



2B ORGANIZED®
FRANCHISE DISCLOSURE DOCUMENT

www.2b-organized.com

FRANCHISE DISCLOSURE DOCUMENT

2B Organized Franchise System, Inc.

A Missouri corporation

2733 E. Battlefield #244

Springfield, MO 65804

417-880-2325

betsy@2b-organized.com

www.2b-organized.com



This franchise is for the establishment and operation of a 2B ORGANIZED® Franchised Business providing professional organizing and personal assistance related services for residential and commercial clients.

The total investment necessary to begin operation of a 2B ORGANIZED® Franchised Business is from approximately \$9,150 to \$14,250. This investment includes an initial franchise fee of \$5,000 that must be paid to us.

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 any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this 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 Betsy Miller, CEO, 2733 E. Battlefield, #244, Springfield, MO 65804 Springfield, Missouri 65804, (417) 880-2325.

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 contract carefully. Show your contract and this disclosure document to an advisor, such as a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. Information on franchising, such as a "*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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C., 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 information on franchising.

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

Issuance date: July 28, 2020

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.

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 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 2B Organized 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 a 2B Organized franchisee?

Item 20 lists current and former franchisees. You can contact them to ask about their experiences.

How much does it cost to open a franchise?

Each franchisee must pay an initial franchise fee of \$5,000 in a lump sum when it signs the Franchise Agreement. Additionally, as described in Item 7, there are additional fees and expenses associated with opening a franchise. Altogether, the financial commitment is between \$9,150 to \$14,250.

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 Franchising *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 designates. These items may be more expensive than similar items you could buy on your 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 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 1.

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 Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

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

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.

2. Guaranty. Franchisees must also sign a personal guaranty, making your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your spouse’s marital and personal assets at risk if your franchise fails.

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Exhibits:

A	Financial Statements
B	Franchise Agreement
C	State Administrators
D	Agents for Service of Process
E	Table of Contents of Manuals
F	Disclosure Acknowledgement Agreement
G	Electronic Funds Transfer Authorization
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I	State Addenda
J	Receipts

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

The franchisor is 2B Organized Franchise System, Inc., referred to in this Franchise Disclosure Document as “2B Organized,” “we,” “us” or “our.” We refer to the person interested in buying a franchise as “you” or “your”. If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners. These are addressed in this disclosure document where appropriate.

We were organized as a Missouri corporation on November 22, 2011. We maintain our principal place of business at 2733 E. Battlefield, #244, Springfield, MO 65804. We do business under our corporate name and under the trade name and trade mark, 2B ORGANIZED®. Our agents for service of process in the states that require franchise registration are listed in Exhibit D.

We sell franchises for 2B ORGANIZED® Franchised Businesses providing professional organizing and personal assistance related services for residential and commercial clients.

We began offering franchises on February 28, 2012.

We do not operate businesses of the type being offered and have no other business activities. We have not offered franchises in any other lines of business.

Affiliate

Our affiliate, 2B Organized, LLC (“2B”) has operated a business of the type that is franchised in Springfield, Missouri since 1998. 2B has not previously offered franchises for the same type of business as that to be operated by you or offered franchises in any other line of business. 2B’s principal place of business is 2733 E. Battlefield, #244, Springfield, MO 65804.

Predecessor

We do not have a predecessor.

The Franchise

We offer qualified applicants who enter into a Franchise Agreement (the “Franchise Agreement”) with us a franchise for a 2B ORGANIZED® Franchised Business (the “Franchised Business”). The Franchise Agreement gives you the right to establish and operate a Franchised Business within a Exclusive Territory in accordance with our distinct business system (the “System”), which includes our methods and procedures for establishing and operating a 2B ORGANIZED® Franchised Business. The Franchised Business is identified by the 2B ORGANIZED® trade name and service mark and any other trade names, service marks, trademarks, logos, emblems and other indicia of origin that we may designate in writing for use by Franchised Businesses operating under the System (the “Licensed Marks”).

Competition

The market for professional organizing services is developing. Our customers are generally residential consumers and small businesses that are looking to get organized and streamline clutter, along with other personal assistance related types of services. Sales are year-round and are not seasonal. Your competition will be all companies providing organizing services.

Industry Regulations

We are unaware of any laws or regulations specific to the industry. Laws governing businesses generally, such as Americans with Disabilities Act, Federal Wage and Hour Laws, state Wage and Hour Laws and the Occupation, Health and Safety Act are applicable to your Franchised Business.

Reaction to COVID-19

In response to COVID-19, we have advised each location to follow all federal, state, and municipal laws pertaining to COVID-19, including honoring any stay-at-home orders by not meeting in person with clients. We offered each franchisee franchise fee forgiveness for a period of three months.

ITEM 2

BUSINESS EXPERIENCE

Founder and CEO/Owner: Elizabeth “Betsy” Miller

Ms. Miller has been CEO of 2B Organized since November 22, 2011. Since 1997, Ms. Miller has individually owned and operated a professional organizing business, which she previously registered in the State of Missouri under her name doing business as “Get Organized”.

President/Owner: Karlee Alves

Ms. Alves is the President of 2B Organized as well as the franchise owner in Sacramento since 2018. Ms. Alves graduated from California State University, Sacramento and worked in the insurance industry for several years.

COO/Owner: John Alves

Mr. Alves has been the Chief Operating Officer of 2B Organized since 2018. He is an experienced leader with a passion for building businesses. John currently also works in the healthcare industry where he co-founded Precision Home Care.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

You must pay us an initial franchise fee of \$5,000 in a lump sum when you sign the Franchise Agreement.

The initial franchise fee is charged uniformly to all franchisees. The initial fee is non-refundable under any circumstance.

ITEM 6 OTHER FEES

Column 1 Type of Fee ¹	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee	The greater of 13% of monthly Gross Revenue or \$400 per month. If Franchisee produces a total of \$250,000 or more revenue in the prior calendar year, the amount will be reduced to the greater of 10% of monthly Gross Revenue or \$400 per month for the current calendar year.	On or before the 2nd calendar day of each month. A \$100 penalty will be assessed if Franchisee does not timely pay.	Franchisee must pay Franchisor the greater of 13% of monthly Gross Revenue or \$400 per month, unless Franchisee produced a total of \$250,000 or more revenue in the prior calendar year, the amount will be reduced to the greater of 10% of monthly Gross Revenue or \$400 per month for the current calendar year.. “Gross Revenue” means the aggregate amount of all sales of services, and the aggregate of all charges for services performed, whether for cash, on credit or otherwise, made and rendered in, about or in connection with the Franchised Business, provided they are in connection with the business conducted under this Franchise Agreement.
Annual Fee	\$1,000	On or before the last business day of the month of signing anniversary.	Franchisee must annually pay Franchisor \$1,000 prior to the last business day of the month of signing anniversary, starting one year after initial signing of the Franchise Agreement.
Transfer Fee	\$7,500	Before the date transfer occurs.	Paid only if you transfer the Franchise Agreement or sell your rights in the franchise to a new franchisee.
Relocation Fee	\$5,000	Before relocation occurs.	We may also require that you reimburse us for costs we incur during the review process of the relocation.
Interest	The greater of prime plus 3% or 12% or maximum allowed by law. ³	30 days after billing	Interest is charged on any unpaid royalty, advertising, transfer and other fees not received by the date due.

Supplemental and On-site Training	Reimbursement of our actual costs, including travel, lodging and meals.	30 days after billing.	We do not charge you for your initial training or for the initial training for your Representative ² and managers. If you want us to train other personnel or if we determine additional training is required, you must pay us our actual costs of travel, lodging and meals and we reserve the right to charge a reasonable fee for the supplemental training as specified
Audit	Delinquency of Royalty Fee, plus interest from the date due.	Within 15 days after receipt of the audit report.	None.
Renewal Fee	\$2,500	Before renewal becomes effective.	You must give us written notice of your election to renew not less than seven months nor more than 12 months before the end of the initial term.
Insurance	Cost of insurance.	Before commencement of the Franchised Business.	You must obtain and maintain certain types of insurance. If you fail to obtain and maintain insurance, we may immediately obtain or reinstate insurance for you and you must promptly reimburse us for the cost of insurance, including a reasonable fee for our expenses.
Costs and Attorneys' Fees	Will vary.	As incurred.	Due if you do not comply with the Franchise Agreement and we prevail in any legal proceeding.

Electronic Funds	Greater of \$100 per occurrence or actual costs.	Each time an electronic funds transfer fails.	You must pay us each time an electronic funds transfer fails.
Marketing Fund	\$100	On or before the 10th day of each month.	Franchisor may, in its sole discretion, implement a Marketing Fund upon 60-days written notice to Franchisee. In such event, Franchisee is required to contribute \$100 per month to the Marketing Fund. Contributions to the Marketing Fund must be by electronic funds transfer.

¹ All fees in this Item 6 are uniformly imposed on all franchisees and are collected by and payable to us and are non-refundable under any circumstance.

² We require that you designate a single individual to serve as your designated “Representative” if the franchisee is an entity.

³ The highest rate allowed by law in California is ten percent (10%) annually.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Franchise Fee ¹	\$5,000	Lump sum	At signing of Franchise Agreement	Us
Travel and Living Expenses While Training ²	\$1,000 to \$2,000	As incurred	As incurred	Wages, travel and living expenses of you and your employees
Signage, supplies, business cards	\$300	As incurred	As incurred	Suppliers
Insurance	\$250 to \$600	As incurred	As incurred	Insurance Brokers or Companies
Business Licenses and Permits	\$0 to \$150	Cash	As incurred	Government Agencies
Professional Fees	\$0 to \$1,000	As incurred	As incurred	Your Advisors
Public Relations Expenses	\$350 to \$500	As incurred	As incurred	Your Advisors
Gasoline and automobile expenses	\$750 to \$1,200	As incurred	First 90 days	Miscellaneous
Training Expenses	\$1,000 to \$2,500			
Additional expenses	\$500 to \$1,000	As incurred	First 90 days	Miscellaneous
Total	\$9,150 to \$14,250			

Notes:

1. All payments which you make directly to us are nonrefundable under any circumstance. This may or may not be true for payments made to third parties.
2. You must attend and successfully complete, to our satisfaction, a two day initial training program. Although we bear all of our own costs associated with the initial training program, you must pay all wages, costs of travel, lodging and other living expenses incurred by you and your personnel in attending the initial training program. The actual cost depends on how many people are trained, their wages, whether you are one of them, and the cost of travel, lodging and meal per diem for the trainees.
3. Your expenses for travel, room and board while you attend the initial training program.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions and our cost of providing services. At this time we have no plans to increase payments we control.

We do not offer financing of any portion of your initial investment.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must operate the Franchised Business according to the standards and specifications we provide in the Operations Manual or otherwise in writing, which may include designated and approved suppliers. We develop the specifications and standards in our sole discretion.

Approved Suppliers

We have the absolute right to limit the suppliers with whom you may deal. We may restrict your sources of products and other items and services now and in the future in order to assure quality and a reliable supply of products that meet our standards. If we, at our option, limit the sources of certain products, services and items to specified exclusive or approved sources, then you must acquire these products, services and items only from these limited sources at the prices they decide to charge. We will list all designated and approved suppliers in our Operations Manual or in other written communications. We may periodically revise this list as we determine.

We maintain approved supplier criteria; however, this criteria is not issued to you. There are no approved suppliers in which any of our officers own an interest.

If you propose to purchase any unapproved type of products, signage or any other items from any supplier or any item which has not been specifically approved by us in writing, or you propose to add or change suppliers, you must first notify us in writing and submit to us sufficient specifications, photographs, drawings and/or other information or samples for us to determine whether the type of item complies with our specifications and standards, and/or the supplier meets our approved supplier criteria, which determination will be made and communicated in writing to you within a reasonable time after receipt of the information from you or from the proposed supplier. You must reimburse us for our costs in reviewing and testing products and suppliers suggested by you upon billing by us.

Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers and/or a supplier's willingness to pay us or our affiliates for the right to do business with our System. We and our affiliates have the right to receive payments from suppliers on account of their actual or prospective dealings with you and other franchisees and to use all amounts that we and our affiliates receive without restriction for any purpose we or our affiliates deem appropriate. At the present time we do not receive any revenue from approved suppliers based on the purchase of products or services by franchisees from approved suppliers. In the event we receive revenues from approved suppliers, the basis of payment to us by approved suppliers would generally be 10% to 20% of the purchase price paid by franchisees. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product or service.

In the fiscal year ending December 31, 2019, we had no revenue from the sale or lease of products or services to franchisees.

Advertising Materials

All advertising, promotional, marketing and public relations materials, signs, decorations, paper goods (including all forms of stationery in the Franchised Business) and other items we designate must bear the Licensed Marks in the form, color, location and manner we prescribe. You may not use any advertising, promotional, marketing and public relations materials that we have not approved or that we have disapproved.

Insurance

You must obtain and maintain insurance coverage in the types and amounts specified in the Franchise Agreement or in the Operations Manual.

Purchasing Arrangements

There currently are no purchasing or distribution cooperatives. We do not currently, but may in the future, negotiate purchasing arrangements with suppliers which may include price and terms for the benefit of the System.

We do not provide any material benefits to you based on your use of designated or approved suppliers or for the purchase of particular products and services.

We estimate that the percentage of the required purchase or lease of products and services in relationship to all purchases in establishing the Franchised Business is 90%. We estimate that the required purchase or lease of required products and services will range from 25% to 50% of your total operating costs.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this franchise disclosure document. Note that we do not require that you have a physical or brick and mortar location.

Obligation	Section in Agreement	Disclosure document item
a. Pre-opening purchases	Section 10 in Franchise Agreement.	Items 7 and 8
b. Initial and ongoing training	Section 5 in Franchise Agreement.	Items 5, 6 and 11
c. Opening	Section 5 in Franchise Agreement.	Item 11
d. Fees	Section 10 in Franchise Agreement.	Items 5 and 6 Items 5, 6 and 7

Obligation	Section in Agreement	Disclosure document item
e. Compliance with standards and policies/ operating manual	Sections 11 and 20 in Franchise Agreement.	Item s 8 &11
f. Trademarks and proprietary information	Section 6 in Franchise Agreement.	Items 13 and 14
g. Restriction on products/services offered	Section 11 in Franchise Agreement.	Items 8, 11 and 16
h. Warranty and customer service requirements	Section 11 in Franchise Agreement.	Item 11
i. Territorial development	Section 2 in Franchise Agreement.	Item 12
j. Ongoing product/service purchases	Section 11 in Franchise Agreement.	Item 8
k. Insurance	Section 12 in Franchise Agreement.	Items 7 and 8
l. Advertising	Section 13 in Franchise Agreement.	Items 6, 7 and 11
m. Indemnification	Sections 6 and 9 in Franchise Agreement.	Item 6
n. Owner's participation/management/staffing	Section 11 in Franchise Agreement.	Items 11 and 15
o. Records/reports	Sections 14 and 15 in Franchise Agreement.	Item 11
p. Inspections/audits	Sections 14 and 15 in Franchise Agreement.	Items 6 and 11
q. Transfer	Section 16 in Franchise Agreement.	Items 6 and 17
r. Renewal	Section 17 in Franchise Agreement.	Item 17
s. Post-termination obligations	Section 19 in Franchise Agreement.	Item 17
t. Non-competition covenants	Section 20in Franchise Agreement.	Items 15 & 17
u. Dispute resolution	Section 21 in Franchise Agreement.	Item 17
v. Other: Guaranty and Assumption of Obligations	Separate Attachment in Franchise Agreement.	Not Applicable

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your loan, note, lease or obligation.

We do not know whether you will be able to obtain financing for all or part of your investment and, if so, the terms of the financing. We do not receive direct or indirect payments for placing financing.

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 your business, we will:

1. Grant you the right to operate a 2B ORGANIZED® Franchised Business and grant you a license to use our Licensed Marks in a specific geographic territory on an exclusive basis (Franchise Agreement Section 6).
2. Loan you our confidential Operations Manual and training materials.
3. Provide you with our initial training program.
4. Provide you with a list of approved products and supplies and approved suppliers.
5. You may operate your Franchised Business from your residence. You are responsible for selecting and securing the rights to the site of your Franchised Business. We are not responsible for the selection of a proposed site. Your selection of the site and our review of your proposed site does not place any liability or responsibility upon us for the selection of the site. We do not provide any warranty or representation that the site you select will be profitable or otherwise successful. The location, selection, procurement and development of a site for your Franchised Business are your responsibility (Franchise Agreement, Section 4).

You agree to complete the development and open the Franchised Business within 60 days from the date of execution of the Franchise Agreement. Failure to develop and open your Franchised Business within 60 days from the date of the Franchise Agreement may result in the termination of the Franchise Agreement or we may grant an extension in our sole discretion.

You are responsible for conforming the premises of your 2B ORGANIZED® Franchised Business to local ordinances and building codes and obtaining any required permits, and for the hiring and training of all of your employees.

Time for Opening

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is generally 60 days.

Initial Training Program

Before the opening of your Franchised Business, we will furnish you, and any proposed manager of your Franchised Business, an initial training program on the operation of the Franchised Business. No fee is charged for the initial training program; however, you will be solely

responsible for the compensation, travel, lodging and living expenses you incur while attending the initial training program or any supplemental or refresher training programs.

The initial training program consists of classes in Springfield, Missouri and on-the-job training furnished in Springfield, Missouri and will last approximately two days. The training program will include instruction relating to the operation of the Franchised Business, cost and cash control, networking and marketing, customer service, and methods of controlling operating costs.

After the opening of the Franchised Business, we may provide additional training as we may prescribe in our sole discretion and as we determine as to frequency and time to you and your employees. We have the right to assess you reasonable charges for any supplemental or ongoing training.

The initial training program is outlined as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hour of On-The-Job Training	Location
Marketing / Networking	8	0	Springfield, MO
Techniques of organizing offices, basements, closets, garages, kitchens, work space	8		Springfield, MO
Field Training	0	16	Springfield, MO

Our CEO, Betsy Miller, will oversee all training programs. Ms. Miller has over 20 years of experience in the professional organizing industry.

After you open your Franchised Business, we will:

1. Provide you with ongoing assistance and supervision that we consider appropriate and reasonable.
2. Provide specifications for supplies to operate the Franchised Business.
3. Provide you with guidance with marketing assistance and sales promotion programs.
4. Provide you with administrative, marketing, sales and general operating procedures for the operation of your Franchised Business.

5. Provide you with such additional training and support as we may determine in our sole discretion.

6. Establish, amend or revise policies, procedures, standards and specifications pertaining to the operation of your Franchised Business.

7. Operations Manual.

We will loan you, during the term of the Franchise Agreement, one copy of our Operations Manual. The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures we prescribe for the operation of your 2B ORGANIZED® Franchised Business and information relative to your obligations, and may consist of one or more manuals, all of which are referred to as the Operations Manual. We have the right to modify the Operations Manual to reflect changes in services, specifications and standards and operating procedures, including marketing techniques. The Operations Manual is a fluid document subject to change. No addition or modification may alter your fundamental status and rights, and the Franchise will provide you the revised copy of the Operations Manual if additions or modifications are made.

You must keep one copy of the Operations Manual current and the master copy of the Operations Manual, which we maintain at our principal office controls if there is a dispute relative to the contents of the Operations Manual (Franchise Agreement, Section 5).

Exhibit E to this Franchise Disclosure Document is the Table of Contents of the Operations Manual. The Operations Manual contains a total of 32 pages.

8. Marketing and Research

We will provide you with marketing and research assistance in your Exclusive Territory which may include sales research and networking. You will have sole discretion over the creative concepts, materials and media that may be used by you in the placement and allocation of advertising, marketing and public relations materials. We have the right to determine the market areas for the development and implementation of the research and marketing programs in your Exclusive Territory.

There is no advertising fund in which you must participate at this time, but we reserve the right to implement an advertising fund in our sole discretion. We may create a Marketing Fund (the "Fund") in our sole and absolute discretion upon 60 days prior written notice to you. In the event we create and implement the Fund, we will administer and direct all Fund programs, with sole discretion over the creative concepts, materials, endorsement and media used and the placement and allocation of all advertising, marketing and public relations materials. We have the right to determine, in our sole discretion, the composition of all geographic territories and market areas for the development and implementation of advertising, marketing and public relations programs.

