintain at least a seventy-five percent (75%) approval rating from the Unit Franchisees in the Territory.

F. Provide Information for FDD. The AR shall promptly provide the Franchisor with such current biographical and other information about the AR as the Franchisor requests for use in the preparation of the FDD and shall promptly notify the Franchisor of any changes to the information. This information may include, but is not limited to, litigation, dispute resolution proceedings, bankruptcy proceedings and any products or services offered to Unit Franchisees for a fee. AR represents and warrants that all of the information it provides to Franchisor for inclusion in the FDD is and will be correct to the best of AR's knowledge. AR shall confirm that the information about it contained in the FDD is true, correct and not misleading and that AR is not in violation of any applicable state law related to the registration of the FDD. If AR notifies Franchisor of an error in any information, Franchisor will attempt to correct said deficiency within a reasonable period of time. AR shall notify Franchisor in writing within 5 days after a material change has occurred, including but not limited to the commencement of any action, suit, arbitration, proceeding or investigation, or the issuance of any order, writ, injunction, award, or decree, by any court, agency or other governmental organization which names AR or any of its owners or otherwise concerns the operation or financial condition of AR or the AREA Business, including without limitation any bankruptcy or similar proceeding involving AR or any of its owners.

G. Inspections and Quarterly Meetings. The AR shall inspect and perform a business review of each Instant Imprint Center in the Territory at least once per quarter or at such other frequency as the Franchisor shall prescribe in the Manual and shall provide the Franchisor with reports for each Instant Imprint Center, at such times and in such manner and format as the Franchisor shall direct. The AR also shall conduct quarterly meetings with all Unit Franchisees in the Territory. The AR shall maintain for five (5) years and submit to the Franchisor such records and reports as the Franchisor prescribe. The Franchisor's representatives may examine and copy all such records during reasonable business hours.

The AR shall perform operational audits of Unit Franchisees as the Franchisor prescribes, maintain an inspection and franchisee supervision program within the Territory, and make unannounced visits to Instant Imprints Centers to spot check the quality and timeliness of the products and/or services being provided by Unit Franchisees. The AR shall assist the Franchisor in evaluating, facilitating and assisting prospective Unit Franchisees with the transfer of Instant Imprints Centers, the ownership of the Unit Franchisee or the Franchise Agreement.

H. Provide Advertising and Marketing Advice. The AR shall provide advertising and marketing advice, direction and training to Unit Franchisees in accordance with the Franchisor's policies and carry on such promotional advertising in the Territory as the Franchisor shall prescribe, at the AR's expense. At the Franchisor's request, the AR shall coordinate Unit Franchise recruiting, advertising and promotion with neighboring area representatives and share in the cost thereof. AR shall submit to Franchisor for prior approval samples of all sales, promotional, and advertising and other materials, which relate to recruiting new Unit Franchisees. Franchisor will notify AR of its approval of the proposed materials and programs within 20 days after receipt thereof. If Franchisor does not approve such material and programs within such period, such material shall be deemed approved and AR is permitted to use such materials in any manner. Franchisor shall use reasonable efforts to respond within said 20-day period and shall not unreasonably withhold or delay approval.

I. Notify Franchisor of Infringement, Non-compliance, and Litigation Threats. The AR shall monitor the use of the Marks and compliance with the System by Unit Franchisees and others in the Territory and notify the Franchisor if it learns of any suspected infringement of any of the Franchisor's IP and of noncompliance by any Unit Franchisee with the Franchisor's standards, or of any litigation or pending litigation by or against any Unit Franchisee. The AR shall promptly notify the Franchisor if it is unable to resolve any Unit Franchisee's noncompliance with the Franchisor's standards after diligent, good faith effort.

5. GENERAL OBLIGATIONS OF AREA REPRESENTATIVE

A. Comply with Law and Franchisor's Policies. The AR shall operate its business in compliance with all applicable laws, regulations and ordinances, including, without limitation, franchise sales laws and laws and regulations regarding the hiring and firing of AR's employees. The AR shall obtain at its expense and keep in force, all permits, licenses and other consents required to conduct the AREA Business and shall deliver to the Franchisor such evidence of its compliance as may be required in the Manual. The AR shall operate its AREA Business in accordance with the Franchisor's policies, which may be changed by the Franchisor at its sole discretion at any time, and which changes may cause the AR to incur additional expenses. AR shall at all times, at the Franchisor's request, demonstrate that they understand their obligations under applicable franchise laws. AR is not authorized to speak to the public or the media on behalf of Franchisor. AR agrees to follow the requirements of the Manual with regard to communication to the public and the media.

B. Designate a CEO. The AR and its CEO agree to use their full time and best efforts to operate the AREA Business and develop and service the Instant Imprints Centers. The CEO is an individual who is designated by the AR and approved by the Franchisor as the individual who is responsible for operating the AREA Business and causing the AR to comply with this Agreement. He or she may be a general partner, managing partner, managing member, manager or any other member of the AR's Management Team whom the AR designates, and the Franchisor approves. Unless otherwise approved by the Franchisor, the CEO must be a principal of the AR and own at least a ten percent (10%) ownership interest in the AR and devote his or her full time and best efforts to the operation of the AREA Business and AR's Instant Imprints Centers. The CEO must satisfactorily complete the Franchisor's training requirements. Any successor CEO must satisfy all of the Franchisor's then current criteria for CEOs.

C. Office. The AR shall establish, maintain and equip its office and staff with communications, computer and other equipment in accordance with the Manual. Typically, the office will be located in the Pilot Center once it is established. The office for the AREA Business must be located within the Territory. The AR shall provide all phone numbers and email addresses to the Franchisor and Unit Franchisees in the Territory. The AR and its staff shall monitor daily all sources of communication from the Franchisor, Unit Franchisees, prospective Unit Franchisees and customers and shall respond to all communications within twenty-four (24) hours of receipt. Throughout the Term, the AR's CEO agrees to reside in the Territory at least one hundred eighty-eight (188) days each year. The AREA Business is deemed to be open once the CEO satisfactorily completes the initial training.

The AR shall provide the number of qualified and trained staff, including field consultants, as needed for the performance of AR's duties, and shall maintain such facilities in the Territory as the Franchisor prescribes for recruiting, training and supporting Unit Franchisees. The AR should employ at least one (1) full time field representative for every twenty (20) Instant Imprints Centers in the Territory. AR is exclusively responsible for the terms of employment, work hours and compensation relating to its field representatives and other employees and all persons hired by or working for AR shall not, for any purpose, be deemed employees of or subject to the control of the Franchisor. AR agrees that all personnel decisions shall be made by AR without any influence or advice from Franchisor and such decisions and actions shall not be, nor be deemed to be, a decision or action of Franchisor.

D. Attend Field Meetings and Annual Franchise Convention. The AR's Principals and staff designated by the Franchisor shall attend, at AR's expense, up to 2 field meetings organized by the Franchisor per calendar year and the Franchisor's annual convention, and other seminars as required by the Franchisor. The AR's CEO shall also participate in monthly conference calls with the Franchisor and other area representative. The AR shall promote and encourage attendance at such meetings as the Franchisor designates for Unit Franchisees. The AR shall attend all sessions of each meeting designated for area representatives at locations selected by the Franchisor. The AR's CEO shall also participate in all area representative meetings, conference calls and webinar conference calls scheduled by the Franchisor.

E. Pilot Center. In addition, simultaneous with the signing of the Area Agreement, AR must enter into a Unit Franchise Agreement for the Pilot Center. The Pilot Center may be used for training and providing assistances to the Unit Franchisees in the Territory. After the second anniversary of this Agreement, the AR shall no longer be required by this Agreement to own and operate the Pilot Center so long as there is an up to date and certified training center operating in the AR's Territory.

F. No Improper Payments. The AR shall not accept payments from Unit Franchisees and prospective Unit Franchisees unless such payments are made payable directly to the Franchisor and sent to the Franchisor immediately upon receipt. The AR shall not solicit or accept any bribe, kickback, gift, gratuity, commission or other payment in money, property or services, payable to itself or any other person or entity, including a share in the profits, from any existing or prospective Unit Franchisee, landlord, vendor, distributor, supplier, developer, consultant or competitor, or any representative or agent thereof. Nor may the AR sell or lease any product or service to a Unit Franchisee without the Franchisor's consent, which the Franchisor may withhold or condition in its sole discretion.

