

**EXHIBIT I**  
**STATE LAW ADDENDUM**

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## 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 OFFERING CIRCULAR."

Notwithstanding anything contained in the foregoing **Franchise Agreement** and Uniform Franchise Offering Circular to the contrary, the following provisions of the California Investment Law shall apply to any franchise or franchisee located in the State of California, which shall control to the extent of any inconsistency:

### Item 3

Neither **TAB**, nor any person or franchise broker in Item 2 of the UFOC 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.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

### Item 10

Add the following: "We will comply with all appropriate laws governing any direct financing offered by us to **You** including, if applicable, the California Finance Lenders Law."

### Item 17

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the **Franchise Agreement** contains a provision that is inconsistent with the law, the law will control.

The **Franchise Agreement** provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The **Franchise Agreement** contains a covenant not to compete that extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The **Franchise Agreement** requires binding arbitration. The arbitration requires binding arbitration. The arbitration will occur in Denver, CO with the costs being borne by the losing party. These provisions may not be enforceable under California law.

California Corporations, Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Corporations prior to a solicitation of a proposed material modification of an existing franchise.

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

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

www.tabboards.com is our website.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at [www.corp.ca.gov](http://www.corp.ca.gov).

Dated on the day of \_\_\_\_\_, 200\_\_.

TAB BOARDS INTERNATIONAL, INC.

By: \_\_\_\_\_  
Jason P. Zickerman, President

FRANCHISEE

By: \_\_\_\_\_

Effective Date:

STATE LAW ADDENDUM - HAWAII

The following modifies and supersedes the Offering Circular and Franchise Agreement with respect to franchises offered for sale or sold in the State of Hawaii, as followings:

**COVER SHEET.**

Add the following:

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

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

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

No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

The undersigned does hereby acknowledge receipt of this Addendum.

TAB BOARDS INTERNATIONAL, INC.

By: \_\_\_\_\_  
Jason P. Zickerman, President

Date: \_\_\_\_\_

FRANCHISEE:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date:

## STATE LAW ADDENDUM - INDIANA

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. § 23-2-2.7 (1985). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchise Agreement contains a provision regarding termination and nonrenewal that is inconsistent with these provisions of the Indiana Deceptive Franchise Practices Act, the Act will control.
- b. If the Franchise Agreement requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, and such acknowledgments shall be void with respect to claims under the Acts.
- c. If the Franchise Agreement contains covenants not to compete upon expiration or termination of the Franchise Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.
- d. The Indiana Deceptive Franchise Practices Act provides that substantial modification of the Franchise Agreement by Franchisor requires written consent of the Franchisee. If the Franchise Agreement contains provisions that are inconsistent with this requirement, the Act will control.
- e. If the Franchise Agreement requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act §23-3-3.7(10).
- f. If the Franchise Agreement requires that it be governed by a state's law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control.

With respect to Item 8 of the Offering Circular, Franchisor will not obtain money, goods, services or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by Franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

Each provision of this Addenda shall be effective only to the extent that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, with respect to each such provision, are met independent of this Addenda. This Addenda shall have no force or effect if such jurisdictional requirements are not met.

As to any state law described in this Addenda that declares void or unenforceable any provision contained in the Franchise Agreement, the Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

TAB BOARDS INTERNATIONAL, INC.

FRANCHISEE

By: \_\_\_\_\_  
Jason P. Zickerman, President

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Effective date:

STATE LAW ADDENDUM - NEW YORK

The following modifies and supersedes the Offering Circular with respect to franchises offered for sale or sold in the State of New York, as followings:

The following replaces the last two paragraphs on the Cover Page:

**"INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS OFFERING CIRCULAR. IF YOU LEARN THAT ANYTHING IN THE OFFERING CIRCULAR IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES 120 BROADWAY, 23RD FLOOR NEW YORK, N.Y. 10271"**

The following is added to the Cover Page:

**"THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS PROSPECTUS."**

The following is added at the beginning of Item 1:

All references to "Protected Territory" throughout this Offering Circular shall be deemed to be modified by TAB's right to grant non-exclusive, non-protected territories within the City of New York, Borough of Manhattan ("Manhattan"). TAB reserves the right to grant non-exclusive territories, to change the classification of territories, and to modify Your obligations related to Mass Marketing Campaigns, RMP List updates and related matters, only if Your territory is located in Manhattan. TAB reserves these rights only with respect to Manhattan due to the unique density of businesses located in Manhattan.

In Item 3 of the UFOC, substitute the following:

Neither TAB, its predecessors, any person identified in Item 2, nor any affiliate offering franchises under our principal trademark has an administrative, criminal or civil action (or a significant number of civil actions irrespective of materiality) pending against it, him or her alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither TAB, its predecessors, any person identified in Item 2, nor any affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.



Neither **TAB**, its predecessors, any person identified in Item 2, nor any affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

The following paragraph is hereby added at the beginning of Item 4:

Neither **TAB** nor any predecessors, officer or general partner of **TAB** has, during the 10-year period immediately preceding the date of the offering prospectus, been adjudged bankrupt or reorganized due to insolvency, or was a principal officer of any company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within one year after the period that such officer or general partner of **TAB** held such position in such company or partnership, nor has any such bankruptcy or reorganization proceeding been commenced

In Item 5 of the UFOC, add the following sentence:

"We use the proceeds from **Your** payment of the initial franchise fee to defray our costs and expenses for providing training and assistance to **You** and for other expenses."

In Item 17 section d of the UFOC is hereby modified to provide that you may terminate the Franchise Agreement on any grounds available by law.

In Item 17 section j of the UFOC is hereby modified to provided:

No assignment will be made except to an **Assignee** who, in our good faith judgment, is willing and able to assume our obligations under the **Franchise Agreement**.

In Item 17 section w of the UFOC is hereby modified to provide:

Colorado law applies. The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the GBL of the State of New York, Article 33. This language has been included in this **Offering Circular** as a condition of registration. The Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the **Franchise Agreement** including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the **Franchise Agreement** and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

[SIGNATURE PAGE TO FOLLOW]

TAB Boards International, Inc.

By: \_\_\_\_\_  
Jason P. Zickerman, President

Date: \_\_\_\_\_

FRANCHISEE:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date:

LAW ADDENDUM - WASHINGTON

The following modifies and supersedes the Offering Circular and Franchise Agreement with respect to franchises offered for sale or sold in the State of Washington, as followings:

The State of Washington has a statute, RCW 19.100.180 which may supersede the **Franchise agreement** in **Your** relationship with the **TAB** including the areas of termination and renewal of **Your** franchise. There may also be court decisions which may supersede the **Franchise Agreement** in **Your** relationship with **TAB** including the areas of termination and renewal of **Your** franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 Revised Code of Washington shall prevail.

A release or waiver of rights executed by **You** shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the **TAB's** reasonable estimated or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this Addendum.

TAB BOARDS INTERNATIONAL, INC.

By: \_\_\_\_\_  
Jason P. Zickerman, President

Date: \_\_\_\_\_

FRANCHISEE:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date:

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