The Fund may be used to meet all costs and expenses relating to the following programs and activities.

1. Maintaining, administering, directing, and preparing national, regional or local advertising materials; placing regional and local advertising programs and public relations activities including, without limitation, the cost of preparing and conducting public relations

programs; and radio, direct mail, magazine, newspaper, Internet and other media advertising and marketing activities; and conducting related marketing and networking meetings for franchisees.

2. Employing advertising and marketing agencies and utilizing our administrative personnel to perform advertising, marketing and public relations services;

3. Developing promotional brochures and advertising materials for purchase by Franchisee;

4. Reimbursement of our administrative and personnel costs and salaries and overhead associated with advertising, marketing, telemarketing, public relations, market research, customer satisfaction, customer surveys, consumer research and any expenses related thereto;

5. The strategic partnerships to create brand awareness; and

6. Any and all other brand awareness activities.

The Fund may periodically provide you with samples of advertising, marketing and promotional formats and materials and public relations materials. The direct cost of producing these materials will be reimbursed to us from the Fund.

We may make available to you for purchase by you of advertising and marketing materials, direct mail materials, public relations materials and dissimilar advertising and marketing materials which may be produced and paid for by the Fund.

We will account for the Fund separately from other funds and may not use the Fund for our general operating expenses, with the exception that we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund and for the Fund's other administrative costs and travel expenses while personnel is on Fund business, for meeting costs and for overhead related to the Fund business and other expenses that we incur and activities reasonably related to administering or directing the Fund and its programs, which may include, without limitation, conducting market research, public relations activities, preparing advertising, promotional and marketing materials and preparing an accounting of Fund contributions. We may spend in any fiscal year and amount greater or less than the aggregate contributions of Franchisees to the Fund in that year and we may make loans to the Fund. We will prepare an unaudited report of the operations of the Fund annually for the prior year which will be available to you upon reasonable request. At the implementation of the Fund, upon 60 days written notice to you, you must begin contributing \$100 to us for utilization for the expenses and activities of the Fund. You must pay us required contributions to the Fund on or before the 10th day of each month for the previous reporting period by electronic funds transfer.

The Fund is not our asset. The Fund is also not a trust. We have no fiduciary obligation to you for administering the Fund.

The Fund is intended to maximize recognition of the trademarks and utilization of franchised business. We need not insure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by franchisees operating in that geographic

area or that any franchisee's business will benefit directly or in proportion to its Fund contributions.

Upon 30 days prior written notice to you, we may reduce or suspend Fund contributions or operations for one or more periods of any length of time and may terminate the Fund.

The activities related to advertising and marketing are intended to maximize the public's general awareness of all 2B ORGANIZED® Franchised Business and we are under no obligation to ensure that you or any other franchisee benefits directly or pro rata from the placement of any marketing, advertising and public relations programs and activities.

We may make available to you for purchase certain advertising and marketing materials, public relations materials, direct mail materials, merchandising materials, sales aids, special promotions, and similar advertising and marketing materials and public relations materials (Franchise Agreement, Section 13).

10. Local Advertising.

Within 30 days after the end of each month, you must send us, in the manner we may prescribe, an accounting of your expenditures for local advertising, promotion and networking activities during the preceding month. All advertising, promotion and marketing materials must be clear, factual and not misleading and must conform to both the highest standards of ethical advertising and marketing in the advertising and market policies that we may periodically require. Before you use them, you must send us samples of all advertising, promotional and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval within 10 days after we have received the materials, they are deemed to be approved. You may not use any advertising, promotional or marketing materials that we have not approved or have disapproved.

You agree to publicize the Franchised Business in the selected social media as may be required by us. You must pay the costs of Internet listings that we may require.

11. Advertising Approval.

Prior to use, you must submit to us, in writing, for our prior approval, samples of any advertising, marketing and promotional materials and public relations materials we have not previously approved. You may not use any advertising or promotional materials that have not been approved by us in writing (Franchise Agreement, Section 13). After you have submitted advertising and marketing materials for our approval, if you have not heard from us within 15 days of submission whether the advertising and marketing material is approved or disapproved, the advertising or marketing material is deemed approved.

12. Advisory Council.

We may select several franchisees to participate in a Franchisee Advisory Council which will make recommendations to us on promotional programs and materials. As of the date of this disclosure document, the Advisory Council has not been formed. We have the right to form, change or dissolve the Advisory Council. The Advisory Council shall be advisory only and will have no authority to make binding recommendations to us.

13. Computer Hardware and Software.

There are no required computer hardware and software requirements, but we reserve the right to implement such requirements in our sole discretion.

ITEM 12

TERRITORY

The Franchise Agreement grants you certain rights (as described below) within a designated geographic area (the “Exclusive Territory”) (see Exhibit A to the Franchise Agreement). The size of the designated area may vary but is generally a specific geographic area located within a metropolitan statistical area in major cities or may be the municipal boundaries of a city. We will determine the size and boundaries of your Exclusive Territory in our discretion, based on factors such as population density, character of the neighborhood, location and number of competing businesses and other factors. Your Exclusive Territory may be defined by one or more five digit zip codes, county or city boundaries or fixed geographic boundaries such as rivers, streets or highways, or as may be identified by a map. When determining the Exclusive Territory, we generally use demographic statistics provided the U.S. Census Bureau.

If you are in full compliance with your Franchise Agreement, then we will not operate (directly or through an affiliate) nor grant a franchise for the location or operation of any 2B ORGANIZED® Franchised Business within the Exclusive Territory.

We may sell outside the Exclusive Territory the services authorized for the Franchised Businesses under the Licensed Marks or under other trademarks, service marks, or commercial symbols through similar or dissimilar channels of distribution and under terms and conditions we deem appropriate. We may sell within and outside the Exclusive Territory the products authorized and utilized in your Franchised Business under the Licensed Marks or under other trademarks, service marks, or commercial symbols through dissimilar channels of distribution.

The continuation of the rights of exclusivity granted you to in the Exclusive Territory is not dependent upon your achievement of a certain sales volume or market penetration.

You do not have the right to solicit or accept orders for services outside your Exclusive Territory without our express written permission. We may allow you to solicit or accept orders outside your Exclusive Territory, provided there is not then an existing 2B ORGANIZED® Franchised Business or 2B ORGANIZED® Franchised Business operated by us. If approval is granted to you to solicit or accept orders outside your Exclusive Territory, you must agree that once we establish a Franchised Business or our own business in any such area that you will immediately cease and

desist from soliciting or accepting orders in that area. We do not have present plans to operate or franchise a business selling services similar to those offered by you under a different trademark.

The Franchise Agreement grants you the right to operate a 2B ORGANIZED® Franchised Business at a single location that you select. Exhibit A to the Franchise Agreement will list the specific street address of the Franchised Business. You must operate the Franchised Business only at the location outlined in Exhibit A and may not relocate the Franchised Business without first obtaining our written consent. You may not establish or operate another 2B ORGANIZED® Franchised Business unless you enter into a separate Franchise Agreement for that Franchised Business.

Reservation Of Rights

Notwithstanding the above, 2B Organized and any other authorized person or entity, including any other 2B Organized franchisee, shall have the right, at any time, to advertise and promote the System within and outside the Exclusive Territory. However, neither we nor any other 2B Organized franchisee shall have the right to provide professional organizing and personal assistance related services to clients located within the Exclusive Territory.

Notwithstanding the above, 2B Organized on behalf of itself and its affiliates, retains the right, in its sole discretion and without granting any rights to you:

1. To operate, or grant other persons the right to operate 2B ORGANIZED® Franchised Businesses at locations and within geographic areas and on the terms and conditions as we determine, outside the Exclusive Territory granted to you;
2. To provide the services authorized for the Franchised Business under other trademarks, service marks and commercial symbols through similar or dissimilar channels of distribution and pursuant to terms Franchisor deems appropriate, outside the Exclusive Territory granted to you
3. To market and sell the services authorized or associated with the Franchised Business under the Licensed Marks through dissimilar channels of distribution, which include, but are not limited to, by electronic means such as the Internet and by websites we establish and pursuant to terms we deem appropriate within and outside the Exclusive Territory granted to you.
4. To acquire the assets or ownership interest of one or more businesses providing services similar to those provided at 2B ORGANIZED® Franchised Businesses, and franchising, licensing or creating similar arrangements with respect to those businesses once acquired, wherever these businesses are located or operating which may include within your Exclusive Territory.
5. To be acquired through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction, by a business providing products and services similar to those provided at 2B ORGANIZED® Franchised Business, or by another business, even if such business operates, franchises and/or licenses competitive businesses within your Exclusive Territory.

We are not required to pay you if we exercise any of the rights specified above inside your Exclusive Territory.

On renewal or transfer of your franchise, the Exclusive Territory may be modified. Depending on the then-current demographics of the Exclusive Territory, and our then-current standards for Exclusive Territories, if the Exclusive Territory is larger than our then-current Exclusive Territory, we may require you or the transferee to accept a renewal territory of a transfer territory that would be smaller than the then-current territory described as the Exclusive Territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises.

Although we have the right to do so as described above, we and our affiliates have not operated or franchised, and have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks.

We do restrict you from soliciting or accepting orders outside your Exclusive Territory and you do not have the right to use other channels of distribution to make sales outside your Exclusive Territory.

ITEM 13

TRADEMARKS

We grant you the right to operate your Franchised Business under the service mark 2B ORGANIZED®. You may also use our other current or future trademarks to operate your 2B ORGANIZED® Franchised Business. By trademark we mean trade names, trademarks, service marks and logos used to identify your business.

Our affiliate, 2B, has registered the following marks on the Principal Register of the United States Patent and Trademark office:

MARK	OWNER	DATE OF FILING	SERIAL #	REGISTRATION #	DATE OF REGISTRATION
2B ORGANIZED® (Design Mark)	2B	October 8, 2010	85148601	3980957	June 21, 2011
2B ORGANIZED® (Word Mark)	2B	October 8, 2010	85148614	3980958	June 21, 2011

No required affidavits are due as of the date of this disclosure document.

Our affiliate, 2B Organized, LLC, registered the domain name “2b-organized.com”. You acknowledge that it is the lawful and sole owner of the domain name “2b-organized.com” which domain name incorporates our trademark 2B ORGANIZED®. You must not register the trademark 2B ORGANIZED® or any of the Licensed Marks now or hereafter owned by 2B Organized or any abbreviation, acronym or variation of the Licensed Marks, or any other name that could be deemed confusingly similar, as Internet domain names, including, but not limited to, generic and country code top level domain names available at the present time or in the future. 2B Organized retains the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Licensed Marks. You have the right to access our affiliate’s website; however, except as we may authorize in

writing, in our sole discretion, you shall not in any way: (a) link or frame the website; (b) conduct any business or offer to sell or advertise any products or services on the worldwide web; and (c) create or register any Internet domain name in connection with your Franchised Business.

The Licensed Marks are licensed to us by 2B pursuant to a License Agreement dated January 6, 2012. The terms of the License Agreement grant us a non-exclusive license to use the Licensed Marks. We must inspect the services provided at your Franchised Business to ensure your use of the Licensed Marks complies with certain standards of quality required by 2B. The initial term of the License Agreement is 20 years but the License Agreement automatically renews for additional one-year terms unless at least 180 days notice of termination is given. Except for the License Agreement with our affiliate described above, there are no agreements currently in effect which significantly limit our rights to use or license the use of any Licensed Marks.

2B Organized may establish new Licensed Marks in the future and you must use and display these marks in accordance with our standards and specifications and bear all costs associated with changes to Licensed Marks or the introduction of new Licensed Marks. You must follow 2B Organized's rules when you use these marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which 2B Organized licenses to you. You may not use 2B Organized's name in the sale of any unauthorized product or service or in any manner 2B Organized does not authorize in writing. You may not use any other mark, name, commercial symbol or logo-type in connection with the operation of your 2B ORGANIZED® Franchised Business.

There is presently no effective determination of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, of any pending infringement, opposition or cancellation proceeding or any pending material litigation involving trademarks, service marks, trade names, logo-types or other commercial symbols which is relevant to the use in any state; and no agreements exist which significantly limit in any manner material to you, the rights of 2B Organized to use or license the use of marks, names, logos or symbols.

You shall not contest, directly or indirectly, 2B Organized's ownership of the Licensed Marks, trade secrets, methods and procedures which are a part of the 2B Organized System. You shall not register, seek to register, or contest 2B Organized's sole right to register, use, and license others to use the marks, names, information, and symbols.

There are no infringing uses known to 2B Organized which could materially affect your use of the Licensed Marks in this state or in any state where the business is to be located.

There are no agreements currently in effect which significantly limit the rights of 2B Organized to use or license the use of any trademarks, service marks, trade names, logo-types or other commercial symbols.

Your right to use the Licensed Marks is derived solely from the Franchise Agreement and is limited to the conduct of your business in compliance with the Franchise Agreement. All provisions of the Franchise Agreement applicable to the Licensed Marks apply to any additional trademarks, service marks, logo forms and commercial symbols authorized for your use.

All usage of the Licensed Marks by you and any goodwill established inures to the exclusive benefit of 2B Organized. You may not, at any time during the term of the Franchise Agreement or after its termination or expiration, contest the validity or ownership of any of the Licensed Marks or assist any other person in contesting the validity or ownership of any of the Licensed Marks.

You must use the Licensed Marks as the sole identification of the Franchised Business, but you must also identify yourself as the independent franchise owner in the manner 2B Organized prescribes. You may not use any Licensed 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, nor may you use any Licensed Mark in the sale of any unauthorized product or service or in any other manner 2B Organized does not expressly authorize in writing.

You must notify 2B Organized immediately in writing of any apparent infringement of or challenge to your use of any Licensed Mark, or claim by any person of any rights in any Licensed Mark or any similar trade name, trademark or service mark of which you become aware. You may not communicate with any person other than 2B Organized and its counsel regarding any infringement, challenge or claim. 2B Organized has sole discretion to take any action it deems appropriate and the right to exclusively control any litigation, USPTO proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark. You must execute all documents, render assistance and do all acts and things advisable to protect and maintain the interests of 2B Organized in any litigation, USPTO proceeding or other administrative proceeding or to otherwise protect and maintain the interests of 2B Organized in the Licensed Marks.

2B Organized will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Licensed Mark in compliance with the Franchise Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all reasonable costs you incur in the defense of any claim brought against you or in any proceeding in which you are named as a party, if you have timely notified 2B Organized of the claim or proceeding and have otherwise complied with the Franchise Agreement and if 2B Organized has the right to defend any claim. If 2B Organized defends the claim, 2B Organized has no obligation to indemnify or reimburse you for any fees or disbursements to any attorney retained by you.

If it becomes advisable at any time, in 2B Organized's sole discretion, for 2B Organized and/or you to modify or discontinue use of any Licensed Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply within a reasonable time after notice by 2B Organized, and the sole obligation of 2B Organized in any event shall be to reimburse you for the out-of-pocket costs of complying with this obligation.

There may be infringing uses in regional markets by third parties who may be utilizing the name 2B ORGANIZED® or marks similar to one or more of the Licensed Marks in conjunction with a 2B ORGANIZED® Franchised Business and this use would not be under a federal registration, but by application of common law trademark rights. If the use in local markets was determined to be before 2B Organized's use, 2B Organized and its franchisees may be prohibited from utilizing the marks, names, logos or symbols within the market of the prior use.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not now own any rights to any patent which is material to this franchise. We claim copyright protection for the Operations Manual and for certain other written materials we develop to assist you in the operation of your Franchised Business.

The proprietary and confidential information about the operation of the Franchised Business and the System is included in our Operations Manual and we consider all of this information as well as our processes, methods, techniques, and other similar information to be confidential information (the “Confidential Information”). Under the terms of the Franchise Agreement:

- (1) you must maintain the absolute confidentiality of the Confidential Information during and after the expiration or termination of the Franchise Agreement;
- (2) you and each of your principals and other owners can divulge this Confidential Information only to your employees who must have access to it to operate the Franchised Business;
- (3) neither you nor any of your principals or other owners are permitted to make unauthorized copies, record or otherwise reproduce the materials or information or make them available to any unauthorized person;
- (4) all knowledge, know-how and techniques, including the Operations Manual, plans, specifications, standards, techniques and other information communicated in any manner whatsoever constitute Confidential Information.

You will not acquire any interest in the Confidential Information other than the right to utilize it in your Franchised Business, and you must not use the Confidential Information in any other business or capacity. You must adopt and implement all reasonable procedures that we prescribe to prevent unauthorized use, duplication, or disclosure of the Confidential Information, and to require any employees of yours who have access to the Confidential Information to sign non-disclosure and non-competition agreements, to the extent permitted by law.

Any software provided by us or our designee must be treated as Confidential Information. Any software provided to you must be returned to us if the Franchise Agreement is terminated or expires.

All ideas, concepts, techniques, materials, or improvements concerning the operation of a Franchised Business (“Improvements”), 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 Improvement does not qualify as a “work made-for-hire” for us, you and your owners must assign ownership of that Improvement, and all related rights to that Improvement, to us and take whatever action (including signing assignment or other documents) that we request to confirm our ownership or to help us obtain intellectual property rights to the Improvement, without compensation to you or your owners.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We recommend, and may require, that you personally supervise or be directly involved in the day-to-day, full-time supervision of the Franchised Business.

If you do not personally supervise the Franchised Business, or if you are a partnership, corporation or a limited liability company, a managing partner, representative or managing member who we approve and who has satisfactorily completed the initial training program must supervise the Franchised Business, or it must be directly operated on a day-to-day full-time supervision by a manager selected by you, subject to our approval, who must be responsible for the full-time supervision of the business and who successfully completed the initial training program. The manager of the Franchised Business must sign a written agreement to maintain the confidentiality of the trade secrets described in Item 7 and conform with the covenants not to compete similar to those described in Item 7 (see Exhibit B to the Franchise Agreement).

Franchisees and their spouses must also sign a personal guaranty. The guaranty will make you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your spouse's marital and personal assets at risk if your franchise fails.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must perform only services approved by us in the operation of your Franchised Business. You may not offer for sale any types of products or services that we have not authorized. You are limited in the operation of your Franchised Business to provide approved professional organizing and personal assistance related services to your residential and commercial clients, in the manner that we may prescribe in our standards and specifications as set forth in the Operations Manual or as communicated to you in writing. In addition, you may be required to utilize specific approved supplies which we may require to be utilized in the operation of your Franchised Business.

We may conduct market research and testing to determine industry trends and the salability of additional services. You must cooperate with us by participating in our market research programs by providing such designated new services as part of your Franchised Business and you must provide us with timely reports and other information as we may request regarding the market research and other matters of inquiries submitted by us.

You are prohibited from offering unapproved services or products or utilizing supplies, other than approved supplies as we may designate throughout the term of the Franchise Agreement in the operation of your Franchised Business, in our sole and absolute 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 or other agreement	Summary
a. Length of the franchise term	Section 2 in Franchise Agreement	Initial term of Franchise Agreement is 5 years.
b. Renewal or extension of the term	Section 17 in Franchise Agreement	If you are in good standing at the end of the term, you can add one additional term of five years.
c. Requirements for franchisee to renew or extend	Section 17 in Franchise Agreement	You must give at least 90 days' notice, not be in breach of any agreement with us or our affiliates, satisfy all monetary obligations, pay a renewal fee, execute the then-current Franchise Agreement and General Release and comply with current qualifications and training requirements. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be required to sign a new Franchise Agreement, which is the then-current Franchise Agreement used by us that may contain terms and conditions materially different from those in your previous Franchise Agreement such as, but without limitation, (1) increases in fees, and (2) implementation of new fees. The Exclusive Territory will remain the same.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable

Provision	Section in franchise or other agreement	Summary
f. Termination “with cause” by franchisor upon the occurrence of certain defaults	Section 18 in Franchise Agreement	Certain defaults constitute grounds for automatic termination without notice, which include: assignment for the benefit of credits, bankruptcy, appointment of receiver, composition with creditor instituted by the state, not paying a judgment, dissolution, and levy on franchisee’s business or property. Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. Certain defaults are curable defaults	Section 18 in Franchise Agreement	Curable defaults include: fails to develop or operate the Franchised Business in compliance with the franchise agreement, misappropriates or misuses the Licensed Marks, transfer without our written consent, fails to comply with any material provision of the Franchise Agreement, failure to observe standards and specifications, failure to maintain required insurance policies, failure to comply with all laws and regulations, failure to comply with all covenants, failure to comply with operating standards, 14 days to pay monetary obligations, failure to timely pay vendors and suppliers.