G. Obtain Insurance. AR shall at all times during the Term maintain in force, at its sole expense, insurance for the Business of the types, in such amounts and with such terms and conditions as Franchisor may from time to time prescribe in the Manual or otherwise. All of the required insurance policies shall name Franchisor and its Affiliates as additional insureds and provide that the Franchisor shall receive 30 days' prior written notice of termination, expiration, cancellation, or modification of any such policy. AR shall each year provide the Franchisor with a certificate or other evidence of such insurance. If AR fails to maintain such insurance, Franchisor may procure such insurance on behalf of AR, and shall be entitled to reimbursement from AR, in addition to any other rights and remedies under this Agreement. However, Franchisor is not obligated to obtain such insurance on behalf of AR. Regardless of the amount of insurance required by Franchisor, it shall be the responsibility of AR to maintain adequate insurance coverage at all times during the Term and after the expiration or termination of the Term of this Agreement. AR should determine if additional insurance is necessary through consultation with its advisors, and AR recognizes that the recommended levels are merely minimum requirements. Failure of AR to maintain coverage shall not relieve it of any contractual responsibility, obligation or liability under this Agreement.

H. **Security Agreement.** As security for all the AR's monetary and other obligations to Franchisor, or its affiliates, the AR hereby grants to Franchisor a first priority security interest in all of the Area Agreement and AR rights as well as all contractual and related rights of the AR under this Agreement and all other agreements the AR may have with third parties. The AR agrees to execute such financing statements, continuation statements, notices of lien, assignments, or other documents as may be required in order to perfect and maintain Franchisor's security interest. The AR shall pay all filing fees and costs for perfecting Franchisor's security interest. The AR acknowledges that this Agreement constitutes a security agreement for the purposes of the attachment, perfection, and enforcement of the foregoing security interest. Upon the occurrence of any default under this Agreement, Franchisor shall have and be entitled to exercise all rights to which a secured party may be entitled under the Uniform Commercial Code of the state where the AREA Business is located.

6. RESTRICTIVE COVENANTS

A. Competing Business During the Term of This Agreement. AR acknowledges the uniqueness of the System and that Franchisor is making its knowledge, know-how, and expertise available to it for the purpose of operating the AREA Business strictly and solely within the Territory. AR agrees that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate any of the knowledge, know-how and expertise received by AR for any reason other than for the operation of the AREA Business under this Agreement. AR further recognizes the importance of devoting substantial time and energy to AREA Business. AR, therefore, warrants that during the Term of this Agreement, unless AR has the prior written consent of Franchisor, AR shall not directly or indirectly, through itself or through corporations,

partnerships, limited liability companies, trusts, associations, joint ventures, unincorporated businesses, or otherwise perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of Franchisor (except for a five percent (5%) or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). A "Competitive Business" means business which either provides any decorated apparel, signage and promotional advertising or any business offering embroidery, screen printing, digital direct garment printing and/or heat transfer products, advertising specialty products, signs and banners, graphic design, digital document printing, uniforms, and team wear, or franchises or licenses others to operate a business providing the foregoing or a division or subsidiary of a business which provides such services (except as the holder of not more than five percent (5%) of the shares in any company whose shares are listed or dealt in any stock exchange or other recognized public market).

B. Non-Competition After Term. For three (3) years after a Transfer, the termination or expiration of the Term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, AR shall not directly or indirectly, through itself or through corporations, partnerships, limited liability companies, trusts, associations, joint ventures, or other entities or otherwise, perform any services for, engage in or acquire, be an employee of or sales representative of have any financial interest in, loan money to, or have any interest based on profits or revenues of any Competitive Business (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction shall cover the territory of other area representatives, the Territory, and a 10 mile radius around all of the Instant Imprints Centers. For purposes of this paragraph, an Instant Imprints Center includes any Instant Imprints Center (or one under construction or subject to an executed Franchise Agreement) which is owned in whole or in part by Franchisor, its affiliates, or a franchisee of Franchisor or any such Instant Imprints Center which operates under the Marks. Further, AR will comply with the provisions of this Agreement relating to Confidential Information during the Term of and after a Transfer or the termination or expiration of the Term of this Agreement for any reason whatsoever.

C. Non-Solicitation. For a period of three (3) years after a Transfer or the expiration or termination of the Term of this Agreement for any reason, whether voluntary or involuntary and whether for cause or without cause, AR will not, directly or indirectly, solicit or accept any business from, and will not directly or indirectly contact any customers or potential franchisees with whom AR or its employees or agents have had direct or indirect contact or about whom AR or its employees or agents have learned Confidential Information (as defined herein) by virtue of the operation of the AREA Business other than customers or potential franchisees that AR has not had contact within the three (3) years preceding the Transfer, expiration or termination of the Term of this Agreement. Furthermore, for a period of three (3) years after a Transfer or the expiration or termination of the Term of this Agreement for any reason, whether voluntary or involuntary and whether for cause or without cause, AR will not, directly or indirectly, solicit or recruit any employee from any Instant Imprint Center, any other area representatives or from Franchisor for any reason or business.

D. Reasonableness of Restrictions. Franchisor intends to restrict the activities of AR under Sections 6 of this Agreement only to the extent necessary for the protection of Franchisor's legitimate business interests. Each of the foregoing covenants shall be construed as severable and independent and shall be interpreted and applied consistent with the requirements of reasonableness and equity. AR acknowledges and agrees that if it were to violate the covenants in Section 6, the unauthorized disclosure of Confidential Information would be

inevitable. In the event a court of competent jurisdiction shall determine the business, time, or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then, the court so holding shall reduce the limitation necessary to render such restriction enforceable by such court. Franchisor shall have the right to reduce the scope of any covenant contained in Section 6, without AR's consent, effective immediately upon receipt by AR of written notice thereof; and AR shall comply with any covenant as so modified. In addition to any other remedies available at law or equity, Franchisor shall have the right to injunctive relief without posting a bond for a violation or threatened violation of the foregoing. The terms of this Section 6 are assignable by Franchisor and shall inure to the benefit of Franchisor, as well as its successors and assigns. In the event of any assignment, sale, merger or change in ownership or structure of Franchisor, the resulting entity shall step into the place of Franchisor, without any additional consent of or notice to the AR, as if the term Franchisor was defined in this Agreement to include such entity.

E. Confidential Information. AR acknowledges that the methods of developing Instant Imprints Center, recruiting Unit Franchisees, and other trade secrets, information, ideas, research, methods, manuals, procedures, systems, improvements and copyrighted materials, etc., including the Manual, owned or developed by or licensed to Franchisor, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, are and shall remain the sole and exclusive property of Franchisor. Such materials and information are provided or revealed to AR in trust and confidence. Any and all information, knowledge and know-how not generally known in the business about the System, the services and products, specifications, standards, methods, procedures, sales and marketing material, systems, techniques, information about the Unit Franchisees, all information relating to the AREA Business, knowledge of and experience in operating and developing an Instant Imprints Center or AR's leads and other information or material which Franchisor may designate as confidential ("Confidential Information") shall be deemed confidential for purposes of this Agreement. Franchisor acknowledges that if the System, the Manual or any of the other Confidential Information would be used by other persons, firms or corporations, it would give them a substantial competitive advantage which is presently enjoyed by Franchisor and its developers and franchisees. AR shall not, during the Term, or after Transfer or expiration or termination of the Term of this Agreement for any reason, communicate or divulge to anyone or use any Confidential Information, nor shall AR disclose, use or divulge in whole or in part any Confidential Information, unless such information is generally known and in the public domain, and except to the extent necessary to operate the Business. All employees of AR will exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all Confidential Information and proprietary rights during and after the Term and sign a Confidentiality and Non-Competition Agreement acceptable to Franchisor.

F. New Concepts. Any ideas, concepts, techniques or materials relating to the AREA Business, the System, the System, the Marks or Instant Imprints Centers, whether or not protectable intellectual property and whether created by or for the AR or its employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property and works made-for-hire for Franchisor. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, by this paragraph AR assigns, and agrees to cause each of its employees to assign, ownership of that item and all related rights to that item, to Franchisor and agrees to sign whatever assignment or other documents Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in such item. In the event that this provision is found to be invalid or unenforceable, AR and its owners grant to Franchisor a worldwide, perpetual, non-exclusive and fully paid license to use and sublicense the

use of such ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials.

7. FRANCHISOR'S OBLIGATIONS

A. Training. The Franchisor shall provide the initial training to the CEO of AR without charge in San Diego, California and virtually. AR is responsible for all costs and expenses incurred by the trainees during training.

B. Sales Materials. The Franchisor may supply the AR with brochures, disclosure documents and related materials at a mutually agreeable and reasonable price, and with access to a page on the Franchisor's website at a reasonable fee.

C. Additional Assistance and Guidance. The Franchisor shall provide the AR, at no charge, access by telephone to one (1) of Franchisor's representatives for consultation with regard to the sale of Unit Franchises and the operation of Instant Imprints Centers. In addition, Franchisor will provide assistance and guidance at a reasonable fee.

