Instant Imprints
Unit Franchise
Disclosure Document

Franchise Disclosure Document
No Frill Franchising, Inc.
a Delaware Corporation
7310 Miramar Road, Suite 102
San Diego, CA 92126
(858) 642-4848
franchise@InstantImprints.com
www.instantimprints.com

We offer franchises for a business that provides visual communications services, including custom T-shirts, embroidery apparel, signage, print services and promotional products under the name "Instant Imprints" and our System. The total investment necessary to begin operation of an Instant Imprints Brand Center ranges from $187,903 to $364,862. This includes $115,553, to $236,262 which must be paid to the franchisor or its affiliates. The total investment necessary to begin operations of an Instant Imprints Growth Center ranges from $159,349 to $279,095. This includes $103,999 to $171,495 which must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of an Instant Imprints Brand Studio ranges from $77,857 to $131,635. This includes $51,357 to $86,035 which must be paid to the franchisor or its affiliates.

If you sign a Development Agreement for 3 Centers, then you must pay a development fee of $79,900. If you sign a Development Agreement for 6 Centers, then you must pay a development fee of $149,900. If you sign a Development Agreement for 10 Centers, then you must pay a development fee of $200,000.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make 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. Do not 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.

Issuance Date: June 29, 2026

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 G.
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 D 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 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 franchisee?	Item 20 or Exhibit G 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 F.

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 and development agreement require 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. **Spousal Guaranty**. 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 you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

4. **Financial Statements**. The auditor's report on the franchisor's financial statements expresses substantial doubt about the franchisor's ability to remain in business. This means that the franchisor may not have the financial resources to provide services or support to you.

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.

NOTICE REQUIRED
BY
STATE OF MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Corporate Oversight Division, Franchise Section, 525 W. Ottawa Street, G. Mennen Williams Building, 5th Floor, Lansing, Michigan 48933, telephone (517) 335-7622.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISE

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Exhibits

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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 (collectively "legal entity") and their owners, officers and directors and their respective spouses who buys the franchise 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 franchises in June 2011. We have not previously offered franchises in any other line of business. We also are 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 F.

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 Center (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 L6k 3S2. 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 Center franchises offered under this disclosure document. In March 2000 it was incorporated as Instant Imprints, Inc. as 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 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 franchisees

DESCRIPTION OF OUR BUSINESS

Center Franchises

We grant franchises for the right to own and operate a business specializing in providing visual communications services, including custom T-shirts, embroidery apparel, signage, print services and promotional products under the name Marks and our System (a "Instant Imprint Center") under the terms of our standard Instant Imprints Franchise Agreement (a copy is attached in Exhibit B). You will service consumer and business customers by providing them with customized and decorated apparel (embroidered, screen printed, digitally printed, direct garment, or heat

transfer products) digital wide format signs/banners, digital document services and advertising/promotional merchandise. This will include specific items such as custom 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. The Instant Imprints Center you will own and operate is referred to as a "Center". You will operate the Center under the Marks. "Marks" mean means 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 the business contemplated by the Franchise Agreement. Marks currently include "Instant Imprints Your Image People" and "Instant Imprints". You will also operate the Center according to our System. "System" 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.

There are 3 types of Instant Imprints Centers:

The "Brand Studio" or "Studio" is typically 500 – 750 square feet and is a sales and presentation showroom to showcase your products, but has very limited production capabilities, most products and services are outsourced**.** Brand Studios are available as a single stand-alone franchise that does not require a production center are only available in select markets. Existing owners acquiring multiple units or new franchisees acquiring 3 or more units under a Development Agreement can be opened in any market.

The "Growth Center" is a store approximately 900 – 1,200 square feet that features limited production capabilities. It can sell all of the same products as any other Instant Imprints Center, but it has a more limited in-house production capability due to a smaller equipment package.

The "Brand Center" features a full complement of production capabilities. It is typically 1,400 – 2,500 square feet and can be located in more of an industrial or commercial setting to do things like vehicle graphics and other projects not conducive to a retail style environment.

The term "Instants Imprint Center" includes any size or type of Instant Imprints Centers.

Your primary customer base will be small to mid-market businesses, along with larger corporations, educational institutions, non-profit organizations, and various other types of organizations. We define this market segment primarily as businesses with 50 – 500 employees. Your competitors include independent embroidery and screen-printing businesses, vinyl banner/sign shops, online websites, and certain catalog uniform and ad specialty companies and instant printing facilities operated by individual businesses and national and franchised locations. Sales are not seasonal.

Multi-Unit Development Agreement

We also offer qualified applicants a Development Agreement for multiple Instant Imprints Centers (the "Development Agreement" in Exhibit C**)** which authorizes you to develop, own and operate 3, 6, or 10 franchises in the territory designated in your Development Agreement ("Development Area") within a particular time frame.

We recommend your Centers operate under a "hub and spoke" model. In theory, someone can have only Brand Studios, however, having a production center has advantages, including but not limited to, faster turnaround times, more control over finished product quality, and the ability to better handle bespoke projects from clients.

- Under a 3-Center Development Agreement, we recommend you open 2 Brand Studios and 1 Brand Center within the Development Area.
- Under a 6-Center Development Agreement, we recommend you open 5 Brand Studios and 1 Brand Center within the Development Area.
- Under a 10-Center Development Agreement, we recommend you open 8 Brand Studios and 2 Brand Centers within the Development Area.

Under a 10-Center Development Agreement, you should have 1 Brand Center and 4 Studios for every 5 Centers opened withing the Development Area.

You or your controlled affiliates must own and operate each Center you develop, and each Center will be operated under its own Franchise Agreement. If you agree to sign a Development Agreement, then the Franchise Agreement you sign for each Center will be our then-current form of franchise agreement at the time you sign. This franchise agreement may contain different than the original Franchise Agreement. You must sign Franchise Agreements for the Brand Studios immediately after signing the Development Agreement with a timeline to open the first Center within 6-8 months. You will then sign Franchise Agreements and open the additional Center(s) within 36-60 months of signing the Development Agreement.

If you refer a prospective franchisee for a new Center (not as part of a resale) to us, and your referral actually purchases a new Instant Imprints Center, our current policy is to "thank you" for the referral and provide you with a referral fee and/or other rewards. We may end or change this policy and impose rules and conditions whenever we choose. Persons who receive financial incentives to refer franchise prospects to us may be required to register as franchise brokers under the laws of some states. Franchisees who receive financial incentives to refer franchise prospects to us may be required to register as franchise brokers under the laws of Washington State.

Area Representative Program

We offer and sell an Area Representative Program, whereby Area Representatives recruit franchisees to develop and operate Instant Imprints Centers within a specific geographic area select markets. Area Representatives also provide training, ongoing supervision and guidance to franchisees in exchange for a portion of the fees paid by the franchisees. Area Representatives do not sign any agreements with the prospective franchisee. Our Area Representatives do not have management responsibility relating to the sale or operation of the franchise.

Industry Regulations

The regulations vary from state to state and locality to locality for businesses that provide the types of services your Center will provide. Some states and/or municipalities may regulate embroidery, screen-printing and the retail sale of apparel. There also may be local, state, and federal laws applicable to your Instant Imprints business. We encourage you to make further inquiries and review these laws with your legal counsel. You must comply with any state and local regulations pertaining to licensing of your Center. You must comply with all employment laws, rules and regulations, including the Equal Opportunity Employment Act, with respect to interviewing and hiring employees. 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 Center. It is likely that you will be required by city and/or state law to obtain a license to operate the Center.

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, 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 President and 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.

Jim Blackburn – Chief Technology Officer

Mr. Blackburn has been Executive Vice President of Franchise Support since January 2015 and now is the Chief Technology Officer. 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 Partner 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.

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.

Steve Efroymson – General Counsel

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.

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.

Michael Ciaramitaro – Area Representative

Mr. Ciaramitaro has been an Instant Imprints Area Representative for the state of Florida since August 2018, and is located in in Naples, Florida. Mr. Ciaramitaro has also been President of a Mr. Rooter franchise in Milano Macomb, Michigan since April 1990.

Eric Merritt – Area Representative

Mr. Merritt has been an Instant Imprints Area Representative for the states of Idaho and Washington since August 2018, and is located in Boise, Idaho.

Matt Tilden – Area Representative

Mr. Tilden has owned an Instant Imprints franchise in Cranberry Township, Pennsylvania since April 2017, and has been an Instant Imprints Area Representative for the state of Pennsylvania since May 2022, and is located in Cranberry Township, Pennsylvania.

ITEM 3
LITIGATION

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, 2023. 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.

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

The Franchise Establishment Fee is $39,950 for a Brand Center and a Growth Center and is due and payable when you enter into our Franchise Agreement ("Franchise Establishment Fee"). The Franchise Establishment Fee is $24,950 for a Brand Studio is due and payable when you enter into the Franchise Agreement.

If you already own an existing printing business and want to convert (a "Conversion Franchisee"), the amount of the Franchise Establishment Fee is based on the level of annual revenue your existing business generated in the calendar year prior to signing the Franchise Agreement.

Annual Revenue	Franchise Establishment Fee for Conversion Franchisee
$200,000 and $399,999	$21,250
$400,000 and greater	$10,000

We offer a Veteran/First Responder Grant Program that provides special financial incentives to veterans of the U.S. Armed Forces and first responders—*i.e.* police, firefighters, and emergency medical technicians (an EMT)—that meet the program qualifications and are not Conversion Franchisees. If you qualify under the program, you receive a $10,000 discount off the Franchise Establishment Fee which then will be $29,950 for Brand and Growth centers, and $14,950 for Studio centers.

You will pay us a $10,000 Opening Launch Program Deposit that we will spend to promote the launch of your Center. If your Center is a transfer of an Instant Imprints Center or for a Studio, the Opening Launch Program Deposit is only $5,000

You must purchase or lease an Equipment Package from us if you are establishing a Center. The Equipment Package includes the fixtures, furniture and the manufacturing equipment, computer hardware and software, inventory, supplies, signage and shipping and handling and taxes. The costs will depend on what type of Center you are planning on opening and operating. Typically, franchisees finance the Equipment Package over 5 years. If you are establishing a Studio, the financing is based on a 36-month lease instead of 60 months. The range in the chart below includes the deposit and 3 months of payments:

Type of Center	Finance Equipment Package	Purchase Equipment Package
Brand Center	$43,803 - $55,702	$137,516 - $164,512
Growth Center	$32,249 - $37,299	$99,745
Brand Studio	$12,907 - $14,507	$45,785

If you are opening a Brand Center or Growth Center, you must pay us a training fee of $10,000 for the initial training and on-site assistance we will provide ("Training Fee"). The Training Fee is only paid for your first Center. The training fee for a Brand Studio is $6,000. The Training Fee is due 2 weeks before the scheduled training.

You will pay us a Design, Buildout Coordination and Management Fee of $10,000 for a Brand Center and a Growth Center or $2,500 for a Brand Studio. For this fee, we will assist in the design of the premises, coordination of the timing of the delivery and installation of the items in the Equipment Package.

You are required to pay us $1,800 as a prepayment to cover the cost of having our preferred supplier of bookkeeping services provide the bookkeeping services to you for the first 6 months of operations. After the initial 6 months, you are allowed to continue the program or use a different supplier.

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

Development Agreement

You will pay us a Development Fee, which will be based on the number of units that you agree to open under your Development Agreement.

The Development Fee for a 3-Center Development Agreement (which we recommend includes 1 Brand Center and 2 Studios) equals $79,000.

The Development Fee for a 6-Center Development Agreement (which we recommend includes 1 Brand Centers and 5 Studios) equals $149,900.

The Development Fee for a 10 Center Development Agreement (which we recommend includes 2 brand Centers and 8 studios is $200,000.

Under the Development Agreement you will open and operate each Center pursuant to the individual Franchise Agreements for each Center. Once you sign each Franchise Agreement, that portion of the Development Fee will represent payment in full of the Franchise Establishment Fee required under that Franchise Agreement. The Development Fee is fully earned when paid and not refundable under any circumstances

ITEM 6
OTHER FEES

Type Of Fee	Amount	Due Date	Remarks
Royalty (Note 1)	6% of annual Sales Subject to Royalty ("SSTR") from 0-$1,000,000 4% for SSTR between $1,000,001-$2,000,000, and 2% for SSTR over $2,000,001	Payable monthly by the 5th day of the month	Via electronic funds transfer or other methods approved by us
Brand Fee (Note 2)	2% of annual SSTR up to $1M; $0 on annual SSTR exceeding $1M	Payable monthly by the 5th day of the month	Via electronic funds transfer or by other methods approved by us
Local/Regional Advertising Contribution	Minimum of 3% of annual SSTR is recommended	Recommended monthly expense (not collected by us)	If we establish an advertising cooperative in your region, you may have to contribute to the cooperative. The affiliate-owned outlets, if within the coop, will have a vote
Renewal Fee	25% of the Initial Franchise Fee paid at signing.	Upon renewal	If you renew your Franchise Agreement
Transfer Fee Franchise Agreement	$15,000 plus the Training Fee and a $5,000 Opening Launch Program Deposit	Upon transfer (paid by the buyer)	If you are planning on transferring ownership in you the assets of your Center or the Franchise Agreement or Development Agreement

Type Of Fee	Amount	Due Date	Remarks
Transfer Marketing Fee	The greater of $12,000 or 9% of the sale price of the Center	Upon closing of the transfer of the Center	Payable to us we generate the lead that results in the sale of your Center to a new franchisee.
Assignment Fee	$1,000	Upon closing of the assignment of the ownership of the Center	Payable upon transfers of ownership interest in you among family members or other existing owners
Audit	$1250 + travel expenses plus interest on underpayment	Payable at the time of audit	Payable only if an audit shows an understatement of at least 3% of the SSTR
Additional Training and Assistance	Fee and all expenses. Currently, the fee is $500 per day. We may increase this fee, but it will not exceed $1,000 per day.	Upon request or as we require	This is for additional training we may provide from time to time and is variable depending on what additional training or assistance is required
Technology Fee	Our costs and expenses, currently $525 per month for Brand and Growth Centers. $475 a month for Studios.	Payable monthly to us by the 5th day of the month	This fee includes our costs and expenses for the point-of-sale software, email, extranet, website, reputation/review management, and promotional product data base services, and they are a direct pass through of costs incurred.
Reconnection Fee	$494	Upon demand	If you fail to pay the Technology Fee, then we may disconnect your access to the system, and require you to pay a reconnection fee in order to regain access (in addition to our other rights and remedies).
Late Fees and Interest	$100 and the lesser of Prime +5% or the maximum interest rate allowed by law per annum	On demand	Late fees and Interest will accrue from the day after the date the fees were due. Late fees are charged for failing to report SSTR, or financial reports on time.
Costs and Attorney's Fees *	Actual Costs	Upon demand	You'll reimburse us for accounting, attorneys', arbitrators' and related fees incurred by us if we are forced to seek enforcement or defense
Taxes (Note 3)	Actual Costs	Upon demand	Payable if certain taxes are levied or assessed on the fees you pay to us or our affiliates
Missed Convention Fee	$2,000	Upon Demand	Payable for failing to attend the franchise convention
Indemnification*	Will vary under circumstances	As incurred	You must reimburse us if there are 3rd party claims against us resulting from the operation of your Agency.
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 Franchise Agreement or the Development Agreement

Unless otherwise noted, all fees are uniformly imposed and are payable to us and are non-refundable.
*These fees are required under the Development Agreement and the Franchise Agreement.

Note 1: "Sales Subject to Royalties" or "SSTR" means the entire amount of actual sales, whether for cash, credit or otherwise, of all sales of products and services at or in connection with the franchised business and all other receipts from all business conducted at or originating from the Center premises, including proceeds from any business interruption insurance. If your Center

produces products for another Instant Imprints Center, the revenue from such products is not included in your SSTR. The revenue collected from the Instant Imprints Center that sells the product to the customer is included in that Instant Imprints Center's SSTR. In addition, the SSTR does not include any sums collected by you on behalf of and paid to a governmental taxing authority for taxes imposed upon the sale of goods or services from the Center. Sales Subject to Royalties does not include uncollectible accounts (bad debts) or approved customer refunds.

If you are a Conversion Center, the Royalty Fee for the first year of the Franchise Agreement is 3% to a max of $500,000 in SSTR. In the second year, the Royalty Fee is 4.5% of the SSTR to a maximum of $750,000 in SSTR, and in the third year and thereafter the Royalty Fee is 6%.

The Royalty Fee is a monthly percentage of SSTR. The percentage used to calculate these fees varies based on the level of total SSTR that have been achieved by your Center during the then-current calendar year. For purposes of determining the percentage used based on the level of total SSTR that have been achieved during the then-current calendar year, you are permitted to aggregate the SSTRs from up to 3 Centers that you and/or your affiliate(s) own.

For calculating the Royalty, you are permitted to aggregate the SSTR of Centers that you own and operate in groups of 3 to calculate the Royalty and Brand Fee that you must pay for those Centers. For example, if you have 3 Centers and their combined SSTR is $1,500,000, then you would pay standard 6% Royalty and 2% Brand Fee on the first $1,000,000 of SSTR. From $1,000,001 to $1,500,000 you are entitled to pay a Royalty equal to 4% on SSTR, and a Brand Fee equal to 0% for those 3 Centers.

Note 2: The Brand Fee is a monthly percentage of SSTR. The percentage used to calculate these fees varies based on the level of total SSTR that have been achieved by your Center during the then-current calendar year. The fee amount phases out to $0 once the Center achieves annual SSTR of $1 million during the applicable calendar year. The Brand Fee is for the development of the brand. For purposes of determining whether you must pay a Brand Fee, you are permitted to aggregate the SSTRs from up to 3 Centers that you and/or your affiliate(s) own.

Note 3: You must pay us the amount of any state or local sales, use, gross receipts, or similar tax that the State or local government authority imposes on fees which you pay to us under the Franchise Agreement, without offset or deduction of any kind. Your obligation to reimburse us for these taxes does not extend to income-type taxes which a State or local government imposes on our income.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(Brand Center)

Type Of Expenditure	Low Amount[1]	High Amount[1]	Method Of Payment	When Due	To Whom Payment Is To Be Made
Franchise Establishment Fee[1]	$39,950	$39,950	Lump Sum	When you sign Franchise Agreement	Us
Training Fee	$10,000	$10,000	Lump Sum	2 weeks before scheduled training	Us

Type Of Expenditure	Low Amount[1]	High Amount[1]	Method Of Payment	When Due	To Whom Payment Is To Be Made
Travel and Living expenses while attending training	$0	$5,000	Lump Sum	During training	Restaurants, Hotel, Airlines, Entertainment, etc.
Equipment Package[2]	$43,803	$164,512	Lump Sum	Before Opening	Us
Design, Buildout Coordination and Management Fee	$10,000	$10,000	Lump Sum	Before Opening	Us
Bookkeeping and Accounting Fee	$1,800	$1,800	Lump Sum	When you sign the Franchise Agreement	Us
Leasehold Improvements[3]	$25,000	$50,000	As incurred	As incurred, before opening	Landlord / Contractor
Opening Launch Program Deposit	$10,000	$10,000	Lump Sum	Before Opening	Us
Rent[4]	$7,500	$12,000	As incurred	As incurred (monthly)	Landlord
Security Deposit / Utility Deposits / Licenses	$2,000	$5,000	Lump Sum	As incurred	Suppliers/Utilities
Business Insurance[5]	$350	$600	As incurred	As incurred	Suppliers
Miscellaneous Supplies	$1,500	$2,500	As incurred	As needed	Employees, Suppliers and other third-party vendors
Professional Fees	$1,000	$3,500	As Incurred	Before Opening	Attorneys and Accountants
Additional Funds [initial period – 3 months][6]	$35,000	$50,000	As incurred	As needed	Employees, Suppliers and other third party vendors
Total [7]	**$187,903**	**$364,862**			

(Growth Center)

Type Of Expenditure	Low Amount[1]	High Amount[1]	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise Establishment Fee[1]	$39,950	$39,950	Lump Sum	When you sign Franchise Agreement	Us
Training Fee	$10,000	$10,000	Lump Sum	2 weeks before scheduled training	Us
Travel and Living expenses while attending training	$0	$5,000	Lump Sum	During training	Restaurants, Hotel, Airlines, Entertainment, etc.
Equipment Package[2]	$32,249	$99,745	Lump Sum	Before Opening	Us
Design, Buildout Coordination and Management Fee	$10,000	$10,000	Lump Sum	Before Opening	Us
Bookkeeping and Accounting Fee	$1,800	$1,800	Lump Sum	When you sign the Franchise Agreement	Us
Leasehold Improvements[3]	$20,000	$40,000	As incurred	As incurred, before opening	Landlord / Contractor
Opening Launch Program	$10,000	$10,000	Lump Sum	Before Opening	Us
Rent[4]	$6,000	$12,000	As incurred	As incurred (monthly)	Landlord

Type Of Expenditure	Low Amount[1]	High Amount[1]	Method of Payment	When Due	To Whom Payment Is To Be Made
Security Deposit / Utility Deposits / Licenses	$1,500	$4,000	Lump Sum	As incurred	Suppliers/ Utilities
Business Insurance[5]	$350	$600	As incurred	As incurred	Suppliers
Miscellaneous Supplies	$1,500	$2,500	As incurred	As needed	Employees, Suppliers and other third-party vendors
Professional Fees	$1,000	$3,500	As Incurred	Before Opening	Attorneys and Accountants
Additional Funds [initial period – 3 months][6]	$25,000	$40,000	As incurred	As needed	Employees, Suppliers and other third party vendors
Total [7]	**$159,349**	**$279,095**			

(Brand Studio)

Type Of Expenditure	Low Amount[1]	High Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Franchise Establishment Fee[1]	$24,950	$24,950	Lump Sum	When you sign Franchise Agreement	Us
Training Fee	$6,000	$6,000	Lump sum	2 weeks before scheduled training	Us
Equipment Package[2]	$12,907	$45,785	Lump Sum	Before Opening	Us
Buildout Coordination and Management Fee	$2,500	$2,500	Lump Sum	Before Opening	Us
Bookkeeping and Accounting Service	$0	$1,800	Lump sum	When you sign Franchise Agreement	Us
Leasehold Improvements[3]	$5,000	$10,000	As incurred	As incurred, before opening	Landlord / Contractor
Opening Launch Program	$5,000	$5,000	Lump Sum	Before Opening	Us
Rent[4]	$3,000	$4,500	As incurred	As incurred (monthly)	Landlord
Security Deposit / Utility Deposits / Licenses	$1,500	$1,500	Lump Sum	As incurred	Suppliers/Utilities
Business Insurance[5]	$500	$600	As incurred	As incurred	Suppliers
Miscellaneous Supplies	$500	$500	As incurred	As needed	Employees, Suppliers and other third-party vendors
Professional Fees	$1,000	$3,500	As Incurred	Before Opening	Attorneys and Accountants
Additional Funds [initial period – 3 months][6]	$15,000	$25,000	As incurred	As needed	Employees, Suppliers and other third party vendors
Total [7]	**$77,857**	**$131,635**			

Except where noted otherwise, all amounts that you pay to us are nonrefundable. Third-party lessors and suppliers will decide if payments to them are refundable. If you are a Conversion Franchisee, your initial investment expenses may be different based on the leasehold improvements, build out of the premises and the equipment you already possess. If you are

signing a Development Agreement you will also owe a Development Fee equal to: $79,900 for 3 centers, $149,900 for 6 Centers, $200,000 for 10 Centers, the Development Fee is in lieu of the Franchise Establishment Fees for all units.

[1] The Franchise Establishment Fee is discussed in detail in Item 5 of this Disclosure Document. The standard Franchise Establishment fee is $39,950 for a Brand Center and a Growth Center and $24,950 for a Studio; however, there are a variety of reduced establishment fees available under certain circumstances.

[2] The Equipment Package includes fixtures, furniture and the manufacturing equipment, including computer hardware and software you will need to operate the Center as well as inventory, supplies and signage. This range also includes shipping and handling for the Equipment Package, the cost of which will vary depending on your Center location. We have also included an estimate of state and local sales taxes that may apply. Typically, franchisees who will open Brand Centers or Growth Centers will elect to finance the Equipment Package over a 5 year period. Franchisees who will open Brand Studios will elect to finance the Equipment Package over 36 months. The lower range assumes that you will lease/finance the cost of the Equipment Package. This lower amount represents the deposit or down payment and 3 months of payments. The higher range assumes that you will purchase the equipment outright. The costs for the Equipment Packages for a Brand Center is $148,971 – $164,500, for a Growth Center is $99,586, and for a Brand Studio is $45,255.

[3] When a site has been selected, we will provide you with layout, drawings and design of a typical Instant Imprints Center. The cost of construction, improvements or building varies widely by the size of the space, the existing improvements and local construction rates. Until a specific site is located and evaluated a reliable estimate of costs cannot be reliably projected. Sometimes you may receive a construction allowance from the landlord and if so, the costs may be reduced accordingly.

[4] Typically you will need to lease space from a landlord. These costs will vary greatly depending on the metropolitan area where the Center will be located and is dependent on factors such as size, condition, zoning and location of the leased premises. Based on our experience, rent will typically range from $2,000 to $5,000 per month or approximately $1.80 to $4.60 per square foot for retail space, Industrial space is often cheaper, and is a lower cost per square foot but is often larger, and does not come with the same kinds of inducements or walk in traffic opportunities The typical Growth Center has approximately 800 to 1,000 square feet, the typical Brand Center has 1400 to 1600 square feet, and the typical Studio has approximately 500 to 700 square feet good ingress and egress and road visibility. If a Brand Center is in an industrial setting, the square footage can be 2000 to 3000. Typical Centers are in a service based strip plaza or a street level location. Some locations are in industrial parks but require visibility and Studios can be located in office buildings or possibly some non-traditional locations given the smaller footprint.

[5] The amount listed in this table reflects our estimate of basic insurance for your first 3 months of operation. Your expenses will vary depending on your exact requirements as dictated by your landlord and/or local insurance rates.

[6] This item estimates your expenses during the initial period of operation of the Center (other than the items identified separately in this table). These expenses include estimated payroll costs, benefits, the cost to have your utilities, additional inventory requirements, supplies, etc., but do not include an estimate for the cost to purchase the property where your Center will operate, fee

from Item 6 or an owners' draw or salary. These figures were based on the experience of our franchisee since 2002. Expenses may differ in other parts of the country.

[7] Costs and expenses can vary depending on factors like local real estate values, cost of labor and supplies. Except as described above, none of the fees listed in this Item are refundable. Your financial condition and arrangements negotiated by and the business decisions made by you will also affect these costs. There can therefore be no assurance that the experience of a particular franchisee 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 must improve and equip the premises from which you operate the Center in accordance with our then current accepted design specifications and standards. In addition to meeting our design specifications and standards, you must ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state, or local laws. You also must use equipment (which includes hardware and software for the computer system), signage, fixtures, furnishings, 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 Marks and Center 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 the Equipment Package. After you receive the initial Equipment Package, we do not require you to purchase your on-going supplies for the operation of your franchise through us. However, you must purchase products or supplies from our other approved suppliers. We may periodically reject certain suppliers that are not on our list of approved vendors for quality or other reasons. In an effort to provide you with additional benefits, we do interview, select, and negotiate prices, special shipping, and other terms with suppliers. We locate our preferred suppliers through personal contact, previous business dealings, franchisee referral and attendance at industry trade shows as well as other various means. We provide you with a list of the names, addresses and phone numbers of local and national vendors which we approve for your use when you open your Center. 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, 2025, we and our affiliates did not receive any revenues based on purchases from our franchisees. The cost of goods and services purchased in accordance with our specifications will represent approximately 78% of your total purchases in establishing your Center and approximately 40% of your total purchases during operation of the Center.

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. Some key vendors may independently contribute to our Marketing Fund or sponsor our annual conference. Currently, we receive a vendor rebate up to 1% of systemwide purchases of certain products, and we reserve the right to collect additional or higher rebates in the future. In the fiscal year ended December 31, 2025, we received rebates from vendors totaling approximately $10,421.27, of which $6,000.00 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 agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and other items of this Disclosure Document.

	Obligation	Section In Franchise Agreement (FA) or Development Agreement (DA)	Item In Disclosure Document
a.	Site selection and acquisition/equipment	Section 4.B (FA); Section I (DA)	Items 7, 11 and 12
b.	Pre-opening purchases/leases	Section 4.B (FA)	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Section 3 (FA); Section I (DA)	Items 5, 7 and 11
d.	Initial and ongoing training	Section 6 (FA)	Items 7 and 11
e.	Opening	Section 5.A (FA);	Item 11
f.	Fees	Section 7 (FA); Section IV (DA)	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Section 4.E(FA)	Items 8 and 11
h.	Trademarks and proprietary information	Section 11 (FA)	Items 13 and 14
i.	Restrictions on products/services offered	Section 5.D (FA)	Item 16
j.	Warranty and customer service requirements	Section 5.D (FA)	Item 11
k.	Territorial development and sales quotas	Section 1 (FA); Section I (DA)	Item 12

	Obligation	Section In Franchise Agreement (FA) or Development Agreement (DA)	Item In Disclosure Document
l.	Ongoing product/service purchases	Section 5.M (FA)	Item 8
m.	Maintenance, appearance and remodeling requirements	Section 5.L (FA)	Item 11
n.	Insurance	Section 10 (FA)	Item 6
o.	Marketing/Advertising	Section 9 (FA)	Item 11
p.	Indemnification	Section 16(Y) (FA); Section IX (DA)	Item 6
q.	Owner's participation/ management/ staffing	Section 5.G (FA)	Items 11 and 15
r.	Records/reports	Section 8 (FA)	Item 6
s.	Inspection/audits	Section 5.H (FA)	Items 6 and 11
t.	Transfer	Section 12 (FA); Section VI (DA)	Item 17
u.	Renewal	Section 2.B (FA)	Item 17
v.	Post-termination obligations	Section 14 (FA)	Item 17
w.	Non-competition covenants	Section 15 (FA);	Item 17
x.	Dispute resolution	Section 17 (FA)	Item 17

ITEM 10
FINANCING

We may, in our sole discretion provide financing of up to ½ of the Franchise Establishment Fee for the purchase of subsequent franchises by existing Instant Imprints franchisees which are in good standing under their existing Franchise Agreements.