Provision	Section in franchise or other agreement	Summary
h. Certain defaults are non-curable defaults	Section 18 in Franchise Agreement	Noncurable defaults include: if franchisee becomes insolvent, makes a general assignment for the benefit of creditors, files a petition or has a petition initiated against him under federal bankruptcy laws, is adjudicated bankrupt, has receiver appointed, proceedings for composition with creditors instituted, final judgment remains unsatisfied or of record for 30 days, is dissolved or execution is levied against business or property, is convicted of a felony or any crime we believe will likely have adverse affect on the system (also applies to principals), franchisee engaged in conduct affecting the goodwill of the Licensed Marks, discloses any confidential information (also applies to principal), breaches any material aspect of covenants, made a material misrepresentation with its application for a franchise, fails on 3 separate occasions within any 12 consecutive month period to make royalty payments, or maintains falls books or records.
i. Franchisee's obligations on termination/nonrenewal	Section 19 in Franchise Agreement	Termination of the Franchise Agreement requires you to cease operating the Franchised Business and using the Licensed Marks and System and to completely de-identify the business, cancel all fictitious or assumed names, notify telephone company of termination of rights to use telephone number, pay all amounts due to us or our affiliates, return all Operations Manuals and other proprietary materials, comply with confidentiality requirements.
j. Assignment of contract by franchisor	Section 16 in Franchise Agreement	No restriction on our right to assign.
k. "Transfer" by franchisee	Section 16 in Franchise Agreement	Includes voluntary or involuntary sale, assignment, subdivision, sub-franchising, or other transfer including merger, consolidation issuing additional securities, conversion to partnership or limited partnership, or transfer caused by divorce or death.
l. Franchisor approval of transfer by franchisee	Section 16 in Franchise Agreement	We have the right to approve all transfers but will not unreasonably withhold approval.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor approval of transfer	Section 16 in Franchise Agreement	Transferee must meet qualifications, all monetary obligations must be paid, you must not be in default of any provisions of agreement, transferor and its principals must sign general release, transferee must submit to a criminal and credit check, transferee must assume all obligations and responsibilities of franchisee, transferee must execute a new Franchise Agreement, satisfactorily complete training and pay transfer fee.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16 in Franchise Agreement	We can match any offer for your business, within 30 days after notice.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Section 16 in Franchise Agreement	Upon death or permanent disability of franchisee, a competent manager must be appointed within 30 days and interest must be transferred within 12 months.
q. Non-competition covenants during the term of the franchise	Section 20 in Franchise Agreement	No involvement in competing business anywhere in U.S.
r. Non-competition covenants after the franchise is terminated or expires	Section 19 in Franchise Agreement	No competing business two years in Exclusive Territory granted Franchisee by a Franchise Agreement or within Exclusive Territory of any other of our franchisees.
s. Modification of the agreement	Sections 1 and 22 in Franchise Agreement	No modification to Franchise Agreement except in writing and signed by both franchisee and us. Operations Manual can be modified. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.
t. Integration/merger clause	Section 22 in Franchise Agreement	Only the written terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document. Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.

u. Dispute resolution by arbitration or mediation	Section 21 in Franchise Agreement	Except for actions brought by us for monies owed, injunctive or extraordinary relief, all disputes must be mediated at our headquarters in Springfield, Missouri.
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Provision	Section in franchise or other agreement	Summary
u. Choice of forum	Section 22 in Franchise Agreement	Litigation must be in the State of Missouri (subject to state law).
v. Choice of law	Section 22 in Franchise Agreement	Missouri law applies.

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote its franchise.

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our representatives to make 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 projection of your future income, you should report it to our CEO, Betsy Miller, at our office located at 2733 E. Battlefield #244, Springfield, MO 65804 Springfield, Missouri 65804, telephone (417) 880-2325, and the Federal Trade Commission and any other appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION
Table No. 1

Systemwide Outlet Summary
For years 2017 to 2019

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	2017	6	5	1
	2018	5	7	2
	2019	7	8	1
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	6	5	1
	2018	5	7	2
	2019	7	8	1

Table No. 2

**Transfers of Outlets from Franchisees to
New Owners (other than Franchisor)**
For years 2017 to 2019

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2017	0
	2018	0
	2019	0
Kansas	2017	0
	2018	0
	2019	0

Missouri	2017	0
	2018	0
	2019	0
Ohio	2017	0
	2018	0
	2019	0
Texas	2017	0
	2018	0
	2019	0

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Table No. 3

**Status of Franchised Outlets
For years 2017 to 2019**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisee	Ceased Operations – other reasons
CA	2017	0	0	0	0	0	0
	2018	0	1	0	0	0	0
	2019	1	0	0	0	0	0
KS	2017	1	0	0	0	0	0
	2018	1	0	1	0	0	0
	2019	0	0	0	0	0	0
MO	2017	4	0	1	0	0	0
	2018	3	2	0	0	0	0
	2019	5	1	0	0	0	0

OH	2017	1	0	0	0	0	0
	2018	1	0	1	0	0	0
	2019	0	0	0	0	0	0
TX	2017	0	0	0	0	0	0
	2018	0	1	0	0	0	0
	2019	1	0	0	0	0	0
Total	2017	6	0	1	0	0	0
	2018	5	4	2	0	0	0
	2019	7	1	0	0	0	0

For the total number of outlets at the end of the year, please see Column 8 of Table No. 4, just below.

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Table No. 4

**Status of Company-Owned Outlets
For years 2017 to 2019**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
KS	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
MO	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Ohio	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
TX	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Total	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Table No. 5

**Projected Openings
As of December 31, 2020**

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Texas	0	1	0
Total	0	1	0

We commenced selling franchises in February, 2012 and as of the date of this disclosure document we have 7 franchisees.

We had 8 franchises as of the end of 2019. We amicably agreed to part ways with our Austin, Texas franchisee in March of 2020, and we are hoping to enter into a new franchise agreement with a different Austin-based franchisee.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

Currently, there are no franchisee associations.

Current Franchisees:

California

Karlee Alves
3941 Park Dr. Suite 20-553
El Dorado Hills, CA 95762

Kansas

Krissy Frewin¹
7607 Lowell Avenue
Overland Park, KS 66204
816-383-3405

Missouri

Betsy Miller
2733 E. Battlefield #244
Springfield, MO 65804

Katrina Tettamble
2733 E. Battlefield #191
Springfield, MO 65804
417-755-3855

Leslie Norman
1411 W. Blakey St.
Springfield, MO 65810
417-597-4497

Mackenzie Oyler
2324 Malibu Dr.
St. Charles, MO 63303
314-399-8679

Amanda Stehl
178 Blackrock Lane
Weldon Spring, MO 63304
314-527-0954

Deb Farnell
143 Newgrange Pass
Weldon Spring, MO 63304
314-527-0954

¹ Ms. Frewin resides in Overland Park, KS, but is the franchisee for the Kansas City, MO franchise.
KCP-4476255-1

Former Franchisees:

Texas

Melanie Hellmann
9201 Brown Ln #180
Austin, TX 78754
(512) 222-8778

ITEM 21
FINANCIAL STATEMENTS

Exhibit A, in reverse chronological order, is our audited financial statements of December 31, 2017, our audited financial statements as of December 31, 2018, and our audited financial statements as of December 31, 2019.

ITEM 22
CONTRACTS

The following agreements are attached to this disclosure document:

Franchise Agreement	Exhibit B
Disclosure Acknowledgement Agreement	Exhibit F
Electronic Funds Transfer Authorization	Exhibit G
General Release	Exhibit H
Franchise Disclosure Document Receipts	Exhibit J

Exhibit 1 - STATE EFFECTIVE DATES

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

The Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California – July 30, 2019

Texas – November 13, 2018

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.

ITEM 23

RECEIPTS

Exhibit J contains detachable documents acknowledging your receipt of this disclosure document with all exhibits attached.

EXHIBIT A
FINANCIAL STATEMENTS

2B ORGANIZED FRANCHISE SYSTEMS, INC.

**Financial Statements with
Independent Auditor's Report**

December 31, 2019



Cinda L. Rodgers
CPA, PC



P.O. Box 14404
Springfield, MO 65814

p. 417.889.7300
f. 417.763.3110
roderscpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
2B Organized Franchise Systems, Inc.
Springfield, Missouri

We have audited the accompanying financial statements of 2B Organized Franchise Systems, Inc., which are comprised of the balance sheet as of December 31, 2019, and the related statements of operations, changes in stockholder equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 2B Organized Franchise Systems, Inc. as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Cinda L. Rodgers, CPA, PC

Springfield, Missouri
March 27, 2020

2B ORGANIZED FRANCHISE SYSTEMS, INC.

BALANCE SHEET

December 31, 2019

ASSETS

Current Assets:

Cash	\$ 12,314
Accounts Receivable	1,206
Due from Shareholder	10,000
Total Current Assets	<u>23,520</u>

TOTAL ASSETS	<u><u>\$ 23,520</u></u>
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LIABILITIES AND STOCKHOLDER EQUITY

Current Liabilities:

Accrued Expenses	\$ 221
Contract Liability - current	19,167
Due to Shareholder	18,407
Total Current Liabilities	<u>37,795</u>

Long-term Liabilities:

Contract Liability - long-term	34,542
--------------------------------	--------

Stockholder Equity:

Common Stock, 100 shares, \$1 par value	100
Retained Earnings	(48,917)
Total Stockholder Equity	<u>(48,817)</u>

TOTAL LIABILITIES AND STOCKHOLDER EQUITY	<u><u>\$ 23,520</u></u>
--	-------------------------

2B ORGANIZED FRANCHISE SYSTEMS, INC.
STATEMENT OF OPERATIONS
Year Ended December 31, 2019

REVENUES

Franchise Fees	\$ 22,402
Royalties	18,873
Total Revenues	<u>41,275</u>

EXPENSES

Advertising	13,530
Bad Debts	8,000
Commissions and Fees	1,022
Meals	2,185
Memberships and Subscriptions	1,497
Miscellaneous	578
Office Expenses	1,284
Other Business Expenses	1,640
Payroll Expense	10,000
Payroll Taxes	1,106
Photography	714
Professional Fees	13,969
Social Media	475
Travel Expenses	2,716
Web services/apps/software	729
Total Expenses	<u>59,445</u>

NET INCOME (LOSS)	<u><u>\$ (18,170)</u></u>
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2B ORGANIZED FRANCHISE SYSTEMS, INC.
STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
Year Ended December 31, 2019

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total Stockholder Equity (Deficit)</u>
Balance - December 31, 2018	\$ 100	\$ 8,864	\$ 8,964
Cumulative Effect of Change in Accounting Principle		(39,611)	(39,611)
Net Loss	<u>-</u>	<u>(18,170)</u>	<u>(18,170)</u>
Balance - December 31, 2019	<u><u>\$ 100</u></u>	<u><u>\$ (48,917)</u></u>	<u><u>\$ (48,817)</u></u>

2B ORGANIZED FRANCHISE SYSTEMS, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ (18,170)
Cumulative effect in change in accounting principle	(39,611)
Adjustments to reconcile net loss to net cash used by operating activities	
Increase in accounts receivable	(706)
Decrease in accrued expenses	(594)
Increase in contract liability	53,709
Decrease in other current liabilities	<u>(10,000)</u>
	\$ (15,372)

CASH FLOWS FROM INVESTING ACTIVITIES

-

CASH FLOWS FROM FINANCING ACTIVITIES

-

NET INCREASE IN CASH (15,372)

BEGINNING CASH 27,686

ENDING CASH \$ 12,314

SUPPLEMENTAL DISCLOSURES

Interest paid	\$ -
---------------	------

2B ORGANIZED FRANCHISE SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

2B Organized Franchise Systems, Inc. was incorporated under the laws of the State of Missouri on November 22, 2011. The Company sells franchises of 2B Organized. 2B Organized is a professional organizing firm that assists individuals and companies with organization skills by utilizing seminars, speaking engagements, residential and commercial organization planning and management plans.

Accounting Method

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Advertising Costs

The Company's policy is to expense advertising costs when incurred. The Company incurred advertising expense of \$13,530 for the year ended December 31, 2019.

Income taxes

The Company has elected under the Internal Revenue Code to be taxed as an S corporation. In lieu of corporation income taxes, the members are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in these financial statements.

The federal and state income tax returns of the Company for 2019 are subject to examination by the respective taxing authorities, generally for three years after they were filed.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

2B ORGANIZED FRANCHISE SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 2 – ADOPTION OF NEW REVENUE STANDARD

Effective January 1, 2019, the Company adopted ASU 2014-09, *Revenue from Contracts with Customers*, and subsequent amendments. The amendments are required by U.S. GAAP, and collectively create a new Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, which replaces most of the existing revenue recognition guidance found in U.S. GAAP.

ASC 606 establishes a new, single revenue framework to recognize revenue from contracts with customers, and offers expanded disclosures for revenue transactions.

The Company adopted ASC 606 using the modified retrospective method applied to all contracts not complete as of January 1, 2019. Under the modified retrospective method, the Company adjusted January 1, 2019 retained earnings to reflect the cumulative effect of adopting the new revenue standard on prior years.

The adoption of the revenue standard resulted in a decrease in beginning retained earnings of \$39,611 and a corresponding increase in the contract liability at January 1, 2019. The net adjustment in retained earnings is due primarily to the new revenue standard deferring the recognition of revenue related to franchise agreements over time.

The financial statement impact of applying the new standard for the year ended December 31, 2019 was to decrease 2019 revenue and increase the corresponding contract liability by approximately \$14,000, as compared to amounts that would have been recognized under the previous revenue standard. This change was due to deferring the recognition of revenue related to franchise agreements over time.

NOTE 3 – FRANCHISE REVENUES

2B Organized Franchise Systems, Inc. is a franchiser of organizing skill plans and programs for individuals and companies. When a franchise is sold, the Company agrees to provide certain services to the franchisee, including training personnel, design of promotional materials and advertising programs, and continuing supervision. Monthly royalties are charged to franchises at various rates and percentages of sales, depending on the initial franchise fee paid. Two kinds of revenues are received: initial franchise fees and monthly royalties. Both types of revenues are recognized over time, under the special rule for sales-based royalties, as the sales occur. The initial franchise fee is recognized straight-line over the term of the franchise agreement, which is typically three or five years. Monthly royalties are recognized each month.

The following analysis details franchise ownership during the year ended December 31, 2019:

	2019
Franchises operating at beginning of year	7
Newly established franchises	1
	<u>8</u>

2B ORGANIZED FRANCHISE SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 4 – CONTRACT BALANCES

The Company records contract liabilities and receivables related to customer contracts.

Contract liabilities consist of the Company's obligations to transfer services to customers for which the Company has received consideration from customers, including advance payments received from customers for future services.

The Company also records receivables which represent the Company's unconditional right to payment for royalties on sales which have already occurred.

Contract balances at December 31, 2019 and 2018 are as follows:

	<u>12-31-19</u>	<u>12-31-18</u>
Contract liabilities	\$53,709	\$39,611
Receivables from customers	1,206	10,500

NOTE 5 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2020, the date which the financial statements were available to be issued.

2B ORGANIZED FRANCHISE SYSTEMS, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of 2B Organized Franchise Systems, Inc.
Springfield, Missouri

We have audited the accompanying financial statements of 2B Organized Franchise Systems, Inc., which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, changes in stockholder's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 2B Organized Franchise Systems, Inc. as of December 31, 2018 and 2017, 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.

Elliott, Robinson & Company, CP

March 20, 2019
Springfield, Missouri

2B Organized Franchise Systems, Inc.
Balance Sheets
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 27,686	1,457
Accounts receivable	500	651
Franchise fee receivable	10,000	-
Total Current Assets	<u>\$ 38,186</u>	<u>2,108</u>
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
Current Liabilities		
Accrued expenses	\$ 815	2,243
Due to shareholder	28,407	26,907
Total Current Liabilities	<u>29,222</u>	<u>29,150</u>
Stockholder's Equity (Deficit)		
Common stock, \$1 par value, 30,000 shares authorized, 100 shares issued and outstanding	100	100
Retained earnings	8,864	(27,142)
Total Shockholder's Equity (Deficit)	<u>8,964</u>	<u>(27,042)</u>
Total Liabilities and Stockholder's Equity	<u>\$ 38,186</u>	<u>2,108</u>

See accompanying accountant's report and notes to financial statements.

2B Organized Franchise Systems, Inc.
Statements of Operations
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Franchise fees	\$ 70,000	-
Royalties	18,219	22,218
Total Revenues	<u>88,219</u>	<u>22,218</u>
Expenses		
Accounting	8,516	4,473
Advertising	7,900	17,481
Bank charges	-	247
Charitable contributions	-	1,275
Computer and internet	911	849
Contract labor	-	3,590
Insurance	3,030	-
Legal fees	23,461	5,781
Office supplies	166	-
Payroll expense	7,000	6,000
Payroll taxes	729	657
Travel	500	-
Total Expenses	<u>52,213</u>	<u>40,353</u>
Net Income (Loss)	<u><u>\$ 36,006</u></u>	<u><u>(18,135)</u></u>

See accompanying accountant's report and notes to financial statements.

2B Organized Franchise Systems, Inc.
Statements of Changes in Stockholder's Equity
Years Ended December 31, 2018 and 2017

	Common Stock	Retained Earnings	Total Stockholder's Equity (Deficit)
Balance, December 31, 2016	\$ 100	(9,007)	(8,907)
Net Loss	-	(18,135)	(18,135)
Balance, December 31, 2017	100	(27,142)	(27,042)
Net Income	-	36,006	36,006
Balance, December 31, 2018	<u>\$ 100</u>	<u>8,864</u>	<u>8,964</u>

See accompanying accountant's report and notes to financial statements.

2B Organized Franchise Systems, Inc.
Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Net income (loss)	\$ 36,006	(18,135)
Decrease (increase) in operating assets		
Accounts receivable	151	1
Franchise fee receivable	(10,000)	-
Increase (decrease) in operating liabilities		
Accrued expenses	(1,428)	2,018
Due to shareholder	1,500	750
Net Cash Provided (Used) by Operating Activities	<u>26,229</u>	<u>(15,366)</u>
NET INCREASE (DECREASE) IN CASH	26,229	(15,366)
CASH AT BEGINNING OF YEAR	<u>1,457</u>	<u>16,823</u>
CASH AT END OF YEAR	<u><u>\$ 27,686</u></u>	<u><u>1,457</u></u>

See accompanying accountant's report and notes to financial statements.

2B Organized Franchise Systems, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

2B Organized Franchise Systems, Inc. was incorporated under the laws of the State of Missouri on November 22, 2011. The business is a professional organizing firm that assists individuals and companies with organizational skills by utilizing seminars, speaking engagements, residential and commercial organization planning and management plans. The Company is currently in the process of establishing the frameworks to sell franchises of its organizing skills, plans and programs to individuals and companies.

Accounting Method

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments available for current use with an initial maturity of three months or less at the date of their acquisition.

Advertising Costs

The Company's policy is to expense advertising costs when incurred. The Company incurred \$7,900 and \$17,481 of advertising expense for the years ended December 31, 2018 and 2017, respectively.

Income Taxes

The Company has elected, with the consent of its stockholders, to be treated as a "small-business corporation" for income tax purposes under Subchapter "S" of the Internal Revenue Code. In making this election, stockholders individually and not the corporation, are liable for income taxes imposed by federal and state authorities. For this reason, no liabilities for federal or state income taxes are shown on the accompanying financial statements.