D. Manual. Franchisor will loan AR for the duration of this Agreement and any renewal 1 copy of the Operations Manual ("Manual") in the format determined by Franchisor (i.e., in writing, on CD-ROM, via electronic media through a secure website, etc.), and all supplemental bulletins, notices, revisions, modifications or supplemental information, either in document or electronic form, concerning the System are considered part of the Manual. Also included are any passwords or other digital identification necessary to access the Manual on a website or extranet. AR agrees to comply with the mandatory requirements in the Manual and acknowledges that AR's compliance is an essential part of its obligations under this Agreement. AR will at all times be responsible for ensuring that its employees and all other persons under its control comply with the mandatory provisions of the Manual in all respects. The Manual constitutes a confidential trade secret of Franchisor and will remain Franchisor's property. The Manual cannot be photocopied, reproduced, or disseminated without Franchisor's written consent. Franchisor may modify the Manual from time to time in its discretion and AR agrees that from time to time Franchisor may reasonably change the System including but not limited to the computer hardware and software or other equipment. AR expressly agrees to comply with each modification, addition or deletion of the System or Manual at AR's sole cost and expense. AR acknowledges that due to the changing nature of the business, as well as changing attitudes of customers and other factors, changes to the System or the Manual may be necessary and may involve AR's expenditure of substantial sums of money. AR will at all times ensure that its copy of the Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor will be controlling.

Franchisor agrees to impose any of these changes in a reasonable, non-discriminatory manner among other area representatives. However, because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, in Franchisor's sole discretion and as it may deem to be in the best interests of the System in any specific instance, to vary standards for any particular area representative based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of a particular Instant Imprints Center. Franchisor may grant variations from standard specifications and practices as it determines in its discretion and Franchisor will have no obligation to grant AR or any other franchisee like or similar variations and Franchisor's failure to require a change from any particular franchisee will not affect AR's obligations under this Agreement.

E. Maintenance of Disclosure Documents. Franchisor will prepare and keep current the necessary franchise disclosure document ("FDD") relative to the offer and sale of Instant Imprints Centers in the Territory. Franchisor shall also take the necessary steps to file or register the FDD in the Territory if such registration is required in order to solicit Unit Franchisees. Franchisor reserves the right to amend or modify the FDD at any time and from time to time. Franchisor shall provide AR with any changes to Franchisor's FDD and related documents on a timely basis and, upon request, provide AR with confirmation that the information contained in any written materials, agreements, or documents being used by AR is true, correct, and not misleading except for information specifically relating to disclosures regarding AR (which information is AR's responsibility). If AR notifies Franchisor of an error in any information in Franchisor's disclosure documents, Franchisor shall have a reasonable period of time to attempt to correct any deficiencies, misrepresentations or omissions in such information.

8. PROPRIETARY MARKS

A. Ownership of Marks. AR acknowledges that AR has no proprietary interest in the Marks and that AR's right to use the Marks is derived solely from this Agreement and any Franchise Agreement entered into by the parties pursuant hereto, and is limited to the conduct authorized hereunder and pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed by Franchisor. Any unauthorized use of the Marks by AR shall constitute an infringement of the rights of Franchisor in and to the Marks. AR agrees that all usage of the Marks by AR and any goodwill established thereby shall inure to the exclusive benefit of Franchisor and its affiliates and AR acknowledges that this Agreement does not confer any goodwill or other proprietary interests in the Marks upon AR. All provisions of this Agreement applicable to the Marks shall apply to any additional trademarks, service marks and commercial symbols hereafter authorized for use by and licensed to AR pursuant hereto. AR will not represent in any manner that it has any ownership in the Marks or the right to use the Marks except as provided in this Agreement.

B. Use of Marks. AR shall not use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form without Franchisor's consent, nor may AR use any Mark in any other manner not contemplated by this Agreement. AR shall take all necessary action to obtain such fictitious or assumed name registrations as may be required by applicable law.

C. Infringements. AR shall notify Franchisor immediately in writing of any apparent infringement of or challenge to AR's use of any of the Marks or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which AR becomes aware. AR shall not communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge or claim; Franchisor shall have sole discretion to take such action as it deems appropriate and have the right to exclusively control any litigation, proceeding or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. AR agrees to execute any and all instruments and documents, render such assistance to and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interest of Franchisor in any litigation, proceeding or other administrative proceeding relating to such efforts or to otherwise protect and maintain the interests of Franchisor in the Marks. If it becomes advisable at any time, in Franchisor's sole discretion exercised in good faith, for Franchisor and/or AR to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, AR agrees to comply therewith within a reasonable time after notice thereof by Franchisor,

and Franchisor shall have no liability or obligation to reimburse AR for the direct expenses incurred with respect thereto.

D. Use of Marks on the Internet. AR acknowledges that Franchisor or its Affiliates are the lawful, rightful and sole owner of the www.instantimprints.com Internet address (URL) and any other URL it or its affiliates may use in the future, and AR unconditionally disclaims any ownership interest in that or any similar Internet address. AR will not maintain a world wide website, or any other presence, or advertise on the Internet, or any other public computer network, in connection with the AREA Business contemplated in this Agreement without the prior written consent of Franchisor. Further, AR shall not use the Marks (or any marks or names confusingly similar to the Marks, or any abbreviation, acronym or variation of the Marks) as an Internet domain name. Franchisor and its affiliates retain the sole right to advertise on the Internet and create websites using the Marks or any variation of the Marks. Franchisor and its affiliates retain the sole right to determine the content on any website it or they create. Franchisor retains the right to pre-approve AR's use of linking and framing between its web pages and all other websites. AR will, within 5 days after Franchisor's request, dismantle any frames and links between its web pages and any other websites. Franchisor may require AR to prepare, at its cost and using a template Franchisor requires, all or a portion of an interior page or pages on any of Franchisor's or its affiliates' web sites containing information about the AREA Business contemplated by this Agreement. All of the information on these or any other pages of Franchisor's or its affiliates' web sites remain subject to its or their control and approval. Subject to Franchisor's right to consent, AR may be permitted to create a social media account from which to advertise the sale of franchises on the Internet (such as on LinkedIn, Facebook or Twitter). Any such permission shall only be for such time as Franchisor permits and shall be on the terms and condition Franchisor may specify from time to time in the Manual, which may restrict the content that AR is permitted to post to such social media outlet. Franchisor has the right to cease granting AR permission to operate any such social media outlet at any time and to require AR to give Franchisor administrative control and/or log-in information for any social media site AR operates for the promotion of the sale of franchises or otherwise related to the AREA Business. Except as otherwise provided in the Manual or otherwise in writing, AR may not maintain a presence on the Internet related to the business contemplated under this Agreement.

9. TERM; RENEWAL OPTIONS

This Agreement shall become effective on the Effective Date specified on the Summary Pages and it shall expire after 10 years unless sooner terminated in accordance with the provisions of this Agreement.

The AR may enter into a new agreement to continue as AR for an additional ten (10) year term if it: (a) gives the Franchisor written notice of the election to enter into a new Area Agreement between one hundred eighty (180) and two hundred seventy (270) days prior to the expiration of the then-current term; (b) is not in default of any provision of the Agreement and has not defaulted three (3) times in any year during the Term, has in operation at least fifty percent (50%) of the Instant Imprints Centers required by the development schedule and has received a satisfactory rating from at least seventy-five percent (75%) of the Unit Franchisees in the Territory on whatever form of evaluation the Franchisor, in its discretion, elects to use; (c) is in full compliance with all Franchise Agreements which the AR or its Principals have executed; (d) signs the Franchisor's then-current form of AR Agreement, which may contain terms, including financial terms, different from the terms of this Agreement, and which will include a new Development Schedule; and (e) pays the Franchisor the Renewal Fee specified on the Summary Pages when the new Area Agreement is signed.

If AR continues to operate the AREA Business with Franchisor's express or implied consent following the expiration of this Agreement, the continuation will be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while AR continues to operate the AREA Business. This Agreement will then be terminable by either party on 30 days written notice to the other party.

As used herein, "Term" refers to the initial term and all continuations or renewals thereof.

10. DEFAULT AND TERMINATION OF AGREEMENT.

A. Termination by AR. If the AR is in compliance with this Agreement, and the Franchisor materially breaches this Agreement and fails to cure this breach within sixty (60) days after the AR delivers written notice to the Franchisor, then the AR may terminate this Agreement, effective immediately upon the expiration of the sixty (60) days cure period.

B. Breach of Agreement. The AR shall have thirty (30) days after receiving the notice of default to remedy in full any default of any obligation under this Agreement, other than those specifically described in this Section 10. If any such default is not cured within that time, or such longer period as may be required by applicable law, this Agreement, at Franchisor's option, shall terminate without further notice to the AR effective immediately upon the expiration of the thirty (30) day period.

C. Failure to Pay Fees. The AR shall have ten (10) days after receiving the notice of default regarding the payment of fees to remedy such default. If any such default is not cured within that time, or such longer period may be required by applicable law, this Agreement, at Franchisor's option, shall terminate with further notice to the AR effective immediately upon the expiration of the ten (10) day period.