Summary of Financing Offered

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Franchise Establishment Fee Subsequent Unit	Franchisor	$29,950	$10,000	3	0%	$300	None	Assets of Center and Guaranty	Acceleration of debt, loss of business & atty's fees	Waiver of Notice

You must execute the Promissory Note attached as Schedule D of the Franchise Agreement to this Disclosure Document. We require you, your owners, and their spouses to sign a Personal Guarantee and to provide us with a security interest in the Center's assets, whether owned now or acquired later, and in all additions, located at or arising from transactions related to the Center, all policies of insurance covering such assets and all proceeds thereof. The Promissory Note may be prepaid without penalty at any time during the 3-year term. If you default under this Note, or default under the Franchise Agreement and such default is not cured under the terms thereof, if any, the entire principal balance will immediately become due and payable ("acceleration") at our option. Upon acceleration of the Promissory Note, 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. 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 Promissory Note, and expressly agree that the Promissory Note, or any payment thereunder, may be extended or subordinated, without affecting your liability.

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, we are not required to provide you with any assistance:

Before you open the Center, we will:

1. Designate your Designated Territory (See the Franchise Agreement, Section 1.C and Summary Pages).

2. Designate your Development Area (See the Development Agreement, Section I and Summary Pages).

3. Approve or disapprove a site for your Center. We do not currently own sites for leasing to franchisees. Although we may provide you with assistance in locating a site and negotiation of the lease, you are still solely responsible for investigating the suitability of the site and having any leases or sales contract for site review approved by your lawyer. (See the Franchise Agreement, Section 3).

   If you intend to lease a site, you will submit a copy of the proposed lease to us, within 30 days of our consent to the site. Within 10 days of execution of the lease, you shall provide us a copy of the executed lease. The lease must include substantially the terms in the Lease Rider, which is Schedule F of the Franchise Agreement.

4. Provide you with a prototype plans and drawings for the Center (See the Franchise Agreement, Section 4.A).

   We provide you with a prototype layout and design of your Center. Any such suggestion will not include the requirements of any federal, state, or local law, code, or regulation, including those concerning the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities, nor shall such suggestions include the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build the Center. You will construct the Center in accordance with specifications and plans prepared by you based upon our standards, subject to our right to consent. The cost of plans and specifications shall be borne by you. Our consent shall be limited to review of such plans to assess compliance with our design standards for Instant Imprints Centers, including such items as trade dress, presentation of trademarks, and the provision to the potential customer of certain products and services that are central to the functioning of the Center.

5. Provide approved suppliers or specification for the products and services you need to equip your Center (See the Franchise Agreement, Section 4.B).

   You will purchase the equipment you need to begin operations of the Center from us as part of the Equipment Package. We will order all supplies and equipment, as well as coordinate delivery and installation schedules. We will initiate the setup of accounts with

various industry vendors on your behalf. These services are included in the Buildout Coordination Fee. Note that some improvements of the premises like fixture assembly and equipment set up will be your responsibility.

6. Provide an initial training program for the operation of the Brand Center or the Growth Center to you and at least 1 designated manager. This training is described in greater detail later in this Item 11 (See the Franchise Agreement, Section 6).

7. Provide you with electronic access to the Operations and Training Manual (See the Franchise Agreement, Section 4.E);

This Operations and Training 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 Center 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 Center, 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 Center. It must be returned to us upon termination or expiration of your Franchise Agreement.

We have the right to make additions, deletions 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 E to this disclosure document. Currently, the electronic Manual contains approximately 281 pages.

Site Selection

We will provide you with our site selection criteria for an Instant Imprint Center. The site must meet our criteria for demographic characteristics: traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; foot traffic; daytime business population; size; appearance; and other physical and commercial characteristics. We will approve or disapprove a location you propose within 30 days after receiving your description of the site and all demographic information we require in order to evaluate the site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. If you do not open the Center for business within 9 months of the date you signed the Franchise Agreement, we have a right to terminate your Franchise Agreement.

Time for Opening the Center

We must approve or disapprove your site within 1 month after we receive notification of your proposed site and all necessary information regarding the site in order to review it. You must participate in the site selection process and must enter into a Center lease before attending our

franchise training class. During the 6-week training period, either your landlord or the contractors that you hire will build out your Center location. The total time from signing of the Franchise Agreement to the Center opening is approximately 18 to 27 weeks. Factors that may affect this time period include the ability to obtain a lease, ability to procure and install equipment and computers and signs, make acceptable financial arrangements, obtain any required approvals in zoning and/or building permits, as well as resolve other factors bearing on construction. If you do not open the Center for business within 9 months of the date you signed the Franchise Agreement, we have a right to terminate your Franchise Agreement.

If you are opening a Brand Studio, the total time from signing the Franchise Agreement to opening is approximately 3 months. If you do not open the Brand Studio within 9 months of the date you sign the Franchise Agreement, we have the right to terminate your Franchise Agreement.

During the Operations of your Center, we will:

1. May continue to train and assist you in the operation of the System (See Franchise Agreement, Section 6).

2. May offer you continual advice and guidance for your Center's ongoing business by telephone and via the Internet at no independent charge to you. (See the Franchise Agreement, Section 4.F.)

3. May hold franchisee conventions at different locations for 2-3 days. (See the Franchise Agreement, Section 6.D).

4. Send 1 representative to your Center to provide on-site assistance for a period of 5-7 days For Brand Centers and Growth Centers, or 3 days for Brand Studios, of pre-opening training, post training, and soft opening support. We do not provide this for Brand Studios (See Franchise Agreement, Section 6.B).

5. Provide the FastStart Program to you for a period of 15 weeks beginning within 2 weeks after your Center opens for business. We do not provide this for Brand Studios (See Franchise Agreement, Section 6.E).

6. Continue to loan you the Manual (See Franchise Agreement, Section 4.E).

7. Have an approved supplier provide you bookkeeping services for a period of 6 months once you begin operation of the Center. This is included under the Bookkeeping and Accounting Fee. This is not provided for Brand Studios. (See Franchise Agreement, Section 4.D)

Advertising

In prior years, franchisees were required to contribute to a National Media Fund (NMF). Beginning in 2021, franchisees are no longer required to contribute to the National Media Fund. The balance in the National Media Fund has been accounted for and the remaining balance is used to pay for expenses incurred by the Fund in the future. In 2025, the following expenditures were applied against the NMF balance: approximately 49% was for marketing Support, 21% was for placement and content creation, and 28.4% was written off as uncollectable from a balance owing from a franchisee that was previously accrued. We will provide unaudited financial statements of the National Media Fund upon your reasonable request.

Local Advertising

In addition to the Brand Fees, we recommend that you spend up to 3% of your Center's SSTR on local marketing efforts. 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 for ensuring 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 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, including the Center, on our website for so long as we determine.

You agree to create and continuously conduct, during the Term, a full-time and ongoing marketing program, and you agree to devote a minimum of 8 hours per week, either personally or through an employee, to conducting such a marketing program. You further agree to create a marketing file and record all marketing activities therein. This file shall remain in the Center and be available to us to review upon reasonable notice.

Franchise Advisory Council

We have established a Franchise Advisory Council ("FAC"), which is comprised of both franchisee representatives and personnel from NFFI. Franchisee representatives are invited to participate in the FAC by us (subject to our eligibility requirements) and are not elected by franchisees at this time in order to try to obtain franchisees from different regions and different ages in the system. Our plan is that once we have a sufficient number of franchisees, we will transition to having the franchisee representatives elected. The FAC serves in an advisory capacity concerning operational and marketing matters facing the System. If we propose a change to franchise agreements which is approved by a majority of the members of the FAC Board who vote at a duly constituted FAC meeting after having received at least 30 days' notice of the proposed amendment, then the change shall be binding upon you in 90 days or at such later date as we may specify, as if the modification had been included in your franchise agreement. Your Manual will contain additional information regarding the FAC. We have the power to change or dissolve it.

Local/Regional Marketing Programs and Cooperatives

Although we have not yet done so in any region, we have the right, in the future, to require that you participate in, and contribute a maximum of 2% of your SSTR as a "Local/Regional Advertising Fee" to, a local or regional marketing program or cooperative established by us in the Designated Market Area (a "DMA") where your Center is located. If we designate a DMA, both

company-owned and franchised Centers will be required to pay in to the Local/Regional Marketing Fee, which generally will be spent to conduct advertising and promotional activities within the DMA. In order for us to designate a DMA, franchisees in the region need to vote by super majority of 75% to establish a marketing cooperative. Each franchised location gets one vote. If 75% or more of the franchisees are in favor, then all Instant Imprint Centers will be required to contribute and participate in the cooperative. We may administer the local/regional marketing programs as we deem advisable or we may establish the framework for local/regional cooperatives to govern themselves, within the parameters that we establish. We have no fiduciary obligations with respect to local/regional programs that we administer directly. We reserve the right to establish, dissolve or otherwise modify local/regional marketing programs and/or cooperatives.

Opening Launch Program for New and Transfer Centers

We have developed, both internally and with the aid of professional marketing firms, standardized advertising campaigns appropriate for Instant Imprints Centers, including opening launch marketing procedures. These systems are designed to make your opening launch and initial marketing effort simple, cost effective, and productive. We require you to pay us $10,000 when you sign the Franchise Agreement as the Opening Launch Program Deposit to promote your Center. We require Instant Imprint Centers which are transferred to contribute an Opening Launch Program Deposit of $5,000.

We will use the Opening Launch Program Deposit to promote the launch of your ownership of the Center.

Computer Hardware and Software Systems

You must install computer systems and software supplied by us. In addition, you will pay us a technology fee, currently $525 per month for Brand and Growth Centers, or $475 per month for Studios, which covers the costs to run the essential technologies of our system ("Technology Fee"). The Technology Fee for Brand and Growth Centers currently covers costs of the website (currently $54.81/month), ImageNet (currently $52/month), email for 1 standard and 1 basic (currently $29.02/month), Defender (currently$5.69/month), shopVOX for 2 users (currently $276.25/month), SAGE total access for 1 user ($53.13/month), and SAGE website (currently $41.76/month), plus the cost of credit card processing fees and charges. The Technology Fee for Studios do not require as many licenses and POS needs, and therefore it covers most but not all of the same items that are covered for Brand and Growth Centers. The Technology Fee is a pass-through based upon our costs and expenses, and therefore it is subject to change. You must upgrade or update your computer and POS systems and other equipment used in the Center when we require you to do so. We are not limited in the number of changes we may require. If you fail to pay the Technology Fee, then we may disconnect your access to the system and require you to pay our reconnection fee and all past due amounts in order to regain access (in addition to our other rights and remedies).

As of the date of this disclosure, the suggested computer systems are as follows and will be included in the Equipment Package:

GRAPHIC DESIGN SYSTEM AND BUSINESS MANAGEMENT HARDWARE

The Graphic Design System will consist of 2 Windows PC systems featuring the then current required speed and memory with a large capacity (as we then specify) hard drive and, LCD monitors and CD/DVD ROM. 3 printers are supplied, 1 dye sublimation printer, 1 large format

printer/cutter, and one invoice printer. We offer phone support for the systems as well as direct to you extended manufacturer technical support lines.

POINT OF SALE SYSTEM AND PRINTER (POS)
The Point of Sale System ("POS") consists of 1 Windows PC computer with a flat screen LCD monitor for your front counter. This system is our proprietary shop management software that includes quoting, scheduling, workflow, reporting and customer management systems as well as integration with accounting software. It will have our order processing, accounting, and workflow management software. It will create your invoices, quotations, and track accounts receivable. The POS is cloud based and is licensed for up to 2 devices to access it at a time, either in the Center or remotely. Additional licenses are available for an additional monthly fee of $36.10. A printer will be connected to this system. We reserve the right to access any and all data entered in the Point Of Sale System by you or your staff as frequently as we deem necessary including up to 24/7 365 live access.

In addition to the Technology Fee described above, we estimate that you may spend between $240 and $1,200 annually on software licensing fees paid to third-party providers for software used in connection with the services you offer from the Center.

INTERNET, TECHNOLOGY
You must have a dedicated high-speed Internet connection for your computers.

If we or our affiliates license proprietary software to you, or otherwise allow you to use similar technology we develop or maintain, you must sign any other documents which are required. You will have sole and complete responsibility for: (i) operation, maintenance and updating of your computer systems operating and anti-virus software; (ii) the manner in which your computer systems interface with our computer system and those of other third parties; (iii) any and all consequences that may arise if the system is not properly operated, maintained and upgraded; and (iv) any upgrades to the computer systems, including but not limited to hardware and software upgrades. You must implement any new technology we require and sign any user agreements at your own expense.

EMBROIDERY, DESIGN AND CUSTOMIZED BUSINESS SOFTWARE PACKAGE
Included in the Equipment Package is an embroidery software suite, which is used to produce and edit stitched designs and text for your customers. Also included is a Graphic Design Software package to create custom artwork, and manipulate work from customer provided art. Several professional programs are required along with clip art & fonts. All are included in the initial Package cost, but will require upgrades from time to time.

TRAINING PROGRAM for BRAND and GROWTH Centers

Subject	Hours of Classroom Training	Hours of On the Job Training	Location (May be provided virtually)
Introduction, Introduction to Business, General business Info	3.5	24 Pre-training (20) Post-Training (4)	San Diego Training Center, your Center, or another Center we designate

Subject	Hours of Classroom Training	Hours of On the Job Training	Location (May be provided virtually)
Sales Development Intro to Sales, Opening Launch Program, Promotional concepts, Advertising, Networking, B2B marketing, and Intro to Customer relationships, Sales Process - prospecting, qualifying, preparing presentations, making presentations, cross-selling, up-selling, customer referrals, Marketing Action Plan, Intro to direct selling, conducting outside sales, cold calling, bold walking, reviewing sales calls, follow-up calls.	17.25	60 2/3 of FastStart @ 2 hrs/wk for 15 wks = 20hrs Promo Academy 40hrs	San Diego Training Center, your Center, or another Center we designate
Customer Service Discovering needs, quoting, converting, closing , cross selling, up-selling, adding value, handling complaints, follow-up, tracking and measurement.-	11.0	10 1/3 of FastStart @ 2hrs/wk for 15 weeks.	San Diego Training Center, your Center, or another Center we designate
Business Management - POS system, QuickBooks, Intro to financial management, Break-even analysis and tools, Human Resources, Personnel, Business Development, Communication, Tools and Technology	14.75	15 Post-Class	San Diego Training Center, your Center, or another Center we designate
Production & Production Management - Intro to Production and Production scheduling, Graphic Arts introduction and concepts, Signs, Wide-format printing, Direct-to-Garment, Embroidery, Heat-Transfer, Promotional Products and Document services	9.5	92 Post-Class	San Diego Training Center, your Center, or another Center we designate
TOTALS	**55.0**	**201**	

Training Program for Brand Studios

Subject	Hours of Classroom Training	Hours of On the Job Training	Location (May be provided virtually)
Introduction, Introduction to Business, General business Info	3.5	Pre-training (8)	Online, or at another center we designate
Sales Development Intro to Sales, Opening Launch Program, Promotional concepts, Advertising, Networking, B2B marketing, and Intro to Customer relationships, Sales Process - prospecting, qualifying, preparing presentations, making presentations, cross-selling, up-selling, customer referrals, Marketing Action Plan, Intro to direct selling, conducting outside sales, cold calling, bold walking, reviewing sales calls, follow-up calls.	24	FastStart Coaching @ 1 hr/wk for 15 wks = 15hrs Promo Academy 20hrs	Online Meetings after opening Online Class
Customer Service Discovering needs, quoting, converting, closing , cross selling, up-selling, adding value, handling complaints, follow-up, tracking and measurement.-	11.0		Online
Business Management - POS system, QuickBooks, Intro to financial management, Break-even analysis and tools, Human Resources, Personnel, Business Development, Communication, Tools and Technology	15		Online or at another center we designate

Subject	Hours of Classroom Training	Hours of On the Job Training	Location (May be provided virtually)
Production & Production Management - Intro to Production and Production scheduling, Graphic Arts introduction and concepts, Signs, Wide-format printing, Direct-to-Garment, Embroidery, Heat-Transfer, Promotional Products and Document services	2	4	Online or at another center we designate
TOTALS	**55.5**	**47**	

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.

Training is conducted by Ralph Askar, Danny Lyon, Jim Blackburn, Christian Collucci and Brian Drysdale. Mr. Askar was appointed as our President and Chief Executive Officer in May 2011 and was previously the Acting Chairman and CEO of IIFI. He has also been a partner in our Area Franchisee in San Diego, California since 2009. Mr. Askar has more than 30 years of franchise experience. Mr. Lyon is a currently our Executive Vice President of Training and Franchise Partner Support. He has over 20 years of leadership experience as a Multiple Area franchisee with a heavy emphasis on operations support, training and coaching in The UPS Store 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 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. Mr. Collucci is our Executive Vice President of Development & Marketing. Has over 12 years of franchise management experience. Mr. Eustace is our COO and is an Area Representative and he was a franchisee for 11 years until December 2023. Mr. Drysdale is a franchisee partner and has over 15 years of experience in the field as a franchise owner and is a certified business coach.

Before opening, your CEO or another owner or manager of your Center must attend and complete to our satisfaction our training program held either online or at our headquarters in San Diego, California. Your Center must have one or more graduates of our training programs on staff and active in the operations of the business, at all times.

We currently hold a franchisee convention every 12 to 24 months, at different locations within the United States or Canada, for up to 2 to 3 days or virtually. You will incur travel and lodging expenses to attend the convention, which may range from $500 to $1,000 or more for each person, depending on the location of the convention as well as a registration fee of up to $750. We invite vendors, suppliers, and outside contractors to these meetings in order to make you aware of technological advancements and to potentially save you money on your ongoing supplies. In addition, we may conduct seminars on topics relating to your ongoing training and improved operation of your Instant Imprints Center. Furthermore, we will update you on the progress of our company and the Instant Imprints System. In addition to our conventions, we may provide seminars and smaller regional franchisee meetings for your benefit. Seminars and regional franchise meetings will be held at different locations within the United States, each on a quarterly basis and last for a few hours to a half day. You will incur travel expenses to attend seminars and regional franchise meetings. You must attend our national conventions, and failure to attend will result in being charged a missed convention fee.

We will use the Manual as instructional materials as well as software and various videos.

In addition to the 10 days of classroom training conducted at our designated training facilities, there are 2 additional weeks of in-Center training (1 week of pre-opening training and 1 week of post-training) for Brand and Growth Centre stores. Brand Studios have 10 days of classroom training, and 3 days of pre-opening and post training, along with a self-directed online promotional products training program. The intent of the in-Center training is to allow you to become trained and familiar with business operations and to achieve a basic proficiency in production methods and our operating environment. This is not applicable for Brand Studios.

All new franchisees who are opening Growth Centers or Brand Centers are required to participate in our "FastStart" mentoring program for new franchisees. The FastStart program involves business planning, coaching, mentoring, progress-tracking, and self-evaluation, under the guidance and with the assistance of an Area Representative or a member of our field operations staff. FastStart is designed to support new franchisees through assistance in implementing sales development actions under a Marketing Action Plan (MAP) for the Center. The FastStart program also assists you in tracking and measuring of your results and with other operations and management functions. FastStart occurs over the course of approximately 15 weeks and is generally conducted at or near your Center, beginning within 2 weeks after your Center first opens for business.

ITEM 12
TERRITORY

Franchise Agreement

When you sign your Franchise Agreement, we will designate an area within which you will locate your Center. This Designated Territory will be defined by zip codes or street boundaries to include a minimum of 1000-1500 businesses and 30,000-50,000 people, as determined by demographic studies which will include data taken from the U.S. Census Bureau and the U.S. Postal Service. The exact size will be based upon the location of your Center, and the demographic and competitive makeup of the area. You will be provided with a map and a physical description defining the Designated Territory for your Center which will be described in Summary Pages of your Franchise Agreement. While this Designated Territory has protective aspects, it is not an "exclusive Territory." You will not receive an exclusive Territory. You may face competition from other franchisors, from outlets that we own, or from other channels of distribution on competitive brands that we control. You do not have the right to use other channels of distributions, such as the Internet, catalog sales, telemarketing, or other direct marketing to make sales outside of your Designate Territory without our prior written consent.

Other than as provided below, so long as you are in compliance with your Franchise Agreement, we will not establish a company-owned Instant Imprints Center or grant a franchise or license authorizing another party to open an Instant Imprints Center in your Designated Territory other than in a Non-Traditional Location. A "Non-Traditional Location" includes military bases, university/college campuses, resorts, convention centers, mall kiosks, airports, convenience stores and inside other retailers. A Non-Traditional Location is not considered part of the Designated Territory.

You may relocate your Center if you are in compliance with the terms of the Franchise Agreement upon our written consent which will not be unreasonably withheld, including having the new Center open and operating within 60 days. Your Designated Territory may need to be reassigned.

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 in Non-Traditional Locations within your Designated Territory, immediately adjacent to your Designated Territory or anywhere outside of your Designated Territory; (2) the right to operate or license other to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in Non-Traditional locations and outside of your Designated Territory; (3) the right to operate or license other to operate businesses that are not similar to an Instant Imprints Center under the Marks in any location, both inside or outside of your Designated Territory; (4) the sole right to offer any products or services (including the products and services you offer at the Center) through other channels of distribution (including catalogues, the Internet and other outlets) both inside and outside of your Designated Territory, and to establish a wholesale production facility which would be prohibited from competing for commercial or retail/consumer accounts. We are not required to pay you if we exercise any of the rights specified above inside your Designated Territory.

Nothing will prohibit us and our affiliates from doing business within the Designated Territory for National Accounts. A National Account means those customers who require more than one Instant Imprints Center not located solely in the designated territory to provide products and services to them. If you obtain an account that is considered a National Account, you must refer it to us because we have appropriate resources to allocate supporting and developing the National Account. However, we reserve the absolute right to reject any such account for any reason. National Accounts shall be negotiated solely by us or our affiliates, even if you procure the National Account. All National Accounts are considered our property and you will have no claim to them. If one or more locations of a National Account fall within your Designated Territory, we will first offer you the opportunity to provide services on the terms and conditions that we have established with such National Account. You are not required to service a National Account, and if you do not accept such offer in the manner and within the time period that we specify, we have the right to service the account ourselves, or may authorize other Instant Imprints Center, to provide such services. However, the decision to accept or reject you as a provider of services for the National Account ultimately rests with the National Account.

We and our 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 you acknowledge may be within your Designated Territory, near your Designated Territory, or near your location).

You must restrict your advertising and promotional efforts to your Designated Territory and to any adjacent designated territories which are not owned by another franchisee or which do not contain another Center. You may only advertise your business on a website which we own or on social media or other electronic communications which we approve or in a manner of which we approve.

You have no options, right of first refusal or similar rights to acquire an additional franchise within any particular territory unless specified in writing by us. You may ask us at any time to purchase additional franchises. You may not own or operate another franchise or business without our approval and upon executing a new Franchise Agreement and paying the required fees. The

continuation of your franchise is not dependent upon achievement of a specific sales volume or market penetration or any other contingency.

Development Agreement

A Developer receives a protected territory, called the Development Area. If you enter into a Development Agreement, you will receive a Development Area within which you will have certain exclusive rights to develop multiple Instant Imprints Centers. If you meet the Development Schedule, comply with all other provisions described in the Development Agreement and comply with the provisions of each related Franchise Agreement, we will not establish or license others to establish an Instant Imprints Center within the Development Area assigned to you except for in a Non-Traditional Location. You maintain your rights to your Development Area even if the population increases or decreases.

Continuation of your territorial protection under the Development Agreement requires that you meet your Development Schedule. If you fail to timely meet your Development Schedule, we may terminate your Development Agreement. However, the termination of the right to develop your Development Area will not terminate any rights granted under any Franchise Agreements then in effect between you and us in which you are in compliance. After the expiration or termination of your Development Agreement, we may own, operate, franchise or license others to operate additional Instant Imprint Centers anywhere, without restriction, including in your Development Area, except for any Designated Territories under your Franchise Agreement(s) that then remain in effect.

Except as limited above in this Item 12, we and our affiliates retain all rights with respect to Instant Imprints Centers, 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 immediately adjacent to your Development Area or anywhere outside of your Development Area; (2) the right to operate or license others the right to operate Instant Imprints Centers in any Non-Traditional Location within and outside of your Development Area; (3) the right to operate or license others to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location, both inside or outside of your Development Area; and (4) the right to offer any products or services (including the products and services you offer at your Center) through other channels of distribution (including, the Internet, catalogues and other retail outlets) both inside and outside of your Development Area and to establish a wholesale production facility which would be prohibited from competing for commercial or retail/consumer accounts We are not required to pay you if we exercise any of the rights specified above inside your Development Area.

Your Development Agreement grants you no options, rights of first refusal, or similar rights to acquire additional development rights; nor does it grant you any right to enter into a new Development Agreement upon its expiration. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant you the right to operate your Center 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. (Serial No.)	Registration Date (Application Date)
"Instant Imprints - The Image People"	3,020,810	Nov. 29, 2005
Instant Imprints	4950435	May 3, 2016

We intend to file 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 Center. 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.

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 Center.

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 Franchise Agreement provides that all ideas, concepts, techniques, or materials concerning your Center, 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 Franchise 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 Franchise Agreement, you agree that you shall not, during the term of the Franchise Agreement (other than to the extent necessary to operate the Center) 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 Franchise Agreement.

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

Although you are not required to personally participate in the day-to-day management of the Center, we recommend that you do, and no matter what your participation in management is, you are required to devote your best efforts to the operation of the Center. You must hire at least 1 person to serve as your designated manager, and both you and these designated managers must successfully complete our initial training program for each Brand Center or Growth Center. However, if you will not actively participate in the management of your Brand Center or Growth Center, then you must hire at least 2 designated managers, and each of you and the 2 designated managers must successfully complete our initial training program. At all times during the operation of your Brand Center or Growth Center, there must be at least 1 person (including you) who have completed our initial training program or are otherwise certified by us to manage an Instant Imprints. You are required to carefully monitor and be responsible for the performance of anyone designated to manage the operation of your Brand Center or Growth Center. These

designated managers do not need to own any equity in your entity. For Brand Studio's, you must employ at least one salesperson who will be responsible for and manage the Brand Studio.

All managerial employees must sign the Non-Competition and Confidentiality Agreement in a form approved by us. All owners of any entity franchisee and their spouses must also sign a Guaranty and Assumption of Obligations in the form attached to the Franchise Agreement assuming and agreeing to discharge all of your obligations under your Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only the types of goods and services that we have approved. You must offer and sell all goods and services authorized by us. There are no limits on your right to make modifications to the approved goods and services – provided you continue to comply with our Quality Standards as set forth in the Manual or otherwise in writing. We may change the types of authorized goods and services that you sell. There are no limits on our right to make those changes.

Our Franchise Agreement does not require you to sell products or services for a specified or minimum price. We provide suggested pricing that you may change to adapt to your local market conditions and competition. Before deviating from our suggested pricing, you must conduct a survey of local competitors and their pricing and consult with our operations department about your proposed change. You will retain sole and absolute discretion in all product-pricing matters.