The federal and state income tax returns of the Company for 2015, 2016, 2017 and 2018 are subject to examination by the Internal Revenue Service and state tax authorities, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 1) the reported amounts of assets and liabilities; 2) disclosure of contingent assets and liabilities at the date of the financial statements; and, 3) revenues and expenses during the reporting period. Actual results could differ from these estimates.

2B Organized Franchise Systems, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Date of Management's Review

Management has evaluated subsequent events through March 20, 2019, the date which the financial statements were available to be issued.

NOTE 2: FRANCHISE REVENUES

2B Organized Franchise Systems, Inc. is a franchiser of organizing skill plans and programs for individuals and companies. When a franchise is sold, the Company agrees to provide certain services to the franchisee, including training personnel, design of promotional materials and advertising programs, and continuing supervision. Continuing franchise service fees are charged to franchises at \$250 per month or a percentage of the franchises gross sales, whichever is stated in the signed franchise agreement.

The following analysis details franchise ownership during the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Franchise operating at beginning of year	5	5
Newly established franchises	<u>2</u>	<u>-</u>
	<u>7</u>	<u>5</u>

2B ORGANIZED FRANCHISE SYSTEMS, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016



2305 S. Blackman Road, Suite D ■ Springfield, Missouri 65809 ■ 417.887.0585 ■ Fax 417.887.0619



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of 2B Organized Franchise Systems, Inc.
Springfield, Missouri

We have audited the accompanying financial statements of 2B Organized Franchise Systems, Inc., which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations, changes in stockholder's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 2B Organized Franchise Systems, Inc. as of December 31, 2017 and 2016, 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.

Elliott, Robinson & Company, PC

July 13, 2018
Springfield, Missouri

2B Organized Franchise Systems, Inc.
Balance Sheets
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,457	16,823
Accounts receivable	651	652
Total Current Assets	<u>\$ 2,108</u>	<u>17,475</u>
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
Current Liabilities		
Accrued expenses	\$ 2,243	225
Due to shareholder	26,907	26,157
Total Current Liabilities	<u>29,150</u>	<u>26,382</u>
Stockholder's Equity (Deficit)		
Common stock, \$1 par value, 30,000 shares authorized, 100 shares issued and outstanding	100	100
Retained earnings	<u>(27,142)</u>	<u>(9,007)</u>
Total Stockholder's Equity (Deficit)	<u>(27,042)</u>	<u>(8,907)</u>
Total Liabilities and Stockholder's Equity	<u>\$ 2,108</u>	<u>17,475</u>

See accompanying accountant's report and notes to financial statements.

2B Organized Franchise Systems, Inc.
Statements of Operations
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Franchise fees	\$ -	65,000
Royalties	22,218	17,919
Total Revenues	<u>22,218</u>	<u>82,919</u>
Expenses		
Accounting	4,473	3,036
Advertising	17,481	9,735
Bank charges	247	39
Charitable contributions	1,275	3,200
Computer and internet	849	665
Contract labor	3,590	3,040
Legal fees	5,781	9,983
Meals and entertainment	-	5,799
Office supplies	-	2,664
Payroll expense	6,000	15,000
Payroll taxes	657	1,636
Travel	-	1,146
Total Expenses	<u>40,353</u>	<u>55,943</u>
Net Income (Loss)	<u>\$ (18,135)</u>	<u>26,976</u>

See accompanying accountant's report and notes to financial statements.

2B Organized Franchise Systems, Inc.
Statements of Changes in Stockholder's Equity (Deficit)
For the Years Ended December 31, 2017 and 2016

	Common Stock	Retained Earnings	Total Stockholder's Equity (Deficit)
Balance, December 31, 2015	<u>\$ 100</u>	<u>(35,983)</u>	<u>(35,883)</u>
Net Income	<u>-</u>	<u>26,976</u>	<u>26,976</u>
Balance, December 31, 2016	100	(9,007)	(8,907)
Net Loss	-	(18,135)	(18,135)
Balance, December 31, 2017	<u><u>\$ 100</u></u>	<u><u>(27,142)</u></u>	<u><u>(27,042)</u></u>

See accompanying accountant's report and notes to financial statements.

2B Organized Franchise Systems, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Net income (loss)	\$ (18,135)	26,976
Decrease (increase) in operating assets		
Accounts receivable	1	420
Increase (decrease) in operating liabilities		
Accrued expenses	2,018	(18,627)
Due to shareholder	750	(4,109)
Net Cash Provided (Used) by Operating Activities	<u>(15,366)</u>	<u>4,660</u>
NET INCREASE (DECREASE) IN CASH	(15,366)	4,660
CASH AT BEGINNING OF YEAR	<u>16,823</u>	<u>12,163</u>
CASH AT END OF YEAR	<u><u>\$ 1,457</u></u>	<u><u>16,823</u></u>

See accompanying accountant's report and notes to financial statements.

2B Organized Franchise Systems, Inc.
Notes to Financial Statements
December 31, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

2B Organized Franchise Systems, Inc. was incorporated under the laws of the State of Missouri on November 22, 2011. The business is a professional organizing firm that assists individuals and companies with organizational skills by utilizing seminars, speaking engagements, residential and commercial organization planning and management plans. The Company is currently in the process of establishing the frameworks to sell franchises of its organizing skills, plans and programs to individuals and companies.

Accounting Method

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments available for current use with an initial maturity of three months or less at the date of their acquisition.

Advertising Costs

The Company's policy is to expense advertising costs when incurred. The Company incurred \$17,481 and \$9,735 of advertising expense for the years ended December 31, 2017 and 2016, respectively.

Income Taxes

The Company has elected, with the consent of its stockholders, to be treated as a "small-business corporation" for income tax purposes under Subchapter "S" of the Internal Revenue Code. In making this election, stockholders individually and not the corporation, are liable for income taxes imposed by federal and state authorities. For this reason, no liabilities for federal or state income taxes are shown on the accompanying financial statements.

The federal and state income tax returns of the Company for 2015, 2016 and 2017 are subject to examination by the Internal Revenue Service and state tax authorities, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 1) the reported amounts of assets and liabilities; 2) disclosure of contingent assets and liabilities at the date of the financial statements; and, 3) revenues and expenses during the reporting period. Actual results could differ from these estimates.

EXHIBIT B

FRANCHISE AGREEMENT



**2B ORGANIZED®
FRANCHISE AGREEMENT**

FRANCHISEE

DATE OF AGREEMENT

STD FA 2015

KCP-4203978-4

KCP-4476255-1

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2B ORGANIZED® FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered in this day of _____, 20____, by and between 2B Organized Franchise System, Inc., a Missouri corporation, with its principal office 2733 E. Battlefield #244, Springfield, MO 65804 ("Franchisor") and _____, a _____ formed and operating under the laws of _____ the State of _____, with a principal address of ("Franchisee").

WITNESSETH:

WHEREAS, as the result of expenditure, time, skill, effort and expense, Franchisor has created for its own use and the use of its franchisees a distinct proprietary system for professional organizing and personal assistance related services (the "Franchised Business");

WHEREAS, Franchisor owns the System (as defined in Section 1.H.) and the Licensed Marks (as defined below), and grants the right and license to others to use the System and the Licensed Marks;

WHEREAS, the distinguishing characteristics of the System include, without limitation, the business systems, training and assistance, marketing, operational support, specifications and procedures for the operation of the Franchised Business, all of which may be changed, improved and further developed by Franchisor;

WHEREAS, Franchisor identifies the System and licenses the use of certain trade names, service marks, trademarks, emblems and indicia of origin, including the mark 2B ORGANIZED® and other trade names, service marks, trademarks, logos and designs as are now designated (and may hereafter be designated by Franchisor in writing) for use with the System (the "Licensed Marks");

WHEREAS, Franchisor intends to develop, use and control the exclusive use of the Licensed Marks to identify for the public the source of services and products marketed under the System and the System's high standards of quality, identity and service;

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high standards of quality and service and the necessity of operating the Franchised Business in conformity with Franchisor's standards and specifications; and

WHEREAS, Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that, like any other business, the nature of the business conducted at a 2B ORGANIZED® Franchised Business may evolve over time, that an investment in a 2B ORGANIZED® Franchised Business involves business risks and that the success of the venture is largely dependent on Franchisee's business abilities and efforts.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments of each party set forth herein, agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the terms listed below have the following meanings. Other terms used in this Agreement are defined and construed in the context in which they occur.

A. AFFILIATE

“Affiliate” of a named person or entity means any person or entity that is controlled by, controlling, or under common control with, the named person or entity.

B. COMPETITIVE BUSINESS

“Competitive Business” means any business which offers professional organizing and personal assistance related services or any business which looks like, copies, imitates, or operates in a manner similar to a 2B ORGANIZED® Franchised Business, including, but not limited to, a business with a similar operating system, but does not apply to: (a) the ownership or operation of 2B ORGANIZED® Franchised Businesses by or pursuant to written agreements with, or written authorization from, Franchisor or its Affiliates; or (b) the ownership of shares of a class of securities that are listed on the U.S. Stock Exchange or traded on the over-the-market and that represent less than one percent (1%) of that class of securities.

C. CONFIDENTIAL INFORMATION

“Confidential Information” means all information relating to the establishment and operation of a 2B ORGANIZED® Franchised Business, including, without limitation: (i) the Specifications, including product and supplier standards and specifications; (ii) advertising and marketing plans; (iii) research, development and test programs for products, services and operations; (iv) contents of the Operations Manual; (v) knowledge of the operating and financial results of 2B ORGANIZED® Franchised Businesses other than Franchisee's Franchised Business; and (vi) any improvements to the System.

D. OPERATIONS MANUAL

“Operations Manual” means one or more handbooks or manuals or other written or electronic materials that Franchisor loans to Franchisee during the term of this Agreement that contains Specifications, standards and operating procedures for the operation of the Franchised Business and other related information.

E. PRINCIPALS

“Principals” means collectively and individually: (1) Franchisee’s spouse, if Franchisee is an individual; (2) any officer or director of Franchisee (including the officers and directors of any general partner of Franchisee); (3) any managing member or manager if Franchisee is a limited liability company; and (4) any person or entity directly owning and/or controlling 10% or more of the outstanding equity interests of Franchisee. The initial Principals shall be listed in Exhibit C.

F. EXCLUSIVE TERRITORY

“Exclusive Territory” shall mean the geographic area, as set forth in Exhibit A to this Agreement, in which Franchisee shall have the right to operate the Franchised Business and to provide professional organizing and personal assistance related services to residential and commercial clients.

G. SPECIFICATIONS

“Specifications” shall mean the standards, requirements, operating procedures and specifications promulgated from time to time by Franchisor for advertising, supplies, products, and other aspects of owning, developing and operating the Franchised Business.

H. SYSTEM

“System” means the comprehensive methods and procedures for the establishment, management and operation of 2B ORGANIZED® Franchised Businesses, including Confidential Information, the Operations Manual, the Licensed Marks and other business standards and policies, the distinguishing characteristics of which include, without limitation, specifications, policies and procedures for operations; quality and uniformity of the service offered; training and assistance; and social network policies and advertising and marketing programs; all of which we may change, improve, further develop or modify throughout the term of this Agreement.

I. TRADE DRESS

“Trade Dress” shall mean the image, uniforms and other features, as are or become components of the look and feel of 2B ORGANIZED® Franchised Businesses.

2. GRANT OF FRANCHISE

A. In reliance upon the representations and warranties of Franchisee, Franchisor hereby grants to Franchisee, subject to the provisions contained in this Agreement, the right and license, and Franchisee hereby accepts the right and obligation, to own and operate the Franchised Business utilizing the System and the Licensed Marks (the “Franchise”). During the term of this Agreement, provided Franchisee is in compliance with the provisions herein, Franchisor will not open or authorize another person to open a 2B ORGANIZED® Franchised Business within the Exclusive Territory. Subject to the renewal and termination provisions in this Agreement, the term of this Franchise Agreement is for five years, commencing on the date of this Agreement.

B. Franchisee understands and acknowledges that Franchisor has granted these rights in reliance on the representations and warranties, the business skill, financial capability, personal character and expectations of performance by Franchisee and the Principals. This Agreement, and the rights and obligations, may not be transferred until after the Franchised Business is open for business.

C. The size of the Exclusive Territory will vary depending upon demographics, population and commercial development, but generally provides

for a Exclusive Territory which is generally described as a metropolitan statistical area of a major city or may be limited to the municipal boundaries of one or more cities within a metropolitan statistical area of a major city or may be limited to the municipal boundaries of a city or multiple cities, as determined by Franchisor in its sole and absolute discretion. Franchisee may operate the Franchised Business from his or her residence located within the Exclusive Territory or from an office location selected by Franchisee within the Exclusive Territory.

D. Notwithstanding the above, Franchisor (on behalf of itself and its Affiliates) retains the right, in its sole discretion and without granting any rights to Franchisee:

(1) To operate, or grant other persons the right to operate 2B ORGANIZED® Franchised Businesses at locations and within geographic areas and on the terms and conditions as Franchisor determines, outside the Exclusive Territory granted Franchisee.

(2) To provide the services authorized for the Franchised Business under other trademarks, service marks and commercial symbols through similar or dissimilar channels of distribution and pursuant to terms Franchisor deems appropriate, outside the Exclusive Territory granted Franchisee.

(3) To market and sell the services authorized or associated with the Franchised Business under the Licensed Marks through dissimilar channels of distribution, which include, but are not limited to, by electronic means such as the Internet and by websites Franchisor establishes and pursuant to terms Franchisor deems appropriate within and outside the Exclusive Territory granted Franchisee.

(4) To advertise, market, offer and sell and to enter into contracts with national or regional clients (National/Regional Account), within and outside Franchisee's Exclusive Territory. A "National/Regional Account" for purposes of this Agreement is defined as a professional organizing client with multiple facilities, such as churches, assisted living facilities or corporate clients located within the Exclusive Territorys granted to two or more franchisees, as determined by Franchisor, in its sole and absolute discretion. Franchisee will have the opportunity to participate and provide services to a National/Regional Account facility located within Franchisee's Exclusive Territory, provided Franchisee is in good standing and is in compliance with the terms of the Franchise Agreement and complies with all requirements Franchisor may establish for servicing a National/Regional Account.

In the event Franchisee declines to offer Franchised Business services to a National/Regional Account facility located within Franchisee's Exclusive Territory, then Franchisor has the right to provide the services to the National/Regional Account facility located within Franchisee's Exclusive Territory or grant another franchisee the right to service the National/Regional Account, without further obligation to Franchisee.

(5) To acquire the assets or ownership interest of one or more businesses providing services similar to those provided at 2B ORGANIZED® Franchised Businesses, and franchising, licensing or creating similar arrangements with respect to

those businesses once acquired, wherever these businesses are located or operating which may include within Franchisee's Exclusive Territory.

(6) To be acquired through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction, by a business providing products and services similar to those provided at 2B ORGANIZED® Franchised Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses within Franchisee's Exclusive Territory.

3. DUTIES OF FRANCHISEE

A. Franchisee makes the following representations, warranties and covenants and accepts the following continuing obligations;

(1) If Franchisee is an entity, Franchisee represents, warrants and covenants that: (i) Franchisee is duly organized and validly existing under the state law of its formation; (ii) Franchisee is duly qualified and is authorized to do business in each jurisdiction which requires such qualification; and (iii) the execution and performance of this Agreement are within Franchisee's power and have been properly authorized under Franchisee's governing documents;

(2) If Franchisee is a corporation, copies of its articles of incorporation, bylaws, other governing documents and any amendments and resolutions of the Board of Directors authorizing entry into and performance of this Agreement, shall be promptly furnished to Franchisor; if Franchisee is a partnership, copies of Franchisee's written partnership agreement and other governing documents shall be promptly furnished to Franchisor; if Franchisee is a limited liability company, copies of Franchisee's organizational documents and operating agreement shall be promptly, furnished to Franchisor;

(3) If Franchisee is an entity, Franchisee shall maintain at all times a current list of all owners of record and all beneficial owners of any class of securities or other equity interests in Franchisee and shall provide Franchisor with a copy of any buy-sell agreement or other document restricting the sale of securities or other equity interests in Franchisee and shall provide any other related documents reasonably requested by Franchisor;

(4) If Franchisee is an entity, Franchisee shall maintain at all times a current list of all of its officers, directors, managers and partners, as applicable;

(5) If, after the execution of this Agreement, any person ceases to qualify as a Principal, or any person qualifies as a Principal after the date hereof, Franchisee shall promptly notify Franchisor and that person shall execute any documents that Franchisor may reasonably require based on such person's change in status;

(6) If Franchisee is an entity, Franchisor shall have the right to require that Franchisee maintain stop-transfer instructions against the transfer of any equity security and any certificate of ownership shall have conspicuously endorsed upon it a legend or other statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon transfers by this Agreement; provided, however, that this requirement shall not apply to a publicly held entity; if Franchisee is a partnership, its written partnership agreement shall provide that

ownership of an interest in the partnership is held subject to and that further assignment or transfer is subject to restrictions imposed on assignments by this Agreement; if Franchisee is a limited liability company, its articles of organization and operating agreement must provide that ownership interest are subject to restrictions on transfers imposed on assignments and other transfers by this Agreement; and

(7) Franchisee agrees to maintain, at all times throughout the term of this Agreement, sufficient working capital to fulfill its obligations under this Agreement.

B. The ownership interests in Franchisee must be accurately and completely described in Exhibit C to this Agreement. Franchisee must immediately provide a copy of the updated list of owners to Franchisor upon the occurrence of any change of ownership and otherwise make its list of owners available to Franchisor upon request.

C. Upon Franchisor's request and at least annually, Franchisee must provide Franchisor with the most recent financial statements of Franchisee, which satisfy Franchisor's then-current financial criteria for franchisees. The financial statements must present fairly the financial position of Franchisee, at the dates indicated and the results of its operations and its cash flow for the period then ended. The required financial statements must be in conformity with generally accepted accounting principles ("GAAP") applicable to the respective period.

D. Franchisee acknowledges and agrees that the representations, warranties and covenants set forth in the paragraphs above are continuing obligations, as applicable, and that any failure to comply with those representations, warranties and covenants shall constitute a material default under this Agreement.

E. Upon execution of this Agreement, if Franchisee is a legal entity, Franchisee must designate an individual, who is approved by Franchisor, to serve as the person who is fully authorized and designated to act on behalf of Franchisee with respect to all communications and other interactions between Franchisee and Franchisor (the "Representative"). The Representative must maintain an ownership interest in Franchisee and must use reasonable efforts to: (1) devote substantial time to the supervision and conduct of the Franchised Business and (2) meet Franchisor's standards and criteria for a Representative as set forth in the Operations Manual or otherwise in writing by Franchisor. Franchisor currently requires that the representative own at least a 10% equity interest in Franchisee, but Franchisor reserves the right to modify these requirements in the Operating Manual or otherwise in writing. If, during the term of this Agreement, the Representative is not able to continue to serve in this capacity or no longer qualifies, Franchisee must promptly notify Franchisor and designate a replacement Representative within 30 days after the Representative ceases to serve or be so qualified. Any replacement Representative must be approved by Franchisor.

F. Franchisee and the Principals understand that compliance with Franchisor's training, development and operational requirements by all franchisees operating under the System is an essential and material element of the System. Accordingly, neither Franchisee nor any Principal shall recruit, designate or employ

any individual who is employed in a managerial position by any other franchisee of the System without the consent of the other franchisee. In seeking any individual to serve as an employee, Franchisee shall not discriminate illegally in any manner whatsoever against such individual.

4. SITE SELECTION

Franchisee assumes all costs, liabilities, expenses and responsibilities for locating, obtaining and developing a Franchised Business office for the 2B ORGANIZED® Franchised Business. Franchisee may operate the 2B ORGANIZED® Franchised Business from Franchisee's personal residence or at an office location selected by Franchisee within the Exclusive Territory granted by this Agreement. Franchisor is not responsible for approval of a proposed site.