D. Immediate Termination. The AR shall be in default under this Agreement, and all rights of the AR granted herein shall automatically terminate with notice to the AR and without the need to obtain any judicial or administrative resolution, ruling or award, if the AR or its employees, guarantors or owners:

1. Becomes insolvent;

2. Makes a general assignment for the benefit of creditors;

3. Consents to the appointment of a receiver or other custodian of the AREA Business;

4. Becomes subject to a proceeding for an arrangement or compromise with respect to obligations owed to creditors;

5. Files a petition or application seeking bankruptcy relief, (personal or corporate), either reorganization or liquidation, in any court, legal or equitable, or such petition is filed against the AR and not opposed by the AR;

6. Ceases to do business as contemplated under the terms of this Agreement;

7. Is convicted of, or pleads guilty to an indictable offence;

8. Purports to Transfer in violation of Section 12;

9. Discloses, misuses or permits the disclosure or misuse of Confidential Information;

10. Knowingly maintains materially inaccurate books or records;

11. Makes or have made any misrepresentation in any application or any other report or document submitted to the Franchisor;

12. Receives three (3) or more notices of default within twenty-four (24) months, whether or not the defaults are timely cured; or

13. Causes any other Agreement between the AR or an affiliate of AR on hand, and the Franchisor or its affiliate on the other hand to be terminated because of the AR's or its affiliates default thereunder.

14. Fails to attend two (2) consecutive mandatory meetings described in Section 5.D.

E. Development Schedule Defaults. If the AR has failed to meet the Development Schedule, the Franchisor may send the AR a notice of default. Upon receipt of the notice, the AR shall have one hundred eighty (180) days to come into compliance with the Development Schedule. If the AR has failed to develop the Instant Imprints Centers which are required by the Development Schedule to be opened by the date specified in the notice, the Franchisor, in its sole discretion, may pursue any or all of the following remedies:

(i) terminate this Area Agreement; or

(ii) may permit AR to continue to provide the training and services to the existing Instant Imprints Centers in the Territory, but terminate AR's right to develop or recruit others to establish Instant Imprints Centers in the Territory. In such event, AR will no longer have any protection within the Territory except within the Designated Territory of any Instant Imprints Centers AR or its affiliates own and operate. Franchisor will then be permitted to sell within the Territory (excluding any Designated Territories of any Instant Imprints Centers within the Territory) to another area representative or a Unit Franchisee and retain all fees associated with such sale and the operation of the AREA Business or Instant Imprints Centers.

F. Settlement Payment Priority. If, as a result of the Franchisor's enforcement of any Franchise Agreement the Franchisor recovers any fees, damages or settlement from a Unit Franchisee, insurer or some other person or entity on behalf of Unit Franchisee, the Franchisor may first pay itself all costs it has incurred in obtaining the recovery, and then the Franchisor's share of any fees as set out in this Agreement, and, in the Franchisor's discretion, any fees which may be due to a supplier of the Unit Franchisee, and finally the AR. If the recovery or settlement is inadequate to pay all amounts due, the AR shall be the last party to be paid. If the settlement or recovery is of property, including the assets of the Instant Imprints Center, the Franchisor may sell the assets of the Instant Imprints Center to recover amounts which are due to it. If amounts are paid over time, amounts due to the Franchisor shall be paid in full before the AR shall be paid.

11. POST TERMINATION AND EXPIRATION DUTIES

A. All Rights End. Upon the termination or expiration of the Term of this Agreement, all rights granted hereunder to the AR shall terminate, without any liability of the Franchisor to the AR. The AR shall have no right to develop, service or promote Franchises or Instant Imprints Centers in the Territory or to collect fees from the Franchisor on account of amounts which it receives from Unit Franchisees. However, the Franchisor shall pay the AR its share of franchise establishment fees which the Franchisor collects from franchisees who purchased franchises in the AR's Territory before the Termination Date or the Expiration Date which the Franchisor collects within six (6) months thereafter. The AR shall immediately cease operation of the AREA Business and shall not, directly or indirectly, represent to the public that the AR is a present or former area representative of the Franchisor, except as may be required by the applicable law. The AR shall immediately deliver to the Franchisor the Confidential Information together with all copies of it that are in AR's possession or control, all of which are acknowledged to be the Franchisor's property.

B. Discontinue Using the Marks and System. If AR has any Instant Imprints Centers being operated in full compliance with their Unit Franchise Agreements, they may continue to be operated by the AR or by its affiliate(s). Except in connection with any such Instant Imprints Centers, the AR shall immediately and permanently cease to use, in any manner whatsoever, any aspect of the System and all the Marks. The AR shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display the Marks.

C. Deliver all Records. Upon the termination or expiration of the Term of this Agreement, the AR shall immediately deliver to the Franchisor in the form requested by the Franchisor and at the AR's expense, complete records of the AREA Business, including but not limited to:

1. Complete financial records of the AREA Business, prospect lists, copies of all Franchise Agreements and all other agreements with current and former Unit Franchisees, copies of all documents filed with any governmental agency that relate to the operation of the AREA Business, copies of all franchise disclosure documents which are used or have been used by the AR, lists of employees and other AR's representatives;

2. Copies of all correspondence with current and former Unit Franchisees;

3. Minutes of meetings of any franchisee advisory council or association, advertising or purchasing cooperatives or advertising advisory groups; and

4. All other records relating to the AREA Business which the Franchisor may request.

D. Cooperate with Franchisor. Upon the termination or expiration of the Term of this Agreement, the AR shall cooperate fully with the Franchisor and its representatives in providing such oral or written answers to questions relating to the AREA Business as they may request.

E. Do Not Use Similar Trademarks; Transfer Telephone Numbers and Domain Names. Following the termination or expiration of the Term of this Agreement, the AR shall not use any copy, reproduction, counterfeit or colorable imitation of the Marks, or of any portion of the

Marks, in the conduct of promotion of any business. The AR further agrees not to use any designation of origin or description or representation that falsely suggests or represents its association or connection with the Franchisor. At the Franchisor's option, the AR either shall cancel or assign to the Franchisor or to its designee, without charge, all telephone numbers, domain names, URLs, webpages, blogs and directory listings and assumed name or registrations which the AR has used in conducting business.

F. Obligations Continue After Termination or Expiration. All covenants, obligations and agreements of the parties under this Agreement that expressly or by reasonable implication impose obligations to be performed after the termination or expiration of this Agreement, including but not limited to the confidentiality and non-competition and non-solicitation provisions, shall survive the termination or expiration of the Term of this Agreement.

12. TRANSFER AND ASSIGNMENT.

A. Transfer by AR. Except as provided herein, neither the AR nor any of its Principals may make a Transfer without the Franchisor's prior approval. Any attempted Transfer without the Franchisor's approval shall be void. "Transfer" means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift, conveyance, lease or other disposition of an interest in this Agreement, AR or the AREA Business, including: (a) a transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest; (b) a merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests; (c) a transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) a transfer to a personal representative upon the disability of, or transfer upon the death of the CEO; (e) the grant or creation of any lien or encumbrance on any ownership interest or asset; (f) the grant of any option, call, warrant, conversion rights or rights to acquire any equity or voting interest; (g) an assignment of contract rights; or (h) a sale of assets (including the inventory, furniture, fixtures, equipment and other operating assets of the AREA Business, other than in ordinary course of business).

Any consent by Franchisor will not operate as a consent to any future Transfer, and no future Transfer will be valid without Franchisor's prior written consent to that specific Transfer. Any attempted Transfer in violation of this paragraph is voidable at Franchisor's option. Franchisor will not unreasonably withhold its consent to a Transfer, provided that the following conditions are satisfied:

1. Governmental Compliance. The Transfer is conducted in compliance with applicable laws, regulations and licensing requirements;

2. Prior Compliance. AR has performed its obligations and duties under this Agreement and AR is not in default under this Agreement, or any other agreement with Franchisor or its affiliates;

3. Payments. AR has satisfied all of its monetary obligations to Franchisor or its affiliates and suppliers under this Agreement and all other agreements AR has with Franchisor or its affiliates;

4. Release. AR, including all owners, officers and directors (as well as all guarantors under this Agreement) must execute a general release, in the form approved by Franchisor, of any and all claims against Franchisor and its affiliates, and Franchisor's and their respective owners, officers, directors, employees and agents;

5. Requirements of Transferee. The transferee meets the established standards for new franchisees, is of good moral character, and has a good credit rating, sufficient financial resources to operate the AREA Business and competent qualifications. At Franchisor's option, the transferee and its owners and their spouses, as the case may be, must assume all of AR's obligation under this Agreement and any and all ancillary documents, or execute the most current area representative agreement for the state in which the AREA Business is located and any and all ancillary documents including the Personal Guaranty and Assumption of Obligations. Further, transferee must either obtain the rights to own and operate the Pilot Center or there is an up to date and certified training center operating in the AR's Territory.