We may advertise a national or regional promotion which all franchises in the covered area must participate into the extent permitted by applicable laws. We reserve the right to give written permission not to participate in a program at our sole discretion.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section In Franchise Agreement or other agreement	Summary
a.	Length of the Franchise Term	Section 2.A of the Franchise Agreement Section III of the Development Agreement	10 Years Day you sign the Development Agreement and when you open your last unit or the expiration date
b.	Renewal or Extension	Section 2.B of the Franchise Agreement	10 Years
c.	Requirements for franchisee to renew or extend	Section 2.C of the Franchise Agreement	Give notice, sign new agreement that may contain terms and conditions materially different from those in your previous franchise agreement such as different fee requirements, sign release, remodel and pay renewal fee
d.	Termination by Franchisee	Section 13.D of the Franchise Agreement	If you are in compliance with the Franchise Agreement, and we materially breach the Franchise Agreement and fail to cure this breach within 60 days after you deliver written notice to us* (subject to state law)

	Provision	Section In Franchise Agreement or other agreement	Summary
e.	Termination by Franchisor Without Cause	Not applicable	Not applicable
f.	Termination by Franchisor with Cause	Section 13.A of the Franchise Agreement Section VII of the Development Agreement	If you do not satisfactorily complete training, do not open within 9 months, or generally if you breach the Franchise Agreement. A termination of the Development Agreement is not a breach of the Franchise Agreement. If you own a Brand Studio, the termination of your production facility (i.e. Brand Center) is a termination of the Brand Studio Franchise Agreement Generally, for a material breach of the Development Agreement. A termination of the Franchise Agreement can result in the termination of the Development Agreement
g.	"Cause" Defined-Curable Defaults	Section 13 of the Franchise Agreement Section VII of the Development Agreement	You have 10 days to cure monetary defaults and 30 days to cure all others except those listed in Section 13.C You have 90 days to cure a default of the Development Schedule
h.	"Cause" Defined-Non-Curable Defaults	Section 13. C of the Franchise Agreement Section VII of the Development Agreement	Non-curable defaults: conviction of a felony, fraud affecting the System, abandonment of your Center, giving insufficient funds checks, material misrepresentations by you in your application, repeated defaults and bankruptcy If you transfer in violation of the ADA, you or your owners commit a felony or fraud or you are bankrupt or you default under a franchise agreement and do not cure within the applicable cure period
i.	Franchisee's Obligations on Termination/ Non-renewal	Section 14 of the Franchise Agreement Section VII of the Development Agreement	Obligations include providing Instant Imprints with a list of customers, invoices, address card file and business cards, payment of all amounts due, return of all manuals and other proprietary materials, discontinue the use of copyrighted materials and all items identifying our Marks, assign contracts with customers if we request, change or assign telephone numbers and be subject to non-compete provisions, offer to sell back any shares in IITI granted to you under the Franchisee Stock Program. You lose your rights to establish or operate any Center where Franchise Agreement is not yet signed by us and lose rights to Designated Area.
j.	Assignment of Contract by Franchisor	Section 12.A of the Franchise Agreement and Section VII.B of the Development Agreement	No restrictions on right to assign
k.	"Transfer" by Franchisee-Defined	Section12.B of the Franchise Agreement	Includes any assignment, sale or other transfer of the agreement (or any beneficial interest in the agreement), or all or any part of your ownership interests or the assets of the business.
l.	Franchisor Approval of Transfer by Franchisee	Section 12.B of the Franchise Agreement and Section VII.A of the Development Agreement	We have the right to approve all transfers but will not unreasonably withhold approval, if conditions are met.
m.	Conditions for Franchisor Approval of Transfer	Section 12.B. of the Franchise Agreement Section VII.B of the Development Agreement	Approved and qualified purchaser, training completed, signing of new franchise or development agreement, payment of transfer fee, you are not in default of any agreements with us, and payment of all costs and obligations, purchaser signs new agreements, you sign a release in our favor, and you sell to purchaser or offer to sell back any shares in IITI granted to you under the Franchisee Stock Program. If you own a Brand Studio, you must transfer this along with your Brand Center. Upon our written consent

	Provision	Section In Franchise Agreement or other agreement	Summary
n.	Franchisor's Right of First Refusal to Acquire Franchisee's Business	Sections 12.D of the Franchise Agreement	We can match any offer.
o.	Franchisor's Option to Purchase Franchisee's Business	Section 14.I of the Franchise Agreement	Upon expiration or termination, we can buy certain assets at a price equal to your cost or fair market value, whichever is less.
p.	Death or Disability of Franchisee	Section 12.C of the Franchise Agreement	The Franchise Agreement is transferable without additional fee or penalty, subject to Instant Imprints approval, to qualified applicant and subject to all transfer requirements (see item m. above).
q.	Non-competition Covenants During the Term of the Franchise	Section 15 of the Franchise Agreement	No direct or indirect involvement or interest in any other business that may compete with an Instant Imprints Center, except with our prior written consent and no solicitation of customers or employees*
r.	Non-competition Covenants after the Franchise is Terminated or Expires	Section 15 of the Franchise Agreement	FA, DA: No competing business for 2 years within a 5-mile radius of terminated location or the location of any other Instant Imprints business and no solicitation of customers or employees of other Instant Imprints Centers*
s.	Modification of Agreement	Section 9.C and 18.E of the Franchise Agreement and Section VIII.M of the Development Agreement	No modification generally but Manual and System subject to change. Amendments must be in writing and signed unless approved by the FAC
t.	Integration/ Merger Clause	Section 18.E of the Franchise Agreement and Section VIII.M of the Development Agreement	Only the terms of the written agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute Resolution by Arbitration or Mediation	Section 17.B of the Franchise Agreement	Subject to mediation in Wilmington, Delaware*
v.	Choice of Forum	Section 18.R of the Franchise Agreement and Section VIII.G of the Development Agreement	Subject to state law, the U.S. District Court in Wilmington, Delaware or the state court in Wilmington, Delaware if the U.S. District Court lacks jurisdiction over the claim.*
w.	Choice of Law	Section 18.Q of the Franchise Agreement and Section VIII.G of the Development Agreement	Subject to state law, Delaware.*

*Subject to state law. If a state regulator requires us to make additional disclosures related to the information contained in this disclosure document, these additional disclosures are contained in a State Law Addendum included in this disclosure document Exhibit A.

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 REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a

franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Actual 2025, 2024, and 2023, Average Annual and Median Gross Sales of Certain Franchised Instant Imprint Centers

This financial performance representation consists of the actual 2025, 2024, and 2023 average and median annual gross sales of all franchised US Instant Imprint Centers in operation during the entire calendar year. Outlets that were not in operation for the entire calendar year or from whom we do not have a full year of data to report have been excluded from the financial performance representation because their partial year performance is not indicative of the performance we would reasonably expect to see over an entire calendar year.

The following table provides the average annual gross sales for United States-based franchised Instant Imprint Centers open for the entire 2025, 2024, and 2023 calendar years. These are the results of 17 franchised outlets out of a total of 19 that operated for the entire calendar year of 2025, 17 franchised outlets out of a total of 21 that operated the entire calendar year of 2024, and 22 franchised outlets out of a total of 22 that operated the entire calendar year of 2023. "Gross Sales" includes all sales derived from the Instant Imprint Centers except for taxes. All figures are based on Brand and Growth Centers. We did not have any Studio Centers operating full time throughout the 2025 calendar year.

Also included below are the average annual gross sales for the four United States-based company-owned Instant Imprint Centers open for the entire 2025 calendar year, and the three company-owned Instant Imprint Centers open for the entire 2024 calendar year.

2025 Calendar Year – Franchised Centers				
	Annual Gross Sales	# Centers Met or Exceeded	% of Total Met or Exceeded	Range (Highest to Lowest)
Average of Top 25% of Stores	$1,062,810	1	6%	$2,017,416 to $579,153
Median of the Top 25% of Stores	$827,337	2	12%	---
Average of Top 50% of Stores	$731,024	2	12%	$$2,017,416 to $430,158
Median of Top 50% of Stores	$549,337	5	29%	---
Average of Top 75% of Stores	$601,133	3	18%	$2,017,416 to $220,302
Median of Top 75%	$434,133	7	41%	---
Average of Top 100% of Stores	$492,488	6	35%	$2,017,416 to $39,012
Median of All Stores	$411,246	9	53%	---
Average of Bottom 25% of Stores	$139,393	15	88%	$210,967 to $39,012
Median of Bottom 25%	$153,797	15	88%	---

2025 Calendar Year – Corporate Centers				
	Annual Gross Sales	# Centers Met or Exceeded	% of Total Met or Exceeded	Range (Highest to Lowest)
Average of Top 100% of Stores	$366,524	2	50%	$516,864 to $199,103
Median of the Top 100% of Stores	$375,064.13	2	50%	---

2024 Calendar Year				
	Annual Gross Sales	# Centers Met or Exceeded	% of Total Met or Exceeded	Range (Highest to Lowest)
Average of Top 25% of Stores	$1,000,426	1	4%	$1,849,068 to $608,826
Median of the Top 25% of Stores	$771,905	2	12%	--
Average of Top 50% of Stores	$710,648	2	12%	$1,849,068 to $426,149
Median of Top 50% of Stores	$591297	5	29%	---
Average of Top 75% of Stores	$560750	5	29%	$1,849,068 to $217,500
Median of Top 75%	$444,616	7	41%	---
Average of Top 100% of Stores	$463,445	7	41%	$1,849,068 $72,434
Median of All Stores	$414,027	9	50%	---
Average of Bottom 25% of Stores	$122,881	15	88%	$188,115 to $72,434
Median of Bottom 25%	$115,487	15	88%	---

2024 Calendar Year – Corporate Centers				
	Annual Gross Sales	# Centers Met or Exceeded	% of Total Met or Exceeded	Range (Highest to Lowest)
Average of Top 100% of Stores	$369,710	2	50%	$453,181 to $245,008
Median of the Top 100% of Stores	$390,326	2	50%	---

2023 Calendar Year				
	Annual Gross Sales	# Centers Met or Exceeded	% of Total Met or Exceeded	Range (Highest to Lowest)
Average of Top 25% of Stores	$934,338.71	2	9%	$1,754,259 to $548,059
Median of the Top 25% of Stores	$702,403.14	3	14%	---
Average of Top 50% of Stores	$669,034.65	3	14%	$1,754,259 to $405,124
Median of Top 50% of Stores	$548,059.29	6	27%	---
Average of Top 75% of Stores	$515,066.73	6	27%	$1,754,259 to $219,801
Median of Top 75%	$437,046.25	9	41%	---
Average of Top 100% of Stores	$422,281.25	10	45%	$1,754,259 to $63,474
Median of All Stores	$333,368.00	11	50%	---
Average of Bottom 25% of Stores	$106,810.63	20	91%	$194,540 to $63,474
Median of Bottom 25%	$110,491.99	20	91%	---

Additional Information from Locations

This financial performance representation consists of the actual trailing 12 months of locations in the United States that reported and operated for the entire 2025, 2024, and 2023 calendar years. Outlets that were not in operation for the entire respective calendar year or from whom we do not have a full year of data to report have been excluded from the financial performance representation because their partial year performance is not indicative of the performance we would reasonably expect to see over an entire calendar year. We also excluded international locations.

"ACT" means Average Gross Sales per transaction.

"COGS" means Cost of Goods Sold

"GM" mean Gross Margin percentage, which is calculated as (Gross Sales - COGS)/Gross Sales.

2025 Calendar Year (US SYSTEM)			
T12M Reporting Stores (14 Stores)			
	Annual Gross SSTR	**# Centers Met or Exceeded**	**% of Total Met or Exceeded**
Average Sales	$578,259	4	27%
Average ACT	$502	7	47%
Average GM	63.4%	6	40%
Sales Median	$438,903	ACT Median	$484
Sales Top Performer	$2,044,597	ACT Top Performer	$1,094
Sales Bottom Performer	$154,973	ACT Bottom Performer	$218

GM Median	62.3%		
GM Top Performer	78.8%		
GM Bottom Performer	58.0%		
	Annual Gross SSTR	**# Centers Met or Exceeded**	**% of Total Met or Exceeded**
Non T12M Reporting Stores (11 stores)			
Average Sales	$232,961	2	33%
Sales Median	$215,635	3	50%
Sales Top Performer	$434,134		
Sales Bottom Performer	$39,012		
Total # of Stores open the full year	21		

2024 Calendar Year (US System)			
T12M Reporting Stores (18 Stores)			
	Annual Gross SSTR	**# Centers Met or Exceeded**	**% of Total Met or Exceeded**
Average Sales	$504,997	6	33%
Average ACT	$523	8	44%
Average GM	62.1%	8	44%
Sales Median	$455,421	ACT Median	$503
Sales Top Performer	$1,886,541	ACT Top Performer	$1,074
Sales Bottom Performer	$128,308	ACT Bottom Performer	$216
GM Median	61.7%		
GM Top Performer	77.5%		
GM Bottom Performer	55.5%		
	Annual Gross Sales	**# Centers Met or Exceeded**	**% of Total Met or Exceeded**
Non T12M Reporting Stores 6 stores)			
Average Sales	$280,219	3	50%
Sales Median	$323,457	3	50%
Sales Top Performer	$429,827		
Sales Bottom Performer	$72,434		
Total number of stores opened full year	24		

2023 Calendar Year (US System)			
T12M Reporting Stores (16 Stores)			
	Annual Gross SSTR	**# Centers Met or Exceeded**	**% of Total Met or Exceeded**
Average Sales	$526,798	6	38%
Average ACT	$553	7	44%
Average GM	60.7%	9	56%
Sales Median	$422,632	ACT Median	$534
Sales Top Performer	$1,786,664	ACT Top Performer	$895
Sales Bottom Performer	$166,262	ACT Bottom Performer	$269
GM Median	61.5%		
GM Top Performer	84.0%		
GM Bottom Performer	50.4%		
	Annual Gross SSTR	**# Centers Met or Exceeded**	**% of Total Met or Exceeded**
Non T12M Reporting Stores (9 stores)			
Average Sales	$252,688	3	33%
Sales Median	$194,540	5	56%
Sales Top Performer	$548,059		
Sales Bottom Performer	$63,474		
Total # of Stores open the full year	25		

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

The actual average gross sales figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from revenue to obtain net income or profit. You should conduct an independent investigation of the costs and expenses you may incur in operating your Center. Franchisees and former franchisees listed in this disclosure document may be one source of this information.

Written substantiation for the financial performance representation will be made available to prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting 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 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	23	24	+1
	2024	24	21	-3
	2025	21	19	-2
Company-Owned	2023	3	3	0
	2024	3	4	+1
	2025	4	4	0
Total Outlets	2023	26	27	+1
	2024	27	25	-2
	2025	25	23	-2
Canada Outlets-Franchised	2023	18	19	+1
	2024	19	20	+1
	2025	20	17	-3
Canada Outlets-Franchised	**2023**	**0**	**0**	**0**
	2024	**0**	**0**	**0**
	2025	**0**	**1**	**+1**
Total Systemwide Outlets	**2023**	**44**	**46**	**+2**
	2024	**46**	**45**	**-1**
	2025	**45**	**41**	**-4**

Table No. 2

Transfers of Outlets from Franchisees To New Owners
(Other Than the Franchisor)
For years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
South Carolina	2023	0
	2024	1
	2025	0
Texas	2023	0
	2024	1
	2025	0
Totals	2023	**0**
	2024	**2**
	2025	**0**
Canada Outlets-Franchised	2023	**2**
	2024	**1**
	2025	**1**
Total Systemwide Outlets	**2023**	**2**
	2024	**3**
	2025	**1**

Table No. 3

Status of Franchised Outlets
For years 2023 to 2025

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
Arkansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Colorado	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	0	0	0	0	0	1
Delaware	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Georgia	2023	6	0	0	0	0	0	6
	2024	6	0	1	0	1	1	3
	2025	3	0	0	0	0	0	3
Idaho	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Missouri	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
New Jersey	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
North Carolina	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Pennsylvania	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
South Carolina	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	1	0	1	2

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
Washington	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total	**2023**	**23**	**2**	**0**	**1**	**0**	**0**	**24**
	2024	**24**	**1**	**2**	**0**	**1**	**1**	**21**
	2025	**21**	**0**	**0**	**1**	**0**	**1**	**19**
Canada Outlets Franchised	**2023**	**18**	**2**	**0**	**0**	**0**	**1**	**19**
	2024	**19**	**1**	**0**	**0**	**0**	**0**	**20**
	2025	**20**	**1**	**2**	**0**	**1**	**0**	**18**
Total Franchised Systemwide Outlets	**2023**	**44**	**4**	**0**	**1**	**0**	**1**	**46**
	2024	**46**	**2**	**2**	**0**	**1**	**1**	**44**
	2025	**44**	**1**	**2**	**1**	**1**	**1**	**40**

Table No. 4
Status of Company-Owned Outlets
For years 2023 to 2025

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 Outlets Sold to Franchisee	Col. 8 Outlets at Year End
California	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Colorado	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Georgia	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2025	1	0	0	0	0	1
Canada	**2023**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**1**	**0**	**0**	**1**
Total	**2023**	**3**	**0**	**0**	**0**	**0**	**3**
	2024	**3**	**0**	**1**	**0**	**0**	**4**
	2025	**4**	**0**	**1**	**0**	**0**	**5**

Table No. 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Business Not Open	Projected Franchises in Next Fiscal Year	Projected Company Owned Businesses in Next Fiscal Year
Minnesota	0	1	0
Florida	0	1	0
Canada	0	3	0
Total	**0**	**5**	**0**

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

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee, Developer and area representative who had a business terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business 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 is listed on Exhibit G to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 years, none of our franchisees have signed confidentiality clauses with us.

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, and 2024 and 2025, are attached to this Disclosure Document as Exhibit D, as well as our interim unaudited financial statements for the period ended April 30, 2026.

ITEM 22
CONTRACTS

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

- Exhibit B: Franchise Agreement
  - a. Schedule 1 Disclosure Acknowledgement Addendum
- Exhibit C: Development Agreement
- Exhibit H: Release

ITEM 23
RECEIPTS

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

Exhibit A

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 Franchise Agreement ("FA") 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 FA 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 Center 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 Center for business pursuant to the FA.

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 FA 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 FA 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 FA 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 FA restricting venue to a forum outside the State of California.
>
> The FA 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.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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 FA and Franchise Disclosure Document shall remain in full force and effect, except to the extent specifically modified herein.

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

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

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

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

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

The “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 Center 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 Center for business pursuant to the Franchise Agreement.

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
No Frill Franchising, Inc.	_____
By:_____	By:_____
Name:_____	Name:_____
Its:_____	Its:_____
Date:_____	Date:_____

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of $30 on service charges.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure), 180 days notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

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

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

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

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

No Frill Franchising, Inc.

By:_____
Name:_____
Its:_____
Date:_____

FRANCHISEE:

_____

By:_____
Name:_____
Its:_____
Date:_____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, THE FRANCHISE DEVELOPMENT AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, the franchise development agreement and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. 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.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. 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.

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Initial Fee Deferral.** In lieu of an impound of franchise fees, the FRANCHISOR will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) the Center is open for business. Notwithstanding the requirements of the FDD Cover sheet, Item 5, 6, 7 and 8 of the FDD and Sections 4.B, and 7.H and K of the Franchise Agreement, due to the imposition of the financial assurances set forth above, you may be required to purchase the Equipment Package, Opening Launch Program Deposit and the Bookkeeping Services Fee directly from the vendors instead of from us or our affiliates until we have satisfied our pre-opening obligations. Thereafter, you will again be required to purchase these items and pay the fees from us or our affiliates.

20. Section 19(A) of the Franchise Agreement is deleted in its entirety.

21. Section 20(A) of the Franchise Agreement is deleted in its entirety.

22. Section 21(E) of the Franchise Agreement is deleted in its entirety in the event that it does not comply with RCW 19.100.220(2), 19.100.180(1), and 19.100.180(2)(h).

23. If you signed a Development Agreement, then Section VIII(N)(5) of the Development Agreement is deleted in its entirety in the event that it does not comply with RCW 19.100.220(2), 19.100.180(1), and 19.100.180(2)(h).

24. If you signed a Development Agreement, then Sections X(A),(D)-(F) are deleted in their entirety.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

_____

NO FRILL FRANCHISING, INC.

_____

FRANCHISEE

Exhibit B

Franchise Agreement

No Frill
Unit Franchise Agreement

DATED: _____, 20_____

BETWEEN

No Frill Franchising, Inc.

AND

_____

_____

_____

_____

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NO FRILL FRANCHISING INC.
UNIT FRANCHISE AGREEMENT

SUMMARY PAGES

These pages (the "Summary Pages") summarize certain terms of the attached Franchise Agreement. The Summary Pages are an integral part of the attached Franchise Agreement and are hereby incorporated therein.

1. FRANCHISEE:

   Name: _____
   Address: _____
   _____
   Telephone: _____
   Email Address: _____

2. FRANCHISEE'S CEO:

   Name: _____
   Address: _____
   _____
   Telephone: _____
   Cell Phone: _____
   Email Address: _____

3. DESIGNATED TERRITORY _____
   _____

4. CENTER'S PREMISES ADDRESS:

   ("Premises") _____
   _____
   _____

5. EFFECTIVE DATE: _____

6. EXPIRATION DATE: _____

7. FRANCHISE ESTABLISHMENT FEE: $39,950 for Brand and Growth Centers

   $24,950 for Brand Studios

   Date Due: Upon Execution of Franchise Agreement

TERM: 10 years

8. TYPE OF INSTANT IMPRINT CENTER:

___ Brand Center ___ Growth Center ___ Brand Studio

9. TRAINING FEE: $10,000 Brand and Growth Centers
$6,000 Brand Studio Centers

Date Due: 2 weeks before Scheduled Training

10. TARGET TRAINING DATE: _____

11. RENEWAL FEE: 25% of the then-current franchise establishment fee

12. FEES AND DATE DUE:

(a) Royalty Fee and Related Initial and Ongoing Fees:

Royalty Fee: 6% of the SSTR ranging from $0 to $1,000,000

4% of the SSTR ranging from $1,000,001 - $2,000,000; and

0% of the SSTR over $2,000,001.

Date Due: 5th day of each month

Brand Fee: 2% of the first $1,000,000 in SSTR for each calendar year

Date Due: 5th day of each month

Technology Fee: Our costs and expenses, currently $525 per month for Brand and Growth Centers and $475 a month for Studios.

Date Due: 5th day of each month

Opening Launch: $10,000 (New – Brand or Growth Center) or $5,000 (Transfers or Brand Studios)

Date Due: Date of Franchise Agreement, or for a transfer it is due prior to consummation of the transfer

(b) Transfer and Related Initial Fees Involved in Transfers ONLY:

Transfer Fee: $15,000

Date Due: Paid by transferee before consummation of transfer

Training Fee: $10,000 for Brand and Growth Centers and $6,000 for Brand Studios

Date Due: 2 weeks before scheduled training

Transfer Marketing Fee: The greater of $12,000 or 9% of the sale price of a Center whereby Instant Imprints finds the purchaser

Date Due: Paid by the transferee upon transfer date

Assignment Fee: $1,000

Date Due: Paid by the transferee before consummation of transfer.

(c) Other Fees and Charges

Design, Buildout Coordination And Management Fee: $10,000 for Brand and Growth Centers and $2,500 for Brand Studios

Date Due: Due upon execution of the Franchise Agreement

Audit Fee: $1,250 + travel expenses plus interest on underpayment (lower of Prime Rate + 5% or the maximum amount authorized by law)

Date Due: At time of audit

Late Fees: $100 payment and filing fee and the lesser of Prime Rate + 5% or the maximum interest rate allowed by law per annum for each missing or late report per month.

Date Due: On demand

Bookkeeping Fees: $1,800 as a prepayment of the cost of having an approved supplier of bookkeeping services provide such services for the first 6 months the Center is in business.

Date Due: Due upon execution of the Franchise Agreement

On-Site Special Assistance: Currently $500 per day (but may be increased to be up to $1,000 per day) + travel expenses for additional onsite assistance requested or required by the franchisee, that is over and above No Frills obligations.

Date Due: On Demand

Missed Convention Fee: $2,000 payment for failing to attend the Franchise Convention without consent.

Date Due: On Demand

Technology Reconnection Fee: $494 pre-paid + outstanding balance prior to reconnection of the technology platform for failure to pay monthly technology fees.

Date Due: On Demand

Equipment Package: Depending on the type of Instant Imprints Center to be operated.

Date Due: Due upon execution of the Franchise Agreement

Type of Center	Finance Equipment Package	Purchase Equipment Package
Brand Center	$43,803 - $55,702	$137,516 - $164,512
Growth Center	$32,249 - $37,299	$99,745
Brand Studio	$12,907 - $14,507	$45,785

13. NOTICES TO FRANCHISEE:

Name: _____

Address: _____

_____

Email: _____

14. NOTICES TO INSTANT IMPRINTS:

No Frill Franchising, Inc.
Attn: CEO
7310 Miramar Road, Suite 102
San Diego, CA 92126

Email: _____

No Frill Franchising, Inc.

FRANCHISE AGREEMENT

By and Between:

No Frill Franchising, Inc., a Delaware corporation with its principal place of business at 7310 Miramar Road, Suite 102 San Diego, CA 92126, (hereinafter referred to as "**Instant Imprints**") and _____ with its principal place of business at _____ (hereinafter referred to as "Franchisee"). Franchisee shall be deemed to include: (a) all persons and their spouses owning any interest in Franchisee if it is a corporation or a limited liability company; (b) all partners and their spouses owning any interest in Franchisee if it is a partnership; and (c) all of the individuals and their spouses owning any interest in Franchisee if it is a sole proprietorship. For purposes of determining ownership in a franchise, 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.

INTRODUCTION

A. Instant Imprints and its predecessors, affiliate and parent (individually and collectively referred to as "affiliate(s)") have expended time, effort and money developing knowledge about operating a business that provides custom T-shirts and apparel, custom embroidery, signs and banners, digital print services and promotional products according to the System and under the Marks ("Instant Imprints Center").

B. "System" 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.

C. "Marks means 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 Instant Imprints or its affiliates, in connection with the operation of the business contemplated by the Franchise Agreement. Marks currently include "Instant Imprints Your Image People" and "Instant Imprints".

D. Franchisee desires the benefits of Instant Imprints' knowledge, skill and experience and the right to operate an Instant Imprints Center and Instant Imprints is willing to grant Franchisee the right according to the terms of this Agreement.

AGREEMENT

1. RIGHTS GRANTED

A. Grant of Franchise. Subject to and in accordance with the terms hereof, Instant Imprints grants to Franchisee the non-exclusive right to use the system and Marks to open and operate one Instant Imprint Center to be located at the site listed in Summary Pages, attach to this Agreement (the "Premises"). If no Premises is specified at the time the parties sign this Agreement, an appropriate location will be specified when it is determined, and Franchisee and Instant Imprints agree to initial a completed Summary Pages describing that location. In order for Franchisee to operate an Instant Imprint Center at an additional location, a separate Franchise Agreement must be signed, and Franchisee will be required to pay Instant Imprints an additional Franchise Establishment Fee. Franchisee may relocate the Center if Franchisee is in compliance with the terms of this Agreement upon Instant Imprints' written consent which will not be unreasonably withheld. Franchisee's Designated Territory may need to be reassigned.

B. Type of Instant Imprint Center. There are 3 types of Instant Imprints Centers.

i) A "Brand Center" is a store that features a full complement of production capabilities. Typically the size is 1,400 - 2,500 square feet and may be retail or prestige light industrial zoning.

ii) A "Growth Center" is a retail center that features a reduced footprint and reduced production capacity. It is a smaller-sized Instant Imprints Center ideally suited to first time business owners in which some of the products it sells are outsourced. This is a smaller format ranging from 900-1200 square feet.

iii) A "Brand Studio" is an ultra-small format, location ranging from 500-750 square feet that consists of a showroom to showcase products but has very limited production capabilities. This format is now a stand-alone unit and is only available in select markets. Existing owners acquiring multiple units or new franchisees acquiring 3 or more units under a Development Agreement can open in any market. Therefore, if a Franchisee already operates a Brand Center or a Growth Center and Franchisee is in compliance under the existing Franchise Agreement, Franchisee can sign a new Franchise Agreement for a Brand Studio and leverage the production capacity of their existing Brand Center to produce products.

The term "Instant Imprints Center" includes any size or type of Instant Imprints Centers including Brand Centers, Brand Studios, Growth Centers whether owned by Instant Imprints, its affiliates, or its franchisees. The "Center" is the Instant Imprint Center Franchisee will operate pursuant to this Agreement. The type of Instant Imprint Center Franchisee will operate is described in the Summary Pages.

C. Designated Territory. Franchisee is granted a designated territory, which is described on the Summary Pages attached to this Agreement (the "Designated Territory"). The Designated Territory will be determined at the time the Premises are agreed to by both parties, and will be specified in the Summary Pages, which Franchisee and Instant Imprints will initial. So long as this Agreement is in effect and Franchisee is not in default, Instant Imprints and its Affiliates will not locate, operate, or grant a license or franchise for another Instant Imprints Center within the Designated Territory other than in a Non-Traditional Location. A Non-Traditional Location is not considered part of the Designated Territory, even if it located within the geographic boundaries of the Designated Territory. Franchisee shall limit its telemarketing, direct mail and

other targeted marketing activities to the Designated Territory and to adjacent Designated Territories which are not granted to another Instant Imprints Franchisee.

D. Rights Reserved. Instant Imprints, on behalf of itself and its affiliates, reserve all rights not specifically granted to Franchisee pursuant to this Agreement, all without compensation to Franchisee, including but not limited to 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 Instant Imprints deem appropriate whenever and wherever Instant Imprints desires, including (1) the right to own or operate, or license others to own or operate Instant Imprints Centers in Non-Traditional Locations within the Designated Territory, immediately adjacent to the Designated Territory or anywhere outside of the Designated Territory; (2) the right to operate or license other to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in Non-Traditional Locations and outside of the Designated Territory; (3) the right to operate or license other to operate businesses that are not similar to an Instant Imprints Center under the Marks in any location, both inside or outside of the Designated Territory; (4) the right to offer any products or services (including the products and services offered at the Center) through other channels of distribution (including catalogues, the Internet and other outlets) both inside and outside of the Designated Territory, and to establish a wholesale production facility which would be prohibited from competing for commercial or retail/consumer accounts.

Instant Imprints 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 Franchisee acknowledges may be within Franchisee’s Designated Territory, near the Designated Territory, or near the Premises).

Instant Imprints 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, Franchisee expressly and specifically waive 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 a franchisee under this Agreement. If Instant Imprints assigns its rights in this Agreement, nothing will be deemed to require Instant Imprints to remain in this business or to offer or sell any products or services to Franchisees.

E. Principal. The rights and privileges granted to Franchisee under this Agreement are personal in nature to Franchisee’s Principals and may not be used at any location other than the Premises. Any person who owns or controls or who has the right to direct an ownership interest of five percent (5%) or more in Franchisee or its affiliates is a “Principal.” A “Person” is an individual or a business entity (a corporation, partnership, limited liability company or trust). Franchisee has no right to sub-franchise or sublicense any of its rights under this Agreement, or to open more than one (1) Center in the Territory. Franchisee shall not use the Premises for any purposes other than the operation of an Instant Imprints Center.

F. National Accounts. Notwithstanding anything herein to the contrary, Instant Imprints, its affiliates and other Instant Imprints Centers may provide products and services within the Designated Territory for National Accounts. A National Account means those customers who require more than one Instant Imprints Center not located solely in the designated territory to provide products and services to them. If Franchisee obtains an account that is considered a National Account, Franchisee must refer it to Instant Imprints and it will be treated as a National Account; however, Instant Imprints reserve the absolute right to reject any such account for any reason. National Accounts shall be negotiated solely by Instant Imprints or its affiliates, even if Franchisee procures the National Account. All National Accounts will be considered Instant Imprints' property and Franchisee will have no claim to them. If one or more locations of a National Account fall within the Designated Territory, Instant Imprints will first offer Franchisee the opportunity to provide services on the terms and conditions that Instant Imprints have established with such National Account. Franchisee is not required to service a National Account, and if Franchisee does not accept such offer in the manner and within the time period that Instant Imprints specifies, Instant Imprints have the right to service the account itself, or may authorize other Instant Imprints Center, to provide such services. However, the decision to accept or reject Franchisee as a provider of services for the National Account ultimately rests with the National Account.

2. TERM

A. Initial Term: This Agreement shall commence on the Effective Date specified on the Summary Pages and shall expire at the end of Term set forth on the Summary Pages ("Expiration Date") unless it is terminated earlier. The period between the Effective Date and the Expiration Date is called the "Term."

B. Additional Term: Franchisee may enter into a new franchise agreement (the "New Agreement") to take effect immediately following the end of the Term for a subsequent Term of ten (10) years subject to the conditions and terms which follow.