5. TRAINING AND OPERATING ASSISTANCE

A. TRAINING

Before the opening of the Franchised Business, Franchisor furnishes, and Franchisee (or if Franchisee is a partnership, corporation, or limited liability company, a partner, shareholder or member who has been approved by Franchisor) and any proposed manager of the Franchised Business must attend, an initial training program on the operation of a 2B ORGANIZED® Franchised Business, furnished at a place and time Franchisor designates. Franchisee is solely responsible for the compensation, travel and living expenses incurred in connection with attendance at the initial training program or at any supplemental training programs.

The initial training program will last approximately two days and will be conducted in Springfield, Missouri. The training program will include instruction relating to the operation of the Franchised Business, including but not limited to techniques for organizing officers, basements, closets, garages, kitchens and other work spaces, marketing, networking, and customer service.

If, during any training program, Franchisor determines that any proposed manager is not qualified to manage the Franchised Business, Franchisor will notify Franchisee and Franchisee may select and enroll a substitute manager in the training program.

After the opening of the Franchised Business, Franchisor may provide additional training (subject to reasonable limitations prescribed by Franchisor as to frequency and time) in the operation of the Franchised Business. Franchisor has the right to assess Franchisee reasonable charges of \$250 per day for any additional and subsequent training. Franchisee must pay Franchisor \$250 per day for any supplemental training provided Franchisee by Franchisor.

Franchisee must commence operation of the Franchised Business within 60 days after completion of the initial training, unless otherwise specified in Exhibit A.

B. HIRING AND TRAINING OF EMPLOYEES BY FRANCHISEE

Franchisee is solely responsible for the hiring of all of its employees and the terms of their employment and their supervision, management, compensation and training and has sole control over working hours, benefits, wages, and other employment policies.

C. ASSISTANCE IN OPERATIONS

Franchisor may advise Franchisee of operating problems of the Franchised Business disclosed by reports submitted to or inspections made by Franchisor. Further, Franchisor may furnish to Franchisee assistance in connection with the operation of the Franchised Business as Franchisor deems appropriate. Operating assistance may consist of guidance for:

- (1) consultation on promotional, business and operational problems;
- (2) selection, purchasing and marketing of services and supplies;
- (3) marketing assistance and networking;
- (4) administrative, bookkeeping, accounting and general operating procedures; and
- (5) developing advertising and promotional materials for local advertising for a Franchised Business.

Guidance, in the sole discretion of Franchisor, may be furnished in the form of Franchisor's Operations Manual, bulletins or other written materials, electronic or telephone consultations and/or consultations at the offices of Franchisor or at the Franchised Business.

D. OPERATIONS MANUAL

Franchisor will loan to Franchisee during the term of this Agreement one copy of the Operations Manual. Franchisor may, at its option, make the Operations Manual available electronically including through the Intranet. The Operations Manual may consist of one or more handbooks or manuals and other written materials, containing mandatory Specifications and recommended standards and operating procedures prescribed by Franchisor and information relative to other obligations of Franchisee. Franchisor has the right to add to, and otherwise modify, the Operations Manual to reflect changes in authorized services and to Specifications, provided that no addition or modification alters Franchisee's fundamental status and rights. Franchisee must keep his/her copy of the Operations Manual current and the master copy of the Operations Manual maintained by Franchisor at its principal office controls if there is a dispute relative to the contents of the Operations Manual. Franchisor may update the Operations Manual electronically on its website, at its option and in its sole discretion. Franchisee shall have a reasonable period of time to implement any change in the Franchised Business required by any change to the Operations Manual. Franchisor shall give Franchisee written notice of any change required and the period of time within which the change must be implemented.

6. LICENSED MARKS

A. LICENSE

Franchisor grants Franchisee the right to use the Licensed Marks during the term of this Agreement in accordance with the System and the Specifications set forth in the Operations Manual.

B. OWNERSHIP AND GOODWILL

Franchisee expressly acknowledges and agrees that:

- (1) Franchisor (or its Affiliate) is the owner of all right, title and interest in and to the Licensed Marks and the goodwill associated with and symbolized by the Licensed Marks;
- (2) Franchisee has no ownership interest whatsoever in or to the Licensed Marks, and Franchisee's right to use the Licensed Marks is derived solely from this Agreement and is conditioned upon Franchisee's operation of the Franchised Business in compliance with this Agreement and all Specifications;
- (3) any unauthorized use of the Licensed Marks by Franchisee constitutes an infringement of the rights of Franchisor in and to the Licensed Marks;
- (4) all usage of the Licensed Marks by Franchisee and any goodwill related to such use exclusively benefits Franchisor and does not confer any goodwill or other interests in the Licensed Marks upon Franchisee;
- (5) 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 Licensed Marks or assist any other person in contesting the validity or ownership of any of the Licensed Marks;
- (6) Franchisee and its Principals shall not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to the Licensed Marks; and
- (7) All provisions of this Agreement applicable to the Licensed Marks apply to any additional trademarks, service marks, logo forms and commercial symbols authorized for use by and licensed to Franchisee pursuant to this Agreement.

C. USE OF THE LICENSED MARKS

- (1) The Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate and advertise the Franchised Business only under the name 2B ORGANIZED® without prefix or suffix. Franchisee must not use the Licensed Marks as part of its corporate or other legal name and must not use the Licensed Marks with modifying words, terms, designs or symbols, or in any modified form.
- (2) Franchisee must identify itself as the owner of the Franchised Business, as an independent franchisee of Franchisor, in conjunction with any use of the Licensed Marks, including, but not limited to, uses on stationery, advertising, invoices, order forms, receipts and contracts, and in a notice at the Franchised Business, as required by the Operations Manual. Franchisee shall display the Licensed Marks prominently and in the manner prescribed by Franchisor.
- (3) Franchisee must comply with Franchisor's instructions in filing and maintaining trade name or fictitious name registrations.

D. RESTRICTIONS ON INTERNET AND WEBSITE USE

Except as Franchisor may authorize or direct in writing including in the Operations Manual, Franchisee shall not in any way: (i) link or frame Franchisor's website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; (iii) create or register any Internet domain name in connection with the Franchised Business; (iv) use the Licensed Marks in any domain name or on any Internet website or any other unauthorized manner; (v) promote the Franchised Business on any Internet website; or (vi) post any material on the Internet that depicts or displays the Licensed Marks or suggests an association with the System. Franchisor may require that Franchisee install and maintain a minimum level of hardware and software to allow Franchisee to access the Internet, and if required by Franchisor, Franchisee will comply with such requirements. Franchisor may direct Franchisee, through a marketing manual, social media policy or other provisions in the Operations Manual or otherwise in writing, to use the Internet, including social media websites and other opportunities, in connection with the advertising and promotion of the Franchised Business. The form, content and appearance of any Internet use by Franchisee related to the Franchised Business or the System must comply with the Specifications and must be approved by Franchisor in writing before being used by Franchisee.

Franchisee shall not, and shall cause its employees and Principals not to, without Franchisor's express written consent in all instances which may be withheld by Franchisor in its sole discretion, post, contribute, or author any content on any website or social media or communicate with any media outlet or organization in a manner that:

(1) makes any statement which disparages, ridicules or is derogatory of the System, the Licensed Marks, Franchisor or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives, or any other franchisee in the System, or the owners, officers, employees, agents, consultants, attorneys or representatives of any franchisee in the System; or

(2) pertains to any litigation pending or threatened against Franchisor or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives or any franchisee in the System.

E. NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement or challenge to Franchisee's use of any Licensed Mark, or claim by any person of any rights in any Licensed Mark or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge or claim. Franchisor and/or its licensor has sole discretion to take any action it deems appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark. Franchisee shall execute all documents, render assistance and do all that may be necessary or advisable to protect and maintain the interests of Franchisor and/or its licensor in any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding or to otherwise

protect and maintain the interests of Franchisor and/or its licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such litigation or administrative proceeding.

F. INDEMNIFICATION OF FRANCHISEE/DISCONTINUANCE OF USE OF LICENSED MARKS

Franchisor shall indemnify Franchisee against, and reimburse Franchisee for: (1) all damages for which Franchisee is held liable in any proceeding brought by a third-party in which Franchisee's use of any Licensed Mark is held to constitute trademark infringement, unfair competition, or dilution and (2) all costs Franchisee reasonably incurs in the defense of any claim brought against Franchisee or in any proceeding in which Franchisee is named as a party; provided that, Franchisee timely notifies Franchisor of the claim or proceeding and has otherwise complied with this Agreement and that Franchisor has the opportunity to defend such claim. If Franchisor defends the claim, Franchisor has no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements to any separate attorney retained by Franchisee.

If any time in Franchisor's sole discretion, it becomes advisable for Franchisor and/or Franchisee to modify or discontinue use of any Licensed Mark, and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply with such direction from Franchisor within a reasonable time after receiving such direction from Franchisor. Any substitution or change in the Licensed Marks shall not be effective as to Franchisee, until such change is made in other 2B ORGANIZED® Franchised Businesses. The sole liability and obligation of Franchisor in any event is to reimburse Franchisee for the out-of-pocket costs of complying with this obligation.

G. NON-EXCLUSIVE RIGHTS

The right and license to the use of the Licensed Marks granted to Franchisee is non-exclusive and Franchisor has and retains the following rights: (i) to grant other licenses for use of the Licensed Marks except as prohibited in Section 2 of this Agreement; and (ii) to engage in the use and licensing for distribution of the services identified by the Licensed Marks, as Franchisor may develop or use.

7. FRANCHISOR'S OBLIGATIONS

Franchisor agrees to provide the following services:

A. Provide on loan to Franchisee the Operations Manual and other written materials as Franchisor develops for use in the Franchised Business;

B. Provide advice and consult with Franchisee periodically in connection with the operation of the Franchised Business by providing written materials, by electronic transmissions, or at training sessions conducted by Franchisor;

C. Provide certain marketing and public relations materials and information developed by Franchisor for use by Franchisee in marketing and local advertising for the Franchised Business;

D. Provide a list of approved suppliers to Franchisee and continue to evaluate approved supplier performance and product quality; and

E. Conduct an initial training program and subsequent refresher training programs.

8. CONFIDENTIAL INFORMATION

Franchisor possesses Confidential Information and discloses the Confidential Information to Franchisee in various formats, including without limitation, training programs, the Operations Manual and in guidance furnished to Franchisee.

A. Franchisee shall at all times treat the Operations Manual and any other materials created for or approved for use in the Franchised Business as confidential. Franchisee may divulge and make Confidential Information available only to those of Franchisee's employees who must have access to it in order to operate the Franchised Business. Except as is reasonably necessary to operate the Franchised Business, Franchisee shall not at any time copy, duplicate, record or otherwise reproduce Confidential Information, in whole or in part, or otherwise make the same available to any unauthorized person, without the prior written consent of Franchisor.

B. The Operations Manual, written directives, and any other written Confidential Information shall be kept in a secure place at the Franchised Business and shall be returned to Franchisor immediately upon request or upon termination or expiration of this Agreement.

C. Franchisee acknowledges and agrees that all of the Confidential Information it now has or obtains in the future are derived from Franchisor pursuant to this Agreement, and that Franchisee shall not, without the written consent of Franchisor, disclose such Confidential Information or use it for Franchisee's own benefit (or the benefit of any person or entity other than Franchisor and its Affiliates) during the term of this Agreement and for a period of two years thereafter, unless such Confidential Information constitutes Trade Secrets (as defined below) of Franchisor, in which case, such information will be treated in confidence for as long as such information shall constitute a "Trade Secret." Notwithstanding the foregoing, Franchisee may disclose such Confidential Information and Trade Secrets to those employees who need access to perform their employment duties to Franchisee, (and then only to the extent necessary to enable them to perform their employment duties). For purposes of this Agreement, "Trade Secret" shall mean, information or data about Franchisor or any of its products, including but not limited to, technical or non-technical data, methods, techniques, drawings, processes, financial data, financial plans, and lists of customers or suppliers, that: (a) derives economic value, actual or potential, from not being generally known to, or generally ascertainable by proper means by other persons who can obtain economic value from their disclosure or use; and (b) is a subject of efforts that are reasonable under the circumstances to maintain its secrecy. Franchisee acknowledges and agrees that the Confidential Information and Trade Secrets are proprietary to Franchisor and are disclosed to Franchisee solely on the

condition that Franchisee agrees, and Franchisee does agree, that it will:

- (1) not use the Confidential Information or Trade Secrets in any other business or capacity;
- (2) maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;
- (3) not make unauthorized copies of any portion of the Confidential Information disclosed in written form;
- (4) adopt and implement all reasonable procedures Franchisor prescribes to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to employees of the Franchised Business and the use of nondisclosure and noncompetition clauses in employment agreements with persons; and
- (5) require all Principals and members of the Management Team to sign a confidentiality agreement in a form approved by Franchisor (see Exhibit B attached hereto).

D. The restrictions on Franchisee's disclosure and use of the Confidential Information will not apply to (i) information, processes or techniques which are or become generally known in the professional organizing industry, other than through disclosure (whether deliberate or inadvertent) by Franchisee or its Principals or Management Team; or (ii) disclosure of Confidential Information in judicial or administrative proceedings to the extent Franchisee is legally compelled to disclose information, provided Franchisee has used its best efforts, and has afforded Franchisor the opportunity, to obtain an appropriate protective order or other insurance satisfactory to Franchisor of confidential treatment for the information required to be disclosed.

E. If Franchisee or any Principal develops any new concept, process, product, recipe, or other improvement to the operation or promotion of the Franchised Business, Franchisee must promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Franchisee and the Principals acknowledge that any concept, process, product, or improvement shall become the property of Franchisor and that Franchisor may use or disclose that information to other franchisees as it determines to be appropriate. In the event the concept, process, product, or other improvement becomes a part of the System, Franchisor will reimburse Franchisee for its reasonable out-of-pocket expenses incurred in its development.

9. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. The parties understand and agree that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor and that nothing in this Agreement makes either party a general or special agent, legal representative, subsidiary, joint venturers, partner, employee or servant of the other for any purpose.

B. Franchisee must conspicuously identify itself at the premises of the Franchised Business and in all dealings with customers, lessors, suppliers, public officials and others as the owner of the Franchised Business under a franchise from Franchisor and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires.

C. Franchisor has not authorized or empowered Franchisee to use the Licensed Marks, except as provided by this Agreement. Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation without the prior written consent of Franchisor, or employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness or obligation of Franchisee.

D. Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name and that Franchisor shall not have any liability for, or be deemed liable under this Agreement as a result of, any action or omission by Franchisee in the conduct of its business pursuant to this Agreement or any claim or judgment arising therefrom.

E. Franchisor has no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchised Business or its assets, or upon Franchisor in connection with sales made, services performed or business conducted by Franchisee.

F. Franchisee shall, at all times, indemnify and hold harmless, to the fullest extent permitted by law, Franchisor and its Affiliates, successors and assigns and their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees from all losses, expenses, liability, taxes, damages (actual or consequential) and costs (including reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) (collectively, the "Losses") which any of them may suffer, sustain or incur by reason of, arising from or in connection with any of the following:

(1) Franchisee's ownership or operation of the Franchised Business, unless the Losses are finally determined have been caused solely by Franchisor's gross negligence or willful misconduct;

(2) Any infringement or alleged infringement of, or violation of the right to use, any Licensed Mark by Franchisee or any Principal;

(3) Any libel, slander or any other form of defamation of the System, or any other franchisee operating under the System, by Franchisee or any Principals; or

(4) Any breach by Franchisee (or any of its Affiliates) of any warranty, representation, agreement or obligation in this Agreement or any other agreement with Franchisor (or any of its Affiliates).

Upon the occurrence of any event giving rise to a claim for indemnification, Franchisee

shall give Franchisor prompt notice of such event. Upon receipt of such notice, Franchisor may elect to assume (but under no circumstances is obligated to undertake) the defense and/or settlement of any action, suit, proceeding, claim, demand, inquiry or investigation. Any such undertaking by Franchisor shall not diminishes the obligation of Franchisee to indemnify Franchisor. All Losses incurred under this Section 9 shall be chargeable to and paid by Franchisee regardless of any actions, activity or defense undertaken by Franchisor or the subsequent defense or failure of these actions, activity, or defense.

Franchisor shall not be required to seek recovery from third parties or otherwise mitigate their losses in order to pursue a claim against Franchisee for indemnification, and Franchisor's failure to pursue recovery or mitigate Losses shall in no way reduce the amounts recoverable from Franchisee. The terms of this Section 9 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

G. Franchisor agrees to indemnify and hold Franchisee harmless against any Losses which Franchisee may suffer, sustain or incur solely by reason of, arising from or in connection with the negligence of Franchisor (or any of its Affiliates) which is the direct cause of such Losses.

10. FRANCHISE FEE

A. INITIAL FRANCHISE FEE

Franchisee must pay to Franchisor an initial franchisee fee in the amount of \$5,000. The initial franchise fee is due and payable at the time of signing this Agreement. The initial franchise fee is fully earned by Franchisor upon execution of this Agreement and is non-refundable under any circumstances and is charged uniformly to all franchisees.

B. ROYALTY FEE

Franchisee shall pay Franchisor, a continuing non-refundable royalty fee (the "Royalty Fee") of equal to the greater of 13.0% of monthly Gross Revenue or \$400 per month. The Royalty Fee is due and payable on or before the 5th calendar day of each month. If Franchisee produces a total of \$250,000 or more revenue in the prior calendar year, the amount will be reduced to the greater of 10% of monthly Gross Revenue or \$400 per month for the current calendar year.

Franchisee will incur an additional \$100 late fee each time it fails to pay the Royalty Fee on or before the 5th calendar day of each month.

C. ANNUAL FEE

Franchisee must annually pay Franchisor \$1,000 prior to the last business day of the month of signing anniversary, starting one year after initial signing of the Franchise Agreement.

D. ELECTRONIC FUNDS TRANSFER

Franchisee must sign and deliver to Franchisor an electronic funds transfer pre-authorized draft form (attached as Exhibit D to this Agreement) and must pay all Royalty Fees (and any other fees specified by Franchisor) by electronic funds transfer. In the event the request of electronic funds transfer fails, Franchisee shall pay Franchisor the greater of \$100 per occurrence or the actual

costs of Franchisor resulting therefrom.

E. INTEREST ON LATE PAYMENTS

Franchisee is not entitled to withhold payments due Franchisor under this Agreement on grounds of alleged nonperformance by Franchisor. Any payment not actually received by Franchisor on or before the date due is deemed overdue. All unpaid obligations under this Agreement bear interest from the date due until paid at the lesser of (i) the prime commercial rate of interest plus 3% as reported in the Wall Street Journal (Midwestern edition) from time to time or by any bank or financial institution designated by Franchisor (but in no event less than 12% per annum), or (ii) the maximum allowed by applicable law. Notwithstanding anything to the contrary contained in this Agreement, no provision of this Agreement requires the payment or permits the collection of interest in excess of the maximum rate allowed by applicable law. If any excess of interest in this respect is provided for in this Agreement, or is adjudicated to be so provided in this Agreement, the provisions of this paragraph govern and prevail and neither Franchisee nor its shareholders are obligated to pay the excess amounts of the interest. If for any reason interest in excess of the maximum rate allowed by applicable law is deemed charged, required or permitted, any excess shall be applied as a payment and reduction of any other amounts which may be due and owing, and if no payments are due and owing then the excess shall be repaid to the party that paid the interest.

Franchisee acknowledges that this Paragraph D does not constitute Franchisor's agreement to accept payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Franchised Business. Further, Franchisee acknowledges that his/her failure to pay all amounts when due shall constitute grounds for termination of this Agreement.

F. DEFINITION OF GROSS REVENUE

The term "Gross Revenue" means the aggregate amount of all sales of services, and the aggregate of all charges for services performed, whether for cash, on credit or otherwise, made and rendered in, about or in connection with the Franchised Business, provided they are in connection with the business conducted under this Franchise Agreement. The term "Gross Revenue" does not include any federal, state, municipal or other sales, value added or retailer's excise taxes paid or accrued by Franchisee. The term "Gross Revenue" shall not be modified for uncollected accounts. "Gross Revenue" is further defined to mean all revenue or receipts of any kind derived from the operation of the Franchised Business, including all services provided as a direct or indirect consequence of use of Franchisor's Licensed Marks or any aspect of the System. For purposes of the royalty fee, the sale is made at the earlier of delivery of service, or receipt of payment. The royalty fee and report of sales in form and in detail as Franchisor specifies shall be mailed to Franchisor monthly.

G. APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or any indebtedness of Franchisor to Franchisee to any past due indebtedness of Franchisee for Royalty Fees, interest or any other indebtedness of Franchisee to Franchisor or its Affiliates.

H. WITHHOLDING PAYMENTS UNLAWFUL

Franchisee agrees that he will not withhold payment of any royalty or any other amount due Franchisor and that the alleged non-performance or breach of any of Franchisor's obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due Franchisor for Royalty Fees or any other amounts due.

11. BUSINESS IMAGE AND OPERATING STANDARDS

A. MAINTAINING UNIFORMITY

Franchisor may establish System standards that Franchisee must meet in the operation of the Franchised Business which may be set forth in the Operations Manual or in other written communication from Franchisor that it may release from time to time.

Franchisee agrees that it is important to maintain uniformity among all 2B ORGANIZED® Franchised Businesses and agrees to comply with all of Franchisor's required standards and specifications relating to the operation of the Franchised Business. These system standards are set forth in the Operations Manual and other written policies that Franchisor may release from time to time. Depending on the nature of the system standard, Franchisor may establish requirements, procedures or guidelines to assist Franchisee in meeting or complying with the standard. Franchisor will establish standards that impact the overall presentation of the 2B ORGANIZED® brand and concept to customers.

Franchisor may also establish recommendations, procedures or guidelines to assist Franchisee in meeting or complying with a standard. The required system standards will generally relate to the overall presentation of the 2B ORGANIZED® brand and concept to customers and in certain reporting obligations to Franchisor. Required system standards may be identified in the Operations Manual or in other written communications.

Franchisor may identify a practice as a "recommendation" or "suggested" practice to assist Franchisee in the operation of the Franchised Business. Franchisee is not required to follow Franchisor's recommendations or suggested practice.

B. CONDITION AND APPEARANCE OF THE BUSINESS

Franchisee must maintain and operate the Franchised Business office in the highest degree of service and appearance. Franchisee must also obtain, at Franchisee's cost and expense, any new or additional equipment as Franchisor reasonably requires for Franchisee to offer services for the Franchised Business in the manner Franchisor specifies. Except as may be expressly provided in the Operations Manual, no alterations or improvements or changes of any kind in design, equipment or signage, may be made in or about the Franchised Business without Franchisor's prior written approval. Franchisee agrees to prominently display such signs as Franchisor may require to notify the public that the Franchised Business is independently owned and operated by Franchisee.

C. REMEDIES FOR NONCOMPLIANCE WITH OPERATION OF FRANCHISED BUSINESS

If at any time in Franchisor's reasonable judgment the general state of the operation of the Franchised Business, including, without limitation, the quality of the professional organizing

services, does not meet Franchisor's standards, Franchisor shall notify Franchisee specifying the action to be taken by Franchisee to correct the deficiency. If Franchisee fails or refuses to initiate within 10 days after receipt of notice, and continue in good faith and with due diligence, a bona fide program to undertake and complete any required improvement in operations or in services, Franchisor has the right to terminate this Agreement on proper notice and opportunity of Franchisee to cure the default, as prescribed in this Agreement.

Franchisee agrees to maintain the condition and appearance of the Franchised Business office consistent with the image of a 2B ORGANIZED® Franchised Business as an attractive, clean, and professionally operated Franchised Business.

D. STANDARDS OF SERVICE

The Franchisee must at all times give prompt, courteous and efficient service to its customers. Franchisee must hire, supervise and train all its employees. Franchisee must not place employees or provide services in the Exclusive Territory of another franchisee, without the written approval of Franchisor. Franchisee shall, in all dealings with its customers and suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee must maintain a competent, conscientious, trained staff and take steps as necessary to ensure that its employees preserve good customer relations and comply with Franchisor's standards.

E. SPECIFICATIONS TO PRESERVE BRAND IMAGE

To ensure that the highest degree of quality and service is uniformly maintained, Franchisee must use its best efforts to operate the Franchised Business in compliance with the Specifications set forth in the Operations Manual, and as Franchisor may otherwise reasonably prescribe in writing, that impact the overall presentation of the Licensed Marks and brand, and Franchisee further agrees:

(1) to sell or offer for sale all products and services Franchisor requires, utilizing and complying with the method, manner and style that Franchisor prescribes; and

(2) to use and sell at all times only approved products, materials, and supplies that conform to Franchisor's Specifications.

F. APPROVED SUPPLIERS AND PRODUCTS

Franchisee agrees that the Franchised Business will only offer services which have been approved by Franchisor, and that Franchisee will only use approved business cards, stationery, and office signage which comply with Franchisor's Specifications.

Franchisee is prohibited from purchasing designated products and services from suppliers not previously approved by Franchisor. Franchisee may purchase products and services from suppliers suggested by Franchisee, provided the supplier complies with the standards and specifications for any product or service and the supplier satisfies Franchisor's supplier criteria. If Franchisee proposes to purchase approved products and services from a supplier not previously approved by Franchisor, then Franchisee must first notify Franchisor in writing and submit sufficient information, specifications and samples concerning the product or service to Franchisor

for its determination whether the product or service complies with Franchisor's specifications and standards and/or whether the supplier meets Franchisor's approved supplier criteria. Franchisor will notify Franchisee within 30 days from receipt of the samples of product or services from the supplier requested by Franchisee for approval, whether or not the proposed supplier is approved. Franchisor may establish procedures for the submission of request for approved suppliers. In the event the supplier is approved, Franchisor may withdraw the approval if supplier fails to produce products or services in compliance with Franchisor's standards and specifications, or in compliance with approved supplier criteria established by Franchisor which may include pricing considerations and whether the supplier meets the requirements for delivery. Franchisee may propose additional suppliers for approved products and services at any time throughout the term of the Franchise Agreement. Once the supplier is approved, Franchisee may purchase the product or service from the duly approved supplier or previously approved suppliers.

Franchisee acknowledges and agrees that Franchisor may condition the approval of a proposed supplier on requirements related to product quality, pricing, customer relations, and supplier's willingness to pay Franchisor for the right to do business with the franchise system and the franchisees. Franchisor and its Affiliates have the right to receive revenue or other material consideration from suppliers and to use such revenue without restriction.

Franchisor may develop proprietary software which Franchisor may require Franchisee to utilize in the operation of Franchisee's Franchised Business, upon 30 days written notice from Franchisor.

G. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

Franchisee shall obtain and maintain in effect all required licenses, permits and certificates relating to the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable federal, state and local laws, ordinances and regulations.

Franchisee must notify Franchisor in writing within five days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, writ, injunction, award of decree, by any court, agency, or other governmental instrumentality which may adversely affect the operation or financial condition of Franchisee or the Franchised Business.

All advertising and promotion by Franchisee must be completely factual and must conform to the highest standards of ethical advertising. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the business of Franchisor and the goodwill associated with the Licensed Marks and other Franchised Businesses.

12. MANAGEMENT OF THE FRANCHISED BUSINESS / CONFLICTING INTERESTS

The Franchised Business must at all times be under the direct, day-to-day, full-time supervision of Franchisee (or, if Franchisee is a partnership, corporation, or limited liability company, a partner, shareholder or member who has been approved by Franchisor as the managing partner, shareholder or member and who has satisfactorily completed the training program) or an operating manager who has been approved by Franchisor and who has satisfactorily completed Franchisor's training program. If an operating manager supervises the Franchised Business,

Franchisee (or the managing partner, shareholder, or member) must remain active in overseeing the operations of the Franchised Business conducted under the supervision of the manager.

Franchisee has sole authority and is exclusively responsible for hiring, training, supervising and managing Franchisee's employees.

Franchisee must at all times faithfully, honestly and diligently perform his/her obligations and continuously exert his/her best efforts to promote and enhance the operation of the Franchised Business. The person who is responsible for the day-to-day supervision of the Franchised Business (i.e., the managing partner, shareholder, or member, or the approved manager) must assume responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments, or otherwise may conflict with Franchisee's obligations.

If at any time the Franchised Business is not being managed by Franchisee (or, if Franchisee is a partnership, corporation, or limited liability company, the managing partner, shareholder or member) or an approved manager who has satisfactorily completed Franchisor's training program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of his/her obligations or constitute a waiver of Franchisor's right to terminate the Franchise Agreement. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor's appointed manager. Franchisor has the right to charge a reasonable fee for management services and to cease to provide management services at any time.

13. INSURANCE

During the term of this Agreement, Franchisee must maintain in force, under policies of insurance issued by insurers, the required types of insurance at specific levels of coverage as outlined in this Franchise Agreement. All insurance policies shall be written by an insurance company or companies satisfactory to Franchisor, in compliance with the standards, Specifications, coverage and limits set forth in the operations manual or otherwise provided to Franchisee in writing. All insurance policies must be issued by an insurance carrier rated A or meeting such other rating or criteria Franchisor may establish from time to time. These policies must name Franchisor as an additional insured and Franchisee must provide proof of having secured this insurance before the commencement of the Franchised Business. Franchisor may also reasonably increase the minimum liability required coverage annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in the industry, or other relevant changes and circumstances. Franchisee must submit to Franchisor annually a copy of the certificate of insurance or evidence of the renewal or extension of each such insurance policy or any modifications to any such insurance policies. If at any time Franchisee fails or refuses to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence of such insurance, Franchisor may, at its option and in addition to other rights and remedies Franchisor may have, obtain insurance coverage, on Franchisee's behalf, and Franchisee agrees to properly execute any applications or other forms or instruments required to obtain any such insurance and pay to Franchisor on demand any cost and premiums incurred by Franchisor. Franchisee's obligation to obtain and maintain the insurance coverage described herein and in the Franchise Agreement is a material obligation of the Franchise Agreement. Failure to

comply shall constitute good cause for termination of the Franchise Agreement.

Franchisee must at all times during the term of this Agreement, maintain in force, at its sole expense, on a primary basis with Franchisor, the following insurance, naming Franchisor as an additional insured:

- (1) Commercial general liability insurance, including bodily injury, property damage, personal injury, products and completed operations liability coverage with a combined single limit of not less than \$1,000,000;
- (2) Automobile liability insurance for all owned, non-owned and hired automobiles with a single limit coverage of not less than \$1,000,000; and
- (3) An umbrella liability policy in the amount of not less than \$2,000,000, or in an amount as required by Franchisor, based on Franchisee's volume of business.

Other insurance as may be required by the state or locality in which the Franchised Business is located and operated.

Franchisee agrees to indemnify and save harmless Franchisor, its directors, officers and employees, from and against all loss or expense (including costs and attorneys' fees) by reason of liability imposed by law for damages sustained by any person or persons or damage to property, including loss of use thereof, arising out of the performance of this contract, except only damages due to the sole negligence of the Franchisor.

All insurance policies must be issued by the insurance carrier or insurance carriers acceptable to Franchisor and must name Franchisor as an additional insured, must contain a waiver of insurance company's right of subrogation against Franchisor and must provide that Franchisor will receive 30 days prior written notice of termination, expiration or cancellation of policy.

Franchisor may reasonably increase the minimum liability protection requirement annually. Franchisee must submit to Franchisor annually a copy of the certificate of or other evidence of the renewal or extension of each insurance policy. If Franchisee at any time fails or refuses to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence, Franchisor, at its option and in addition to its other rights and remedies, may obtain insurance coverage on behalf of Franchisee, and Franchisee must promptly execute any applications or other forms or instruments required to obtain any insurance and pay to Franchisor, on demand, any costs and premiums incurred by Franchisor.

Franchisee is required to submit to Franchisor within 90 days of execution of the Franchise Agreement, a copy of the Certificate of Insurance in compliance with the requirements.

14. ADVERTISING, MARKETING FUND AND PRICING

A. ADVERTISING

Franchisee must participate actively in advertising, social media, public relations and networking, and shall comply with all terms and conditions established by Franchisor for each

such program. Before their use by Franchisee, samples of all local advertising, marketing, public relations and promotional materials not prepared by or previously approved by Franchisor must be submitted to Franchisor for approval, which shall not be unreasonably withheld. Local advertising, marketing, public relations and promotional materials prepared by Franchisee shall be prepared in accordance with Franchisor's Specifications. If written disapproval is not received by Franchisee within 15 days after the date of receipt by Franchisor of any submitted materials, Franchisee may begin using such materials, but Franchisor may disapprove at any subsequent date, and if Franchisor notifies Franchisee to cease using such materials, Franchisee will immediately cease using such materials. In such event, Franchisor will reimburse Franchisee for its actual costs, if the marketing materials have not violated Franchisor's standard of trademark usage. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

B. MARKETING FUND

There is no advertising fund in which Franchisee must participate at this time, but Franchisor reserves the right to implement an advertising fund in its sole discretion. Franchisor may create a Marketing Fund (the "Fund") in its sole and absolute discretion upon 60 days prior written notice to Franchisee. In the event Franchisor creates and implements the Fund, Franchisor will administer and direct all Fund programs, with sole discretion over the creative concepts, materials, endorsement and media used and the placement and allocation of all advertising, marketing and public relations materials. Franchisor has the right to determine, in its sole discretion, the composition of all geographic territories and market areas for the development and implementation of advertising, marketing and public relations programs.

The Fund may be used to meet all costs and expenses relating to the following programs and activities.

1. Maintaining, administering, directing, and preparing national, regional or local advertising materials; placing regional and local advertising programs and public relations activities including, without limitation, the cost of preparing and conducting public relations programs; and radio, direct mail, magazine, newspaper, Internet and other media advertising and marketing activities; and conducting related marketing and networking meetings for franchisees.
2. Employing advertising and marketing agencies and utilizing Franchisor's administrative personnel to perform advertising, marketing and public relations services;
3. Developing promotional brochures and advertising materials for purchase by Franchisee;
4. Reimbursement of Franchisor's administrative and personnel costs and salaries and overhead associated with advertising, marketing, telemarketing, public relations, market research, customer satisfaction, customer surveys, consumer research and any expenses related thereto;
5. The strategic partnerships to create brand awareness; and

6. Any and all other brand awareness activities.

The Fund may periodically provide Franchisee with samples of advertising, marketing and promotional formats and materials and public relations materials. The direct cost of producing these materials will be reimbursed to Franchisor from the Fund.

Franchisor may make available to Franchisee for purchase by Franchisee of advertising and marketing materials, direct mail materials, public relations materials and dissimilar advertising and marketing materials which may be produced and paid for by the Fund.

Franchisor will account for the Fund separately from other funds and may not use the Fund for its general operating expenses, with the exception that Franchisor may use the Fund to pay the reasonable salaries and benefits of Franchisor's personnel who manage and administer the Fund and for the Fund's other administrative costs and travel expenses while personnel is on Fund business, for meeting costs and for overhead related to the Fund business and other expenses that Franchisor incurs and activities reasonably related to administering or directing the Fund and its programs, which may include, without limitation, conducting market research, public relations activities, preparing advertising, promotional and marketing materials and preparing an accounting of Fund contributions. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of Franchisees to the Fund in that year and Franchisor may make loans to the Fund. Franchisor will prepare an unaudited report of the operations of the Fund annually for the prior year which will be available to Franchisee upon reasonable request. At the implementation of the Fund, upon 60 days written notice to Franchisee, Franchisee must begin contributing an amount equal to \$100 to us for utilization for the expenses and activities of the Fund. Franchisee must pay Franchisor required contributions to the Fund on or before the 10th day of each month for the previous reporting period by electronic funds transfer.

The Fund is not Franchisor's asset. The Fund is also not a trust. Franchisor has no fiduciary obligation to Franchisee for administering the Fund.

The Fund is intended to maximize recognition of the trademarks and utilization of franchised businesses. Franchisor need not insure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by franchisees operating in that geographic area or that any franchisee's business will benefit directly or in proportion to its Fund contributions.

Upon 30 days prior written notice to Franchisee, Franchisor may reduce or suspend Fund contributions or operations for one or more periods of any length of time and may terminate the Fund.

C. PRICING

Franchisor may suggest retail pricing for the products and services offered by Franchisee's Franchised Business. Franchisor also reserves the right to the fullest extent permitted by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices Franchisee charges for products or services. If Franchisee sells any product or services at any price recommended or required by Franchisor, Franchisee acknowledges that

Franchisor has made no guarantee or warranty that the recommended or required price will enhance Franchisee's sales or profits.

15. RECORDS AND REPORTS

A. Franchisee must maintain during the term of this Agreement, and must preserve for at least 3 years from the dates of their preparation, full, complete and accurate books, records and accounts including payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, in accordance with generally accepted accounting principles ("GAAP"), as applicable, and in the form and manner Franchisor prescribes in the Operations Manual or otherwise in writing.

B. In addition to the reports otherwise required by this Agreement, Franchisee must comply with the following reporting obligations:

(1) At Franchisee's expense, submit to Franchisor, in the form Franchisor reasonably prescribes, an unaudited profit and loss statement and a balance sheet for each month for Franchisee within 20 days after the end of each month during the term of this Agreement;

(2) Franchisee must, at its expense, provide to Franchisor annual financial statements (which may be unaudited) reviewed by an independent certified public accountant in accordance with GAAP, or acknowledged in writing by the Chief Executive Officer of the Franchisee as to their accuracy, the annual financial statements, including an earnings statement and balance sheet within 60 days from the end of each of Franchisee's fiscal year end; and

(3) Franchisee must timely submit to Franchisor any other forms, reports, records, information and data as Franchisor may reasonably request.

C. Franchisor or its designees shall have the right at all reasonable times to review, audit, examine and copy any and all of the books and records, cash control devices, sales and income tax records of Franchisee. Franchisee shall make such books and records available to Franchisor or its designees at the time of request and cooperate with Franchisor, its representatives and any independent accountants hired by Franchisor.

D. Franchisee authorizes Franchisor to disclose data from Franchisee's reports, if Franchisor determines, in its sole discretion, that disclosure is necessary or advisable, including, without limitation, disclosure to prospective franchisees or existing Franchisees or to other third parties.

E. Franchisee must provide to Franchisor, on a quarterly basis, accurate reporting of all marketing, advertising and networking expenditures.

16. BOOKS, RECORDS AND COMPUTER INFORMATION

The Franchisor or its designee shall have the right at all reasonable times to review, audit, examine and copy any and all the books and records, cash control devices, computers, sales and income tax records of Franchisee. Franchisee shall make such books and records and computers

available to Franchisor or its designee at the time of request and must cooperate with Franchisor, its representatives or independent accountants utilized by Franchisor.

17. TRANSFER OF INTEREST

A. BY THE FRANCHISOR

Franchisor has the absolute right to transfer or assign this Agreement and all or any part of its rights and obligations to any person or legal entity, without the consent or approval of Franchisee. This Agreement shall inure to the benefit of, and be binding on, the successors and assigns of Franchisor.

B. FRANCHISEE MAY NOT ASSIGN OR SELL SUBSTANTIALLY ALL OF ITS ASSETS WITHOUT APPROVAL OF THE FRANCHISOR

Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and its owners and that Franchisor has granted the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Franchisee or its owners or members. Unless otherwise provided with respect to an assignment to a corporation or limited liability company, neither the Franchise nor the Franchised Business (or any interest) nor substantially all of the assets nor any part or all of the ownership of Franchisee may be voluntarily, involuntarily, directly or indirectly, assigned, sold, subdivided, subfranchised or otherwise transferred by Franchisee or its owners (including by merger or consolidation, or by issuance of additional securities representing an ownership interest in Franchisee, or by conversion of a general partnership to a limited partnership, by transfer or creation of an interest as a general partner of a partnership, or by transfer of an interest in Franchisee or in this Agreement in a divorce proceeding, or if Franchisee or an owner of Franchisee dies, by will, declaration of or transfer in trust or the laws of the intestate succession) without the prior written approval of Franchisor, and any assignment or transfer without approval constitutes a breach and conveys no rights to or interests in the Franchise, the Franchised Business or the assets.