6. Transfer Fee. Franchisor is paid a "Transfer Fee" of $15,000;

7. Assumption of Liabilities. The transferee agrees to assume all liabilities and obligations from the prior operation of the AREA Business and comply with other reasonable requirements Franchisor may impose;

8. Completion of Training. The transferee or the transferee's CEO, if any, successfully completes the initial training program;

9. Updates to Equipment. The transferee updates the office and the equipment used in the AREA Business to comply with the then-current standards imposed by Franchisor;

10. Continuing Liability. If Franchisor approves a Transfer, Franchisor shall have the discretion to require AR and the guarantors of this Agreement to remain liable for the full and faithful performance of the obligations of the transferee; and

11. Economically Reasonable Terms. Although Franchisor will not be required to determine the value of business upon a Transfer, if, in Franchisor's reasonable judgment, the purchase price or terms of the Transfer are not economically feasible to the transferee, Franchisor can withhold its consent to such Transfer. Franchisor's consent is not, however to be construed as an implication or warranty that the terms of the sale are in fact economically feasible. Franchisor may, in good faith, notify AR and the transferee, stating the reasons for which it has elected to withhold approval of the proposed Transfer.

B. Transfer Upon the AR Death or Disability. AR or its CEO, by will or other written instrument, may appoint a designated heir to continue operation of the AREA Business, upon death. Said designated heir must meet the qualifications and comply with the requirements of Section 12.A. No fee will be charged on a Transfer pursuant to this paragraph. The Transfer to the AR's heirs, personal representatives or conservators, as applicable, in the event of death or legal incapacity of the AR, shall be permitted so long as the heirs, personal representatives or conservators, as applicable, meet Franchisor's standards for new area representatives; execute the then-current form of Area Agreement; and, that a manager has, or within sixty (60) days, shall have satisfactorily completed Franchisor's initial training program.

C. Transfer by the Franchisor. Franchisor is free to assign all of its rights and obligations under this Agreement, and upon such assignment it will be relieved of all liability under this Agreement, and all rights and obligations will accrue to Franchisor's successor or assignee.

13. DISPUTE RESOLUTION

A. Meeting. Realizing that in business relationships there is always a possibility of differences of opinion or other disagreements and that what is most important is to resolve any disputes amicably, quickly, inexpensively and professionally and to return to business as soon as possible, it is with that same spirit of cooperation that AR and the parties and their representatives pledge to resolve differences and to use the procedures specified in this Agreement, believing that these procedures will reduce instances of possible disputes and make the resolution of any disputes which do arise less expensive, quicker, less subject to public notoriety and achievable in a less formal and antagonistic means than litigation, as well as to increase the opportunities for AR and Franchisor to maintain a mutually beneficial business relationship.

Except as stated in Section 13, any controversy or claim arising out of or relating to this Agreement, the business franchised hereunder or the relationship between the parties, including any claim that this Agreement, or any part thereof, is invalid, illegal, or otherwise void, shall be first discussed in a face-to-face meeting between AR and Franchisor. This meeting will be held at Franchisor's then-current headquarters, or at such other location as Franchisor, in its sole discretion, determines and within thirty (30) days after either AR or Franchisor gives written notice to the other proposing such a meeting. If the party who did not request the meeting fails to attend the meeting, or if the parties fail to schedule such a meeting within thirty (30) days of receipt of the Notice, or if a meeting does not resolve all outstanding grievances of the parties, either party may pursue mediation and litigation, subject to the terms set out below.

B. Formal Mediation. Before any party may bring an action in court for any controversy, dispute or claim between Franchisor and AR arising from this Agreement or the franchise relationship set forth in this Agreement, the parties must first have a conference with each other to try to resolve the dispute. If this fails to bring about a resolution, the dispute will first be submitted to non-binding mediation (the "Mediation") in Wilmington, Delaware unless the parties mutually agree to another location. The Mediation shall be conducted in accordance with then-current AAA mediation rules (the "AAA Mediation Rules") except to the extent the AAA Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. Notwithstanding the foregoing, the mediation does not have to be conducted under the AAA. Franchisor and AR will select the mediator. If the parties cannot agree on the selection of a mediator, the mediation shall be conducted through the AAA who will make the selection of mediator using their rules and guidelines. The cost of the Mediation, including the mediator's fee and expenses, shall be split equally between the AR and Franchisor. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. If the parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, Franchisor and AR agree that the dispute will be resolved according to the Sections below. Failure to submit the dispute to Mediation prior to commencing any litigation or arbitration proceeding shall be grounds for dismissal of the litigation or arbitration proceedings.

Notwithstanding the foregoing, the obligation of this Section to mediate will not be binding with respect to claims brought by Franchisor and relating to Franchisor's trademarks, service marks, patents, or copyrights, including the Proprietary Marks; claims relating to any lease or

sublease of any real property between the parties or their affiliated entities; or requests by Franchisor for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties.

C. Dispute Resolution Fee. If AR or its guarantors have not complied with the provisions in this Section on Dispute Resolution and Section 15.R below, AR shall reimburse Franchisor for all of its expenses incurred in curing the AR's breach of these sections only (including, without limitation, Franchisor's attorneys' fees and costs related to dismissing and responding to any improperly filed claim) and pay the Franchisor a Dispute Resolution Fee of $50,000 ("Dispute Resolution Fee"). If AR follows the provisions in Section 13 and Section 15.R, AR will not pay the Dispute Resolution Fee. AR acknowledges and agrees that Franchisor will be damaged by such breach. AR agrees that a precise calculation of the full extent of the damages that Franchisor will incur from the breach of Section 13 and Section 15.R of this Agreement are difficult to determine and all parties desire certainty in this matter and agree that the Dispute Resolution Fee provided herein is reasonable and constitute liquidated damages and not a penalty. Franchisor has the right to collect these amounts in addition to exercising any and all other rights Franchisor may have for non-compliance under this Agreement.

14. RELATIONSHIP OF PARTIES

A. Independent Contractor; Relationship of the Parties. The AR is, and shall be, an independent contractor and not an employee, agent or partner of the Franchisor. Nothing contained herein shall constitute an agency, a partnership between or joint venture by the parties or constitute either party the agent of the other. Under no circumstances shall the Franchisor be liable for any act (including specifically, but not by way of limitation, any violation by the AR of any applicable Franchise sales or disclosure laws), or any omission, debt, or other obligation of the AR. The Franchisor has no fiduciary duty to the AR. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party from any liability of any nature whatsoever. AR will conspicuously identify itself at the premises of the AREA Business and in all dealings with the public as an independently owned business.

B. Indemnification. AR agrees to hold harmless, indemnify and defend Franchisor and its affiliates and Franchisor's respective members, shareholders, officers, directors, employees and agents and successors or assigns (collectively "Indemnitees") from and against all losses, damages, fines, costs, expense, lost profits, loss, damages, or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation, proceeding or inquiry, or any settlement thereof which arises or is based upon acts, errors or omissions incurred in connection with or arising out of AR or its employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns ("Indemnitors") pursuant to or in connection with the operation of the AREA Business, regardless of whether the Indemnities were negligent or that said negligence was a contributing factor in the liability.

15. MISCELLANEOUS

A. Non-Waiver. No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by AR with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver

of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by AR shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance or omission of Franchisor to exercise any power or rights arising out of any breach or default by AR of any of the terms, provisions or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by AR of any terms, covenants or conditions of this Agreement.

B. **Notices**. Any and all notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system; (c) one business days after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) three 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 its most current principal business address of which the notifying party has been notified in writing. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the address set forth on the Summary Pages attached hereto.

C. **Cost of Enforcement or Defense**. If Franchisor is required to enforce or defend this Agreement or any portion thereof in a judicial or arbitration proceeding, it shall be entitled to reimbursement of its costs, including reasonable accounting, legal fees, expert witness fees and other expenses in connection with such proceeding.

D. **Approvals**. Whenever this Agreement requires the prior approval or consent of Franchisor, AR shall make a timely written request to Franchisor therefore and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing and signed by Franchisor. Franchisor makes no warranties or guarantees upon which AR may rely and assumes no liability or obligation to AR or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to AR in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore.

E. **Entire Agreement**. This Agreement, any exhibit attached hereto and the documents referred to herein, shall be construed together and constitute the entire, full and complete agreement between Franchisor and AR concerning the subject matter hereof, and shall supersede all prior agreements. No other representation has induced AR to execute this Agreement and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise; provided that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the franchise disclosure document furnished to AR in connection with Franchisor's offer to grant a franchise to operate the AREA Business.

F. **Severability**. Should any provision of this Agreement be construed or declared invalid, such decision shall not affect the validity of any remaining portion which shall remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated. If any restriction contained in this Agreement is deemed too broad to be capable of enforcement, a court of competent jurisdiction is hereby authorized to modify or limit such restriction to the

extent necessary to permit its enforcement. All covenants contained in this Agreement relating to non-competition, shall be interpreted and applied consistent with the requirements of reasonableness and equity.