C. Conditions For Renewal. Franchisee shall exercise its right to enter into a New Agreement by notifying Instant Imprints of its desire not less than nine (9) months, and not more than twelve (12) months before the Term ends. The conditions precedent are:

1. Franchisee must be in full compliance with this Agreement at the time of its notice and at the time the New Agreement is scheduled to become effective. Franchisee must renovate, modernize, and refurbish the Premises, and acquire and install equipment as prescribed by Instant Imprints so as to bring the Premises up to Instant Imprints' then-current standards;

2. Rather than paying a franchise establishment fee, Franchisee shall pay a renewal fee when it submits its application for a New Agreement equal to twenty-five percent (25%) of the then-current franchise establishment fee charged by Instant Imprints for comparable franchises, and

3. Franchisee must sign the most current version of the franchise agreement at the time of renewal which may differ significantly from the original franchise agreement.

4. Franchisee shall, to the full extent permitted by applicable law, cause Franchisee's Representatives to release and discharge Instant Imprints and its Representatives from and against all claims and demands which Franchisee's Representatives may have against Instant Imprints' Representatives arising from this

Agreement or in any way out of the relationship between Instant Imprints and the Franchisee. A "Representative" includes either Franchisee or Instant Imprints and their affiliates and their respective officers, directors, employees, agents and lawyers.

5. In any event, Instant Imprints may, in its discretion, refuse to renew this Agreement if Franchisee has been notified of defaults (even if subsequently cured) under this Agreement more than 3 times during the Term, even if Franchisee is not in default at the time of the renewal.

D. If Franchisee continues to operate the Center with Instant Imprints' 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 Franchisee continues to operate the Center. This Agreement will then be terminable by either party on 30 days written notice to the other party.

3. THE PREMISES

A. Premises Selection. The Premises at which the Instant Imprints Center is to be located will be mutually agreed upon by the parties. Franchisee will select the proposed site for the location of the Center and submit a completed site analysis package, including demographics and other material requested by Instant Imprints containing all information reasonably required by Instant Imprints to assess the proposed site. Within 30 days after receipt, Instant Imprints will advise Franchisee whether the proposed site is acceptable. Instant Imprints is not responsible for and do not make any warranty regarding the suitability of the Premises. Instant Imprints consent to a proposed site means only that the proposed site meets its minimum standards for an acceptable location of an Instant Imprints Center. Franchisee is primarily responsible for investigating the Premises and having any leases or sale contract for the Premises reviewed and approved by Franchisee's attorney.

B. Lease. Franchisee shall acquire the Premises by lease (the "Lease"). Franchisee shall not enter into any Lease without obtaining Instant Imprints' prior written consent, which consent shall not be unreasonably withheld. The Instant Imprints' approval of the Premises or a Center's Lease is not a guarantee or representation that the Center will be successful or that the terms of the Lease are reasonable. Franchisee alone is responsible for reviewing and determining the appropriateness and desirability of the site and the Lease. Franchisee shall not assign the Lease, sublet or share the Premises without Instant Imprints' prior written consent. Franchisee must deliver to Instant Imprints a fully executed copy of the Lease immediately after the execution of the Lease. Franchisee shall not amend, extend, renew or cancel the Lease without Instant Imprints' express written consent thereof, which consent shall not be unreasonably withheld. Franchisee's lease for the Premises shall contain substantially the same terms as the Lease Rider set forth on Schedule F attached hereto or all parties must sign the Lease Rider.

C. Collateral Assignment of Lease. Franchisee hereby assigns, transfers and sets over unto Instant Imprints all of Franchisee's right, title and interest as tenant in, to and under the Lease. This assignment is for collateral purposes only and except as specified herein, Instant Imprints shall have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless Instant Imprints shall take possession of the Premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of its interest in the Lease or the premises demised thereby.

Upon a default by Franchisee under the Lease or a default or expiration under this Agreement, or in the event of a default by Franchisee under any document or instrument securing this Agreement or under any other agreement between Franchisee and Instant Imprints or its affiliates, Instant Imprints shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Franchisee therefrom, and, in such event, Franchisee shall have no further right, title or interest in the Lease.

D. Relocation. If Franchisee loses the right to occupy the Premises, other than because of a default under the Lease or the Agreement, Instant Imprints shall grant authorization to relocate the Center if: a new site acceptable to Instant Imprints is within the Designated Territory, is reasonably suited for an Instant Imprints Center, does not infringe on the rights of any other franchisee and is reasonably distant from other Instant Imprints Centers; provided that the new Center is open and operating within sixty (60) days after Franchisee discontinues operation of the Center at the previous location, all in accordance with the current standards of Instant Imprints for new Centers.

4. INSTANT IMPRINTS' GENERAL OBLIGATIONS

A. Layout and Design. Instant Imprints will provide Franchisee with suggestions for layout and design of a typical Instant Imprints Centers. These suggestions will not include the requirements of any federal, state, or local law, code or regulation, including those concerning the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities, nor will such suggestions include the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Center.

B. Equipment Package. Franchisee must purchase an Equipment Package from Instant Imprints prior to opening. The Equipment Package is based on the type of Center Franchisee will operate. The cost of the Equipment Package is described in the Summary Pages attached hereto. The Equipment Package includes the equipment, computer hardware and software, inventory, supplies, signage, shipping and handling and taxes. The items included in the Equipment Package are set forth in Schedule G attached hereto.

C. Design, Buildout Coordination and Management Fee. Instant Imprints will provide assistance in coordinating timing of the delivery and installation of the items in the Equipment Package within the Center and assisting in the design element.

D. Supplier of Bookkeeping Services. Instant Imprints will provide Franchisee access to an approved supplier of bookkeeping services which Franchisee must use during the first 6 months the Center is in operation. After that period, Franchisee is either permitted to continue to use the approved supplier and pay the required fees to the approved suppliers or may use another bookkeeping service.

E. Manual. Instant Imprints will loan Franchisee for the duration of this Agreement and any renewal 1 copy of the Instant Imprints' Operations and Training Manual ("Manual") in the format determined by Instant Imprints (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. Franchisee agrees to comply with the mandatory requirements in the Manual and acknowledge that Franchisee's compliance is an

essential part of its obligations under this Agreement. Franchisee 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 Instant Imprints and will remain Instant Imprints property. The Manual cannot be photocopied, reproduced, or disseminated without Instant Imprints' written consent. Instant Imprints may modify the Manual from time to time in its discretion, and Franchisee agrees that from time to time Instant Imprints may reasonably change the System. Franchisee expressly agrees to comply with each modification, addition or deletion of the System or Manual at Franchisee's sole cost and expense. Franchisee 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 Franchisee's expenditure of substantial sums of money. Franchisee will at all times insure 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 Instant Imprints will be controlling.

Instant Imprints agrees to impose any of these changes in a reasonable, non-discriminatory manner among other franchisees. However, because complete and detailed uniformity under many varying conditions may not be possible or practical, Instant Imprints specifically reserve the right and privilege, in Instant Imprints' 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 franchisee 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. Instant Imprints may grant variations from standard specifications and practices as it determines in its discretion, and Instant Imprints will have no obligation to grant Franchisee or any other franchisee like or similar variations, and Instant Imprints' failure to require a change from any particular franchisee will not affect Franchisee's obligations under this Agreement.

F. Continuing Advisory Assistance. Instant Imprints will make available continuing advisory assistance in the operation of the Center, rendered in such manner and available from time to time, as Instant Imprints may deem appropriate. More specifically, Instant Imprints will use reasonable efforts to offer advice and technical assistance and guidance for the embroidery, screen print, sign and banner making processes, digital printing including document services, wide format printing, and digital garment printing and business operations by telephone and via the Internet at no charge. If Instant Imprints sends its representatives to the Center to provide assistance, it reserves the right to charge a reasonable fee for this type of assistance.

G. Use of Area Representatives. Instant Imprints offers Area Representatives in certain states, which authorize Area Representatives to develop and operate Instant Imprints Centers as well as recruit franchisees to develop and operate Centers within a specific geographic area. Area Representatives also provide training, ongoing supervision and guidance to franchisees in their territories in exchange for a portion of the fees paid by the franchisees. If Franchisee is granted a Franchise in a territory granted to an Area Representative, many of Instant Imprints' obligations to Franchisee may be provided through an Area Representative.

5. FRANCHISEE'S GENERAL OBLIGATIONS

A. Center Opening and Construction. Franchisee agrees to begin operation of the of a Center within 9 months after the date of this Agreement. Franchisee will construct and equip the Center according to the specifications prepared by Franchisee and subject to Instant Imprints right to consent. Franchisee must pay for the cost of construction drawings and other documentation necessary to build, obtain permits or receive other necessary authorizations for

constructing the Center. Franchisee must submit these plans and other documents, along with any revisions of them made during the construction process, to Instant Imprints for Instant Imprints consent prior to Franchisee use of them. Instant Imprints review will be limited to reviewing these plans and documents to assess compliance with Instant Imprints' design specifications and standards for an Instant Imprint Center, including items such as trade dress, presentation of trademarks, and the provision to the potential customer of certain products and services that are central to the functioning of the Center under the System. Instant Imprints review is not designed to assess, nor does it assess, compliance with federal, state or local laws and regulations, including the Americans with Disabilities Act, as compliance with such laws is Franchisee's sole responsibility. The opening of the Center may be delayed only if the delay is caused by contingencies not within Franchisee's control, like acts of God, governmental restrictions, strikes or labor disputes, the occurrence of which Instant Imprints is given notice within a reasonable period time. Franchisee will use its best efforts to cure any delay. Any permitted delay in completion will only be for a period of days equal to the number of days during which such event actually prevents completion.

B. Use of Name and System. Franchisee agrees that during the term of this Agreement, Franchisee will operate, advertise and promote the Center under the name "Instant Imprints " without prefix or suffix and to adopt and use the Marks and System licensed hereunder solely in the manner prescribed by Instant Imprints. Franchisee agrees to identify the Center with a sign in compliance with applicable local ordinances and approved by Instant Imprints. Franchises must identify the Center and indicated in all communications that it is an independently owned and operated franchise.

C. Compliance with Laws. Franchisee agrees to operate the Center in compliance with applicable laws and governmental regulations and in accordance with the operational standards Instant Imprints may establish from time to time. At all times Franchisee will comply with all federal, state, municipal, and local laws, rules, regulations, ordinances, and codes applicable and related to this Agreement, the Center, and all aspects of the conduct of the Center. Franchisee must obtain all licenses and permits required by any applicable federal, state, municipal, and local law, rule, regulation, ordinance and code to operate the Center as required by this Agreement. Franchisee must make timely filings of all tax returns and pay when due all taxes levied or assessed on and related to this Agreement and the Center. At no time is Instant imprints required to inform Franchisee of any federal, state, municipal, or local law, rule, regulation, ordinance code, or tax. Any such information Instant Imprints does provide to Franchisee, whether as part of the Manual or otherwise, is for general information purposes only and may not be applicable to the Center. Such information is not to be construed as legal advice.

D. Standards of Operation. The Center must conform with the mandatory standards relating to signage, color scheme, appearance, hours of operation, cleanliness, sanitation, type of equipment and decor as designated by Instant Imprints. Unless Instant Imprints gives Franchisee its prior consent, Franchisee must offer products and services required by Instant Imprints in the Manual or in any other written instruction Instant Imprints give to Franchisee. Franchisee will not conduct any business or sell any products or services other than those approved by Instant Imprints and agrees to at all times sell such products and services in accordance Instant Imprints standards of quality, quantity and appearance.

Franchisee must keep the Premises clean and provide prompt and courteous service to its customers. Each manager Franchisee employs must satisfactorily complete the initial training program. Franchisee agrees to, and will take all steps as are necessary to, ensure that all of its employees treat each customer fairly and provide services in an honest, ethical, and non-

discriminatory manner. Franchisee must not advertise in a deceptive, misleading, or unethical manner and agrees to meet such minimum standards as Instant Imprints may establish from time to time in the Manual.

E. Staffing. Franchisee will maintain a competent, conscientious, and trained staff. Franchisee will be solely responsible for all employment decisions and functions of the Center including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision and discipline of employees. Franchisee will be responsible for ensuring that the Center is staffed appropriately at all times. Requirements for staffing may be described in the Manual.

F. Security and Safety Procedures. Franchisee is solely responsible for taking necessary or appropriate security and safety measures to protect employees, customers, those engaging in business with Franchisee, those coming on the Premises of the Center and the general public at large. Instant Imprints does not in any way share any of that responsibility.

G. Actual Participation. Franchisee recognizes the importance of the Principal and/or designated manager's participation in the management of the Center and that the Principal and/or designated manager's agreement to participate in the management of the Center is a material inducement for Instant Imprints to enter into this Agreement. Therefore, Franchisee agrees that either the Principal or a designated manager who has satisfactorily completed the initial training program are required to use his or her best efforts and are personally responsible for the management of the Center on a day-to-day basis. Whether or not participating in the day to day management of the Center, the Principal is required to carefully monitor and be responsible for the performance of anyone designated to manage the operation of the Center. Supervisory personnel, including the designated manager(s) are required to sign an agreement regarding confidentiality and covenants not to compete in a form acceptable to Instant Imprints.

H. Inspections. Franchisee must permit Instant Imprints' representatives or agents or the representatives or agents of its affiliates to enter the Premises with or without notice during regular business hours to inspect the Center and audit the business operations, including all books and records. In conducting inspections, Instant Imprints have the right to observe, photograph and videotape the operations of the Center for such consecutive or intermittent periods as Instant Imprints deem necessary, to remove samples of any products or materials for testing and analysis, and to interview personnel and customers of the Center. Franchisee also grants Instant Imprints permission to examine all records of any supplier from whom Franchisee has made purchases. Instant Imprints rights to approve certain matters, to inspect the Center and its operation and to enforce Instant Imprints' rights, exists to protect Instant Imprints' interest in the System and Marks for the benefit of Instant Imprints, its affiliates and all Instant Imprints Centers and to insure compliance with the terms of this Agreement. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to Franchisee, nor will they be construed to do so. The obligations of this provision survive termination or expiration of the term of this Agreement.

I. Cooperation for Financial Performance Representations. Franchisee will maintain its books and records in accordance with generally acceptable accounting principles, consistently applied. If Instant Imprints at any time desire to utilize a financial performance representation or similar document in connection with the sale of franchises, Franchisee agrees to provide Instant Imprints, at no cost, with such reasonable information as Instant Imprints may require in order to properly prepare such representation, and will permit Instant Imprints to utilize such information as Instant Imprints deem necessary.

J. Innovations. All ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials concerning an Instant Imprints, whether or not protectable intellectual property and whether created by or for Franchisee or its owners, affiliates, employees or representatives, must be promptly disclosed to Instant Imprints and will be deemed to be Instant Imprints sole and exclusive property, part of the System and works made-for-hire for Instant Imprints. To the extent any such item does not qualify as a "work made-for-hire" for Instant Imprints, Franchisee must assign, or must require its owners, affiliates, employees or representatives to assign, their ownership interest of such item to Instant Imprints. Franchisee agrees to take, or direct its owners, affiliates, employees or representatives to take, whatever action required by Instant Imprints to document such assignment or to assist Instant Imprints in obtaining any and all intellectual property rights in such item.

K. Remodeling. Instant Imprints may require Franchisee to make capital expenditures to remodel the Center to reflect Instant Imprints' then current standards for Instant Imprints Centers. Compliance with these standards may be an ongoing obligation of Franchisee and may be a condition of Instant Imprints consenting to a renewal of this Agreement or consenting to a Transfer.

L. Maintenance of the Center and the Equipment. Franchisee must maintain all fixtures, equipment, furnishing, fixtures, computer equipment and signs in the highest degree of cleanliness, orderliness, sanitation and repair and in accordance with the Manual or as otherwise communicated to Franchisee. Franchisee acknowledges and understands that in the future, and from time to time, Franchisee may be required to upgrade or purchase or lease new computer hardware and software or equipment at Franchisee's expense. Franchisee may not make any material alternations, additions, replacements or improvements to the Center without Instant Imprints' prior written consent. Mandatory specifications, standards and operating procedures described by Instant Imprints in the Manual, or otherwise communicated to Franchisee in writing, constitute provisions of this Agreement as if fully set forth in this Agreement.

M. Sources of Products. Franchisee shall purchase or lease all products and services used for the operation of the Center as required by the Manual solely from authorized manufacturers and suppliers who have been approved in writing by Instant Imprints and not thereafter disapproved. Instant Imprints, in its sole and absolute discretion, may approve a single distributor or supplier for any brand and may approve a distributor or supplier only as to a certain brand or brands. Instant Imprints and its affiliates may be authorized manufacturers or suppliers and Franchisee may be required to purchase equipment, supplies, inventory or other products from Instant Imprints or its affiliates. Currently Instant Imprints is the sole supplier of the Equipment Package. However, it is not required that Franchisee purchase these ongoing supplies and equipment from Instant Imprints, but Franchisee must purchase these items from an approved supplier.

If Franchisee desires to purchase or lease any equipment, supplies, inventory or other products or services from an unapproved supplier, Franchisee shall submit to Instant Imprints a written request for such approval. Instant Imprints shall have the right to require, as a condition of its approval, that its representatives are permitted to inspect the supplier's facilities, review the supplier's specifications and that samples from the supplier be delivered to Instant Imprints. Instant Imprints shall notify Franchisee in writing within 30 days after Instant Imprints' receipt of samples, whether such products or services satisfy Instant Imprints' then current quality standards and are consistent with the image and business of Instant Imprints. Notwithstanding the

foregoing, Instant Imprints may revoke its approval of a supplier at any time in its sole and absolute discretion.

Instant Imprints has the right to collect credits, rebates, commissions and other sources of compensation from suppliers or dealers with whom Instant Imprints' franchisees, including the Franchisee, or the Marketing Fund do business or make purchases. Instant Imprints may elect to keep such collected monies and other items, or it may elect, in Instant Imprints' sole discretion, to pass such rebates on to its franchisees or to the Marketing Fund. Currently Instant Imprints has been passing the rebates on to the Marketing Fund, but it can modify this decision at any time in its sole discretion.

6. TRAINING

A. Initial Training. Instant Imprints shall make an initial training program available to Franchisee or its Principal and the manager of the Center (if other than Franchisee) for Brand Centers and Growth Centers. Studio format centers will have a modified training program given the lack of production and depth of equipment knowledge required to begin operations. Prior to beginning operation, Franchisee or its Principal and the manager of the Center, if any, shall attend and successfully complete, to Instant Imprints' satisfaction, Instant Imprints' initial training program. At Franchisee's request, Instant Imprints shall make the initial training program available to such other employees of Franchisee as Instant Imprints deems appropriate, in its sole discretion. All expenses incurred by Franchisee, its manager and any additional employees in attending the initial training program including, but not limited to, travel cost, room and board expenses and employees' salaries, shall be the responsibility of Franchisee. The cost of the initial training is specified on the summary pages. The Franchisee and the manager must satisfactorily complete the initial training.

B. On-Site Assistance. For Brand Centers and Growth Centers, Instant Imprints shall furnish to Franchisee, at Instant Imprints' expense, over a period of approximately 5-7 days around the Opening of the Center, (1) of Instant Imprints' representatives for the purpose of providing pre-opening training, post-training and soft opening support. Brand Studio Centers will be provided 3 days of opening support. Should Franchisee request additional assistance from Instant Imprints in order to facilitate the opening of the Center, and should Instant Imprints deem it necessary and appropriate to comply with the request, Franchisee shall reimburse Instant Imprints for the expense of Instant Imprints providing such additional assistance at Instant Imprints' standard rates, plus expenses.

C. Additional Training and Assistance. Instant Imprints from time to time may provide and, if it does, may require that previously trained and experienced franchisees and/or employees attend and successfully complete additional training programs or seminars to be conducted at locations designated by Instant Imprints. Attendance at such training programs or seminars shall be at Franchisee's sole expense including, without limitation, travel cost, room and board expenses and employees' salaries. In addition, Instant Imprints may hold seminars and regional franchise meetings will be held at different locations within the United States, each on a quarterly basis and last for a few hours to a half day. Franchisee will incur travel expenses to attend seminars and regional franchise meetings.

At Franchisee's request, Instant Imprints shall from time to time provide such additional training and assistance as it deems necessary and appropriate, in its sole discretion. If Instant Imprints provides such additional assistance, Franchisee shall reimburse Instant Imprints for the expense of Instant Imprints providing such additional assistance at Instant Imprints' standard rates, plus

expenses. There will be no training fee or charge for these additional training classes; however, all costs of attendance shall be at Franchisee's sole expense. Franchisee is required to attend at least one (1) training session per two (2) year period and one (1) regional training session per year.

D. Conventions. Instant Imprints currently holds a franchisee convention every 12 to 24 months, at different locations within the United States or Canada, for up to 2 to 3 days. Franchisee is required to attend. Franchisee will incur travel and lodging expenses to attend the convention, as well as a registration fee that can fluctuate depending on the convention. Instant Imprints invites vendors, suppliers and outside contractors to these meetings in order to make Franchisee aware of technological advancements, provide education, networking opportunities, motivation, and to potentially save Franchisees money on ongoing operations.

E. Fast Start Program. All new franchisees are required to participate in the "FastStart" program for new franchisees. The FastStart program involves business planning, coaching, mentoring, progress-tracking and self-evaluation, under the guidance and with the assistance of an Area Representative or a member of Instant Imprints field operations staff. FastStart is designed to support new franchisees through assistance in implementing sales development actions under a Marketing Action Plan (MAP) for the Center. The FastStart program also assists Franchisees in the tracking and measuring of its results and with other operations and management functions. FastStart occurs over the course of approximately 15 weeks and is generally conducted at or near the Center, beginning within 2 weeks after the Center first opens for business.

7. FEES

A. Franchise Establishment Fee. Franchisee must pay Instant Imprints a Franchise Establishment Fee ($39,950) for a Brand Center or Growth Center or $24,950 for a Brand Studio when this Agreement is signed. The amount of the Franchise Establishment Fee is set forth on the Summary Pages attached hereto.

If Franchisee already owns an existing printing business and wants to convert (a "Conversion Franchisee"), the amount of the Franchise Establishment Fee is based on the level of annual revenue Franchisee's existing business generated in the calendar year prior to signing this Agreement.

Annual Revenue	Franchise Establishment Fee for Conversion Franchisee
$200,000 and $399,999	$21,250
$400,000 and greater	$10,000

Instant Imprints offer a Veteran/First Responder Grant Program that provides special financial incentives to veterans of the U.S. Armed Forces and first responders—*i.e.* police, firefighters, and emergency medical technicians (an EMT)—that meet the program qualifications and are not Conversion Franchisees. If Franchisee qualifies under the program, Franchisee receives a $10,000 discount off the Franchise Establishment Fee which then will be $29,950. Brand Studio locations do not qualify for this offer.

If this Agreement is for an additional Instant Imprints Center for an existing franchisee or for a spec unit for an Area Representative, Instant Imprints may, in its sole discretion, provide financing of the Franchise Establishment Fee. If this Agreement is for an additional Instant Imprints Center,

the Franchisee will pay Instant Imprints $29,950 when this Agreement is signed and also sign a Promissory Note in a form set forth in Schedule D attached hereto for the balance of the Franchise Establishment Fee.

The Franchise Establishment Fee shall be deemed fully earned and non-refundable upon the execution of this Agreement.

B. Royalty Fees. During the Term of this Agreement, Franchisee must pay Instant Imprints a monthly Royalty Fee based on SSTR (as defined below) from the prior month as calculated on a calendar basis:

6% of the SSTR (as defined below) ranging from $0 to $1,000,000

4% of the SSTR ranging from $1,000,001 - $2,000,000; and

2% of the SSTR over $2,000,001.

For purposes of determining the percentage used based on the level of total SSTR that have been achieved during the then-current calendar year, you are permitted to aggregate the SSTRs from up to 3 Centers that you and/or your affiliate(s) own.

C. Brand Fee. Franchisee must pay Instant Imprints a monthly Brand Fee of 2% of the SSTR from the prior month up to an annual $1,000,000 throughout the Term of this Agreement. The Brand Fee is for the development of the brand. For purposes of determining whether you must pay a Brand Fee, you are permitted to aggregate the SSTRs from up to 3 Centers that you and/or your affiliate(s) own.

D. SSTR. "Sales Subject to Royalty" or "SSTR" means the entire amount of actual sales, revenue or other consideration received, whether for cash, credit or otherwise, for sales of products and services at or in connection with the Franchisee's Business and all other receipts from all business conducted at or originating from the Center premises, including proceeds from any business interruption insurance. Consideration consisting of goods, property or services traded or bartered for Center products or services shall be valued at the standard prices then applicable to the products or services exchanged for such consideration. SSTR does not include: (i) sales made to another Instant Imprints Center if the products or services sold are resold to a customer and included on the receiving franchisee's report of SSTR; (ii) sums collected by Franchisee on behalf of and paid to a governmental taxing authority for taxes imposed on the sale of goods or services at the Center; or (iii) uncollectible accounts (bad debts) or approved customer refunds.

E. Technology Fee. Franchisee must pay Instant Imprints its then-current monthly Technology Fee throughout the Term of this Agreement. Currently the Technology Fee is $525 per month. This includes but is not limited to the upkeep and maintenance of Webmail, Imagenet, POS/ShopVox, Web-hosting, Reputation Management/Review Software, , CRM, Email Marketing and maintenance and other applications used by the Center as part of the Instant Imprints System. Studio centers can have a technology fee of $475 per month. This Technology Fee is reviewed on an annual basis and may fluctuate depending on the technology requirements of the business, and as system modifications and technology enhancements are made to the System, but the Technology Fee is a pass through, so we will not charge you more than our costs and expenses.

F. Technology Reconnection Fee: If Franchisee fails to remit payment for the monthly technology fees, then in addition to all other rights and remedies available to Instant Imprints. Instant Imprints may suspend Franchisee's access to the technology system and services. Franchisee would subject to a reconnection fee as specified on the summary pages that will be payable in advance along with curing the balance outstanding prior to resumption of services.

G. Time and Manner Payment. Royalty Fees, Brand Fee, Technology Fees and any other periodic fees due under this Agreement will be paid by the 5th day of each Month based on the SSTR of the previous month. However, if any 5th is a legal holiday, the payment will be made on the next day which is not a legal holiday). All of these payments will be made via electronic funds transfer ("EFT") or such other manner which Instant Imprints may designate from time to time. None of these fees are refundable and all fees are fully earned when paid. Franchisee will comply with the procedures specified in the Manual or as otherwise communicated to Franchisee for such EFT program or other manner of payment Instant Imprints establish, and Franchisee will perform the acts and sign the documents, including authorization forms that Instant Imprints, its bank, and Franchisee's bank may require to accomplish such payment methods, including authorizations for Instant Imprints to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, Franchisee will pay all costs associated with utilizing an EFT payment program or other manner of payment Instant Imprints establish. Failure to maintain adequate funds in the designated account or failure to pay all amounts due will be considered a breach of this Agreement and grounds for termination. Franchisee must also submit all sales and other reports required to be submitted to Instant Imprints by this Agreement, the Manual or as otherwise communicated to Franchisee.

H. Opening Launch Program Deposit. Franchisee must pay Instant Imprints an Opening Launch Program Deposit, as described more fully in Section 9.C of this Agreement.

I. Training Fee. Franchisee must pay Instant Imprints a Training Fee when Franchisee signs the Franchise Agreement for its first Center. This fee is fully earned when paid and non-refundable.

J. Design, Buildout Coordination and Management Fee. Franchisee will pay Instant Imprints a Buildout Coordination Fee as specified on the summary pages upon the execution of this Agreement. This fee is fully earned when paid and non-refundable.

K. Bookkeeping Services Fee. Franchisee will pay Instant Imprints a Bookkeeping Services Fee as specified on the summary pages upon execution of this Agreement. This fee is fully earned when paid and non-refundable.

L. Late Fees and Interest. Should the Franchisee fail to submit SSTR, financial reports (such as T12M) by the 5th of the month, Franchisee shall be subject to a late fee of $100 for each missed or late report. All amounts due to Instant Imprints or its affiliate shall bear interest after their due date at the rate equal to the lesser of Prime + 5% or the maximum interest rate allowed by law per annum. Franchisee acknowledges that this Section shall not constitute an agreement by Instant Imprints or any affiliate to accept such payments after the same are due or a commitment by Instant Imprints to extend credit to, or otherwise finance the operations of the Center. Further, Franchisee acknowledges that its failure to pay all amounts when due shall give Instant Imprints the right to terminate this Agreement notwithstanding the provisions of this Section. Instant Imprints' right to interest is in addition to any other remedies that Instant Imprints may have.

M. Application of Payment/No Right to Offset. Notwithstanding any designation by Franchisee, Instant Imprints shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for any amounts due to Instant Imprints or any affiliate, interest or any other indebtedness. Franchisee agrees to make prompt payment, without deduction or set-off, of all charges which are properly. Such payments cannot be withheld on grounds of non-performance by Instant Imprints of any of its obligations hereunder.

N. Under-Reporting. If it is found that Franchisee under-reported SSTR of its Center, Franchisee will reimburse Instant Imprints for the amount of the fees that would have been paid had SSTR been reported accurately, plus interest. In addition, if the amount of SSTR reported for any calendar year is less than Ninety-Seven percent (97%) of the actual sales for that period, Franchisee agrees to reimburse Instant Imprints for all costs of the investigation or audit that uncovered the under-reported sales, including salaries, professional fees, travel, meals and lodging plus $1,250.

O. Taxes**.** Franchisee agrees to indemnify and/or reimburse Instant Imprints and its affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of the Center's business or the license of any of Instant Imprints' or its affiliates' intangible property to Franchisee (whether required to be paid by Instant Imprints or its affiliates, withheld by Franchisee or otherwise). Franchisee's obligation to indemnify or reimburse Instant Imprints or its affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on Instant Imprints or its affiliates' income.