C. CONDITIONS FOR APPROVAL OF ASSIGNMENT OR SALE OF ASSETS

If Franchisee and its owners are in full compliance with this Agreement, Franchisor shall not unreasonably withhold its approval of either an assignment of this Franchise Agreement or the sale of substantially all of the assets of Franchisee's Franchised Business, provided that the proposed assignee, buyer, or other transferee (the "transferee") is of good moral character and has sufficient business experience, aptitude and financial resources to own and operate the Franchised Business and otherwise meets Franchisor's then applicable standards for franchisees, in Franchisor's sole discretion, and further provided that Franchisor may require that any one or more of the following conditions be met before, or concurrently with, the effective date of the assignment or sale of assets or other interest in Franchisee:

- (1) all of the accrued monetary obligations of Franchisee or any of its affiliates and all other outstanding obligations to Franchisor or any of its affiliates arising under this

Agreement or any other Agreement must be satisfied in a timely manner and Franchisee must satisfy all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(2) Franchisee and its affiliates must not be in default of any provisions of this Agreement, or of any amendment, or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates, and Franchisee must have substantially and timely complied with all the terms and conditions of all agreements during the term of this Agreement;

(3) the Franchisee and its principals (if applicable) must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, its affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, of any and all claims including claims arising under this Agreement and claims made under federal, state and local laws, rules and regulations;

(4) the transferee must submit to a criminal and credit background investigation;

(5) the transferee or purchaser of the assets must enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer or sale of assets, all obligations, covenants and agreements contained in this Agreement; and, if transferee is a corporation, partnership, or limited liability company transferee's shareholders, partners, members, or other investors, as applicable, must execute agreements as transferee's principals and guarantee the performance of all obligations, covenants and agreements;

(6) the transferee or purchaser of the assets must execute a new Franchise Agreement for the term established, which shall be the standard form Franchise Agreement then being offered to new franchisees, and other ancillary agreements as Franchisor requires for the Franchised Business which agreement supersedes this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms in this Agreement. The transferee is not required to pay any initial franchise fee. If transferee is a corporation, partnership, or limited liability company transferee's shareholders, partners, members or other investors, as applicable, must execute agreements as transferee's principals and guarantee the performance of all obligations, covenants and agreements;

(7) the Franchisee remains liable for all the obligations to Franchisor in connection to the Franchised Business incurred before the effective date of the transfer and must execute any and all instruments Franchisor reasonably requests to evidence that liability;

(8) the transferee, the transferee's operating principal, general manager and/or any other applicable Franchised Business personnel must successfully complete any

training programs then in effect for franchisees of Franchised Businesses upon terms and conditions Franchisor reasonably requires;

(9) Franchisee or transferee or purchaser of the assets must pay a transfer fee to Franchisor of \$7,500;

(10) Franchisor approves the material terms and conditions of the transfer or sale of assets and determines that the price and terms of payment are not so burdensome as to materially affect the future operations of the Franchised Business by the transferee;

(11) Franchisee (and each of its owners or members, if Franchisee is a corporation, partnership or limited liability company) has executed a non-competition covenant in favor of Franchisor and the transferee, agreeing that for a minimum period of two years, commencing on the effective date of the assignment or sale of assets, he/she will not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competitive Business or any business, enterprise or activity competitive with a 2B ORGANIZED® Franchised Business located or operating within the Exclusive Territory of the Franchise Agreement subject to transfer or within the Exclusive Territory of any other 2B ORGANIZED® Franchised Business operated by a Franchisee of Franchisor or within a 15 mile radius of any 2B ORGANIZED® business operated by Franchisor or its Affiliates, except for other 2B ORGANIZED® Franchised Businesses operated under franchise agreements with Franchisor or the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent or less of that class of stock; and

(12) Franchisee has entered into an agreement with Franchisor agreeing to subordinate to transferee's obligations to Franchisor, including any royalty fees, any obligations of transferee to make installment payments of the purchase price to Franchisee.

Franchisor's consent to an assignment or sale of substantially all of the assets or of any other interest subject to the restrictions of this Agreement does not constitute a waiver of any claims it may have against the Franchisee, nor is it deemed a waiver of Franchisor's right to demand exact compliance with any of the terms or conditions of the Franchise by the transferee or by the purchaser of the assets.

D. DEATH OR DISABILITY OF FRANCHISEE

Upon the death or permanent disability of Franchisee (or the managing shareholder, partner or member), the executor, administrator, conservator or other personal representative of that person, or the remaining shareholders, partners or members, must appoint a competent manager within a reasonable time, not to exceed 30 days from the date of death or permanent disability. The appointment of a manager is subject to Franchisor's training program. If the Franchised Business is not being managed by a Franchisor-approved manager within 30 days after death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of

Franchisee until an approved assignee is able to assume the management and operation of the Business. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of his/her obligations, and Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business during any period in which it is managed by Franchisor's appointed manager. Franchisor has the right to charge a reasonable fee for management services and to cease to provide management services at any time.

Upon the death or permanent disability of Franchisee (or any shareholder, partner or member of Franchisee, if Franchisee is a corporation, partnership or limited liability company), the executor, administrator, conservator or other personal representative of that person must transfer his/her interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person approved by Franchisor. Approval of a transfer will not be unreasonably withheld. Transfers, including transfers by devise or inheritance, are subject to all the terms and conditions for assignments and transfers contained in Paragraphs B and C of this Section 16. Failure to so dispose of this interest within that period of time constitutes grounds for termination.

E. ASSIGNMENT TO A CORPORATION OR LIMITED LIABILITY COMPANY

Upon 30 days prior written notice to Franchisor, the Franchise and the assets and liabilities of the Franchised Business may be assigned, by an agreement in form and substance approved by Franchisor, to a corporation or limited liability company that conducts no business other than the 2B ORGANIZED® Franchised Business (or other Franchised Businesses under franchise agreements granted by Franchisor), which is actively managed by Franchisee and in which Franchisee owns and controls not less than 51% of the shares and voting power of all issued and outstanding capital stock of the corporation or maintains not less than 51% ownership in the limited liability company. An assignment does not relieve Franchisee of his/her obligations, and Franchisee remains jointly and severally liable for all obligations. The articles of incorporation, articles of organization, by-laws and other organizational documents of any corporation or limited liability company which is Franchisee must recite that the issuance and assignment of any interest is restricted by the terms of Paragraphs B and C of this Section 16 and all issued and outstanding stock certificates of the corporation must bear a legend reflecting or referring to the restrictions of Paragraphs B and C of this Section 16. There is no assignment fee due for this transfer.

Any person who is or becomes a shareholder or member of Franchisee or has or acquires beneficial ownership of any shares of stock of Franchisee must execute an agreement in form furnished or approved by Franchisor undertaking to be bound jointly and severally by all provisions of this Agreement. Franchisee must furnish to Franchisor at any time upon request a certified copy of the articles of incorporation or the articles of organization and a list, in a form Franchisor requires, of all shareholders or members of record and all persons having beneficial ownership of shares of stock, reflecting their respective interests in Franchisee.

F. PUBLIC OR PRIVATE OFFERINGS

If Franchisee (or any of its owners or members), subject to the restrictions and conditions of transfer contained in this Section, attempts to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in Franchisee or any affiliate of Franchisee, Franchisee, recognizing that the written information used may reflect upon Franchisor, agrees to submit any written information to Franchisor before its inclusion in any registration statement, prospectus or similar offering circular or memorandum. The written consent of Franchisor pursuant to this Paragraph F does not imply or constitute the approval of Franchisor with respect to the method of financing, the offering literature submitted to Franchisor or any other aspect of the offering. No information respecting Franchisor or any of its affiliates shall be included in any securities disclosure document, unless the information has been furnished by Franchisor, in writing, pursuant to the written request of the Franchisee, in which the Franchisee states the specific purpose for which the information is to be used. Should Franchisor, in its sole discretion, object to any reference to Franchisor or any of its affiliates or any of their businesses in the offering literature or prospectus, the literature or prospectus shall not be used unless and until the objections of Franchisor are withdrawn. Franchisor assumes no responsibility for the offering whatsoever.

The prospectus or other literature utilized in any offering must contain the following language in bold-faced type on the first textual page:

NEITHER 2B ORGANIZED FRANCHISE SYSTEM, INC. NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER 2B ORGANIZED FRANCHISE SYSTEM, INC. NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY WITH RESPECT TO THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION SET FORTH, INCLUDING ANY STATEMENTS MADE WITH RESPECT TO ANY OF THEM. NEITHER 2B ORGANIZED FRANCHISE SYSTEM, INC. NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION WITH RESPECT TO THE INVESTMENT CONTEMPLATED BY THIS OFFERING.

Franchisee and each of its owners agree to indemnify, defend and hold harmless Franchisor and its affiliates, and their respective officers, directors, employees and agents, from any and all claims, demands, liabilities, and all costs and expenses (including reasonable attorneys' fees) incurred in the defense of claims, demands or liabilities, arising from the offer or sale of securities, whether asserted by a purchaser of any security or by a governmental agency.

G. FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Franchisee or its owners or members at any time determine to sell or to transfer for consideration the Franchise, the Franchised Business (or an interest) or an ownership interest in Franchisee, Franchisee or its owners or members must obtain a bona fide, executed written offer

from a responsible and fully disclosed purchaser and must submit an exact copy of the offer to Franchisor. Franchisor has the right, exercisable by written notice delivered to Franchisee or its owners or members within 30 days from the date of delivery of an exact copy of an offer to Franchisor to purchase interest in the Franchised Business or ownership interest in Franchisee or membership interest in Franchisee for the price and on the terms and conditions contained in the offer, provided that Franchisor may substitute cash for any form of payment proposed in the offer and has a minimum of 60 days to prepare for closing. If Franchisor does not exercise its right of first refusal, Franchisee or its owners may complete the sale to purchaser pursuant to and on the terms of the offer, in Paragraphs B and C of this Section, provided that if the sale to purchaser is not completed within 120 days after delivery of the offer to Franchisor, or if there is a material change in the terms of the sale, Franchisor shall again have the right of first refusal.

18. RENEWAL OF FRANCHISE

A. FRANCHISEE'S RIGHT TO RENEW

If, upon expiration of the initial term of the Franchise, Franchisee has during the term of this Agreement substantially complied with all its material provisions and agrees to comply with the specifications and standards then applicable for new Franchised Businesses, then Franchisee has a right to renew the Franchise for an additional term equal to the five years granted under Franchisor's then-current form of standard Franchise Agreement.

Franchisee must pay Franchisor a renewal fee equal to \$2,500 for each renewal period, which must be paid at the time Franchisee gives Franchisor notice of its desire to renew as provided below in paragraph 17.B.

B. NOTICE OF RENEWAL AND NONRENEWAL

In order for Franchisee to have the right to renew the Franchise for one additional term as provided in Section 17.A., Franchisor must receive written notice from Franchisee of Franchisee's desire to exercise its right to renew at least 90 days before the expiration of the initial term. If Franchisor does not receive such written notice at least 90 days before the expiration of the initial term, this Agreement shall expire at the end of the initial term.

If Franchisor does receive such written notice at least 90 days before the expiration of the initial term, then Franchisor must determine whether Franchisee has the right to renew the Franchise under the standards set forth in this Section 17. If Franchisor determines that Franchisee does not have the right to renew the Franchise based on the standards set forth in this Section 17, Franchisor agrees to give Franchisee written notice (the "Notice of Nonrenewal") of its determination at least 120 days before the expiration of the initial term. The Notice of Nonrenewal from Franchisor shall state the reasons for Franchisor's refusal to renew the Franchise.

If the reasons cited by Franchisor in the Notice of Nonrenewal are curable and are in fact cured by Franchisee, as reasonably determined by Franchisor, within 60 days of the date of Franchisor's Notice of Nonrenewal, then the Notice of Nonrenewal will be of no further effect and Franchisee is allowed to renew for one additional term equal to the then-customary initial term granted under Franchisor's then current form of standard franchise agreement. However, if the reasons stated in the Notice of Nonrenewal include the insolvency of Franchisee, or the

occurrence of an assignment for the benefit of creditors by Franchisee or Franchisee's filing of a petition in bankruptcy, then such reasons shall be deemed to be incurable and the Notice of Nonrenewal is effective upon delivery to Franchisee.

If the reason stated in the Notice of Nonrenewal include Franchisee's nonpayment of sums due under the Franchise Agreement to Franchisor and its affiliates, then Franchisee is entitled to a written notice of default and nonpayment and Franchisee has 10 days in which to cure and rectify default by payment of all sums, including interest due, in compliance with the terms of this Agreement to Franchisor.

C. RENEWAL FRANCHISE AGREEMENT

As a condition precedent to the renewal of the Franchise, Franchisee (and the owners, partners, or members of Franchisee, if Franchisee is a corporation, partnership or limited liability company) must execute the then-current form of the Franchise Agreement and any ancillary agreements Franchisor customarily uses in the grant of franchises for the ownership and operation of Franchised Businesses (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise) and which may contain terms and conditions which are materially different from those in your previous Franchise Agreement, such as, but without limitation, increase in fees and implementation of new fees. As a further condition precedent to the renewal of the Franchise, Franchisee and its owners, partners or members must execute general releases, in form and substance satisfactory to Franchisor, releasing any and all claims against Franchisor and its affiliates, officers, directors, employees and agents. Failure by Franchisee and its owners, partners or members to sign agreement(s) and releases within 30 days after delivery to Franchisee is deemed an election by Franchisee not to renew the Franchise.

D. CONDITIONS FOR RENEWAL

In addition to the conditions and requirements stated above in this Section, any or all of the following conditions must be met by Franchisee, in Franchisor's discretion, before and at the time of renewal:

(1) Franchisee must not be in default of any provision of this Agreement, any amendment or any other agreement between Franchisee and Franchisor or any of its affiliates; and Franchisee must have substantially and timely complied with all the terms and conditions of all agreements;

(2) Franchisee must have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee and any of its affiliates and Franchisor or any of its affiliates and must have timely met those obligations throughout the terms of those agreements;

(3) Franchisee must have provided Franchisor with written notice of Franchisee's desire to exercise its right to renew at least 90 days before the expiration of the initial term;

(4) Franchisee must comply with Franchisor's then-current qualification and training requirements;

(5) Franchisee must have executed the then-current form of the Franchise Agreement and any ancillary agreements or documents required by Franchisor; and

(6) Franchisee must pay Franchisor a renewal fee of \$2,500 described in Section 17.A.

E. EXPIRED AGREEMENT

If Franchisee does not sign a new franchise agreement and initiate and comply with the renewal procedures outlined in this Section 17, prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor this Agreement may be treated either as:

(1) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or

(2) continue on a month-to-month basis (the "Interim Period") until Franchisor or Franchisee provides the other party with written notice of such party's intention to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed upon Franchisee on the expiration of this Agreement shall be deemed to take effect upon the termination of the Interim Period.

19. TERMINATION

A. Franchisee shall be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if: (1) Franchisee shall become insolvent or make a general assignment for the benefit of creditors; (2) a petition in bankruptcy is filed under any Chapter of Title 11 of the United States Code by Franchisee or such a petition is filed against Franchisee and not opposed by Franchisee; (3) a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; (4) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (5) proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; (6) final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); (7) the Franchisee is dissolved; or (8) execution is levied against Franchisee's business or property.

B. Franchisee shall be in default under this Agreement and all rights granted by this Agreement may be terminated by Franchisor, in Franchisor's sole discretion, effective upon written notice to Franchisee if one or more of the following material breaches occurs:

(1) Final conviction of Franchisee of a felony, or if Franchisee engages in conduct which, in the reasonable judgment of Franchisor, may affect the goodwill of the Licensed Marks;

(2) Franchisee or any of its Principals fails to comply with the covenants contained in this Agreement;

(3) Franchisee or a Principal discloses the contents of the Operations Manual or other Confidential Information in breach of this Agreement;

(4) Franchisee or a Principal has made a material misrepresentation with its application for the franchise;

(5) Franchisee fails on three separate occasions within any 12 consecutive month period (i) to submit when due financial statements, reports or other data, information or supporting records, (ii) to pay when due the Royalty Fees or other payments due to Franchisor, (iii) have sufficient funds for an electronic funds transfer or (iv) or to otherwise comply with this Agreement, whether or not failure to comply is corrected after notice is delivered to Franchisee; or

(6) Franchisee maintains false books or records.

C. If any of the events set forth below occur, Franchisee shall be in material default of this Agreement and Franchisor shall have the right to terminate this Agreement upon 30 days written notice to Franchisee (or the shorter period set forth below). The notice shall specify the default and provide Franchisee with 30 days (or the shorter period set forth below) in which to cure the default. Termination shall be effective upon the expiration of the 30 day period (or the shorter period set forth below) if Franchisee fails to cure the default without further notice to Franchisee. The occurrence of any one of the following shall be a material default and shall constitute good cause for termination of this Agreement:

(1) Franchisee fails to develop, or operate the Franchised Business in compliance with this Agreement;

(2) Franchisee misappropriates, or misuses or makes any unauthorized use of the Licensed Marks or materially impairs the goodwill associated with the Licensed Marks;

(3) Franchisee purports to transfer any right or obligation under this Agreement without Franchisor's prior written consent and in compliance with the provisions of this Agreement;

(4) Franchisee or any of its Affiliates fails, refuses or is unable to promptly pay when due any monetary obligation to Franchisor under this Agreement or any other agreement between the parties and Franchisee does not cure such default within 14 days following written notice from Franchisor;

(5) Franchisee fails to comply with any other material provision of this Agreement;

(6) Franchise violates any law, ordinance, rule or regulation of a governmental agency in the connection with the operation of the Franchised Business, and permits the same to go uncorrected after notification of violation;

(7) Franchise fails to maintain or suffers cancellation of any insurance policy required under this Agreement;

(8) Franchise violates any of the covenants contained in this Agreement;

(9) Franchisee or any of its Affiliates fails to comply with any other provision of this Agreement or any mandatory Specification prescribed by Franchisor, including, without limitation, any procedural requirements set forth in the Operations Manual, or any other directive of Franchisor; or

(10) Franchisee or any of its Affiliates fails to timely pay suppliers and vendors for the purchase of products or services.

D. If Franchisee fails to cure any default specified in a notice from Franchisor under Section 18.C. within the specified time, or a longer period of time as applicable law, Franchisee's rights under this Agreement shall terminate upon the expiration of the notice period, and without further notice to Franchisee.

E. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

20. POST-TERMINATION AND POST-EXPIRATION

A. Upon termination or expiration of this Agreement, all rights granted to Franchisee immediately terminate and:

(1) Franchisee must immediately cease to operate the Franchised Business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;

(2) Franchisee must immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, and must immediately and permanently cease to communicate or order products from approved suppliers, must immediately and permanently cease to use the Licensed Marks and distinctive forms, slogans, signs, symbols and devices associated with the System, in any manner or for any purpose. Franchisee must cease to use, without limitation, all signs, advertising materials, displays, stationery, forms and any other articles which display the Licensed Marks or any distinctive features or designs associates with the Franchised Business;

(3) Franchisee must immediately pay to Franchisor, within 15 days after the effective date of termination or expiration (without renewal) of this Agreement, Royalty Fees and any associated interest and Franchisee must contemporaneously with payment furnish a complete accounting of all amounts owed to Franchisor and its Affiliates;

(4) Franchisee must take any action required to cancel all fictitious or assumed names or equivalent registrations relating to any of the Licensed Marks;

(5) Franchisee must notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with the Licensed Marks and to authorize transfer of same to or at the direction of Franchisor; Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers and directory listings associated with the Licensed Marks, and Franchisee authorizes Franchisor, and appoints Franchisor and any officer of Franchisor as his attorney-in-fact, to direct the telephone company and all listing agencies to transfer same to Franchisor or at its direction, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept this direction or this Agreement as conclusive of the exclusive right of Franchisor in telephone numbers and directory listings and its authority to direct their transfer;

(6) Franchisee must furnish to Franchisor within 30 days after the effective date of termination or expiration evidence satisfactory to Franchisor of Franchisee's compliance with the foregoing obligations;

(7) Franchisee must pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees incurred by Franchisor subsequent to the termination or expiration of this Agreement or in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

(8) Franchisee must immediately deliver to Franchisor the Operations Manual and all Confidential Information related to operating the Franchised Business; and

(9) Franchisee must comply with the restrictions on Confidential Information contained in this Agreement and must also comply with the non-competition covenants contained in this Agreement.

