



RECOMMENDED ITEMS FOR THE PURCHASE AGREEMENT & ESCROW INSTRUCTIONS

1. Purchase Price (including or excluding inventory)
2. Who will be responsible for the Annex Brands' Transfer Fee (Seller or Buyer or Split)
3. Who will be responsible for required Upgrades (Seller or Buyer or Split)
4. Who will be responsible for Transfer/Assignment fees associated with the Premise Lease and/or Equipment Leases and Rentals (Seller or Buyer or Split)
5. How will the following be handled:
(i.e. included in purchase price, prorated in escrow, credited to the Buyer or Seller in escrow, etc.):
 - a. Premise Lease Security Deposit
 - b. Prepaid Mailbox Rentals
 - c. Key Deposits and/or Account Set-Up Fee
 - d. Prepaid Maintenance Agreements/Contracts
 - e. Other Prepaid Accounts
 - f. Accounts Receivable
6. Review, Approval and Assignment of:
 - a. Premise Lease
 - b. Equipment Leases and/or Rentals
 - c. Yellow Page Advertising Obligation
7. Seller In-Store Training after Close of Escrow
8. Covenant Not to Compete Verbiage
9. Allocation of Purchase Price (usually determined by Seller and Buyer prior to the close of Escrow)
10. Verbiage requiring Seller to get Buyer's approval of special promotions from the point of an accepted offer or an executed Purchase Agreement through the close of escrow.

CONTINGENCIES:

1. Annex Brands, Inc. Approval
2. Landlord Approval and Acceptable Lease/Lease Assignment
3. Review and Approval of Books and Records of the Business
4. Review and Approval of Equipment Leases and/or Rentals
5. Financing