P. Security Interest. As security for all Franchisee's monetary and other obligations to Instant Imprints, or its affiliates, Franchisee hereby grants to Instant Imprints a first priority security interest in all of Franchisee's assets, including, without limitation, all furniture, fixtures, machinery, equipment, inventory, all cost and accounts receivable of the Center and all other property, (tangible or intangible), now owned or hereafter acquired by Franchisee, used in connection with Instant Imprints Center, wherever located, as well as all contractual and related rights of Franchisee under this Agreement and all other agreements Franchisee may have with third parties. Franchisee 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 Instant Imprints' security interest (see Schedule E to this Agreement). Instant Imprints agrees to subordinate its security interest to any working capital lender of Franchisee in reasonable amounts, and to the purchase money security interest of an accepted equipment vendor for any equipment purchased by Franchisee and used in the operation of the Instant Imprints Center. Franchisee shall pay all filing fees and costs for perfecting Instant Imprints' security interest. Franchisee 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, Instant Imprints 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 Center is located.

Q. Missed Convention Fee. If the franchisee fails to attend the convention, the franchisee is subject to a Missed Convention Fee in the amount specified on the summary pages. This fee is fully earned and non-refundable. Convention is an event for the benefit of all franchisees and franchisees failing to attend are obligated to contribute to the cost of hosting the convention.

8. ACCOUNTING AND REPORTING

Franchisee will maintain and preserve for at least 5 years from the dates of their preparation, full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Instant Imprints from time to time. Franchisee will send Instant Imprints for each of Franchisee's accounting years not less than two (2) financial statements (including a balance sheet and profit and loss statement) for Franchisee's full accounting year which shall be prepared by an independent Certified Public Accountant ("CPA"). Such reports and financial statements shall be delivered to Instant Imprints within thirty (30) days from the end of the said interim period, and within ninety (90) days from the end of any accounting year. In addition, Franchisee will provide Instant Imprints such other financial reports and information as Instant Imprints may reasonably request. However, Franchisee will not be obligated to disclose confidential tax returns if such disclosure would violate applicable state law. All reporting data will be prepared in accordance with generally accepted accounting principles, consistently applied. At all times, Instant Imprints will have access to and may use the information contained in Franchisee's books, records and accounts for any purpose Instant Imprints deem appropriate, including, but not limited to, disseminating such information to Instant Imprints' potential franchisees (except that Instant Imprints will not disclose social security number, birth date or home address information without Franchisee's consent, unless required or permitted by law).

9. MARKETING

A. Franchise Advisory Council. Instant Imprints has established a Franchise Advisory Council ("FAC"), which is comprised of both franchisee representatives and personnel from Instant Imprints. Franchisee representatives are invited to participate in the FAC by Instant Imprints (subject to Instant Imprints eligibility requirements) and are not elected by franchisees. The FAC serves in an advisory capacity concerning operational and marketing matters facing the System. If Instant Imprints propose a change to franchise agreements which is approved by a majority of the members of the FAC Board who vote at a duly constituted FAC meeting after having received at least 30 days' notice of the proposed amendment, then the change shall be binding upon Franchisee in 90 days or at such later date as Instant Imprints may specify, as if the modification had been included in this Agreement. The Manual will contain additional information regarding the FAC. Instant Imprints has the power to change or dissolve it.

B. Local/Regional Cooperative. Although Instant Imprints has not yet done so in any region, it has the right, in the future, to require that Franchisee to participate in, and contribute a maximum of 2% of the SSTR as a "Local/Regional Advertising Fee" to, a local or regional marketing program or cooperative established by Instant Imprints in the Designated Market Area (a "DMA") where the Center is located. If Instant Imprints designates a DMA, both company-owned and franchised Centers will be required to pay in to the Local/Regional Marketing Fee, which generally will be spent to conduct advertising and promotional activities within the DMA. Instant Imprints may administer the local/regional marketing programs as it deems advisable or it may establish the framework for local/regional cooperatives to govern themselves, within the parameters that it establishes. Instant Imprints has no fiduciary obligations with respect to local/regional programs that it administers directly. Instant Imprints reserves the right to establish, dissolve or otherwise modify local/regional marketing programs and/or cooperatives.

C. Opening Launch Program. Instant Imprints has developed, both internally and with the aid of professional marketing firms, standardized advertising campaigns appropriate for Instant Imprints Centers, including opening launch marketing procedures. These systems are

designed to make the opening launch and initial marketing effort simple, cost effective, and productive. Instant Imprints requires Franchisee to pay Instant Imprints an Opening Launch Program Deposit when Franchise signs the Franchise Agreement as the Opening Launch Program Deposit of $10,000 to promote the Center. Instant Imprints will use the Opening Launch Program Deposit of only $5,000 to promote the launch of Franchise's ownership of the Center which was transferred or is a Brand Studio. However, Franchisee may only use advertising materials that meet Instant Imprints' trademark guidelines and marketing standards, and the Opening Launch Program funds will be committed to initial marketing for the Center.

D. Local Advertising. In addition to the Brand Fees and the Opening Launch Program Deposit, Instant Imprints recommends that Franchisee spends 3% of the SSTR on local marketing efforts. Instant Imprints has the right to review and approve any marketing materials that Franchisee proposes to use. Franchisee must submit all of its own advertising and sale promotion materials to Instant Imprint or its designated advertising agency for approval before use. If Franchise does not receive written disapproval within 20 days after receipt of the materials, it will be deemed to be approved. Franchisee is responsible to ensure that all advertising and promotion materials used by Franchisee, whether created or consented to by Instant Imprints, comply with applicable laws. Franchisee 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 Instant Imprints directs.

Franchisee may not advertise or use any of the Marks on the Internet except after obtaining Instant Imprints consent. Any advertising on the Internet, delivered by facsimile, electronic mail or other electronic means shall be pre-approved by Instant Imprints and on terms specified by Instant Imprints. Instant Imprints may require Franchisee to place all such electronic advertisements with its designated third-party vendor or Instant Imprints. Further, Franchisee 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 website or mobile application, including any social media website (such as LinkedIn, Facebook or Twitter). Instant Imprints maintain and control the web site www.instantimprints.com. Instant Imprints may provide contact information for Instant Imprints Centers, including the Center, on the website for so long as it determines.

Franchisee agrees to create and continuously conduct, during the Term, a full-time and ongoing marketing program, and Franchisee agrees to devote a minimum of eight (8) hours per week, either personally or through an employee, to conducting such a marketing program. Franchisee further agrees to create a marketing file and record all marketing activities therein. This file shall remain on the Premises and be available to Instant Imprints to review upon reasonable notice.

10. INSURANCE

Franchisee shall obtain and maintain at its cost and expense such policies of insurance in at least such amounts and from such carriers as may reasonably be required by Instant Imprints from time to time throughout the Term. Subject to changes or additions which may be set out in the Manual, such insurance shall include, without limitation,

1. comprehensive general liability policy with a minimum combined single limit covering bodily injury and property damage with respect to the Premises and products, and completed operations of three million dollars ($3,000,000);

2. one hundred percent (100%) of full replacement cost value including plate glass coverage, business income and extra expense for twelve (12) months at the actual loss Franchisee sustains;

3. all insurance required by applicable law, including workers compensation and disability (limits may vary according to geographical location); and

4. business interruption insurance.

Instant Imprints may, from time to time, in its sole discretion, make such changes in minimum policy limits, coverage, and endorsements as it may determine. Franchisee agrees to comply with any of these changes, at Franchisee's sole cost and expense. All general liability insurance policies will name Instant Imprints, its affiliates and their successors and assigns as additional insured and will provide that Instant Imprints must receive 30 days prior written notice of any termination, expiration, or cancellation of the insurance policy. Each year Franchisee must provide Instant Imprints with a certificate or other evidence of Franchisee's compliance with the insurance requirements. If Franchisee fails to maintain such insurance, Instant Imprints may procure such insurance on Franchisee's behalf and will be entitled to reimbursement from Franchisee of Instant Imprints costs to do so, in addition to any other rights and remedies Instant Imprints may have under this Agreement. However, Instant Imprints is not obligated to obtain such insurance on Franchisee's behalf. Regardless of the amounts set forth above, it will be Franchisee's responsibility to maintain adequate insurance coverage at all times during the Term of and after the expiration or termination of the Term of this Agreement. Franchisee recognizes that the levels of insurance described above are merely a minimum requirement. Franchisee should determine if additional insurance is necessary through consultation with its advisors. Franchisee's failure to maintain coverage will not relieve Franchisee of any contractual responsibility or obligation or liability under this Agreement.

11. TRADEMARKS

A. Ownership and Goodwill of Marks. Franchisee acknowledges that Instant Imprints and/or its affiliates are the owner of the Marks and that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Instant Imprints during the Term of the Franchise. Any unauthorized use of the Marks by the Franchisee is a breach of this Agreement and an infringement of the rights of Instant Imprints and its affiliates in and to the Marks. All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Instant Imprints and its affiliates. This Agreement does not confer any goodwill or other interests in the Marks upon Franchisee. Franchisee shall not, at any time during the Term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks shall apply to any additional trademarks, service marks and commercial symbols authorized for use by and licensed to Franchisee by Instant Imprints after the date of this Agreement.

B. Limitations on Franchisee's Use of Marks. Franchisee shall not use any Mark or portion of any Mark as part of any corporate or trade name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified form, without the prior written consent of Instant Imprints. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by

Instant Imprints. Franchisee shall give such notices of trademark and service mark registrations as Instant Imprints specifies and obtain such fictitious or assumed name registrations as may be required under applicable law.

C. Notification of Infringements and Claims. Franchisee shall, upon receipt, notify Instant Imprints in writing of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof. Franchisee shall notify Instant Imprints of any action, claim or demand against Franchisee relating to the Marks immediately after Franchisee receives notice of said action, claim or demand. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Instant Imprints shall have the sole right and duty to defend any such action. Instant Imprints shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks and shall exercise such right in their sole discretion. In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Instant Imprints, Franchisee shall cooperate with Instant Imprints and execute any and all documents and take all actions as may be desirable or necessary, in the opinion of Instant Imprints' counsel, to carry out such defense or prosecution. Both parties shall make every effort consistent with the foregoing to protect, maintain and promote the Marks as identifying the System.

D. Discontinuance of Use of Marks. If it becomes advisable at any time, in Instant Imprints' sole discretion, for Instant Imprints and/or Franchisee to modify or discontinue use of any of the Marks, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Instant Imprints' directions within a reasonable time (not to exceed 30 days) after notice to Franchisee by Instant Imprints. Instant Imprints shall not be obligated to reimburse Franchisee for any expenses or loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute trademark or service mark.

E. Rights of Inspection. In order to preserve the validity and integrity of the Marks and System, Instant Imprints and its agents shall have the right of entry and inspection of the premises at all reasonable times and, additionally, shall have the right to observe and inspect the manner in which Franchisee is rendering its services and conducting its activities and operations to make certain that the Center is being operated in accordance with the quality control provisions and performance standards established by Instant Imprints. Instant Imprints and its agents have the right to inspect the Center for no reason or any reason.

F. Restrictions On Internet And Website Use. Franchisee acknowledge that Instant Imprints, or its Affiliate, is the lawful, rightful and sole owner of the www.instantimprints.com Internet address (URL), and Franchisee unconditionally disclaim any ownership interest in that or any similar Internet address. Franchisee will not maintain a website, or social media (e.g., LinkedIn, Facebook or Twitter) account or user name, or any other presence, or otherwise advertise on the Internet, or any other public computer network, in connection with the Center, without Instant Imprints' prior written consent or in the manner Instant Imprints approves. Franchisee agrees not to register any Internet address name under any Internet domain, class or category that contains "Instant Imprints" or any abbreviation, acronym or variation of that word. Instant Imprints and its Affiliates retain the sole right to advertise on the Internet and create a website using any of the Marks or any variation of the Marks. Instant Imprints and its Affiliates retain the sole right to determine the content on any website Instant Imprints creates. Instant Imprints retains the right to pre-approve Franchisee's use of linking and framing between Franchisee's web pages and all other websites. Franchisee will, within 5 days after Instant

Imprints' request, dismantle any frames and links between Franchisee's web pages and any other websites.

12. ASSIGNMENT AND SALE OF BUSINESS

A. By Instant Imprints. Instant Imprints is free to assign all of its rights and obligations under this Agreement and upon such assignment Instant Imprints shall be relieved of all liability under this Agreement, and all rights and obligations shall accrue to the successor or assignee.

B. By Franchisee. The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee, and Instant Imprints has agreed to enter into this contract with Franchisee in reliance upon Franchisee's personal skill and financial ability. Therefore, there can be no Transfer without Instant Imprints' prior written consent. "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, Franchisee or the Center, including: (a) transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest; (b) merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests; (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) transfer to a personal representative upon disability or transfer upon the death of a Principal; (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) assignment of contract rights; or (h) sale of assets (including the inventory, furniture, fixtures, equipment and other operating assets of the Center, other than in ordinary course of business).

Instant Imprints' consent shall not constitute consent to any future such Transfer and no future such Transfer shall be valid without the prior written consent of Instant Imprints. Any such purported Transfer will be voidable at Instant Imprints' sole option. If Instant Imprints elects not to exercise its right of first refusal pursuant to Section 12.D below, Instant Imprints will not unreasonably withhold its consent to a Transfer, provided that the following conditions are satisfied:

1. All obligations owed to Instant Imprints or its Affiliate and all other outstanding obligations relating to the Center shall be fully paid and satisfied.

2. Unless prohibited by the law of the state where the Center is located, Franchisee shall have executed a general release, in a form satisfactory to Instant Imprints, of any and all claims against Instant Imprints including its officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and any other matters incident to the termination of the Term of this Agreement or to any Transfer. If a general release is prohibited, Franchisee shall give the maximum release allowed by law.

3. The transferee shall have satisfied Instant Imprints that it meets Instant Imprints' management, business and financial standards and otherwise possesses the character and capabilities, including business reputation and credit rating, as Instant Imprints may require transferee to demonstrate the ability to conduct the operation of the Center.

4. The transferee and, at Instant Imprints' option, all persons owning any equity interest in the transferee, shall execute the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including, without limitation, differences in the amount or structure of the fees, and other material provisions. The Franchise Agreement then executed shall be for the term specified in such Agreement.

5. Franchisee shall have provided Instant Imprints with a complete copy of all contracts and agreements and related documentation between Franchisee and the transferee relating to the Transfer.

6. Instant Imprints is paid the transfer fee, the Opening Launch Program Deposit, and the Training Fee as specified on the summary pages. In addition, if Instant Imprints generates the lead that results in the sale or assignment, Franchisee must pay Instant Imprints a "Transfer Marketing Fee" of the greater of $12,000 or 9% of the sale or assignment price. In the event that the Transfer is a transfer of ownership interest in Franchisee among family members or existing owners, the only fee which must be paid is an "Assignment Fee" of $1,000.

7. Franchisee agrees to continue to be bound to the obligations of the new Franchise Agreement and to guarantee the full performance thereof by the transferee, if required by the Instant Imprints, in a manner satisfactory to Instant Imprints.

8. If Franchisee or its affiliates owns and operate a Brand Studio then the Brand Studio and either the Growth Center and/or Brand Center they also own must be transferred together.

C. Death or Incapacity of Franchisee. Franchisee, by will or other written instrument, may appoint a designated heir to continue operation of the Center, upon Franchisee's death. Said designated heir must meet the qualifications and comply with the requirements of Section 12.B. No fee will be charged on a Transfer pursuant to this paragraph. The Transfer to the Franchisee's heirs, personal representatives or conservators, as applicable, in the event of death or legal incapacity of the Franchisee, shall not give rise to Instant Imprints' right of first refusal as set forth in paragraph 12.D below, provided that the heirs, personal representatives or conservators, as applicable, meet Instant Imprints' standards for new franchisees; execute the then-current form of Franchise Agreement; and, that a manager has, or within sixty (60) days, shall have satisfactorily completed Instant Imprints' initial training program.

D. Right of First Refusal. If Franchisee or one or more of the Principals wish to affect a Transfer pursuant to any bona fide binding offer received from a third party to purchase that interest, then the proposed seller shall promptly notify Instant Imprints in writing of the offer, and shall provide any additional information and documentation relating to the offer that Instant Imprints requires. Instant Imprints shall have the option, exercisable within thirty (30) days after receipt of all written documentation requested by Instant Imprints describing the terms of the offer, to notify the proposed transferee that Instant Imprints intends to acquire the proposed transferee's interest on the same terms and conditions that were offered by the proposed transferee.

Any material change in the terms of any offer before closing shall constitute a new offer subject to Instant Imprints' option to purchase as in the initial offer. Instant Imprints' failure to exercise the option set forth in this Section shall not constitute a waiver of any other provision of this Agreement, including the requirements of this Section. If Instant Imprints exercises its option to

purchase, Instant Imprints shall not be liable for paying a brokerage or sales commission. If an offer provides for payment of consideration other than cash or involves certain intangible benefits, Instant Imprints may elect to purchase the interest proposed for sale for the reasonable cash equivalent. If the parties cannot agree within seven (7) days on the cash equivalent of the non-cash part of the offer, Instant Imprints shall designate an independent appraiser to determine such amount and his determination shall be binding on the parties. Instant Imprints may set off the cost of such appraisal against the purchase price. If the offer includes items which are not assets of Center or items used in Center, at Instant Imprints' option, Instant Imprints may acquire only Center assets or such other items as Instant Imprints selects, without any duty to purchase the other items included in the purchase offer. The apportionment of the value of the items to be purchased by Instant Imprints shall be determined by Instant Imprints, subject to an evaluation by an independent appraiser under the same procedures as non-cash consideration to be evaluated.

Instant Imprints' decision not to exercise the right of first refusal granted by this Section shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 12, with respect to a proposed Transfer. If Instant Imprints does not exercise its right of first refusal on any particular offer, any material change in the terms of the offer before closing shall constitute a new offer subject to Instant Imprints' same right of first refusal as in the case of the initial offer.

13. DEFAULT AND TERMINATION

A. 30 Day Opportunity to Cure. Instant Imprints may at its option, and without prejudice to any other rights or remedies provided for in this Agreement or at law or in equity, terminate this Agreement for "good cause". (Provided that state law permits, Instant Imprints has the right to terminate earlier if the "good cause" constitutes a default which is not curable.) Without limitation as to other situations, good cause for termination also exists if Franchisee or any guarantor of this Agreement:

1. Does not substantially perform all of the lawful terms, conditions, and obligations of this Agreement, or the mandatory obligations under the Manual; or

2. Loses possession of the premises at which the Center and fails to secure a suitable site for relocation which Instant Imprints consents to within three (3) months thereafter; or defaults under the terms of its lease for the premises; or

3. Misrepresents SSTR that Franchisee is required to report to Instant Imprints; or

4. Repeatedly fails or refuses to comply with the lawful provisions of this Agreement, (i.e., 3 or more times in any twelve (12) month period) whether or not such failures or refusals are corrected after notice, when such enforcement is not arbitrary or capricious; or

5. Misuses the Marks or confidential information, or engages in conduct which reflects unfavorably upon the operation, maintenance, goodwill and/or reputation of the franchise system; or

6. Commits any other act which constitutes good cause under applicable state law or court decisions; or

7. Fails to open the Center for business nine (9) months after Instant Imprints' acceptance of this Agreement; failure for Principal and manager to satisfactorily complete the initial training program; or

8. Surrenders or transfers control of the operation of the Center, if applicable (including entering into a management arrangement with any person not a party to this Agreement), makes an unauthorized direct or indirect assignment or Transfer.

Subject to applicable law and except as otherwise provided in this Agreement, Instant Imprints will give Franchisee at least thirty (30) days' prior written notice of termination, unless a longer period of time is required or shorter period of time is permitted by applicable state law. The notice shall state the reason(s) for termination and shall provide that Franchisee has thirty (30) days from the date of said notice to correct any claimed deficiency. If the deficiency is corrected within thirty (30) days, the notice shall be void. If the deficiency is not corrected within said thirty (30) day period, Instant Imprints has the right to terminate this Agreement immediately upon giving written notice to Franchisee of such termination.

B. 10 Day Opportunity to Cure. Instant Imprints may also terminate this Agreement after giving Franchisee written notice of the default and 10 days to cure for the following defaults:

1. Loses any permit or license which is a prerequisite to the operation of the Center for a period of five (5) days; or

2. Non-payment of sums due to Instant Imprints or Instant Imprints' Affiliates or suppliers; or

3. Fails to provide Instant Imprints with the reports of sales and other financial information as required under this Agreement; or

4. Fails to keep the Center open for a period of 5 consecutive days without justifiable cause; or

5. Fails to pay its lawful debts and taxes when same become due; or

6. Fails to immediately correct and cure a threat or danger to the public health or safety resulting from the construction, operation or maintenance of the Center.

If the default is not cured within the 10 day cure period, Instant Imprints has the right to terminate this Agreement immediately upon giving written notice to Franchisee of the termination.

C. Without Opportunity to Cure. Notwithstanding anything contained herein to the contrary, if state law permits, Instant Imprints shall be permitted to terminate the franchise immediately and with notice when the basis or grounds for cancellation is:

1. Conviction of a felony or any other criminal misconduct which materially and adversely affects the operation, maintenance, reputation, or goodwill of the franchise; or

2. Fraudulent activity which materially and adversely affects the operation, maintenance, reputation, or goodwill of the franchise; or

3. Abandonment of the franchise; or

4. Bankruptcy, making a general assignment for the benefit of creditors or insolvency of Franchisee; or

5. Giving of more than two (2) no account or insufficient funds checks or failure to have sufficient funds for an EFT transfer to Instant Imprints or its Affiliates within a twelve month period; or

6. Making or having made any material misrepresentation or omission in the application for this franchise;

7. Termination or expiration of Franchisee's or Franchisee's affiliates' Brand Center or Growth Center which provides the products to Franchisee; or

8. Committing any other act or omission which permits termination without notice and/or an opportunity to cure under applicable state law.

D. Instant Imprints' Default. If the Franchisee is in compliance with the Franchise Agreement, and Instant Imprints materially breaches the Franchise Agreement and fails to cure this breach within sixty (60) days after the Franchisee delivers written notice to Instant Imprints, then the Franchisee may terminate the Franchise Agreement, effective thirty (30) days after delivery to Instant Imprints of proper notice.

E. Operation of Center. In order to prevent any interruption of the franchise business which would cause harm to the business, if Franchisee is unable to operate the Center for any reason whatsoever, Franchisee abandon's or fails to actively operate the Center for any period or Franchisee fails to cure a breach within the applicable cure period (if any), Franchisee authorizes Instant Imprints and its agents and Affiliates to operate the business if Instant Imprints desires to do so, in its sole discretion, for so long as Instant Imprints deems necessary and practical. All income from the operation of the Center shall be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of Instant Imprints and its agents, shall be charged to said account. Instant Imprints may charge Franchisee a reasonable management fee that Instant Imprints specifies plus any out-of-pocket expenses incurred in connection with the management of the Center. Instant Imprints and its designees will have a duty only to use reasonable efforts upon assuming the Center's management and will not be liable for any debts, losses or obligations that the Center incurs, or to any creditors for any supplies or other products or services purchased for the Center in connection with such management. Nothing contained herein shall be construed to require Instant Imprints to operate the business in the case of Franchisee's inability to operate same, and the rights set forth herein may be exercised in the sole and absolute discretion of Instant Imprints.

14. CONSEQUENCES OF TERMINATION

Upon termination or expiration of the Term of this Agreement or a Transfer, all rights granted hereunder to Franchisee shall forthwith terminate and:

A. Franchisee shall immediately cease to operate the Center under this Agreement and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Instant Imprints.

B. Pursuant to the terms of this Agreement, upon Instant Imprints' request, Franchisee shall assign to Instant Imprints any interest that Franchisee may have in any lease or sublease for the Premises. Instant Imprints may exercise the option at or within thirty (30) days after either termination or expiration of the Term of this Agreement or within thirty (30) days of notice by Franchisee's landlord of its intent to terminate the lease or sublease. In such event Instant Imprints, in its sole discretion, shall have the right and is hereby empowered to take possession of the Premises demised by the lease or sublease, expel Franchisee therefrom, and, in such event, Franchisee shall have no further right, title or interest in the lease or sublease. In the event that Instant Imprints does not elect to exercise its option to acquire the lease or sublease for the Premises, Franchisee shall make such modifications or alterations to the Premises operated hereunder immediately upon termination or expiration as may be necessary to distinguish the appearance of such Premises from that of other Instant Imprints Centers under the System and shall make such specific additional changes thereto as Instant Imprints may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this paragraph, Instant Imprints shall have the right to enter upon the premises without being guilty of trespass or any other tort for the purposes of making or causing to be made such changes as may be required as the expense of Franchisee which expense Franchisee agrees to pay upon demand.

C. Franchisee shall immediately and permanently cease to use, by advertising or in any other manner whatsoever, any confidential methods, procedures, trade secrets, processes and techniques associated with the System, the Marks and any distinctive forms, slogans, signs, symbols, logos or devices associated with the Marks or System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms and any other article that displays the Marks.

D. Franchisee shall take such action as may be necessary to cancel or assign to Instant Imprints at Instant Imprints' option, any assumed name or equivalent registration filed with state, city or county authorities which contains the Marks, and Franchisee shall furnish Instant Imprints with evidence satisfactory to Instant Imprints of compliance with this obligation within thirty (30) days after termination or expiration of the Term of this Agreement.

E. Franchisee shall immediately pay all sums owing to Instant Imprints and its Affiliates. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs and expenses, including reasonable attorney's fees, incurred by Instant Imprints subsequent to the termination or expiration of the Franchise herein granted in obtaining injunctive or other relief for the enforcement of any provisions of this Section 14.

F. Franchisee shall immediately return to Instant Imprints the Manual and such other records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Instant Imprints to Franchisee relating to the operation of the Center (all of which are acknowledged to be Instant Imprints' property). In addition, Franchisee will provide Instant Imprints with a complete list in hardcopy and digital format (excel, text, or comma separated values) (including names addresses and telephone numbers) of all customers, customer contracts, outstanding orders and all deposits or payments made for such orders, past invoices, address card-file entries, and Franchisee's business cards and a complete and updated backup file of the customer listing and database files in ShopVox/POS as of the date of termination.

G. Franchisee agrees, prior to utilizing any telephone number in conjunction with the Center, to execute an agreement assigning such telephone listing and numbers to Instant Imprints

that shall become effective upon termination or expiration of the Term of this Agreement for any reason at Instant Imprints' option. In addition, Franchisee shall immediately notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers and facsimile numbers in any regular, classified or other telephone directory listing associated with the Marks and to authorize transfer of same to or at the direction of Instant Imprints.

Instant Imprints has the right to file an original counterpart or a copy of the Assignment of Telephone Number with the telephone company as written evidence of the appointment by Franchisee of Instant Imprints or Instant Imprints' nominee to be Franchisee's attorney-in-fact. Franchisee will execute a power of attorney in substantially the same form as Schedule B attached hereto at the time this Agreement is signed.

H. Franchisee shall comply with all post-term covenant obligations including but not limited to the trade secrets, confidential information, non-competition and indemnification. Neither a Transfer or the expiration or termination of the Term of this Agreement shall relieve Franchisee of any of Franchisee's obligations to Instant Imprints existing at the time of such Transfer, expiration or termination, or terminate Franchisee's obligations that, by their nature, survive such Transfer, expiration or termination. Furthermore, a Transfer or the expiration or termination of the Term of this Agreement shall be without prejudice to Instant Imprints' rights against Franchisee; and in the event of a termination which is the result of Franchisee's material breach or default under this Agreement, Instant Imprints shall, in addition to its rights set forth above, also be entitled to all rights and remedies available at law or in equity.

I. Personal Property. Instant Imprints shall have the option (but not the obligation) to be exercised by providing written notice of intent to do so, within thirty (30) days after the expiration or earlier termination of this Agreement, to purchase any items bearing the Marks and other assets owned by Franchisee, including, without limitation, any or all signs, advertising materials, supplies, inventory, equipment, furnishings, fixtures, or other items at a price equal to their cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, an independent appraiser shall be designated by Instant Imprints, whose costs shall be borne equally by the parties, and his or her determination shall be final and binding. The fair market value of tangible assets shall be determined without reference to Goodwill, going concern value, or other intangible assets. All items shall be delivered to Instant Imprints or its designee free and clear of all encumbrances. If Instant Imprints elects to exercise its option to purchase, it shall have the right to set off all amounts due from Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment to Franchisee. Should Franchisee fail or refuse to execute and deliver the necessary documents to transfer good title to Franchisee's assets to Instant Imprints, or its nominee, Instant Imprints shall be entitled to obtain from any court of competent jurisdiction for a mandatory injunction to compel Franchisee to comply with the rights granted in this Agreement. All costs and expenses relating to such litigation, including Instant Imprints' attorneys' fees and costs, shall be payable by Franchisee to Instant Imprints, upon demand, and may be credited by Instant Imprints to the agreed purchase price.

15. RESTRICTIVE COVENANTS

A. Competing Business During the Term of This Agreement. Franchisee acknowledges the uniqueness of the System and that Instant Imprints is making its knowledge, know-how, and expertise available to it for the purpose of operating the Center strictly and solely within the Designated Territory. Franchisee 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 Franchisee for any reason other than for the operation of the Center under this Agreement. Franchisee further recognizes the importance of devoting substantial time and energy to Center. Franchisee, therefore, warrants that during the Term of this Agreement, unless Franchisee has the prior written consent of Instant Imprints, Franchisee 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 Instant Imprints (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 provides any decorated apparel, signage and promotional advertising or any business offering embroidery, screen printing, digital direct garment printing and heat transfer products, advertising specialty products, signs and banners, graphic design, digital document printing, uniforms, and team wear, 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 two (2) 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, Franchisee 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, 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 Premises of the Center, a 10 mile radius around the Center and a 10 mile radius around all of the other Instant Imprint Centers. For purposes of this paragraph, an Instant Imprints Center includes any Center (or one under construction or subject to an executed Franchise Agreement) which is owned in whole or in part by Instant Imprints, Instant Imprints' Affiliates, or a franchisee of Instant Imprints or any such Center which operates under the Marks. Further, Franchisee 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 two (2) 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, Franchisee will not, directly or indirectly, solicit or accept any business from, and will not directly or indirectly contact any customer with whom Franchisee or its employees or agents have had direct or indirect contact or about whom Franchisee or its employees or agents have learned Confidential Information and Trade Secrets by virtue of the operation of the Center other than customers that Franchisee has not had contact within the two (2) years preceding the Transfer, expiration or termination of the Term of this Agreement.

