

ILLINOIS

Illinois law governs the Membership Agreement.

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

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, and the compensation requirements thereunder.

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

No statement, questionnaire or acknowledgement 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 franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND

Item 17 of the disclosure document is amended by the following:

Our termination of the Membership Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

The Membership Agreement (our franchise agreement) provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

MINNESOTA

Items 5 and 7 of the disclosure document is amended to state:

We do not charge an initial fee if you are a new franchisee, but if you are a former franchisee and your franchise agreement terminated or expired without timely renewal, you must pay us a \$500 reinstatement fee. You also must purchase from RSA a lighted window sign in the amount of approximately \$150. We will defer payment of these amounts until you begin operating the PACKAGEHUB business.

Item 13 is supplemented by the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Section 80C.12, Subd. 1(g), which requires us to protect your right to use the trademarks, service marks, and trade names, and indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of same.

Minnesota Addendum to Membership Agreement

For purposes of complying with the requirements of Minnesota law, including the Minnesota Franchises Act, Minn. Stat. Section 80.01 et seq. and rules and regulations promulgated thereunder, PBC, LLC (“PBC”) and _____, (“Member”), hereby amend the Membership Agreement between them dated _____ (the “Membership Agreement”) as follows:

~~1.~~ Section 2.1 of the Membership Agreement is amended to state the following:

Initial Fee. PBC does not charge an initial fee associated with the rights granted in this Agreement. However, if this Agreement terminates or expires without timely renewal (i.e., within 30 days following its natural expiration), you must pay a reinstatement fee of \$500 at the time the PACKAGEHUB business begins operating.

~~2.~~ Section 7 of the Franchise Agreement is amended so that Section 7.6 is added and will state:

The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols (“Marks”) or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), PBC will reimburse Member for any costs that Member incurs in the defense of its right to use the Marks, so long as Member was using the Marks in the manner that PBC authorized, and so long as PBC is timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

~~3.~~ Minnesota Law. The following paragraphs are added to the end of the Membership Agreement:

With respect to franchises governed by Minnesota law, PBC will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that (1) a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

To the extent that any condition, stipulation, or provision contained in the Membership Agreement (including any choice of law provision) purports to require any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota, to waive compliance with the Minnesota Franchises Law, such condition, stipulation, or provision may be void and unenforceable under the non-waiver provision of the Minnesota Franchises Law.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside 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 Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.