G. Construction. The language of this Agreement will be construed according to its fair meaning and not strictly against either party. All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

. Force Majeure. Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay. This clause shall not apply nor result in an extension of the Term of this Agreement.

I. Timing. Time is of the essence of this Agreement. It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.

J. Representative Capacity. In all of their dealings with AR, the officers, directors, employees and agents of Franchisor act only in their representative capacity for Franchisor, and not in any individual capacity or on behalf of Franchisor or any of Franchisor's affiliates or agents.

K. Gender. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of the Agreement or any section, paragraph, or clause herein may require, as if such words had been fully and properly written in the appropriate number and gender.

L. Effect. This Agreement shall be binding upon and inure to the benefit of the parties, their legal representatives, heirs, administrators, executors, their permitted successors and assigns.

M. Joint and Several Liability. If two or more persons are the AR under this Agreement, their obligations and liabilities to Franchisor shall be joint and several.

N. Payment of Fees. Franchisor has the sole discretion to apply any payments by AR to any past due indebtedness of AR for any and all fees, expenses, purchases from Franchisor or its Affiliates, interest or any other indebtedness. Neither Franchisor nor any of its Affiliates are required to accept payments after same are due or extend credit or otherwise finance AR's operation of the franchise.

O. Day-to-Day Control. AR has the sole right and responsibility for the manner and means by which the day-to-day operation of the AREA Business is determined and conducted and for achieving its business objectives. Subject to any approval, inspection and enforcement rights reserved to Franchisor, AR's rights and responsibilities includes the employment, supervision, setting the conditions of employment and discharge for its employees at the AREA Business, daily maintenance, safety concerns, and the achievement of conformity with the System, notwithstanding anything contained herein or in the Manual to the contrary. Franchisor

expressly disclaims any responsibility or undertaking to ensure AR's compliance with the satisfactory and legal operation of the AREA Business and Franchisor shall not in any way be liable to AR or any third parties for AR's failure to comply with any of the terms of this Agreement or AR's failure to comply with any standards or suggestions of Franchisor, it being the understanding of the parties that the AR and the AR alone is responsible for the day-to-day operations of the AREA Business.

P. Receipt of Disclosure Document. AR acknowledges receipt of Franchisor's franchise disclosure document along with this Agreement, at least fourteen (14) days before execution hereof or any payment to Franchisor. If any unilateral modifications have been made to this Agreement by Franchisor, AR acknowledges that it had at least seven (7) days to review them.

Q. Choice of Law. This Agreement and the rights of the parties will not take effect unless and until this Agreement is accepted and signed by Franchisor. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement is governed by Delaware law (without reference to its conflict of laws principles). Notwithstanding anything contained in this Agreement or the foregoing to the contrary, if any valid applicable law or regulation of a governmental authority having jurisdiction over this Agreement limits Franchisor's rights of rescission or termination, requires longer notice periods than set forth herein, or limit the effectiveness of the non-competition covenants set forth herein, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon rescission, termination, and non-competition required by such laws or regulations. If a state regulator requires an amendment to this Agreement, the amendment is attached hereto in a State Law Addendum. Franchisor shall not, however, be precluded from contesting the validity, enforceability, or applicability or such laws or regulations in any action relating to this Agreement or to its rescission or termination.

R. Jurisdiction and Venue. Regardless of the physical location of AR, it is understood and agreed by AR that any action sought to be brought by either party, shall be brought in the appropriate United States District Court in Wilmington, Delaware unless jurisdiction cannot be obtained. In such event, the action will be brought in the appropriate state court in Wilmington, Delaware. The parties do hereby waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The exclusive choice of jurisdiction and venue does not preclude the bringing of any action by the parties or the enforcement by the parties of any judgment obtained in any such jurisdiction, in any other appropriate jurisdiction, or restricts the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction.

S. Cumulative Rights and Remedies. In addition to any other remedies in law or in equity to which it may be entitled, Franchisor shall be entitled without bond to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement, in the event AR actually or anticipatorily breaches this Agreement. If Franchisor incurs any attorney's fees or other expenses in seeking enforcement or in defense of this Agreement, AR shall be required to reimburse Franchisor for its reasonable costs and expenses (including, but not limited to attorney's fees) thereby incurred. No right or remedy conferred upon Franchisor is intended to be exclusive, and every such right or remedy shall be cumulative and in addition to any other rights or remedies available under this Agreement, or otherwise. For purposes of this Agreement, a termination shall include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer.

T. Non-liability of Affiliates. Franchisor is the only party obligated to AR under this Agreement. AR may not look to II Transatlantic, Inc., IICA, Inc. or any other Affiliate of Franchisor, or related companies, other business entities or individuals for performance of this Agreement.

16. WARRANTIES AND REPRESENTATIONS

A. AR and its guarantors have been advised to make an independent investigation of Franchisor's operations. Franchisor has not and does not represent that AR can expect to attain a specific level of sales, profits, or earnings. AR and its guarantors have been advised to obtain independent professional and legal advice regarding this franchise. AR and its guarantors understand that it may sustain losses as a result of the operation or the closing of the business. AR and its guarantors understand that the business venture contemplated by this Agreement involves a high degree of financial risk and depends to a large degree on AR's skills, abilities, initiative, and hard work.

B. AR and its guarantors represent and warrant that the execution, delivery and performance of this Agreement by AR and the Personal Guaranty and Assumption of Obligations by the guarantors do not and will not violate, conflict with or result in the breach of any term, condition or provision of any contract or agreement, or require the consent of any other person or entity.

C. Under applicable U.S. Law, including without limitation executive order 1224, signed on September 23, 2001 (the "Order"), AR is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in acts of terrorism as defined in the Order. Accordingly, AR does not and hereafter will not engage in any terrorist activity. In addition, AR is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity. AR is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

17. CAVEAT

A. THE SUCCESS OF THE BUSINESS IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON THE ABILITY OF AREA REPRESENTATIVE AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS. FRANCHISOR DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE BUSINESS AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATIONS OR WARRANTIES. AREA REPRESENTATIVE FURTHER ACKNOWLEDGES THAT IT HAS READ AND COMPLETED THE QUESTIONNAIRE, A COPY OF WHICH IS SET FORTH AS EXHIBIT VII OF THIS AGREEMENT.

B. AREA REPRESENTATIVE UNDERSTANDS AND AGREES THAT FRANCHISOR HAS NO OBLIGATION TO ACCEPT AREA REPRESENTATIVE'S APPLICATION AND MAY REFUSE TO GRANT A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR ITS DECISION. AREA REPRESENTATIVE ACKNOWLEDGES THAT UNLESS AND UNTIL FRANCHISOR SIGNS THIS AREA REPRESENTATIVE AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, AREA REPRSENTATIVE IS NOT AN AREA REPRESENTATIVE OF FRANCHISOR AND MAY NOT RELY UPON BECOMING AN AREA REPRESENTATIVE OF FRANCHISOR.

18. LIMITATION OF LEGAL ACTIONS

A. IN NO EVENT WILL FRANCHISOR BE LIABLE TO AREA REPRESENTATIVE FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH AREA REPRESENTATIVE.

B. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

C. ANY DISAGREEMENT BETWEEN AREA REPRESENTATIVE AND FRANCHISOR (AND ITS AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND AREA REPRESENTATIVE WAIVES ANY RIGHT TO PROCEED AGAINST FRANCHISOR (AND ITS AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

D. AREA REPRESENTATIVE WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH AREA REPRESENTATIVE, UNLESS A JUDICIAL PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH AREA REPRESENTATIVE KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

E. FRANCHISOR'S MAXIMUM AGGREGATE LIABILITY AND THE MAXIMUM AGGREGATE LIABILITY OF ANY OF FRANCHISOR'S OFFICERS, OWNERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES, AFFILIATES, PARENTS OR SUBSIDIARIES RELATED TO ANY AND ALL CLAIMS RELATING TO OR ARISING FROM THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP SET FORTH IN THIS AGREEMENT SHALL BE COLLECTIVELY LIMITED TO THE AMOUNT AR PAID TO FRANCHISOR WITHIN THE PRIOR 12 MONTHS IMMEDIATELY BEFORE WRITTEN NOTICE OF ANY PROPER CLAIM IS RECEIVED BY FRANCHISOR.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

The parties hereby sign and deliver this Agreement as of the date set forth above.

NO FRILL FRANCHISING, INC.