D. Reasonableness of Restrictions. Instant Imprints intends to restrict the activities of Franchisee under Sections 15 of this Agreement only to the extent necessary for the protection of Instant Imprints' 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. Franchisee acknowledges and agrees that if it were to violate the covenants in Section 15, 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. Instant Imprints shall have the right to reduce the scope of any covenant contained in Section 15, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee shall comply with any covenant as so modified. In addition to any other remedies available at law or equity, Instant Imprints 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 15 are assignable by Instant Imprints and shall inure to the benefit of Instant Imprints, as well as its successors and assigns. In the event of any assignment, sale, merger or change in ownership or structure of Instant Imprints, the resulting entity shall step into the place of Instant Imprints, without any additional consent of or notice to the Franchisee, as if the term Instant Imprints were defined in this Agreement to include such entity.

E. Requirement of Confidentiality. Franchisee acknowledges that the trade secrets, information, ideas, research, methods, manuals, sales and marketing procedures, systems, improvements and copyrighted materials, etc., including the Manual, owned or developed by or licensed to Instant Imprints, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, are and will remain Instant Imprints sole and exclusive property. Instant Imprints is providing or revealing these items to Franchisee in trust and confidence. Any and all information, knowledge and know-how not generally known in the business about the System including but not limited to customer information, customer lists specifications, standards, methods, procedures, sales and marketing materials, knowledge of the System and experience in operating an Instant Imprints Center and other information or material which Instant Imprints may designate as confidential ("Confidential Information") are deemed confidential for purposes of this Agreement. Franchisee acknowledges that if the System and the Manual would be used by other persons, firms or corporations, it would give them a substantial competitive advantage which is presently enjoyed by Instant Imprints and its franchisees. Franchisee will not, during the term of this Agreement, or after the Transfer or the expiration or termination of the Term of this Agreement for any reason, communicate or divulge to anyone or use any Confidential Information and Trade Secrets, nor will Franchisee 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 Center. All of Franchisee's employees will exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all Confidential Information and Trade Secrets and proprietary rights during and after the Term of this Agreement.

16. INDEPENDENT CONTRACTOR/INDEMNIFICATION

A. Independent Contractor. This Agreement does not constitute Franchisee as an agent, legal representative, joint venturer, partner, employee or servant of Instant Imprints for any purpose whatsoever. Nothing in this Agreement is intended by the parties hereto to create a fiduciary relationship between them. Franchisee may not represent to third parties that Franchisee is an agent of Instant Imprints and it is understood between the parties hereto that Franchisee shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of Instant Imprints, or to create any obligation, express or implied, on Instant Imprints' behalf. Under no circumstances shall Instant Imprints be liable for any act, omission, contract, debt or any other obligation of Franchisee. Franchisee specifically acknowledges that Instant Imprints shall in no way be responsible for any injuries to persons or property resulting from the operation of the Center. In addition, any third party

contractors and vendors retained by Instant Imprints to perform conversion or construction of the Center, if applicable, are independent contractors. During the Term of this Agreement and any extension hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Instant Imprints. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Center, if applicable and on all forms, stationery or other written materials, the content of which Instant Imprints reserves the right to specify.

B. Indemnification. Franchisee agrees to hold harmless, indemnify and defend Instant Imprints and its Affiliates and Instant Imprints' respective members, shareholders, officers, directors, employees and agents and successors or assigns (collectively "Instant Imprints 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 Franchisee or its employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns ("Indemnitors") pursuant to or in connection with the operation of the Center, regardless of whether the Indemnities were negligent or that said negligence was a contributing factor in the liability.

17. 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 Franchisee 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 Franchisee and Instant Imprints to maintain a mutually beneficial business relationship.

Except as stated in Section 17, 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 Franchisee and Instant Imprints. This meeting will be held at Instant Imprints' then-current headquarters, or at such other location as Instant Imprints, in its sole discretion, determines and within thirty (30) days after either Franchisee or Instant Imprints 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/or 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 Instant Imprints and Franchisee 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. Instant Imprints and Franchisee 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 Franchisee and Instant Imprints. 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, Instant Imprints and Franchisee 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 Instant Imprints and relating to Instant Imprints' 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 Instant Imprints 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 Franchisee or its guarantors have not complied with the provisions in this Section on Dispute Resolution and Section 18.R below, Franchisee shall reimburse Instant Imprints for all of its expenses incurred in curing the Franchisee's breach of these sections only (including, without limitation, Instant Imprints' attorneys' fees and costs related to dismissing and responding to any improperly filed claim) and pay the Instant Imprints a Dispute Resolution Fee of $50,000 ("Dispute Resolution Fee"). If Franchisee follows the provisions in Section 17 and 18.R, Franchisee will not pay the Dispute Resolution Fee. Franchisee acknowledges and agrees that Instant Imprints will be damaged by such breach. Franchisee agrees that a precise calculation of the full extent of the damages that Instant Imprints will incur from the breach of Section 17 and Section 18.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. Instant Imprints has the right to collect these amounts in addition to exercising any and all other rights Instant Imprints may have for non-compliance under this Agreement.

18. MISCELLANEOUS PROVISIONS

A. Non-Waiver. No failure of Instant Imprints to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee 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 Instant Imprints' right to demand exact compliance with the terms hereof. Waiver by Instant Imprints of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Instant

Imprints' right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance or omission of Instant Imprints to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions or covenants hereof, affect or impair Instant Imprints' rights nor shall such constitute a waiver by Instant Imprints of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Instant Imprints of any payment(s) due to it hereunder shall not be deemed to be a waiver by Instant Imprints of any preceding breach by Franchisee 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 Instant Imprints at the address set forth on the Summary Pages attached hereto or the Premises.

C. Cost of Enforcement or Defense. If Instant Imprints is required to enforce or defend this Agreement or any portion thereof in a judicial 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 Instant Imprints, Franchisee shall make a timely written request to Instant Imprints therefore and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing and signed by Instant Imprints. Instant Imprints makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee 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 Instant Imprints and Franchisee concerning the subject matter hereof, and shall supersede all prior agreements. No other representation has induced Franchisee 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 Instant Imprints in the franchise disclosure document furnished to Franchisee in connection with Instant Imprints' offer to grant a franchise to operate the Center. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties unless approved by the FAC subject to Section 8.C above.

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 Franchisee, the officers, directors, employees and agents of act only in their representative capacity for Instant Imprints, and not in any individual capacity or on behalf of Instant Imprints or any of Instant Imprints' 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 Franchisee under this Agreement, their obligations and liabilities to Instant Imprints shall be joint and several.

N. Payment of Fees. Instant Imprints has the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for any and all fees, expenses, purchases from Instant Imprints or its Affiliates, interest or any other indebtedness. Neither Instant Imprints or any of its Affiliates are required to accept payments after same are due or extend credit or otherwise finance Franchisee's operation of the franchise. Instant Imprints and its Affiliates may require Franchisee to pay for all purchases on a C.O.D. basis by cashier's check, or may refuse to make further sales to Franchisee, if Franchisee is in default under this Agreement or if Franchisee has failed to pay all amounts due Instant Imprints and its affiliates when due.

O. Day-to-Day Control. Franchisee has the sole right and responsibility for the manner and means by which the day-to-day operation of the Center is determined and conducted and for achieving its business objectives. Subject to any approval, inspection and enforcement rights reserved to Instant Imprints, Franchisee's rights and responsibilities includes the employment, supervision, setting the conditions of employment and discharge for its employees at the Center, daily maintenance, safety concerns, and the achievement of conformity with the System, notwithstanding anything contained herein or in the Manual to the contrary. Instant Imprints expressly disclaims any responsibility or undertaking to ensure Franchisee's compliance with the satisfactory and legal operation of the Center and Instant Imprints shall not in any way be liable to Franchisee or any third parties for Franchisee's failure to comply with any of the terms of this Agreement or Franchisee's failure to comply with any standards or suggestions of Instant Imprints, it being the understanding of the parties that the Franchisee and the Franchisee alone is responsible for the day-to-day operations of the Center.

P. Receipt of Disclosure Document. Franchisee acknowledges receipt of Instant Imprints' franchise disclosure document along with this Agreement, at least fourteen (14) days before execution hereof or any payment to Instant Imprints. If any unilateral modifications have been made to this Agreement by Instant Imprints, Franchisee 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 Instant Imprints. 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 Instant Imprints' 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. Instant Imprints 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 Franchisee, it is understood and agreed by Franchisee that any action sought to be brought by either party in the United States District Court in Wilmington, Delaware unless there is not proper jurisdiction in which case a 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 restrict the ability of the parties to confirm or enforce 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, Instant Imprints shall be entitled without bond to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement, in the event Franchisee actually or anticipatorily breaches this Agreement. If Instant Imprints incurs any attorney's fees or other expenses in seeking enforcement or in defense of this Agreement, Franchisee shall be required to reimburse Instant Imprints for its reasonable costs and expenses

(including, but not limited to attorney's fees) thereby incurred. No right or remedy conferred upon Instant Imprints 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. Instant Imprints is the only party obligated to Franchisee under this Agreement. Franchisee may not look to II Transatlantic, Inc., IICA, Inc. or any other Affiliate of Instant Imprints, or related companies, other business entities or individuals for performance of this Agreement.

19. WARRANTIES AND REPRESENTATIONS OF FRANCHISEE

A. Franchisee and its guarantors have been advised to make an independent investigation of Instant Imprints' operations. Instant Imprints has not and does not represent that Franchisee can expect to attain a specific level of sales, profits, or earnings. Franchisee and its guarantors have been advised to obtain independent professional and legal advice regarding this franchise. Franchisee and its guarantors understand that it may sustain losses as a result of the operation or the closing of the business. Franchisee 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 Franchisee's skills, abilities, initiative, and hard work.

B. Franchisee and its guarantors represent and warrant that the execution, delivery and performance of this Agreement by Franchisee and the Personal Guaranty 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"), Franchisee 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, Franchisee does not and hereafter will not engage in any terrorist activity. In addition, Franchisee is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity. Franchisee 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.

20. CAVEAT

A. THE SUCCESS OF THE BUSINESS IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS. INSTANT IMPRINTS 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. FRANCHISEE FURTHER ACKNOWLEDGES THAT IT HAS READ AND COMPLETED THE QUESTIONNAIRE, A COPY OF WHICH IS SET FORTH AS EXHIBIT VII OF THIS AGREEMENT.

B. FRANCHISEE UNDERSTANDS AND AGREES THAT INSTANT IMPRINTS HAS NO OBLIGATION TO ACCEPT FRANCHISEE'S APPLICATION AND MAY REFUSE TO GRANT

A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR ITS DECISION. FRANCHISEE ACKNOWLEDGES THAT UNLESS AND UNTIL INSTANT IMPRINTS SIGNS THIS FRANCHISE AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, FRANCHISEE IS NOT A FRANCHISEE OF INSTANT IMPRINTS AND MAY NOT RELY UPON BECOMING A FRANCHISEE OF INSTANT IMPRINTS.

21. LIMITATION OF LEGAL ACTIONS

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

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 FRANCHISEE AND INSTANT IMPRINTS (AND ITS AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND FRANCHISEE WAIVES ANY RIGHT TO PROCEED AGAINST INSTANT IMPRINTS (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. FRANCHISEE WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR INSTANT IMPRINTS' RELATIONSHIP WITH FRANCHISEE, UNLESS A JUDICIAL PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH FRANCHISEE KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

E. INSTANT IMPRINTS' MAXIMUM AGGREGATE LIABILITY AND THE MAXIMUM AGGREGATE LIABILITY OF ANY OF INSTANT IMPRINTS' 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 FRANCHISEE PAID TO INSTANT IMPRINTS WITHIN THE PRIOR 12 MONTHS IMMEDIATELY BEFORE WRITTEN NOTICE OF ANY PROPER CLAIM IS RECEIVED BY INSTANT IMPRINTS.

[SIGNATURE PAGE TO FOLLOW]

THE PARTIES HERETO acknowledge that they have read and fully understand all of the above and foregoing. By signing below, each party agrees to abide by all of the terms and conditions contained in this Agreement.

NO FRILL FRANCHISING, INC.

By: _____
Signature

_____
Print Name

_____
Print Title

_____
Date

FRANCHISEE:

By: _____
Signature

_____
Print Name

_____
Print Title

_____
Date

If applicable corporate name:

_____

BY: _____
Signature

_____
Print Name/CEO

_____
Date

BY: _____
Signature

_____
Print Name/Secretary

_____
Date

PERSONAL GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Agreement"), by No Frill Franchising, Inc. (the "Franchisor") in favor of _____ ("Franchisee"), 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 Franchisee 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 Franchisee is required to comply with and abide by such covenants and provisions. The Guarantors further hereby personally and unconditionally guarantee all debts and obligations Franchisee 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 Franchisee 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 Franchisee 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 Franchisee 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 Franchisee 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 Franchisee 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

DESIGNATED TERRITORY MAP

SCHEDULE B
ASSIGNMENT OF TELEPHONE NUMBER(S)

This Assignment relates to:

Name of the Franchisee: _____

Address of Franchisee's Business: _____

Telephone Number(s): (___) _____; (___)_____ ; (___) _____

Telephone Company: _____

For valuable consideration, the Franchisee identified above (the "Franchisee") assigns and Transfers to No Frill Franchising, Inc. (the "Instant Imprints") all of the Franchisee's rights and interests in each and all of the telephone numbers listed above (the "Numbers").

The Franchisee authorizes Instant Imprints to file this Assignment with the telephone company that issued the Numbers for the purposes of establishing Instant Imprints' claim to and right to designate the user of the Numbers.

The Franchisee irrevocably constitutes and appoints Instant Imprints as the Franchisee's agent and lawyer-in-fact for the purposes of (i) signing and delivering any transfer of Service Agreement or comparable document the telephone company requires to transfer the rights in the Numbers from the Franchisee to Instant Imprints or its designee, and (ii) canceling and revoking any call-forwarding or similar instructions the Franchisee has issued to the telephone company with respect to any of the Numbers, with full power to sign the Franchisee's name and otherwise to act in the Franchisee's name, place and stead.

The Franchisee agrees to reimburse Instant Imprints the full amount of any local service and long distance charges the telephone company requires that Instant Imprints pays to obtain the Numbers, together with interest as provided in the parties' Franchise Agreement.

The Franchisee represents and warrants to Instant Imprints that the Franchisee obtained the Numbers in his, her or its own name, and that the Franchisee is the person of record the telephone company shall recognize as registered user or "owner" of the Numbers.

THE FRANCHISEE:

_____

By: _____

Print Name: _____

Title: _____

Date: _____

SCHEDULE C

SBA ADDENDUM

SCHEDULE D
PROMISSORY NOTE

Promissory Note

$ _____ Date: _____, 20_____

The undersigned ("Franchisee"), for value received, jointly and severally promise to pay to the order of No Frill Franchising, Inc., a Delaware corporation ("Franchisor"), at 7310 Miramar Rd., Suite 102, 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:

[$10,000.00 and 0% interest, said principal and interest to be paid in equal monthly payments of $300. The first monthly payment is due by the 5 day of the month following the month the Center is opened for business and shall continue on the 5th day of each month for a period of 36 months.

The entire unpaid principal balance and all accrued but unpaid interest under this Note will be immediately due and payable as a balloon payment upon the earlier of: (1) the termination of the Franchise Agreement; or (2) a "Transfer" occurs (as defined in the Franchise Agreement).]*

Or

[$24,950 to be paid in full upon the earlier of: (i) the date the Center (as defined by the Franchise Agreement) is opened; (ii) the Center is sold or transferred to another franchisee; or (iii) one year from the date of this Promissory Note.]**

Franchisee acknowledges that the principal amount of this Note arose under and remains due under the Instant Imprints Franchise Agreement between Franchisor and Franchisee, dated _____, 20_____ (the "Franchise Agreement").

Franchisor may assign this Note without notice to Franchisee.

Franchisee may prepay this Note in whole at any time or in part from time to time, in multiples of $100.00 without penalty. 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.

Franchisee 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.

Franchisee 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 Franchisee.

Any default by Franchisee under the Franchise 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

Franchise Agreement. If any default by Franchisee occurs under this Note, or any default by Franchisee occurs under the Franchise 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 Franchise 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.

To secure Franchisee's payment of the Note and Franchisee's performance of its obligations hereunder, Franchisee grants to Franchisor a security interest in and to Franchisee's business assets, whether owned now or acquired later, and all additions, located at or arising from transactions related to the Franchised Business, all policies of insurance covering such assets and all proceeds thereof.

This Note is guaranteed pursuant to a Guaranty and Assumption of Obligations (the "Guaranty") provided by Franchisee and _____ upon the execution of the Franchise Agreement. 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 Franchisee 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.

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

FRANCHISEE:

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 Franchisor and its successors and assigns, the timely payment by Franchisee 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 undersigned and Holder.

_____

*To be used for existing Instant Imprint franchisees for the purchase of additional franchises.

SCHEDULE E
SECURITY AGREEMENT

This security agreement (hereinafter "Security Agreement") is made as of _____, 20_____, between _____ Debtor"), and No Frill Franchising Inc. ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby grants to Secured Party a security interest in present and after acquired personal property of Debtor including without limitation in all accounts; accounts receivable; contract rights; leases; furniture; furnishings; equipment (including motor vehicles); fixtures; machinery; accessories; movable trade fixtures; goods held for sale or being processed for sale in Debtor's business, including all supplies, finished goods and all other items customarily classified as inventory; building improvement and construction materials; chattel paper; instruments; documents; letters of credit; all funds on deposit with any financial institution; commissions; and including the proceeds and products therefrom and any and all substitutions, replacements, additions and accessions thereto and any rebate/award program (or similar incentive programs) to which Debtor may be entitled pursuant to any franchise agreement entered into with Secured Party, together with all such rights and property hereafter acquired by Debtor; and all general intangibles (collectively, the "Collateral") as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto) as security for (i) the prompt payment of any promissory notes executed by Debtor in favor of Secured Party, and any renewals, compromises, extensions, modifications, accelerations or other changes in the time for performance or other terms thereof (the "Notes"), and (ii) performance under any franchise agreements between Debtor and Secured Party, as the same may be amended (the "Franchise Agreements"), and (iii) all other agreements between Debtor and Secured Party. The Collateral shall not include consumer goods. The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the security interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

SECTION 1 -- DEBTOR'S OBLIGATIONS. Debtor agrees to the following:

(a) Debtor will properly maintain and care for the Collateral and will not remove the Collateral from the Franchisee Instant Imprints Center (as defined in the Franchise Agreement).

(b) Debtor will notify Secured Party in writing prior to any change in Debtor's place of business;

(c) Debtor has not executed and will not execute as debtor thereunder any security agreement or financing statement covering any of the Collateral except with Secured Party, nor will Debtor charge, pledge or encumber the Collateral, or allow any lien to be placed against the Collateral, whether voluntary or involuntary;

(d) Debtor represents and warrants to Secured Party that the Collateral shall not become collateral for any other obligations previously incurred, nor collateral under any other security agreement(s) previously executed by Debtor; and

(e) Debtor will not sell, contract for sale or otherwise dispose of any of the Collateral except in the ordinary course of business.

SECTION 2 -- DEFAULTS. Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions (an "Event of Default"):

(a) The failure by Debtor to pay any amount when due under the terms and provisions of the Notes (after applicable grace periods, if any); or

(b) Debtor's breach of any term, provision, warranty or representation set forth herein or in the Franchise Agreements, or in any other agreement between Debtor and Secured Party; or

(c) The making of any levy on, or seizure or attachment of, any of the Collateral, if such levy, seizure or attachment is not set aside within fifteen (15) days thereafter; or

(d) The dissolution, termination of existence or insolvency of Debtor; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(e) Any guarantor, surety or endorser for Debtor defaulting in any obligation or material liability to Secured Party, if such default is not cured within five (5) days thereafter.

SECTION 3 -- REMEDIES AFTER DEFAULT.

(a) In the event of the occurrence of an Event of Default, Secured Party, in addition to all other rights and remedies given Secured Party under any and all agreements by and among Secured Party, Debtor and/or Debtor's guarantors, or otherwise by law, may do one or more of the following, without notice to or demand upon Debtor:

1) Declare all obligations secured hereby immediately due and payable;

2) Enforce the security interest given hereunder and otherwise exercise the rights of a secured creditor provided under the laws of the province in which the Office is located

3) Require Debtor to assemble the Collateral and make it available to Secured Party; and/or

4) Subject to applicable law, enter any office or offices of Debtor and take possession of the Collateral and of the records pertaining to the Collateral.

(b) Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of Debtor's indebtedness, which shall include the reasonable expenses of such sale, in any order of preference which Secured Party, in its sole discretion, chooses. Debtor shall remain liable for any deficiency.

SECTION 4 -- INSURANCE PROCEEDS. So long as no default exists hereunder, the proceeds of fire and casualty insurance covering the Collateral may be utilized by Debtor for the repair and restoration of Debtor's facilities, subject to such procedures as Secured Party may reasonably

require to assure the application of any such insurance proceeds for such purpose and completion of such repair and restoration.

SECTION 5 -- DUTIES OF SECURED PARTY. Secured Party's duties or responsibilities with reference to the Collateral shall be limited solely to the duties and responsibilities set forth in this Security Agreement and Secured Party shall not be responsible in any way for the condition, depreciation or maintenance of the Collateral other than as set forth herein. Debtor shall pay when due all taxes, charges, liens and assessments against the Collateral.

SECTION 6 -- MISCELLANEOUS.

(a) Performance of Debtor's Obligations. Simultaneously with the payment in full of all of Debtor's obligations under the Notes and performance of all outstanding obligations under the Franchise Agreements, all liens, encumbrances and security interests created by this Security Agreement shall be null and void.

(b) Waiver. Any waiver, express or implied, of any provision of this Security Agreement and any delay or failure by Secured Party to enforce any provision of this Security Agreement shall not preclude Secured Party from enforcing any such provision thereafter.

(c) Governing Law. This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the state in which the Debtor's Office is located.

(d) Remedies. All rights and remedies provided herein are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

(e) Financing Statement. Concurrently herewith, Secured Parties shall file a financing statement and financing change statements as necessary in the personal property security registrar of the province in which the Franchisee's Instant Imprints Center is located as may be necessary to preserve, protect and perfect the security interest created hereby. Debtor waives any statutory requirement for notice of registration of any financing statement or financing change statement. Debtor will execute such other documents as Secured Party may reasonably require to be perfect its security interest in the Collateral.

(f) Notices. In the event either party desires to give notice to the other with regards to this Security Agreement, such notice shall be in writing and may be hand delivered, express mailed, or sent by certified or registered mail. Notices mailed as provided herein shall be deemed to be given two (2) days after they are sent. Such notices shall be sent to the address provided for such party in the Franchise Agreement unless a party gives notice of a change of its respective address.

(g) Attorneys' Fees. In the event either party commences litigation against the other with respect to this Security Agreement, or its interpretation or enforcement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs.

(h) Successors in Interest. This Security Agreement shall inure to the benefit of, and be binding upon, the successors in interest of the parties hereto and their permitted assignees.

(i) Amendments. This Security Agreement may only be amended by a writing executed by both of the parties hereto.

(j) Entire Agreement. The foregoing constitutes the entire agreement between the parties, all representations or understandings, whether oral or written, having been incorporated herein or otherwise superseded hereby.

(k) Facsimiles. Facsimile or electronic copies of this Security Agreement shall be deemed to have the same force and effect as the original and, as such, shall be fully binding on all parties.

THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE DEBTOR REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement effective as of the date first written above.

DEBTOR

By: _____

Print Name: _____

Title: _____

SECURED PARTY
NO FRILL FRANCHISING INC.

By: _____

Print Name: _____

Title: _____

SCHEDULE F

LEASE RIDER

Any lease executed by you for the operation of your Instant Imprints Center will either contain the following provisions in the Lease Rider or have the Lease Rider as an addendum to your lease.

LEASE RIDER

This Lease Rider is executed as of this _____ day of _____, 20____, by and between _____ (the "Franchisee"), _____ ("Landlord"),and NO FRILL FRANCHISING, INC. (the "Franchisor") as a Rider to the lease dated as of _____ (as amended, renewed, and/or extended from time to time, "the Lease") for the Premises located at _____ (the "Premises").

WHEREAS, the Franchisee has executed or intends to execute a franchise agreement (the "Franchise Agreement") with Franchisor for the operation of an Instant Imprints business (the "Instant Imprints Business") at the Premises, and as a requirement thereof, the Lease for the Premises must include the provisions contained in this Rider; and

WHEREAS, Landlord and the Franchisee agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease;

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and the Franchisee hereby agree as follows:

1. The Premises only may be used for the operation of an Instant Imprints Business.

2. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to the Franchisee, but no later than thirty (30) days before a termination of the Lease would become effective.

3. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to the Franchisee and Landlord, to enter the Premises to cure any breach of the Lease, and if so stated in the notice, to also succeed to the Franchisee's rights, title, and interests thereunder.

4. Notwithstanding anything to the contrary contained in the Lease, the Franchisee shall have the absolute right to sublet, assign or otherwise transfer its interest in the Lease to the Franchisor, without Landlord's approval, written or otherwise, without any increase in rent, without a material change in any other terms of the Lease, and without execution of a guarantee of the Franchisor's obligations (if any) under the assigned Lease.

5. The Franchisee shall, if requested by the Franchisor, assign to the Franchisor, and Landlord hereby irrevocably and unconditionally consents to such assignment, all of the Franchisee's rights, title, and interest to and under the Lease. However, no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without execution of a Subsequent Franchise Agreement; and (b) Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes the Franchisee's obligations under the Lease.

6. The Lease may not be modified, amended, renewed or extended in any manner or assigned by the Franchisee without the Franchisor's prior written consent. The Premises may not be sublet, subdivided, altered, or modified in any way without the Franchisor's prior written consent. Moreover, the Premises may not be used for any purpose other than for the operation of an Instant Imprints Business.

7. The Franchisee and Landlord acknowledge and agree that the Franchisor shall have no liability or obligation whatsoever under the Lease unless the Franchisor assumes the Lease in writing pursuant to Paragraphs 3, 4 or 5 above. Franchisor shall assume all of the Franchisee's obligations under the Lease from and after the date of assignment but shall not have the obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

8. If the Franchisor assumes the Lease, as above provided, Franchisor may further assign the Lease to another person or entity to operate as a Franchisee's business at the Premises ("Assignee"), subject to Landlord's consent which consent shall not be unreasonably withheld or delayed. It shall not be unreasonable for Landlord to withhold consent to a proposed assignment or other transfer based upon a distinction in, by way of example only, the proposed Assignee's creditworthiness, national or regional reputation, operating history from that of Franchisee, or for any such similar business reason. Landlord agrees to execute such further documentation to confirm its consent to the assignments permitted under this Rider as Franchisor may request.

9. If the Franchise Agreement expires or is terminated, Landlord shall exercise its right to terminate the Lease and/or to exercise its other remedies under the Lease, unless the Lease is assumed by the Franchisor or its designee within thirty (30) days of the termination or expiration of the Franchise Agreement.

10. If the Lease expires or is terminated for any reason, within fifteen (15) days of such expiration or termination, Franchisor may enter the Premises and remove any signs or other articles bearing any trade names, logos, trade-marks that are part of the System and de-identify the leased Premises as an Instant Imprints Business (including, without limitation, removing any Instant Imprints trade dress features and/or fixtures), without legal process and without being guilty of trespass.

11. Landlord and Franchisor may rely upon any notice from either of them regarding the status of the Lease or of the Franchise Agreement; they shall have no duty to perform any independent investigation to verify the Franchisee's rights under the Lease or the Franchise Agreement; and, the Franchisee agrees to indemnify and hold Franchisor harmless from any and all claims arising out of the Lease and the reliance upon Franchisors' or Landlord's representations regarding the Franchisee's status, or the status of the Franchise Agreement.

12. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to the Franchisor at 7310 Miramar Road, Suite 102, San Diego, CA 92126 Attn: President or such other address as Franchisor shall specify by written notice to Landlord.

14. Landlord subordinates any and all liens against equipment used in the Premises by Franchisee which has been purchased or leased by Franchisee from Franchisor or a third party.

LANDLORD:

_____

By:_____
Name:_____
Title:_____
Date:_____

FRANCHISOR:

No Frill Franchising, Inc.

By:_____
Name:_____
Title:_____
Date:_____

THE FRANCHISEE:

_____

By:_____
Name:_____
Title:_____
Date:_____

SCHEDULE G
EQUIPMENT PACKAGE

EQUIPMENT PACKAGE FOR BRAND CENTERS

Embroidery Machine (4 or 6 head)
Roland 54” TruVis printer/cutter with take up reel
Furniture Package
Sign Application Table
Banner Trimmer 100”
3 Heat Presses (2-16x20 shirt presses + 1 mug press), Graphics Supplies
Cad Cut and Transfer materials
Embroidery Startup Kit
Embroidery Lettering
Sign Tools and Supplies
Hoopmaster w/ Fixture (for embroidery)
Small Format Sublimation printer
Rolling Tool box
Showroom Samples and Inventory
Graphics Workstation with dual monitors
2 computers with monitors
Banner Stands and Flags
Software for Office, etc. (subscription)
Outdoor Sign
TV/Monitor Setup
TV Wall Mount
Work Tables / Kraft Paper
Instant Imprints Indoor sign

Optional Equipment:
Laser engraver or a Direct to Substrate UV Printer

BRAND Centers that are part of a Multiple Unit Development (3 Pack)
Will have a 6 head Embroidery Machine vs a 4 head Embroidery Machine

EQUIPMENT PACKAGE FOR GROWTH CENTERS

1 or 2 Single Head Embroidery Machines
Roland TruVis 54” printer/cutter& Supplies
100” Trimmer
3 PC's, Monitors, shopVox, Network, & Software
Furniture Package
3 Heat Presses, Graphics Supplies
Wire Grids, Display Hardware, Open Sign, Steamer, etc.
Cad Cut and Transfer materials
Embroidery Startup Kit
Embroidery Lettering Software
Sign Tools and Supplies
Hoopmaster w/Fixture
Sublimation Setup
Cutting Mat, Sign tools
Chairs, Clip Boards, Rulers
Showroom Samples and Inventory
Desk
Banner Stands and Flags
Software for Graphics, Office, etc. (subscription)
Outdoor Sign
Work Tables
TV / Monitor Setup w/wall mount

EQUIPMENT PACKAGE FOR BRAND STUDIOS

Furniture Package
Outdoor Sign
Banner Stands and Display Flags
Desk
Showroom Samples
TV/Monitor w/ Wall mount
Small Sublimation printer
2 heat presses (1 shirt press and 1 mug press)
Software for Office and Graphics (subscription)
2 PC’s, Monitors, Network Setup and office printer
Merchandising Materials (Wire Grids, Display Hardware, Open Sign ect)

SCHEDULE H
CONVERSION ADDENDUM

This Conversion Addendum (this "Addendum") is made and entered into this _____ day of _____, 20_____, by and between No Frill Franchising Inc. ("Instant Imprints") and _____ ("Franchisee").

BACKGROUND

Instant Imprints and Franchisee are, on this day, entering into an Instant Imprints Franchise Agreement (the "Franchise Agreement"), whereby Franchisee will be granted the right to operate an Instant Imprints Center at the Premises stated in the Franchise Agreement (the "Center"). Franchisee has owned and operated an existing related service business for at least twelve (12) months and desires to convert such business to an Instant Imprints Center under the provisions of the Franchise Agreement. The parties now, therefore, wish to memorialize certain modifications of the Franchise Agreement as stated below.

AGREEMENTS

Notwithstanding any contrary provision of the Franchise Agreement, Instant Imprints and Franchisee agree as follows:

1. Terminology. Unless stated otherwise herein, all capitalized terms in this Addendum have the definition given to them in the Franchise Agreement, if any. For purposes of this Addendum, the term "Franchisee" also includes all Owners of Franchisee and any Personal Guarantors of the Franchise Agreement.

2. Franchise Establishment Fee. The Franchise Establishment Fee for purposes of Section 10(A) and the Summary Pages of the Franchise Agreement shall be: ***[CHOOSE ONE: [TIER 1: $21,250 if the prior 12 month revenues were between $200,000 and $3999,99] [TIER 2: $10,000 if the prior 12 month revenues were $400,000 or more.***

3. Royalty Fee. The Royalty Fee for purposes of Section 10(B* and the Summary Pages of the Franchise Agreement shall be as follows:

a. 3% of Franchisee's first $500,000 in SSTR from the date that Franchisee begins operations at the Center using any of the Marks (the "Commence Date") and ending on the first anniversary of the Commence Date;

b. 4.5% of Franchisee's first $750,000 in SSTR beginning one day after the first anniversary of the Commence Date and ending on the second anniversary of the Commence Date; and

c. 6% of SSTR beginning one day after the second anniversary of the Commence Date and continuing thereafter until the expiration of Initial Term and for any Additional Term.

4. Equipment Package. The Equipment Package, as referenced in Section 4(B) of the Franchise Agreement, shall be as stated on Attachment 1 to this Addendum.

5. Construction. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

IN WITNESS WHEREOF, Instant Imprints and Franchisee have signed this Addendum as of the day and year first above written.

"INSTANT IMPRINTS"

NO FRILL FRANCHISING, INC.

By_____

Its_____

"FRANCHISEE"

By_____

Its_____

ATTACHMENT 1 TO CONVERSION ADDENDUM
EQUIPMENT PACKAGE

[TBD based on review of existing Assets/Equipment]

SCHEDULE I
DISCLOSURE ACKNOWLEDGMENT ADDENDUM

As you know, you and we are entering into a Franchise Agreement for the operation of an Instant Imprints franchise. The purpose of this Disclosure Acknowledgment Agreement is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Franchise Agreement? **Check one: ( ) Yes ( ) No. If no, please comment:** _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? **Check one: ( ) Yes ( ) No. If no, please comment:** _____

3. Did you receive a copy of the Franchise Agreement at least 7 calendar days prior to the date on which the Franchise Agreement was executed (except for negotiated changes that you initiated with us)? **Check one: ( ) Yes ( ) No. If no, please comment:** _____

4. Did you understand all the information contained in both the Disclosure Document and the Franchise Agreement? **Check one: ( ) Yes ( ) No. If no, please comment:** _____

5. Was any claim or representation made to you which contradicted the information in the Disclosure Document? **Check one: ( ) Yes ( ) No. If yes, please comment:** _____

6. Did any employee or other person involved in the franchise sales process make any statement or promise to you that stated, suggested, predicted or projected sales, revenues, financial performance, earnings, income or profit levels at an Instant Imprints Center, other than the information contained in Item 19 of the Franchise Disclosure Document?
Check one: ( ) Yes ( ) No. If yes, please explain in detail: _____

7. Did any employee or other person involved in the franchise sales process predict or promise that your Instant Imprints Center(s) will be successful or profitable?
Check one: ( ) Yes ( ) No. If yes, please explain in detail: _____

8. Do you understand that there are risks involved in starting a new business venture and do you accept those risks? **Check one: ( ) Yes ( ) No.**

YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM. BY SIGNING THIS AGREEMENT, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

California franchisees do <u>not</u> have to sign this Disclosure Acknowledgement Addendum.

***This Questionnaire does not apply to Washington franchisees. Do not sign this Questionnaire if you are a Washington resident, or the franchise is to be located in Washington.**

FRANCHISEE REPRESENTATIVE:	**FRANCHISEE REPRESENTATIVE:**
By:	By:
(signature)	(signature)
(Print Name)	(Print Name)
(Date)	(Date)

Exhibit C

Development 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: Facsimile: Email: Attention:	(858) 642-4848 (858) 453-6513 ralpha@instantimprints.com 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:	$_____ ($10,000 X # of Units) + (amount due to existing Instant Imprints Centers, if any)
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:	
Franchise Establishment Fees	40% of the franchise establishment fees collected after deducting all direct costs of selling the franchises, including brokerage fees. (NET) , AR's Pilot center not included
Royalty Fees	40% of the Royalty Fees collected, AR's Pilot center not included
Renewal /Transfer/Training Fees	1/3 of any Renewal Fees, Transfer Fees and Training Fees collected.
Technology Fee	Our costs and expenses
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
Missed Convention Fee:	$5,000
Enforcement Default Fee:	50% of ongoing fees otherwise due AR
Dispute Resolution Fee:	$50,000

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 102 San 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 $10,000 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 offers 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 the current monthly Technology Fee (currently, $100). This monthly Technology Fee is a direct pass through and 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 with 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 (20^{th}) day of each month based upon funds received from Unit Franchisees and deposited in the Franchisor's account by the tenth (10^{th}) 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. The Franchisor does not pay the AR for the portion of the Franchise Establishment Fee on the AR's Pilot Center.

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. The Franchisor will retain the AR's portion of Royalty on their Pilot Center until the AR either sells its Pilot Center or is meeting the Development schedule and there are multiple locations in the Area.

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 o 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 CEO successor 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. If the AR's fails to attend an in-person conference or convention, the AR will pay a missed convention fee of $5,000 to contribute to the franchisor's cost of hosting the convention.

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 people 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 always 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 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.

(iii) If the developer owns a pilot store, in addition to all other rights and remedies, the Franchisor may retain the AR's share of the Pilot Center Royalties until the default is cured or the store is sold. The AR would not be eligible for re-imbursement of the withheld royalties upon sale of the pilot store or cure of the default.

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 D

Financial Statements

NO FRILL FRANCHISING, INC.

(A WHOLLY OWNED SUBSIDIARY OF II TRANSATLANTIC, INC.)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 and 2024

NO FRILL FRANCHISING, INC.

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HINZMAN & ASSOCIATES
A PROFESSIONAL CORPORATION • CERTIFIED PUBLIC ACCOUNTANTS

9820 Willow Creek Road • Suite 270

San Diego, California 92131

Phone: (858) 535-1600

Fax: (858) 535-1649

INDEPENDENT AUDITOR'S REPORT

April 15, 2026

To the Board of Directors and Stockholders
No Frill Franchising, Inc.
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of No Frill Franchising, Inc. (the Company) and its subsidiary, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 13 to the financial statements, the Company has negative working capital, minimal cash balances and negative retained earnings. These factors raise doubts about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 13. The financial statements do not include any

adjustments that might result from the outcome of these uncertainties. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Hinzman & Associates

HINZMAN & ASSOCIATES
Certified Public Accountants
A Professional CorReportporation

No Frill Franchising, Inc.
Consolidated Balance Sheet
December 31, 2025 and 2024

Assets

	2025	2024
Current assets:		
Cash and cash equivalents	$ 5,688	$ 5,191
Accounts receivable, net	128,274	79,448
Prepaid expenses	8,760	8,760
Current portion of notes receivable	15,818	13,259
Total current assets	158,540	106,658
Notes receivable	43,837	72,466
Due from related parties	1,558,116	1,266,384
Deposits	8,487	8,487
Property and equipment, net	24,251	35,481
Right of use assets - operating leases	167,462	237,356
	$ 1,960,693	$ 1,726,832

Liabilities and Stockholders' Equity

Current liabilities:		
Accounts payable	$ 183,512	$ 116,513
Accrued expenses	337,572	199,218
Due to national media fund	123,989	125,055
Notes payable	76,944	30,395
Current portion of long-term debt - related parties	52,716	28,059
Current portion of operating lease liabilities	86,651	77,251
Total current liabilities	861,384	576,491
Long-term debt - related parties, net of current portion	227,632	251,520
Long-term portion of operating lease liabilities	105,352	192,004
	332,984	443,524
Total liabilities	1,194,368	1,020,015
Stockholders' equity:		
Common stock	11	11
Additional paid in capital	2,534,969	2,534,969
Retained earnings (deficit)	(1,768,655)	(1,828,163)
Total stockholders' equity	766,325	706,817
	$ 1,960,693	$ 1,726,832

No Frill Franchising, Inc.
Consolidated Statement of Operations
For years ended December 31, 2025 and 2024

	2025	2024
Franchise income:		
Regional franchise sales	$ -	$ 19,995
Royalty and brand fees	701,022	697,358
Technology fees	267,808	238,090
Training	10,000	9,000
Transfer and processing fees	-	45,000
Other income	9,463	47,710
	988,293	1,057,153
Cost of sales:		
Franchise sales commissions	-	12,833
Royalty commissions	164,168	146,586
Training	-	2,696
Transfer fees	-	6,000
	164,168	168,115
Gross profit	824,125	889,038
Expenses:		
Franchise development	98,484	97,665
Franchise operations	309,383	257,687
Marketing	17,708	14,125
General and administrative	322,414	337,799
	747,989	707,276
Income from operations	76,136	181,762
Other income (expense):		
Sublease income	44,350	36,450
Legal settlement - franchise termination	-	83,523
Write-off of accrued liabilities	-	64,367
Impairment loss - intangible assets	-	(223,000)
Interest income	13,141	14,683
Interest expense	(66,376)	(34,515)
Foreign currency transaction gain (loss)	3,920	(2,153)
Income (loss) before income taxes	71,171	121,117
Income tax expense	11,663	5,982
Net income (loss)	59,508	115,135
Retained earnings at beginning of year	(1,828,163)	(1,943,298)
Retained earnings at end of year	$ (1,768,655)	$ (1,828,163)

No Frill Franchising, Inc.
Consolidated Statement of Cash Flows
For years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Net income (loss)	$ 59,508	$ 115,135
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,231	12,022
(Prepaid) accrued lease payments for operating leases	(7,358)	4,642
Write-off of accrued liabilities	-	(64,367)
Impairment loss - intangible assets	-	223,000
(Increase) decrease in:		
Accounts receivable	(48,827)	(11,172)
Prepaid expenses	-	(260)
Increase (decrease) in:		
Accounts payable	67,000	28,651
Accrued expenses	138,354	2,742
Due to national media fund	(1,066)	(6,383)
Net cash (used) provided by operating activities	218,842	304,010
Cash flows from investing activities		
Collection of notes receivable	26,070	23,842
Net cash provided (used) by investing activities	26,070	23,842
Cash flows from financing activities		
Due from (to) related parties	(291,732)	(263,684)
Proceeds from long-term debt - related parties	-	190,000
Repayments on long-term debt - related parties	768	(367,912)
Proceeds from notes payable	150,000	-
Repayments on notes payable	(103,451)	(17,658)
Net cash (used) provided by financing activities	(244,415)	(459,254)
Net increase (decrease) in cash	497	(131,402)
Cash, beginning of year	5,191	136,593
Cash, end of year	$ 5,688	$ 5,191
Supplemental schedule of cash flow information		
Cash paid during the period for interest	$ 66,376	$ 34,515
Cash paid during the period for income taxes	$ -	$ 5,982
Cash paid for operating lease	$ 96,000	$ 84,000

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

No Frill Franchising, Inc. (No Frill) was incorporated in Delaware in February, 2011, and was a wholly owned subsidiary of II CA, Inc. (Canada). On March 15, 2015 II Transatlantic, Inc. ("IITI") acquired No Frill and Canada as wholly-owned subsidiaries. No Frill was formed for the purpose of developing the Instant Imprints franchise brand and managing the Instant Imprints franchise operations in the United States of America.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of No Frill and its wholly-owned subsidiary, Imprints Georgia, LLC (Georgia), collectively referred to as "the Company". All significant intercompany balances and transactions have been eliminated in consolidation. In prior years Georgia operated a franchisor-owned outlet which was sold in 2014.

Basis of accounting

The financial statements of the Company have been prepared in conformity with generally accepted accounting principles on the accrual basis and accordingly reflect all significant assets, payables and other liabilities.

Accounts receivable

Accounts receivable consists of outstanding amounts due from royalties. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information. Accounts receivable are written off when they are determined to be uncollectible. The allowance for doubtful accounts was $51,997 and $67,377 at December 31, 2025 and 2024, respectively.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Notes receivable

During 2019 the Company converted past due royalties and additional working capital to a franchisee totaling $45,000 into a note receivable. At the same time the Company issued a $45,000 note payable to an independent outsider, see Note 10 for details. During 2020 the note receivable was amended into a new $49,000 note receivable, which included unpaid interest on the assigned note. The amended note receivable called for interest at 5% and 120 monthly payments amortized over a ten year period, due on December 2030.

During 2022 the Company sold an area franchise in exchange for cash and a note receivable of $90,000. The note carries interest at 7% per annum and is due and payable upon the earlier of (1) 10 years from the date of note, or (2) a transfer under the Area Representation Agreement occurs. The note is collateralized by the area as well as personal guarantees.

The maximum amount of loss due to credit risk will be the outstanding balances at the time of default. Interest is recorded as revenue when earned.

Property and Equipment

Property and equipment is carried at cost and depreciated using the straight line method over the estimated useful lives of the individual assets, generally three to seven years for all assets.

Concentration of credit risk

The Company maintains bank accounts at financial institutions in San Diego, California. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. Management believes the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Franchise agreement

The Company's franchise agreement as of December 31, 2025 requires the following non-refundable fees:

Growth Center	$39,950
Brand and Growth Center	$29,950
Studio Center	$14,950
Conversion from existing imprinted products business	$10,000 - $21,250
Opening launch marketing program	$10,000
Area development franchise	$7,500/store in the territory
Buildout coordination fee	$10,000
Transfer fee	$15,000

These fees are subject to change with registration of subsequent Franchise Disclosure Documents (FDDs).

Initial franchise fees are primarily intended to compensate the Company for the granting of the franchise, the right to use the Company's trademark and to offset the costs of developing training programs and operating manuals. The term of the initial franchise agreement is 10 years. An option to renew the agreement for another 10-year term is available at 25% of the then current initial franchise fee.

Franchise fees and associated costs are recognized as revenue and expense when the franchisee has signed its franchise agreement, store location has been selected and training has been completed. Franchise fees received from franchises for which location has not been selected and training has not been completed are recorded as a liability; costs associated with such advance franchise fees are recorded as an asset. The opening launch marketing program fees are recorded as a liability until marketing expenditures are incurred.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Franchise agreement (continued)

The franchise agreement also provides for continuing royalty fees and brand fees. The royalty fee is 3 - 6% and the brand fee is 0-2%, both are based on gross store sales volume and are payable monthly. These fees compensate the Company for ongoing trademark and license usage. Royalty fees and brand fees are recognized as revenue when earned.

The franchise agreement also provides for technology development fees of $475 per month per franchisee. These fees are recognized as revenue when earned.

The Company is obligated to share fees generated by new franchises with area developers if there is an area developer in the franchise territory. Area developers are entitled to receive 33.33% - 65% of all initial franchise fees and 40 - 50% of all royalty fees generated by franchises within their territory.

Sales taxes

The Company excludes from its sales all sales taxes assessed to its customers. Sales taxes assessed on sales are recorded as accrued liabilities on the balance sheet until remitted to state agencies.

Income Taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the year and the change during the year in deferred tax assets and liabilities. The Company’s policy is to record interest and penalties on uncertain tax positions as a component of income tax expense.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Company leases buildings and equipment under multiple leases. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease ROU assets and operating lease liabilities in the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily determinable. Since most of the Company's leases do not provide an implicit rate, to determine the present value of lease payments management uses the Company's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise the option. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

The building lease agreements include provisions for variable rent payments, which are adjusted periodically for inflation. None of the Company's lease agreements contain any material residual value guarantees or covenants.

Advertising

It is the Company's policy to expense advertising costs as they are incurred. Advertising and related expenses including public relations and tradeshow costs totaled $16,145 and $9,594 for years ended December 31, 2025 and 2024, respectively.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. DUE (TO) FROM RELATED PARTIES

Amounts due (to) from related parties at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Due from president and CEO of the Company	$ 472,589	$ 467,726
Due (to) from BizCard Xpress, owned by IITI	184,234	56,903
Due from shareholder of IITI	49,371	35,153
Due (to) from Canada	92,170	38,124
Due (to) from IITI	759,752	668,478
Due (to) from related parties	$ 1,558,116	$ 1,266,384

See Note 5 for details of all amounts due (to) from related parties

3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Computer equipment	$ 11,286	$ 11,286
Furniture and fixtures	25,649	25,649
Software	16,486	16,486
Leasehold improvements	52,557	52,557
	105,978	105,978
Less accumulated depreciation	(81,727)	(70,497)
Total property and equipment	$ 24,251	$ 35,481

Depreciation expense was $11,231 and $12,022 for 2025 and 2024, respectively.

4. INTANGIBLE ASSETS

During 2016 and 2017 the Company repurchased the area license rights in two states, the amounts paid for these two areas were classified as an intangible asset. During 2024 the Company had reviewed the carrying value of these license rights and determined that the area license rights would not be sold in the future. The Company recorded an impairment loss of $223,000, which is classified as other expense in the accompanying Consolidated Statement of Operations for the year ended December 31, 2024.

5. RELATED PARTY TRANSACTIONS

The Company has advanced funds to its president and CEO to fund operations related to personally owned entities. The balance of these receivables was $472,589 and $467,726 at December 31, 2025 and 2024, respectively, which is classified as Due from Related Parties in the accompanying Consolidated Balance Sheet. These advances are not subject to fixed repayment terms.

The president and CEO also provided loans to the Company. The balance of these loans payable was $223,091 and $193,243 at December 31, 2025 and 2024, respectively. These loans are not subject to fixed payment terms and are included in long-term debt – related parties in the accompanying Consolidated Balance Sheet, see Note 11.

In 2015 an area developer/shareholder purchased a franchise from the Company for $39,950. The Company has a note receivable related to this purchase totaling $34,950 at December 31, 2025 and 2024 with no repayment terms. The Company also has a $0 and $9,434 commission payable and royalties receivable of $14,421 and $9,637 related to the area developer/shareholder at December 31, 2025 and 2024, respectively. The net amounts of $49,371 and $35,153 are classified as Due (to) from Related Parties in the accompanying Consolidated Balance Sheet at December 31, 2025 and 2024, respectively.

5. RELATED PARTY TRANSACTIONS (continued)

The Company performed certain administrative services totaling $53,159 and $52,101 for Canada during 2025 and 2024, respectively. Charges for these services are offset against payroll expenses in the accompanying Consolidated Statement of Operations. The Company, Canada and IITI also reimbursed each other for certain allocated office expenses. Amounts charged by the Company to Canada totaled $54,630 and $59,086 for the years ended December 31, 2025 and 2024, respectively. Amounts charged by the Company to IITI totaled $138,773 and $130,968 for the years ended December 31, 2025 and 2024, respectively. Amounts charged by Canada to the Company totaled $72,216 and $78,335 for the years ended December 31, 2025 and 2024, respectively. The Company has a receivable from IITI totaling $759,752 and $668,478 at December 31, 2025 and 2024, respectively. The Company also has a receivable from Canada totaling $92,170 and $38,124 at December 31, 2025 and 2024, respectively. All receivables related to IITI and Canada are classified as Due (to) from Related Parties in the accompanying Consolidated Balance Sheet.

Three area developers are also shareholders of IITI, combined they own 6 and 4 franchise locations at December 31, 2025 and 2024, respectively. Royalty and marketing fees and other income from these franchises totaled $223,206 and $243,612 for the years ended December 31, 2025 and 2024, respectively. Royalty commission and area commission expense for these franchises and 2 areas totaled $106,257 and $86,087 for the years ended December 31, 2025 and 2024, respectively.

The Company received advances from a shareholder of BizUp and IITI totaling $37,331 and $47,196 at December 31, 2025 and 2024, respectively, see Note 11 for details long-term debt – related parties.

The Company advances and/or receives funds from BizCard Xpress, which is owned by IITI. The Company has a receivable from BizCard Xpress totaling $184,234 and $56,903 at December 31, 2025 and 2024, respectively. These balances are classified as Due (to) from Related Parties in the accompanying Consolidated Balance Sheet.

6. FRANCHISE INFORMATION

Franchise statistics at December 31, 2025 include:

	Regional	Area
Franchises in operation at beginning of year	25	15
New franchises granted	-	-
Franchises granted but not operational at end of year	-	-
Franchises terminated	(2)	-
Franchises in operation at end of year	23	15
Franchises transferred	-	-
Franchisor-owned outlets	-	-

7. OPERATING LEASES

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2025:

Weighted Average Remaining Lease Term - Operating leases 3.1 years

Weighted Average Discount Rate - Operating leases 8%

The maturities of lease liabilities as of December 31, 2025 were as follows:

Year ending December 31,	
2026	$ 98,880
2027	101,846
2028	8,487
Total lease payments	209,213
Less: interest	(17,210)
Present value of lease payments	192,003
Less current portion of lease liabilities	(86,651)
Long term portion of lease liabilities	$ 105,352

7. OPERATING LEASES (continued)

The Company leases office space under an operating lease expiring January 31, 2028. Rent expense totaled $94,233 and $94,567 for the years ended December 31, 2025 and 2024, respectively.

The Company subleased a portion of its office to a franchise store owned by president and CEO. Sublease income is separately identified on the accompanying Consolidated Statement of Operations for the years ended December 31, 2025 and 2024, respectively.

8. CONTINGENCIES

The Company is involved in various legal matters in the ordinary course of business. In the opinion of management, these matters are not anticipated to have a material adverse effect on the results of operations, financial position or liquidity of the Company.

9. GUARANTEE

In connection with the sale of franchises, the Company guaranteed one note receivable for a related party totaling $63,000 at December 31, 2025. There is currently no recorded liability for potential losses under this guarantee as collection is presumed. The guarantee expires March 2026.

10. NOTES PAYABLE

Notes payable is comprised of the following at December 31:

	2025	2024
Note payable to a former area franchisee. The existing repayment terms have not been made. New note terms are currently being negotiated.	$ 22,895	$ 30,395
Note payable to a third party, with payment terms of $5,820 every two weeks, including interest of 38.82% per annum, due May 2026	54,049	-
	$ 76,944	$ 30,395

11. LONG-TERM DEBT – RELATED PARTIES

Long-term debt to related parties is comprised of the following at December 31:

	2025	2024
Note payable to a shareholder of BizUp and IITI, monthly payment of $1,000, including interest of 5% per annum, due December 31, 2026	$ 37,331	$ 47,196
Note payable to Company's president and CEO, with interest only payment at the rate of 5% per annum. The unpaid principal and interest shall be payble only after the note above has been fully paid.	120,000	115,000
Note payable to Company's president and CEO, not subject to fixed payment terms.	103,091	78,243
Note payable to three shareholders of IITI, not subject to fixed payment terms.	4,541	7,142
Note payable to a shareholder of IITI, monthly payment of $1,485, including interest of 7% per annum, due October 1, 2026.	15,385	31,998
	280,348	279,579
Less current portion	(52,716)	(28,059)
Long-term portion	$ 227,632	$ 251,520

11. LONG-TERM DEBT – RELATED PARTIES (continued)

Estimated future principal maturities on note follows:

Year ended December 31,	2026	$ 52,716
	Thereafter	227,632
		$ 280,348

12. INCOME TAXES

The income tax provision consisted of the following for the years ended December 31, 2025 and 2024:

	2025		
	Current	Deferred	Total
Federal	$ -	$ -	$ -
State	11,663	-	11,663
	$ 11,663	$ -	$ 11,663

	2024		
	Current	Deferred	Total
Federal	$ -	$ -	$ -
State	5,982	-	5,982
	$ 5,982	$ -	$ 5,982

12. INCOME TAXES (continued)

A reconciliation of amounts computed by applying the federal statutory income tax rate to income before income taxes to the amounts recorded in the statement of operations is as follows:

	2025	2024
Amount computed as statutory federal rate	$ 12,497	$ 57,491
Accounts receivable reserve	188	378
Meals and entertainment expenses	3,439	(9,326)
State income tax expense	800	800
Decrease in valuation allowance	(5,261)	(43,361)
	$ 11,663	$ 5,982

The components of the Company's deferred tax assets (liabilities) are summarized as follows:

	2025	2024
Accumulated depreciation	$ -	$ 200
Net operating losses	473,500	477,217
Accounts receivable reserve	(10,710)	(14,070)
	462,790	463,347
Deferred tax asset valuation allowance	(462,790)	(463,347)
Net deferred tax assets	$ -	$ -

The Company established a full valuation allowance against its net deferred tax assets due to the uncertainty surrounding the realizability of such assets.

At December 31, 2025, the Company had federal and state net operating loss carry forwards of $1.8 million. These federal and state net operating loss carry forwards will begin to expire in 2034.

13. CONTINUING OPERATIONS

As reflected in the accompanying financial statements, the Company has negative working capital, minimal cash balances and negative retained earnings. These factors raise concerns about the Company's ability to continue as a going concern. To address this issue management established II Transatlantic Inc. (IITI), see Note 1. IITI owns the intellectual property (worldwide rights) for the Instant Imprints brands.

The company did not achieve its targeted royalty growth in 2025, after experiencing major improvements in this category during 2022 and 2023. The marketing and outreach tools available to the network remain in place and management believes these tools to be of strong value to allow the Company’s franchisees to attract and retain customers with greater potential. This remains foundational for the Company’s monthly incoming cash. It is also foundational for positive referrals coming from existing franchisees to new franchise inquiries. Management during 2026 will focus on retraining its franchisees on the availability and use of these tools. The Company continues to employ targeted geofenced advertising to drive franchise inquiries. Additional development funds will be used during 2026 to drive new franchise lead inquiries in targeted markets.

We expect that 2026 will continue to see improvement in year over year royalty revenue growth from the existing store base, and franchise inquiries will grow over inquiries from the previous two years through the balance of this year.

14. STOCKHOLDERS’ EQUITY

On June 11, 2015, the Company amended the number of authorized shares of common stock from 1,500 of no par value to 150,000 shares of $0.0001 par value. The 1,111 shares of outstanding common stock were converted into 111,111 shares of common stock.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 15, 2026, the date the financial statements were available to be issued.

NO FRILL FRANCHISING, INC.

(A WHOLLY OWNED SUBSIDIARY OF II TRANSATLANTIC, INC.)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 and 2023

NO FRILL FRANCHISING, INC.