By:_____
_____, _____

Area Representative: _____

By:_____
_____, _____

PERSONAL GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Area Representative Agreement (the "Agreement"), by No Frill Franchising, Inc. (the "Franchisor") in favor of _____ ("AR"), each of the undersigned ("Guarantors") hereby personally and unconditionally guarantees to the Franchisor, its Affiliates (as defined herein), and their successors and assigns for the Term of the Agreement and thereafter as provided in the Agreement, that AR shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement. The Guarantors agree to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including but not limited to the restrictive covenants and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Marks and Transfers to the same extent as and for the same period of time as AR is required to comply with and abide by such covenants and provisions. The Guarantors further hereby personally and unconditionally guarantee all debts and obligations AR incurs to the Franchisor, its successors, assigns, affiliated entities, parent corporation, and subsidiaries ("Affiliates") and its franchisees, as the case may be, as a result of any obligations under the Agreement and as a result of purchases of products or services from Franchisor, its Affiliates and its franchisees. Each of the undersigned waives:

(1) acceptance and notice of acceptance by the Franchisor, its Affiliates or its franchisees of the foregoing undertakings;

(2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

(3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

(4) any right he may have to require that an action be brought against AR or any other person as a condition of liability;

(5) all rights to payments and claims for reimbursement or subrogation which any of the Guarantors may have against the AR arising as a result of the Guarantors' execution of and performance under this guaranty; and

(6) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this guaranty shall be joint and several;

(2) he or she shall render any payment or performance required under the Agreement upon demand if the AR fails or refuses punctually to do so;

(3) such liability shall not be contingent upon or conditioned upon pursuit by Franchisor, its Affiliates or its franchisees of any remedies against the AR or any other person; and

(4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or the indulgence which the Franchisor, its Affiliates or its franchisees may from time to time grant to the AR or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the Term of the Agreement.

If the Franchisor, any of its Affiliates or any of its franchisees are required to enforce this Guarantee in any judicial proceeding or appeal thereof, the Guarantors shall reimburse the Franchisor, such Affiliates and such franchisees for their costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty. Further, undersigned Guarantors also hereby consents to the applicability of the governing law, venue and jurisdiction provision in the Franchise Agreement to this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed their signatures on the same day and year as the Agreement was executed.

Print Name:_____
Signature:_____
Date: _____

Address:_____
_____
_____

Print Name:_____
Signature:_____
Date: _____

Address:_____
_____
_____

Print Name: _____
Signature:_____
Date: _____

Address:_____
_____

SCHEDULE A
INSTANT IMPRINTS CENTERS IN TERRITORY ON EFFECTIVE DATE

	Center #	Address
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

SCHEDULE B
DEVELOPMENT SCHEDULE

Cumulative Number of Centers to be Operating (Including Existing Centers)	Date Required By (# of years from execution of the Agreement	Cumulative Number of Centers to be Opening (Including Existing Centers)	Date Required By
1	1 year	6	6 years
2	2 years	7	7 years
3	3 years	8	8 years
4	4 years	9	9 years
5	5 years	10	10 years

SCHEDULE C
PROMISSORY NOTE

$ _____ Date: _____, 20__

The undersigned Area Representative ("AR"), for value received, jointly and severally promise to pay to the order of No Frill Franchising, Inc., a Delaware corporation ("Franchisor"), at 7310 Miramar Road, San Diego, CA 92126 or at such other place as the holder of this Promissory Note ("Note") may designate in writing, the principal sum of:

$_____ plus interest at 9.5%, said principal and interest to be paid in monthly payments consisting of: (i) of the greater of $1,000 or AR's share of the monthly Royalties collected from the Instant Imprints Centers within the Territory; and (ii) 75% of AR's share of the Franchise Establishment Fee collected from Instant Imprints Units in the Territory. The first monthly payment is due by the 5th day of the month following the month the AREA Business is opened for business and shall continue on the 5th day of each month until the Note is paid in full.

The entire unpaid principal balance and all accrued but unpaid interest under this Note will be immediately due and payable upon the earlier of: (1) 10 years from the date of this Note; or (2) a "Transfer" under the Area Representation Agreement (as defined below) occurs. If the Area Representative Agreement is terminated, AR is not obligated to pay the balance of the Note, however AR's rights and benefits under the Area Representative Agreement will immediately cease. "Area Representative Agreement" is the Area Representative Agreement entered into between Franchisor and AR, dated _____, 20_____ (also referred to as "Agreement").

Franchisor may assign this Note without notice to AR.

AR may prepay this Note in whole at any time for a 10% discount off the balance owing at any time. Each such prepayment will be applied first against accrued interest and the balance, if any, to the reduction of principal. Franchisor's failure or delay to exercise any right or remedies hereunder or afforded by applicable law will not operate as a waiver thereof. Such failure or delay will not be construed as a bar to or waiver of such right or remedy on a future occasion.

AR agrees to pay all costs of collecting or enforcing payment or performance under this Note, together with reasonable attorneys' fees and legal expenses at any time paid or incurred by the holder hereof, whether suit be brought or not.

AR waives presentment, protest and demand, delinquency, notice of protest, demand and dishonor, and any other notice otherwise required to be given by law in connection with the delivery, acceptance, performance, default, enforcement or collection of this Note, and expressly agrees that this Note, or any payment hereunder, may periodically be extended or subordinated, without affecting the liability of AR.

Any default by AR under the Agreement after the date of this Note will constitute a default under this Note. Any default under this Note will constitute a default under the Agreement. If any default by AR occurs under this Note, or any default by AR occurs under the Agreement and such default is not cured under the terms thereof, if any, the entire principal balance under this Note will immediately become due and payable at Franchisor's option. Upon any acceleration of the principal balance under this Note due to a default under the Note or the Agreement, interest will accrue on all unpaid amounts from the date of acceleration at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until the entire principal balance and all accrued but unpaid interest is paid.

This Note may not be amended or modified, and no waiver of any provision hereof will be effective, except by an instrument in writing signed by the party against whom enforcement of any amendment, modification, or waiver is sought. If AR consists of two or more individuals, the liability of each individual will be joint and several. The Franchisor's rights shall be subordinated to any rights of the Small Business Administration.

This Note is governed by the laws of the State of California.

AR has caused this Note to be made and executed as of the date first above written.

AREA REPRESENTATIVE:

By:_____
Its:_____

PERSONAL GUARANTY

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby individually and unconditionally, jointly and severally guarantees to No Frill Franchising, Inc. and its successors and assigns, the timely payment by _____ AR of all amounts which become due and payable pursuant to the above Promissory Note. This Personal Guaranty may not be modified or terminated except in a writing executed by the AR and Franchisor.

Print Name	**Witness**
Signature	**Signature**

Exhibit B

State Specific Addenda

STATE LAW ADDENDUM - CALIFORNIA

"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 FRANCHISE DISCLOSURE DOCUMENT."

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. the franchise disclosure document ("FDD") and the Area Representative Agreement ("ARA") for No Frill Franchising, Inc. for use in the State of California shall be amended as follows:

Item 3 of the FDD is supplemented to include the following:

> Neither we nor any person identified in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

Item 5 of the FDD and Section 3.A of the ARA is amended to include the following:

The California Department of Financial Protection & Innovation has imposed financial assurances based on our financial condition. For this reason, the "initial franchise fees" are to be deferred. The "initial franchise fees" include any payments you make to us and our Affiliates for goods and services before your ARA Business is opened. The initial franchise fees will be deferred until all of our initial obligations to you have been fulfilled and you have opened your ARA Business for business pursuant to the ARA.

Other provisions:

> California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the ARA contains a provision that is inconsistent with the California Business & Professions Code Sections 20000 through 20043, the California Business & Professions Code Sections 20000 through 20043 controls.
>
> The ARA provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).
>
> The ARA contains a covenant not to compete which extends beyond the termination, expiration or transfer of the franchise. This provision may not be enforceable under California law.
>
> Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code 20040.5, Code of Civil Procedure Section 1281, and Federal Arbitration Act) to any provisions of the ARA restricting venue to a forum outside the State of California.
>
> The ARA requires application of the law of the State of Delaware. This provision may not be enforceable under California law.

Waiver of jury trial and the restriction on the statute of limitations may not be enforceable under California law.

You must sign a release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

OUR WEBSITE IS www.instantimprints.com. 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.DPFI.CA.GOV.

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

The financial performance representation figures does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenues or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees or former franchisees, listed in the FDD, may be one source of this information.

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

Other Provisions Unaffected: All other terms and provisions contained in the ARA and Franchise Disclosure Document shall remain in full force and effect, except to the extent specifically modified herein.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT 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 franchises, 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 agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be 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.

In lieu of an impound of franchise fees, the FRANCHISOR will not require or accept the payment of any initial franchise fee until the franchisee has (a) received all initial training that it is entitled to under the area representative agreement or disclosure document, and (b) the ARA Business is open for business. The deferral will be applied proportionally based on the portion of the Initial Area Fee attributable to each unit franchise the Area Representative develops upon the opening of that unit franchise.