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INDEPENDENT AUDITOR'S REPORT

April 11, 2025

To the Board of Directors and Stockholders
No Frill Franchising, Inc.
San Diego, California

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of No Frill Franchising, Inc. (the Company) and its subsidiary, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 13 to the financial statements, the Company has negative working capital, minimal cash balances and negative retained earnings. These factors raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 13. The financial statements do not include any adjustments that might result from the outcome of these uncertainties. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Hinzman & Associates

HINZMAN & ASSOCIATES
Certified Public Accountants
A Professional Corporation

No Frill Franchising, Inc.
Consolidated Balance Sheet
December 31, 2024 and 2023

Assets

	2024	2023
Current assets:		
Cash and cash equivalents	$ 5,191	$ 136,593
Accounts receivable, net	79,448	68,277
Prepaid expenses	8,760	8,500
Current portion of notes receivable	13,259	14,162
Total current assets	106,658	227,532
Notes receivable	72,466	95,405
Due from related parties	1,266,384	1,002,700
Deposits	8,487	8,487
Property and equipment, net	35,481	47,503
Right of use assets - operating leases	237,356	301,833
Intangible assets - area franchise rights	-	223,000
	$ 1,726,832	$ 1,906,460

Liabilities and Stockholders' Equity

Current liabilities:		
Accounts payable	$ 116,513	$ 152,230
Accrued expenses	199,218	196,476
Due to national media fund	125,055	131,438
Current portion of long-term debt	-	9,053
Current portion of long-term debt - related parties	28,059	156,363
Current portion of operating lease liabilities	77,251	59,835
Total current liabilities	546,096	705,395
Long-term debt, net of current portion	30,395	39,000
Long-term debt - related parties, net of current portion	251,520	301,128
Long-term portion of operating lease liabilities	192,004	269,255
	473,919	609,383
Total liabilities	1,020,015	1,314,778
Stockholders' equity:		
Common stock	11	11
Additional paid in capital	2,534,969	2,534,969
Retained earnings (deficit)	(1,828,163)	(1,943,298)
Total stockholders' equity	706,817	591,682
	$ 1,726,832	$ 1,906,460

No Frill Franchising, Inc.
Consolidated Statement of Operations
For years ended December 31, 2024 and 2023

	2024	2023
Franchise income:		
Area franchise sales	$ -	$ -
Regional franchise sales	19,995	-
Royalty and brand fees	697,358	776,885
Technology fees	238,090	117,279
Training	9,000	7,500
Transfer and processing fees	45,000	-
Other income	47,710	57,349
	1,057,153	959,013
Cost of sales:		
Franchise sales commissions	12,833	-
Royalty commissions	146,586	213,091
Training	2,696	-
Transfer fees	6,000	-
	168,115	213,091
Gross profit	889,038	745,922
Expenses:		
Franchise development	97,665	50,288
Franchise operations	257,687	168,593
Marketing	14,125	17,644
General and administrative	337,799	423,620
	707,276	660,145
Income from operations	181,762	85,777
Other income (expense):		
Sublease income	36,450	31,093
Legal settlement - franchise termination	83,523	-
Write-off of accrued liabilities	64,367	-
Impairment loss - intangible assets	(223,000)	-
Interest income	14,683	7,577
Interest expense	(34,515)	(23,129)
Foreign currency transaction gain (loss)	(2,153)	(324)
Income (loss) before income taxes	121,117	100,994
Income tax expense	5,982	800
Net income (loss)	115,135	100,194
Retained earnings at beginning of year	(1,943,298)	(2,043,492)
Retained earnings at end of year	$ (1,828,163)	$ (1,943,298)

No Frill Franchising, Inc.
Consolidated Statement of Cash Flows
For years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Net income (loss)	$ 115,135	$ 100,194
Adjustments to reconcile net income to		
net cash provided by operating activities:		
Depreciation and amortization	12,022	10,079
(Prepaid) accrued lease payments for operating leases	4,642	27,257
Write-off of accrued liabilities	(64,367)	
Impairment loss - intangible assets	223,000	-
(Increase) decrease in:		
Accounts receivable	(11,172)	94,860
Prepaid expenses	(260)	1,000
Increase (decrease) in:		
Accounts payable	28,651	66,159
Accrued expenses	2,742	(7,024)
Due to national media fund	(6,383)	(18,428)
Net cash (used) provided by operating activities	304,010	274,097
Cash flows from investing activities		
Increaed in deposit	-	8,743
Collection of notes receivable	23,842	15,517
Purchase of property and equipment	-	(51,381)
Net cash provided (used) by investing activities	23,842	(27,121)
Cash flows from financing activities		
Due from (to) related parties	(263,684)	(265,395)
Proceeds from long-term debt - related parties	190,000	190,000
Repayments on long-term debt - related parties	(367,912)	(23,413)
Repayments on long-term debt	(17,658)	(15,811)
Net cash provided by financing activities	(459,254)	(114,619)
Net increase (decrease) in cash	(131,402)	132,357
Cash, beginning of year	136,593	4,236
Cash, end of year	$ 5,191	$ 136,593
Supplemental schedule of cash flow information		
Cash paid during the period for interest	$ 34,515	$ 23,129
Cash paid during the period for income taxes	$ 5,982	$ 800
Cash paid for operating lease	$ 84,000	$ 54,000
Operating lease asset obtained in exchange for lease liability	$ -	$ 259,831

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

No Frill Franchising, Inc. (No Frill) was incorporated in Delaware in February, 2011, and was a wholly owned subsidiary of II CA, Inc. (Canada). On March 15, 2015 II Transatlantic, Inc. ("IITI") acquired No Frill and Canada as wholly-owned subsidiaries. No Frill was formed for the purpose of developing the Instant Imprints franchise brand and managing the Instant Imprints franchise operations in the United States of America.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of No Frill and its wholly-owned subsidiary, Imprints Georgia, LLC (Georgia), collectively referred to as "the Company". All significant intercompany balances and transactions have been eliminated in consolidation. In prior years Georgia operated a franchisor-owned outlet which was sold in 2014.

Basis of accounting

The financial statements of the Company have been prepared in conformity with generally accepted accounting principles on the accrual basis and accordingly reflect all significant assets, payables and other liabilities.

Accounts receivable

Accounts receivable consists of outstanding amounts due from royalties. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information. Accounts receivable are written off when they are determined to be uncollectible. The allowance for doubtful accounts was $67,377 and $111,785 at December 31, 2024 and 2023, respectively.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Notes receivable

During 2019 the Company converted past due royalties and additional working capital to a franchisee totaling $45,000 into a note receivable. At the same time the Company issued a $45,000 note payable to an independent outsider, see Note 10 for details. During 2020 the note receivable was amended into a new $49,000 note receivable, which included unpaid interest on the assigned note. The amended note receivable called for interest at 5% and 59 monthly payments amortized over a ten year period with a balloon payment due December 1, 2025.

During 2022 the Company sold an area franchise in exchange for cash and a note receivable of $90,000. The note carries interest at 7% per annum and is due and payable upon the earlier of (1) 10 years from the date of note, or (2) a transfer under the Area Representation Agreement occurs. The note is collateralized by the area as well as personal guarantees.

The maximum amount of loss due to credit risk will be the outstanding balances at the time of default. Interest is recorded as revenue when earned.

Property and Equipment

Property and equipment is carried at cost and depreciated using the straight line method over the estimated useful lives of the individual assets, generally three to seven years for all assets.

Concentration of credit risk

The Company maintains bank accounts at financial institutions in San Diego, California. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. Management believes the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Franchise agreement

The Company's franchise agreement as of December 31, 2024 requires the following non-refundable fees:

Growth Center	$39,950
Studio Center	$29,950
Brand Center 3 Store package	$79,000
Conversion from existing imprinted products business	$10,000 - $21,250
Opening launch marketing program	$10,000
Area development franchise	$5,000/store in the territory
Buildout coordination fee	$10,000
Transfer fee	$15,000

These fees are subject to change with registration of subsequent Franchise Disclosure Documents (FDDs).

Initial franchise fees are primarily intended to compensate the Company for the granting of the franchise, the right to use the Company's trademark and to offset the costs of developing training programs and operating manuals. The term of the initial franchise agreement is 10 years. An option to renew the agreement for another 10-year term is available at 25% of the then current initial franchise fee.

Franchise fees and associated costs are recognized as revenue and expense when the franchisee has signed its franchise agreement, store location has been selected and training has been completed. Franchise fees received from franchises for which location has not been selected and training has not been completed are recorded as a liability; costs associated with such advance franchise fees are recorded as an asset. The opening launch marketing program fees are recorded as a liability until marketing expenditures are incurred.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Franchise agreement (continued)

The franchise agreement also provides for continuing royalty fees and brand fees. The royalty fee is 3 - 6% and the brand fee is 0-2%, both are based on gross store sales volume and are payable monthly. These fees compensate the Company for ongoing trademark and license usage. Royalty fees and brand fees are recognized as revenue when earned.

The franchise agreement also provides for technology development fees of $0 - $300 per month per franchisee. These fees are recognized as revenue when earned.

The Company is obligated to share fees generated by new franchises with area developers if there is an area developer in the franchise territory. Area developers are entitled to receive 33.33% - 65% of all initial franchise fees and 40 - 50% of all royalty fees generated by franchises within their territory.

Sales taxes

The Company excludes from its sales all sales taxes assessed to its customers. Sales taxes assessed on sales are recorded as accrued liabilities on the balance sheet until remitted to state agencies. Accrued sales taxes were $19,561 at December 31, 2024 and 2023.

Income Taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the year and the change during the year in deferred tax assets and liabilities. The Company's policy is to record interest and penalties on uncertain tax positions as a component of income tax expense.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Company leases buildings and equipment under multiple leases. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease ROU assets and operating lease liabilities in the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily determinable. Since most of the Company's leases do not provide an implicit rate, to determine the present value of lease payments management uses the Company's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise the option. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

The building lease agreements include provisions for variable rent payments, which are adjusted periodically for inflation. None of the Company's lease agreements contain any material residual value guarantees or covenants.

Advertising

It is the Company's policy to expense advertising costs as they are incurred. Advertising and related expenses including public relations and tradeshow costs totaled $9,594 and $14,643 for years ended December 31, 2024 and 2023, respectively.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. DUE (TO) FROM RELATED PARTIES

Amounts due (to) from related parties at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Due from president and CEO of the Company	$ 467,726	$ 498,750
Due (to) from BizCard Xpress, owned by IITI	56,903	(17,714)
Due from shareholder of IITI	35,153	11,107
Due (to) from Canada	38,124	5,900
Due (to) from IITI	668,478	504,657
Due (to) from related parties	$ 1,266,384	$ 1,002,700

See Note 5 for details of all amounts due (to) from related parties

3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Computer equipment	$ 11,286	$ 11,286
Furniture and fixtures	25,649	25,649
Software	16,486	16,486
Leasehold improvements	52,557	52,557
	105,978	105,978
Less accumulated depreciation	(70,497)	(58,475)
Total property and equipment	$ 35,481	$ 47,503

Depreciation expense was $12,022 and $10,079 for 2024 and 2023, respectively.

4. INTANGIBLE ASSETS

During 2016 and 2017 the Company repurchased the area license rights in two states, the amounts paid for these two areas were classified as an intangible asset on the accompanying Consolidated Balance Sheet at December 31, 2023.

During 2024 the Company determined that the carrying value of these license rights was completely impaired and the intangible assets were completely written off at December 31, 2024.

5. RELATED PARTY TRANSACTIONS

The Company has advanced funds to its president and CEO to fund operations related to personally owned entities. The balance of these receivables was $467,726 and $498,750 at December 31, 2024 and 2023, respectively, which is classified as Due from Related Parties in the accompanying Consolidated Balance Sheet. These advances are not subject to fixed repayment terms.

The president and CEO also provided loans to the Company. The balance of these loans payable was $193,243 and $215,000 at December 31, 2024 and 2023, respectively. These loans are not subject to fixed payment terms and are included in long-term debt – related parties in the accompanying Consolidated Balance Sheet, see Note 11.

In 2015 an area developer/shareholder purchased a franchise from the Company for $39,950. The Company has a note receivable related to this purchase totaling $34,950 at December 31, 2024 and 2023 with no repayment terms. The Company also has a $9,434 and $34,463 commission payable and royalties receivable of $9,637 and $10,620 related to the area developer/shareholder at December 31, 2024 and 2023, respectively. The net amounts of $35,153 and $11,107 are classified as Due (to) from Related Parties in the accompanying Consolidated Balance Sheet at December 31, 2024 and 2023, respectively.

5. RELATED PARTY TRANSACTIONS (continued)

The Company performed certain administrative services totaling $52,101 and $48,575 for Canada during 2024 and 2023, respectively. Charges for these services are offset against payroll expenses in the accompanying Consolidated Statement of Operations. The Company, Canada and IITI also reimbursed each other for certain allocated office expenses. Amounts charged by the Company to Canada totaled $59,086 and $68,290 for the years ended December 31, 2024 and 2023, respectively. Amounts charged by the Company to IITI totaled $130,968 and $167,004 for the years ended December 31, 2024 and 2023, respectively. Amounts charged by Canada to the Company totaled $78,335 and $65,445 for the years ended December 31, 2024 and 2023, respectively. During 2024 and 2023 IITI also acted as a dealer for portions of new store equipment packages. The Company has a receivable from IITI totaling $668,478 and $504,647 at December 31, 2024 and 2023, respectively. The Company also has a receivable from Canada totaling $38,124 and $5,900 at December 31, 2024 and 2023, respectively. All receivables related to IITI and Canada are classified as Due (to) from Related Parties in the accompanying Consolidated Balance Sheet.

Three area developers are also shareholders of IITI, combined they own 4 and 5 franchise locations at December 31, 2024 and 2023, respectively. Royalty and marketing fees and other income from these franchises totaled $243,612 and $263,301 for the years ended December 31, 2024 and 2023, respectively. Royalty commission and area commission expense for these franchises and 2 areas totaled $86,087 and $96,100 for the years ended December 31, 2024 and 2023, respectively.

The Company received advances from BizUp, an entity owned by the Company's president and shareholder and a shareholder of IITI, see Note 11 for details long-term debt – related parties.

The Company advances and/or receives funds from BizCard Xpress, which is owned by IITI. The Company has a receivable from BizCard Xpress totaling $56,903 and a payable totaling $17,714 to BizCard Express at December 31, 2024 and 2023, respectively. These balances are classified as Due (to) from Related Parties in the accompanying Consolidated Balance Sheet.

6. FRANCHISE INFORMATION

Franchise statistics at December 31, 2024 include:

	Regional	Area
Franchises in operation at beginning of year	28	15
New franchises granted	-	-
Franchises granted but not operational at end of year	-	-
Franchises terminated	(3)	-
Franchises in operation at end of year	25	15
Franchises transferred	-	-
Franchisor-owned outlets	-	-

7. OPERATING LEASES

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024:

Weighted Average Remaining Lease Term - Operating leases 4.1 years

Weighted Average Discount Rate - Operating leases 8%

The maturities of lease liabilities as of December 31, 2024 were as follows:

Year ending December 31,	
2025	$ 96,000
2026	98,880
2027	101,846
2028	8,487
Total lease payments	305,213
Less: interest	(35,958)
Present value of lease payments	269,255
Less current portion of lease liabilities	(77,251)
Long term portion of lease liabilities	$ 192,004

7. OPERATING LEASES (continued)

The Company leases office space under an operating lease expiring January 31, 2028. Rent expense totaled $94,567 and $96,975 for the years ended December 31, 2024 and 2023, respectively.

The Company subleased a portion of its office to a franchise store owned by president and CEO. Sublease income is separately identified on the accompanying Consolidated Statement of Operations for the years ended December 31, 2024 and 2023, respectively.

8. CONTINGENCIES

The Company is involved in various legal matters in the ordinary course of business. In the opinion of management, these matters are not anticipated to have a material adverse effect on the results of operations, financial position or liquidity of the Company.

9. GUARANTEE

In connection with the sale of franchises, the Company guaranteed one note receivable for a related party totaling $63,000 at December 31, 2024. There is currently no recorded liability for potential losses under this guarantee as collection is presumed. The guarantee expires March 2026.

10. LONG-TERM DEBT

Long-term debt is comprised of the following at December 31:

	2024	2023
Note payable to a former area franchisee. The existing repayment terms have not been made. New note terms are currently being negotiated.	$ 30,395	$ 39,000
Note payable to a former area franchisee. Revised payment terms of $1,500 per month starting November 15, 2021, including interest of 12% per annum, due June 15, 2024	-	9,053
	30,395	48,053
Less current portion	-	(9,053)
Long-term portion	$ 30,395	$ 39,000

10. LONG-TERM DEBT – RELATED PARTIES(continued)

Long-term debt to related parties is comprised of the following at December 31:

	2024	2023
Note payable to a shareholder of BizUp and IITI, monthly payment of $1,000, including interest of 5% per annum, due December 31, 2026	$ 47,196	$ 56,580
Note payable to Company's president and CEO, with interest only payment at the rate of 5% per annum. The unpaid principal and interest shall be payble only after the note above has been fully paid.	115,000	110,000
Note payable to a shareholder of IITI, monthly interest payment only at the rate of 12% per annum, due December 20, 2024	-	130,000
Note payable to Company's president and CEO, not subject to fixed payment terms.	78,243	105,000
Note payable to three shareholders of IITI, not subject to fixed payment terms.	7,142	9,447
Note payable to a shareholder of IITI, monthly payment of $1,485, including interest of 7% per annum, due October 1, 2026.	31,998	46,464
	279,579	457,491
Less current portion	(28,059)	(156,363)
Long-term portion	$ 251,520	$ 301,128

11. LONG-TERM DEBT – RELATED PARTIES (continued)

Estimated future principal maturities on note follows:

Year ended December 31,	2025	$ 28,958
	2026	55,564
	2027	1,814
	2028	-
	Thereafter	193,243
		$ 279,579

12. INCOME TAXES

The income tax provision consisted of the following for the years ended December 31, 2024 and 2023:

	2024		
	Current	Deferred	Total
Federal	$ -	$ -	$ -
State	5,982	-	5,982
	$ 5,982	$ -	$ 5,982

	2023		
	Current	Deferred	Total
Federal	$ -	$ -	$ -
State	800	-	800
	$ 800	$ -	$ 800

12. INCOME TAXES (continued)

A reconciliation of amounts computed by applying the federal statutory income tax rate to income before income taxes to the amounts recorded in the statement of operations is as follows:

	2024	2023
Amount computed as statutory federal rate	$ 57,491	$ 21,041
Accounts receivable reserve	378	(6,765)
Meals and entertainment expenses	(9,326)	1,695
State income tax expense	800	800
Decrease in valuation allowance	(43,361)	(15,971)
	$ 5,982	$ 800

The components of the Company's deferred tax assets (liabilities) are summarized as follows:

	2024	2023
Accumulated depreciation	$ 200	$ 200
Net operating losses	477,217	525,900
Accounts receivable reserve	(14,070)	(23,500)
	463,347	502,600
Deferred tax asset valuation allowance	(463,347)	(502,600)
Net deferred tax assets	$ -	$ -

The Company established a full valuation allowance against its net deferred tax assets due to the uncertainty surrounding the realizability of such assets.

At December 31, 2024, the Company had federal and state net operating loss carry forwards of $2 million. These federal and state net operating loss carry forwards will begin to expire in 2034.

13. CONTINUING OPERATIONS

As reflected in the accompanying financial statements, the Company has negative working capital, minimal cash balances and negative retained earnings. These factors raise concerns about the Company's ability to continue as a going concern. To address this issue management established II Transatlantic Inc (IITI), see Note 1. IITI owns the intellectual property (worldwide rights) for the Instant Imprints brands.

The company did not achieve its targeted royalty growth in 2024, after experiencing major improvements in this category during the previous two years. The marketing and outreach tools available to the network remain in place and management believes these tools to be of strong value to allow the Company's franchisees to attract and retain customers with greater potential. This remains foundational for the Company's monthly incoming cash. It is also foundational for positive referrals coming from existing franchisees to new franchise inquiries. Management during 2025 will focus on retraining its franchisees on the availability and use of these tools.

The Company continues to employ targeted geofenced advertising to drive franchise inquiries. Additional development funds will be used during 2025 to drive new franchise lead inquiries in targeted markets.

We expect that 2025 will continue to see improvement in year over year royalty revenue growth from the existing store base, and franchise inquiries will grow over 2024 inquiries through the balance of this year.

14. STOCKHOLDERS' EQUITY

On June 11, 2015, the Company amended the number of authorized shares of common stock from 1,500 of no par value to 150,000 shares of $0.0001 par value. The 1,111 shares of outstanding common stock were converted into 111,111 shares of common stock.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 11, 2025, the date the financial statements were available to be issued.

UNAUDITED FINANCIAL STATEMENTS

THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

No Frill Franchising, Inc.
Balance Sheet as of April 30, 2026

	ASSETS	
	Current Assets	
Cash and Cash Equivalents	$	2,470.15
Accounts Receivable, Net	$	315,537.55
Related Party Receivables	$	521,931.56
Repurchased Area Rights	$	0.00
Inventory	$	260.00
Prepaid Expenses	$	9,760.36
Total Current Assets	$	849,959.62
Property and Equipment		
Fixed Assets	$	118,915.31
Accumulated Depreciation/Amortization	($	98,219.45)
Total Property and Equipment	$	20,695.86
Other Assets		
Notes Receivable	$	119,476.13
Other Assets	$	8,487.20
Total Other Assets	$	127,963.33
Total Assets	$	998,618.81
LIABILITIES AND CAPITAL		
Current Liabilities		
Accounts Payable - Net	$	296,636.31
Buildout Accounts	$	0.00
Credit Cards	$	130,510.79
Pooled Leads	$	77,945.73
National Media Fund	$	123,988.68
Payroll Liabilities	$	43,954.76
Related Party Payables	($	621,425.43)
Notes Payable	$	17,800.71
Accrued Liabilities	$	67,018.91
Customer Deposits	$	42,557.51
Deferred Rent	$	24,541.27
Total Current Liabilities	$	203,529.24
Long-Term Liabilities		
Notes Payable - Long Term	$	9,394.93

Total Long-Term Liabilities	$	9,394.93
Total Liabilities	$	212,924.17
Capital		
Paid in Capital	$	2,534,979.30
Retained Earnings	($	1,768,652.55)
Net Income		19,367.89
Total Capital	$	785,694.64
Total Liabilities & Capital	$	998,618.81

No Frill Franchising, Inc.
Profit and Loss for the 4 months Ending April 30, 2026

Revenues		
License Fees	$	58,900.00
Royalty and marketing Fees	$	375,704.92
Training Fees	$	10,000.00
Technology Fee	$	85,830.89
Interest Income	$	4,608.72
Other Income	$	4,358.25
Sublet Income	$	15,508.00
Total Revenues		$554,910.78
Cost of Sales		
COGS-Area Fees	$	97,738.61
COGS - Other	$	30,484.79
COGS-Sublet Costs	$	0.00
Total Cost of Sales		$128,223.40
Gross Profit		$426,687.38
Expenses		
Payroll Expenses	$	80,920.70
HR Expenses	$	1,063.20
Allocated Expenses	($	38,828.37)
Consultants/Contractors	$	38,814.76
Legal and Professional	$	32,680.00
Other Expenses	$	112,807.67
Bank Service Charges	$	2,193.85
Insurance Expense	$	2,405.15
Depreciation and Amortization	$	3,555.06
Interest Expense	$	17,274.67
Foreign Currency Exchange	($	90.13)
Franchise Services	$	97,391.77
Fees and Licenses	$	180.00
Marketing and Advertising	$	690.20
Office Expenses	$	5,365.20
Administrative Expenses	$	6,672.53
Rent	$	37,111.42
Travel Expenses	$	7,111.81
Total Expenses	$	407,319.49
Net Income	$	19,367.89

Exhibit E

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Exhibit F

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 Corporate Oversight Division	G. Mennen Williams Building, 5th 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)	New York State Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8222
New York (Agent)	Secretary of State of New York	99 Washington Avenue Albany, NY 12231-0001 518-473-2492
North Dakota	Insurance Commissioner (Agent) North Dakota Insurance & Securities Department	600 East Boulevard Avenue, Dept. 401 Bismarck, ND 58505-0510 701-328-2910
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 G

List of Franchisees
(As of December 31, 2025)

Entity Name	Telephone	Street	City	State	Zip code
Glen & Susie Ellison	(501) 217-8222	200 N. Bowman Rd., Suite 10	Little Rock	AR	72211
Rick Ballard	(303) 743-8000	10784 East Iliff Avenue	Aurora	CO	80014
Brian Drysdale	(302) 515-0207	62 Southgate Blvd, Suite A	New Castle	DE	19720
Atanas Chergov	(239) 949-4499	24830 S. Tamiami Trail, Unit 1300	Bonita Springs	FL	34134
Deepesh Purbhoo	(770) 643-0200	1580 Holcomb Bridge Rd	Roswell	GA	30076
Joey Herd	(678) 518-5408	2100 Riverside Parkway, Suite 118	Lawrenceville	GA	30043
Robert Parrish	(678)-807-9029	547 Lakeland Plaza	Cumming	GA	30040
Eric Merritt	(208) 467-7468	6916 W State Street	Boise	ID	83714
Chuck Sawyer	(919) 876-8070	5300 Atlantic Avenue, Suite 105	Raleigh	NC	27609
Markus Takkunen	(919) 468-9808	424 Airport Road, Suite 400	Morrisville	NC	27560
Jason Otte	(704) 584-7764	800 Clanton Road, Suite R	Charlotte	NC	28217
Chintan Soni	(856)424-3944	1910 Fairfax Avenue	Cherry Hill	NJ	08003
Matt & Emily Tilden	(724)-776-0360	900 Commonwealth Drive Suite 200	Cranberry Township	PA	16066
Matt & Emily Tilden	(412) 450-6010	355 Fifth Ave., Suite 205	Pittsburgh	PA	15222
Matt & Emily Tilden	724-612-3443	246 Moon Clinton Road Suite 101	Moon Township	PA	15108
Jason Otte	(864) 520-1196	8590 Pelham Road, #11	Greenville	SC	29615
Mimi Wright	(832) 240-4256	2403 Bay Area Boulevard, Suite E	Houston	TX	77058
Dwayne and Karen White	(972) 905-5545	2411 Coit Road, Suite 140	Plano	TX	75075
Dan Garrison	(360) 694-9711	13521 SE 3rd Way, Ste. 400	Vancouver	WA	98684

List of Affiliate Owned locations:

United States:

7310 Miramar Road, Suite 102
San Diego, CA 92126
(858) 824-0527

630 Nordahl Rd
Suite A,
San Marcos, CA 92069
(760) 975-3130

1148 W. Dillon Rd, Suite 3
Louisville, CO 80027
(303) 664-1633

3150 Highlands Parkway, Suite 106
Smyrna, GA 30082

(678) 424 – 1420

Canada:
920 Brant St #13
Burlington, ON L7R 4J1
(905)-634-5646

List of Franchisees who have signed a Franchise Agreement but did not open in 2025:

Jason Otte
Charlotte, NC
(704) 584-7764

Brian Drysdale
King of Prussia, PA
(302) 515-0207

Hisham Elezaby
Burlington, ON, CAN
(289) 337-4055

Mark MacInnis
Halifax, NS, CAN
(902) 377-3734

Rob Reed, Keith Reed
Moncton, NB, CAN
(506) 77-3300

LIST OF FRANCHISEES OF IICA, INC.

Name	Telephone Number	Street	City	Province	Postal Code
Masoud Zirak (Wife: Nikta)	(604)-628-8784	3484 East Hastings St	Vancouver	BC	V5K 2A6
Shazmin Zahir	(778) 565-7480	8077 King George Highway	Surrey	BC	V3W 5B4
Mayank Gaur	(604) 558-1877	1065 Main Street	Vancouver	BC	V6A 4L4
Noel Perera	(604) 620-7774	6925 Antrim Ave.	Burnaby	BC	V5J 4M5
Hardeep Singh Malik	(604) 558-0767	1204 W 8th Avenue	Vancouver	BC	V6H 3Y9
Rajiv Bhatia	(604) 553-3464	349 Columbia Street	New Westminster	BC	V3L 5T6
Ige (Timi) Oluwarotimi	(204)415-5444	305E Madison Street	Winnipeg	MB	R3J 1H9
Vinod Lad	(905) 267-2945	20 Kingsbridge Garden Circle, Unit #1A	Mississauga	ON	L5R 3K7
Mehran Mahmoodi (Managing)	(905) 815-8296	467 Speers Rd	Oakville	ON	L6K 3S4
Naren Lad	(289) 997-2108	3015 Winston Churchill Blvd., Unit 102	Mississauga	ON	L5L 2V8
Ananth Koovappady	905-282-0208	2550 Matheson Blvd. East, UNIT 128	Mississauga	ON	L4W4Z1
Anagha Vaidya	(519)-265-7119	221 Woodlawn West Rd, #B6	Guelph	ON	N1H 8P4
Mohammed Al-Nourhji	(613) 233-7611	529 Bank Street	Ottawa	ON	K2P 1Z5
BruceMacGillivray	(705) 503-7652	222 Mapleview Drive West, Unit 19	Barrie	ON	L4N 9E7
Ruchdi Arabi	(905) 735-0000	150 Thorold Road	Welland	ON	L3C 3V4
CC Managing	905-634-5646	920 Brant St #13	Burlington	ON	L7R 4J1
Babak Afroozi & Honeigh Bahraini Far	(416) 982-2015	36 Toronto St #104	Toronto	ON	M5C 2C5
Tyler Drost	(506) 449-0750	530 Brookside Drive, Unit D	Fredericton	NB	E3A 8V2
Ranjit Chatterjee	(902) 892-8100	393 University Avenue, Unit No 2	Charlottetown	PEI	C1A 4N4
Masoud Zirak (Wife: Nikta)	(604)-628-8784	3484 East Hastings St	Vancouver	BC	V5K 2A6

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee, Developer and area representative who had a business terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business 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 is listed below. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Transferred

Terminated or Ceased Operations:

Franchisee	Phone Number	Address	City	State/ Province	Zip
VTR Promo LLC Laura Flores	(210) 256-0000	8425 Bandera Rd., Suite 154	San Antonio	TX	78250
International Perseverance LLC Tamara and Damion Wallace	(281) 240-5925	909 Eldridge Road	Sugar Land	TX	77498

EXHIBIT H

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 Instant Imprints Center (the "Franchised Business") pursuant to that certain franchise agreement dated _____ (the "Franchise Agreement");

WHEREAS, Releasor desires to renew its franchise with Franchisor or desires Franchisor's consent to _____ in connection with the Franchise 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 Franchise 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 Franchise Agreement, the foregoing release shall not apply to any liability under applicable state law. *[Notwithstanding the foregoing, this general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder]*

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
Michigan	Pending
Minnesota	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 I

RECEIPTS

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. gives 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 F.

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: June 29, 2026

I have received a disclosure document dated June 29, 2026, that included the following Exhibits:

Exhibit A:	State Specific Addenda
Exhibit B:	Franchise Agreement (and Exhibits)
Exhibit D:	Development Agreement
Exhibit D:	Financial Statements
Exhibit E:	Manual Table of Contents
Exhibit F:	List of State Agents/Administrators For Service of Process
Exhibit G:	List of Franchisees
Exhibit H	Release
Exhibit I:	Receipts

Date: _____

_____
Prospective Franchisee Signature

_____
Print Name

(For You to Keep)

RECEIPTS

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. gives 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 F.

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Exhibit G:	Instant Imprints List of Franchisees
Exhibit H:	Release
Exhibit I:	Receipts

Date: _____

_____
Prospective Franchisee Signature

_____
Print Name

Please sign this copy of the Receipt, date your signature and return it to No Frill Franchising, Inc. at 7310 Miramar Road, Suite 102, San Diego, CA 92126.