Revision to the Release included in the Franchise Disclosure Act: The Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____
FRANCHISOR

_____
FRANCHISEE

Exhibit C

Financial Statements

Unaudited financials

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

None

Exhibit D

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Exhibit E

List of State Agents/Administrators for Service of Process

NOTE: SOME STATES REQUIRE THAT THE FRANCHISE BE REGISTERED WITH A STATE AGENCY. WE DO NOT OFFER OR SELL FRANCHISES IN ANY OF THOSE STATES UNLESS WE ARE REGISTERED, AND THE LISTING OF A STATE BELOW DOES NOT MEAN THAT WE ARE SO REGISTERED.

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner (Agent) North Dakota Securities Department	600 East Boulevard Avenue State Capitol, 14th Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	**150 Israel Road SW** **Tumwater, WA 98501** 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

Exhibit F

List of Area Representatives

As December 31, 2023

Florida

Mike Ciaramitaro (Miami area)	24380 S. Tamiami Trail, Unit 1300, Bonita Springs, FL 34134 (586-532-0732)
Mike Ciaramitaro (Central Florida area)	24380 S. Tamiami Trail, Unit 1300, Bonita Springs, FL 34134 (586-532-0732)
Scott Bock (Jacksonville-Panhandle)	3150 Highlands Pkwy, Smyrna, GA, 30082 (515-306-1514)

Georgia

Scott Bock* **Left the system in January 2024*	3150 Highlands Pkwy, Smyrna, GA, 30082 (515-306-1514)

Idaho

Eric Merritt	2661 Lacewood Drive, Meridian, ID 83646 (303-877-9493)

Nevada

Bryan Burlison	1931 Lousetown Rd, Vc Highlands, NV (775-548-6754)

North Carolina

Chuck & Wilson Sawyer (Eastern N.C Area)	2008 Blackwood Dr., Raleigh, NC, 27612 (919- 876-8070)
Jason Otte (Charlotte Area)	794 Beachwood Cove Dr., Tega Cay, SC (704995-8201)

Pennsylvania

Matt Tilden	900 Commonwealth Dr., Suite 200, Cranberry Township, PA (724-776-0360)

South Carolina

David Boyle	8590 Pelham Rd., #11, Greensville, SC 29615 (864) 561-7494

Texas

Okwuchi Kekeh/David Chementi	2403 Bay Area Boulevard, Houston, TX 77058 (842- 348-0733)

LEFT THE SYSTEM

(The list of franchisees which have been terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the Application Date.) If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None.

Company Owned or Affiliate Owned:

We repurchased Colorado Area Representative's business:
7610 Miramar Rd Ste 102, San Diego, CA 92126
(858)642-4848

We repurchased Washington Area Representative's business:
7610 Miramar Rd Ste 102, San Diego, CA 92126
(858)642-4848

Ralph Askar, our President, is the controlling owner of an Area Representative in Orange County

7610 Miramar Rd Ste 102, San Diego, CA 92126
(858)642-4848

Ralph Askar, our President, is the owner of the Area Representative for San Diego County

7610 Miramar Rd Ste 102, San Diego, CA 92126
(858)642-4848

Exhibit G:

Release

THIS GENERAL RELEASE (the "General Release") is made by the undersigned (hereinafter "Releasor(s)") for the benefit of No Frill Franchising, Inc. (hereinafter, "Franchisor"), on this ____ day of _____, 20____.

RECITALS:

WHEREAS, Releasor is a No Frill Franchising, Inc. franchisee and operates an Area Representative Business (the "Franchised Business") pursuant to that certain area representative agreement dated _____(the "Area Agreement");

WHEREAS, Releasor desires to renew its franchise with Franchisor or desires Franchisor's consent to _____ in connection with the Area Agreement; and

WHEREAS, certain states require certain changes be made to this General Release specific to such state.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Releasor hereby agrees, covenants and promises as follows:

1. Releasor, on behalf of itself and each of the persons and entities described in Section 2 hereof, hereby absolutely and forever releases, remises and discharges Franchisor and each of the persons and entities described in Section 3 hereof, from any and all claims, demands, damages, liabilities, costs (including, but not limited to reasonable attorneys' fees, accounting fees or experts' fees, and the costs of litigation, arbitration or other proceedings), expenses, liens, losses, charges, audits, investigations, injunctions, orders, rulings, subpoenas, controversies, obligations, debts, loans, interest, dues, accounts, awards, reckonings, bonds, bills, covenants, promises, undertakings, variances, trespasses, judgments, executions, sums of money owed, arbitrations, suits, decisions, proceedings, verdicts entered, issued, made or rendered and causes of action of every kind and nature whatsoever, whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Area Agreement, any related agreements or the franchisor-franchisee relationship between Releasor and Franchisor. Notwithstanding the foregoing, if this General Release is entered into in conjunction with the renewal, assignment or transfer of the Area Agreement, the foregoing release shall not apply to any liability under applicable state law.

2. Releasor hereby understands and agrees that this General Release shall extend to and be binding upon any and all of Releasor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters. If more than one party shall execute this General Release, the term "Releasor" shall mean and refer to each of the parties executing this General Release, and all such parties shall be bound by its terms, jointly and severally.

3. Releasor hereby understands and agrees that this General Release shall extend to and inure to the benefit of Franchisor and any and all of Franchisor's past, present and future officers,

directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters.

4. Releasor hereby understands and agrees that this General Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made by Franchisor with respect to this General Release, other than those expressly set forth herein, and that in executing this General Release, Releasor is not relying upon any representations, warranties, agreements or covenants not expressly set forth in this General Release.

5. This General Release may not be changed except in a writing signed by the person(s) against whose interest such change shall operate. This General Release and all acts and transaction under it shall in all respects be interpreted, enforced and governed by the internal laws of the state in which Franchisor's principal place of business is located without regard to principles of conflicts of law

6. If any provision of this General Release is found or declared invalid or unenforceable by any arbitrator, court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof and this General Release shall thereafter continue in full force and effect except that such invalid or unenforceable provision, and (if necessary) other provisions hereof, shall be reformed by such arbitrator, court or other competent authority so as to effect insofar as is practicable, the intention of the parties set forth in this General Release, provided that if such arbitrator, court or other competent authority is unable or unwilling to effect such reformation, the invalid or unenforceable provision shall be deemed deleted to the same extent as if it had never existed.

7. Releasor hereby certifies that Releasor has read all of this General Release and fully understands all of the same, and that Releasor has executed this General Release only after having received full legal advice and disclosure as to Releasor's rights from legal counsel of Releasor's choice.

IN WITNESS WHEREOF, each Releasor party hereto has executed this General Release effective as the day and year first above written.

RELEASOR:

By:_____
Name:_____
Title:_____

State Effective Dates

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

This 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	Pending
Washington	Pending

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 H

Receipt

This disclosure document summarizes certain provisions of the area representative agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If No Frill Franchising, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, No Frill Franchising, Inc. or its affiliate along with the proposed franchise sale. Iowa and New York require that No Frill Franchising, Inc. gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that No Frill Franchising, Inc. give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If No Frill Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit E.

The name of the franchise seller for this offering is _____, with a principal business address and telephone number of 7310 Miramar Road, Suite 102, San Diego, CA 92126, (858) 642-4848

Issuance date: April 19, 2024

I have received a disclosure document dated April 19, 2024, that included the following Exhibits:

Exhibit A:	Area Representative Agreement
Exhibit B:	State Specific Addenda
Exhibit C:	Financial Statements
Exhibit D:	Manual Table of Contents
Exhibit E:	List of State Agents/Administrators for Service of Process
Exhibit F:	List of Area Representatives
Exhibit G:	Release
Exhibit H:	Receipts

Date: _____

_____
Prospective Franchisee Signature

_____
Print Name

(KEEP THIS COPY FOR YOUR RECORDS)

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If No Frill Franchising, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, No Frill Franchising, Inc. or its affiliate along with the proposed franchise sale. Iowa and New York require that No Frill Franchising, Inc. gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that No Frill Franchising, Inc. give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If No Frill Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit E.

The name of the franchise seller for this offering is _____, with a principal business address and telephone number of 7310 Miramar Road, Suite 102, San Diego, CA 92126, (858) 642-4848. The contact information for any other franchise sellers involved in the sale of the franchise will be provided to you on a separate page.

Issuance date: April 19, 2024

I have received a disclosure document dated April 19, 2024, that included the following Exhibits:

Exhibit A:	Area Representative Agreement
Exhibit B:	State Specific Addenda
Exhibit C:	Financial Statements
Exhibit D:	Manual Table of Contents
Exhibit E:	List of State Agents/Administrators for Service of Process
Exhibit F:	List of Area Representatives
Exhibit G:	Release
Exhibit H:	Receipts

Date: _____

_____
Prospective Franchisee Signature

_____
Print Name

(RETURN TO US)