B. All obligations, which by their nature, survive the expiration or termination of this Agreement and continue in full force and effect subsequent to its expiration or termination and until they are satisfied or expire.

21. COVENANTS

A. During the term of this Agreement or any extension:

(1) Franchisee must, or designate a Representative to devote full time, energy and effort to the management and operation of the 2B ORGANIZED® Franchised Business, and if designated, the Management Team must devote full time, energy and effort to the management and operation of the Franchised Business; and

(2) Franchisee must exert Franchisee's best efforts to successfully develop and operate the 2B ORGANIZED® Franchised Business.

B. Franchisee acknowledges that, pursuant to this Agreement, Franchisee and its Principals will receive valuable training, trade secrets and Confidential Information, which are beyond their present skills and experience and that the specialized training, trade secrets and Confidential Information provide a competitive advantage and are valuable to them in the development and operation of the Franchised Business and that gaining access to it is a primary reason for entering into this Agreement. In consideration for such training, trade secrets and Confidential Information, Franchisee covenants that during the term of this Agreement (or so long as any Principal satisfied the definition of a “Principal” if a lesser period) and any extensions or renewals, that neither Franchisee nor any of its Principals shall either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any persons or entity:

(1) Divert, or attempt to divert, any business or customer of the Franchised Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Licensed Marks or the System; and

(2) Except with respect to 2B ORGANIZED® Franchised Businesses operated under franchise agreements between Franchisee (or one of its Affiliates) and Franchisor (or one of its Affiliates) own, maintain, operate, engage in, or have any financial or beneficial interest, in (including any interest in any entity) or advise, assist or make loans to, any Competitive Business located, or is intended to be located, within the United States, its territories or commonwealth, or any other country, province, state or geographic area in which Franchisor has used, sought registration of, or registered the same or similar Licensed Marks or operates or licenses others to operate businesses under the same or similar License Marks.

C. The parties acknowledge and agree that each of the covenants contained herein is a reasonable limitation as to time, geographic area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interest of Franchisor. The parties agree that each of the covenants herein shall be construed as independent of any other covenant provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any covenant subsumed within the terms of that covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 20.

D. Franchisee expressly agrees that the existence of any claims that Franchisee or any Principal may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 20.

E. Franchisee must require and obtain execution of covenants similar to those set forth in this Section 20 (including covenants applicable upon the termination of a person’s employment with Franchisee) from its general manager. These covenants must be substantially in the form set forth in Exhibit B. Principals owning 10% or greater interest in Franchisee also must execute these covenants.

Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to decrease the period of time or geographic scope of the non-competition covenants set forth in Exhibit B or eliminate the non-competition covenant altogether for any party that is required to execute an agreement under this Section 20.

F. Franchisee acknowledges and agrees that any failure to comply with the requirements of this Section 20 constitutes a material event of default under this Agreement and would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Therefore, Franchisor shall be entitled to obtain specific performance of or any injunction against the violation of the terms of this Section 20 provided that the conduct is later determined to be in violation of the terms of this Section 20. Franchisee shall pay all court costs and reasonable attorneys' fees Franchisor incurs in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of this Section 20.

G. The covenants set forth in this Section 20 shall survive the termination or expiration of this Agreement.

H. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. A court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party may determine all or any portion of a covenant in this Section 20 is held unreasonable or unenforceable. In that event, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this paragraph.

22. MEDIATION

THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT (AND EXHIBITS) OR THE RELATIONSHIP CREATED BY THIS AGREEMENT TO NON-BINDING MEDIATION BEFORE BRINGING A CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION IS TO BE CONDUCTED THROUGH EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY, EXPERIENCED IN THE MEDIATION OF FRANCHISE RELATED DISPUTES, AGREED UPON BY THE PARTIES AND, FAILING AN AGREEMENT WITHIN A REASONABLE PERIOD OF TIME AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION OF ANY CLAIM, CONTROVERSY OR DISPUTE (NOT TO EXCEED 15 DAYS), BY THE AMERICAN ARBITRATION ASSOCIATION (OR ANY SUCCESSOR ORGANIZATION) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION, AT A LOCATION TO BE DETERMINED BY FRANCHISOR IN SPRINGFIELD, MISSOURI. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING COMPENSATION AND EXPENSES OF THE MEDIATOR (AND EXCEPT FOR THE ATTORNEYS' FEES INCURRED BY EITHER PARTY), IS TO BE SHARED BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN EITHER PARTY MAY

BRING A LEGAL PROCEEDING UNDER SECTION 22.I. TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE UNLESS THE TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES. NOTWITHSTANDING THE FOREGOING, FRANCHISOR MAY BRING AN ACTION (1) FOR MONIES OWED, OR (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, WITHOUT FIRST SUBMITTING THAT ACTION TO MEDIATION.

23. ENFORCEMENT

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term and provision of this Agreement, is considered severable. If for any reason, any portion of this Agreement is held in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, that ruling shall not impair the operation of, or have any other effect upon, other portions of this Agreement as may remain otherwise intelligible. The surviving portions of this Agreement shall continue to be given full force and effect and bind the parties to this Agreement. Any portion of this Agreement held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if Franchisee is a party, otherwise upon Franchisee's receipt of a notice of non-enforcement from Franchisor.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any Specification that Franchisor prescribes is invalid or unenforceable, the prior notice and/or other action required by that law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable provision or Specification to the extent required to be valid and enforceable. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is prescribed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions or any Specification that Franchisor prescribes, any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in that jurisdiction, unless Franchisor elects to give them greater applicability, and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

B. WAIVER OF OBLIGATIONS

No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee under this Agreement constitutes a waiver by Franchisor to enforce any right, option, duty or power against Franchisee or as to any subsequent breach or default by Franchisee. Acceptance by Franchisor of any payments due to it after the time at which the payment is due, is not deemed to be a waiver of

Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants or conditions of this Agreement. Franchisor specifically is not deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant, or to declare any breach to be a default and to terminate this Agreement before the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms of this Agreement; or by any failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon exact compliance by the Franchisee with its obligations, including any mandatory Specification.

Neither Franchisor nor Franchisee are liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency; (3) acts of God; (4) acts or omissions of the other party; (5) fires, strikes, embargoes, war or riot; or (6) any other similar event or cause. Any delay resulting from any of these causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. SPECIFIC PERFORMANCE/INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause it or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions.

D. RIGHTS OF PARTIES ARE CUMULATIVE

The rights of Franchisor and Franchisee under this Agreement are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy precludes the exercise or enforcement by Franchisor or Franchisee of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

E. COSTS AND ATTORNEYS' FEES

If a claim for amounts owed by Franchisee to Franchisor or any of its Affiliates is asserted in any legal proceeding before a court of competent jurisdiction or arbitrator, or if Franchisor or Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in the proceeding is entitled to reimbursement of its costs and expenses incurred, including reasonable accounting and legal fees.

F. JURY TRIAL WAIVER

Franchisor and Franchisee irrevocably each waive trial by jury in any action brought by either of them. Franchisee and Franchisor agree that any litigation, suit, action, counterclaim, cross claim or proceeding, whether at law or in equity, which arises out of, concerns, or as related to this Agreement or any of the relationships or transaction contemplated hereunder, the performance of this Agreement, the relationship between the parties or otherwise, trial shall be to

a court of competent jurisdiction and not to a jury. Franchisor and Franchisee irrevocably waive any right either party may have to trial by jury.

G. WAIVER OF DAMAGES

Franchisee hereby waives, to the fullest extent permitted by law, any right to, or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its Affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities arising out of any cause whatsoever (whether such cause is based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee shall be limited to the recovery of any actual damages sustained by Franchisee. If any other term of the Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provision of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

H. GOVERNING LAW

To the extent not inconsistent with applicable law, this Agreement and the offer and sale of a franchise is governed by the laws of the State of Missouri which laws shall prevail in the event of any conflict of laws.

I. EXCLUSIVE JURISDICTION

With respect to any claims, controversies or disputes which are not finally resolved through mediation or as otherwise provided in this Agreement, Franchisee hereby irrevocably submits itself to the state courts of Greene County, Missouri and the Federal District Court located in Springfield, Missouri. Franchisee hereby agrees that service of process may be made upon it in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by the law of the State of Missouri or Federal Law. Franchisee further agrees that venue for any proceeding relating to or arising out of this Agreement shall be in Greene County, Missouri; provided, however, with respect to any action (i) for money owed, (ii) for injunctive or other extraordinary relief, or (iii) involving possession or disposition of, or other relief relating to, real property, Franchisor may bring such action in any state or Federal District Court which has jurisdiction.

Franchisee and Franchisor acknowledge that the execution of this Agreement and the acceptance of the terms of the parties occurred in Springfield, Missouri, and further acknowledge that the performance of certain obligations of Franchisee arising under this Agreement, including, but not limited to, the payment of money due under this Agreement shall occur in Springfield, Missouri.

J. VARIANCES

Franchisee acknowledges that Franchisor has and may at different times approve exceptions or changes from the uniform standards of the System in Franchisor's absolute sole discretion, which Franchisor deems desirable or necessary under particular circumstances.

Franchisee understands that he has no right to object to or automatically obtain such variances, and any exception or change must be approved in advance from Franchisor in writing. Franchisee understands existing franchisees may operate under different forms of agreements and that the rights and obligations of existing franchisees may differ materially from this Agreement.

K. BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

L. CONSTRUCTION/INTEGRATION CLAUSE

This Agreement, all exhibits to this Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, undertakings, representations, and agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Franchisee. Franchisee acknowledges that Franchisee is entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of Franchisee's own independent investigation of the franchised business and not as a result of any representations about Franchisor made by Franchisor's shareholders, officers, directors, employees, agents, representatives, independent contractors, attorneys, or franchisees, which are contrary to the terms set forth in this Agreement or of any franchise disclosure document, offering circular, prospectus, or other similar document required or permitted to be given to Franchisee pursuant to applicable law.

M. ACKNOWLEDGEMENT AND REPRESENTATIONS OF FRANCHISEE

Franchisee hereby acknowledges and further represents and warrants to Franchisor that:

(1) Franchisee has placed no reliance on any oral or written statements, whether referred to as representations, warranties, inducements or otherwise, which are not contained in this Agreement or in the franchise disclosure document given to Franchisee by Franchisor;

(2) Franchisee has entered into this Agreement after making an independent investigation of Franchisor's operations and the System;

(3) Franchisor has not made any guarantee or provided any assurance that the business location will be successful or profitable regardless of the fact Franchisor may have approved of the Franchise or site location;

(4) Franchisee has (a) read this Agreement in its entirety and understands its contents; (b) been given the opportunity to clarify any provisions that Franchisee did not

understand and (c) had the opportunity to consult with professional advisors regarding the operation and effect of the Agreement and the operation of the System;

(5) Franchisee has, together with its advisors, sufficient knowledge and experience in financial and business matters to make an informed decision with respect to the Franchise offered by Franchisor;

(6) Franchisee received a copy of Franchisor's franchise disclosure document not later than the earlier of 14 calendar days before execution of this Agreement and 14 calendar days before any payment of any consideration.

Except as may have been disclosed at Item 19 of Franchisor's franchise disclosure document, Franchisee represents and warrants to Franchisor that no claims, representations or warranties regarding the earnings, sales, profits, success or failure of the franchised business have been made to Franchisee and no such claims, representations or warranties have induced Franchisee to enter into this Agreement.

Except for those changes permitted to be made unilaterally by Franchisor, no amendment, change or variance from this Agreement is binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

24. NOTICES AND PAYMENTS

A. All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual shall be deemed so delivered at the time delivered by hand, one business day after sending by telegraph or three business days after placing in the U.S. 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. Reports required to be delivered shall be delivered by U.S. mail. The following addresses for the parties shall be used unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

2B Organized Franchise System, Inc.
2733 E. Battlefield #244
Springfield, MO 65804
Attn: Betsy Miller, CEO

with a copy to:

Brydon, Swearngen & England
312 East Capitol Avenue
P. O. Box 456
Jefferson City, Missouri 65102

Notice to Franchisee:

B. All payments and reports required by this Agreement shall be directed to Franchisor at the address notified to Franchisee, or to other persons and places as Franchisor may direct. Any required payment or report not actually received by Franchisor during regular business hours on the date due or properly placed in the U.S. mail and postmarked by postal authorities at least three business days before the date due, are deemed delinquent.

C. In all cases where Franchisor's prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and Franchisor shall notify Franchisee in writing of its decision within 10 business days after receiving Franchisee's written request and all supporting documentation. Except as otherwise expressly provided in this Agreement, whenever the consent or approval of Franchisor is required hereunder, such consent or approval must be in writing and will not be unreasonably withheld. Franchisor's consent to or approval of any act or request by Franchisee shall be effective only to the extent specifically stated, and shall not be deemed to waive or render unnecessary consent or approval of any other subsequent similar act or request.

Except for those changes permitted to be made unilaterally by Franchisor, no amendment, change or variance from this Agreement is binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

25. CAVEAT

A. The success of the business venture contemplated to be undertaken by this Agreement is speculative and depends, to a large extent, upon the ability of the Franchisee as an independent business person, and the active participation of Franchisee in the daily affairs of the business as well as other factors. Franchisor does not make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby.

B. Franchisee acknowledges that it has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to sales volume, earnings or profits which Franchisee in particular might be expected to realize, nor has anyone made any other representation which is not expressly set forth in this Agreement, to induce the Franchisee to accept this franchise and execute this Agreement.

C. Franchisee represents and acknowledges that he has received a copy of this Agreement with all blanks filled at least seven calendar days before the date of execution of this Agreement. Franchisee represents that he has read this Agreement in its entirety and that he has been given the opportunity to clarify any provisions that he did not understand and to consult with an attorney or other professional advisor. Franchisee further represents that he understands the terms, conditions and obligations of this Agreement and agrees to be bound.

26. MISCELLANEOUS

A. Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity who is not a party to this Agreement.

B. The headings of the several sections and paragraphs are for convenience only and do not define, limit or construe the contents of sections or paragraphs.

C. The “Franchisee” as used in this Agreement may be applicable to one or more persons, or a corporation, partnership, limited partnership, or limited liability company as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee under this Agreement, their obligations and liabilities to Franchisor shall be joint and several. References to “Franchisee” and “Assignee” which are applicable to an individual or individuals shall mean the owner or owners of the equity or operating control of Franchisee or the Assignee, if Franchisee or the Assignee is a corporation, partnership, limited partnership or limited liability company.

D. This Agreement shall be executed in multiple counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF the parties have executed, sealed and delivered this Agreement in duplicate on the date recited in the first paragraph.

FRANCHISOR:

2B Organized Franchise System, Inc.

By: _____
Title: _____

FRANCHISEE:

(If Franchisee is an entity)

Name of Corporation/Limited Liability
Company

By: _____
Title: _____

(If Franchisee is an individual owner,
Franchisee must sign below; if a partnership,

all partners must sign below)

Franchisee

Franchisee

Franchisee

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS IS GIVEN THIS _____ day of _____, _____, by _____, (each a "Guarantor").

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (the "Agreement") by and between 2B Organized Franchise System, Inc. ("Franchisor"), and _____,

_____, a _____ ("Franchisee"), each Guarantor hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor hereby waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability. Each Guarantor hereby consents and agrees that: (1) each Guarantor shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (2) each Guarantor's liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (3) each Guarantor's liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including 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.

Each Guarantor hereby further consents and agrees that:

(a) Each Guarantor's liability shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and each other Guarantor;

(b) Franchisor may proceed against each Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against any Guarantor, without having commenced any action, or having obtained any judgment against Franchisee or any other Guarantor, and each Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed;

(c) Each Guarantor shall pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection, of any amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against such Guarantor;

(d) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee; and

(e) Neither the obligation of each Guarantor to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

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

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN
FRANCHISEE

EXHIBIT A - EXCLUSIVE TERRITORY

2B ORGANIZED® FRANCHISE AGREEMENT
BY AND BETWEEN 2B ORGANIZED FRANCHISE SYSTEM, INC.
AND

DATED _____, **20**
(the “Franchise Agreement”)

1. Exclusive Territory. The parties to this Agreement agree that the Franchised Business to be operated by Franchisee pursuant to the Franchise Agreement shall be located in the following geographical area and that the business office shall be located at the following premises within that geographical area (The following description may reference a map or maps, which may be attached, depicting the Exclusive Territory):

2. Franchised Business Opening. Franchisee agrees to commence operating the Franchised Business within 60 days after the date of this Exhibit A.

3. Defined Terms. All capitalized or initial capitalized terms contained in this Exhibit and not defined in this Exhibit have the same meaning as ascribed to them in the Franchise Agreement.

FRANCHISOR:

2B Organized Franchise System, Inc.

By: _____
Title: _____

FRANCHISEE:

(If Franchisee is an entity)

Name of Corporation/Limited Liability
Company

By: _____
Title: _____

(If Franchisee is an individual owner,
Franchisee must sign below; if a partnership,
all partners must sign below)

Franchisee

Franchisee

Franchisee

**EXHIBIT B – CONFIDENTIALITY
AGREEMENT AND ANCILLARY
COVENANTS NOT TO COMPETE**

This Agreement is made and entered into this _____ day of _____, _____, between 2B ORGANIZED FRANCHISE SYSTEM, INC., a Missouri corporation (“Franchisor”), _____ (“Franchisee”), and _____ (“Covenantor”).

RECITALS

WHEREAS, Franchisor has obtained the right to develop a unique system (the “System”) for the development and operation of 2B ORGANIZED® Franchised Businesses under the name and marks 2B ORGANIZED® (the “Franchised Business”); and

WHEREAS, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks 2B ORGANIZED® and other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under the marks and under the System and representing the System’s high standards of quality, appearance and service and distinctive merchandising, interior design, decor color scheme and furnishings, uniform standards, specifications and procedures for inventory, merchandising, management and financial control; operations; quality and uniformity of products offered; procedures for management and financial control; training and assistance; and advertising, marketing, public relations and promotional programs; all of which Franchisor may change, improve and further develop and which Franchisor uses in connection with the operation of the System (“Trade Secrets”); and

WHEREAS, the Licensed Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means, by, Franchisor’s competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

WHEREAS, Franchisor has granted Franchisee the limited right to develop a 2B ORGANIZED® Franchised Business using the System, the Licensed Marks and the Trade Secrets, pursuant to a Franchise Agreement entered into on _____, _____ (“Franchise Agreement”), by and between Franchisor and Franchisee; and

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the

importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and

WHEREAS, it is necessary for certain employees, agents, independent contractors, officers, directors and equity interest holders of Franchisee, or any entity having an interest in Franchisee ("Covenantor") to have access to and to use some or all of the Trade Secrets in the management and operation of Franchisee's 2B ORGANIZED® Franchised Business using the System; and

WHEREAS, Franchisee has agreed to obtain from those covenantors written agreements protecting the Trade Secrets and the System against unfair competition; and

WHEREAS, Covenantor wishes to remain, or wishes to become associated with or employed by Franchisee; and

WHEREAS, Covenantor wishes and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform the services for Franchisee; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor.

NOW, THEREFORE, in consideration of the mutual covenant and obligations contained in this Agreement, the parties agree as follows:

Confidentiality Agreement

1. Franchisor and/or Franchisee shall disclose to Covenantor some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, manuals, drawings, specifications, techniques and compilations of data which Franchisor provides to Franchisee and/or Covenantor are deemed confidential Trade Secrets for the purposes of this Agreement.

2. Covenantor shall receive the Trade Secrets in confidence and must, at all times, maintain them in confidence, and use them only in the course of his employment or association with a Franchisee and then only in connection with the development and/or operation by Franchisee of a 2B ORGANIZED® Franchised Business for so long as Franchisee is licensed by Franchisor to use the System.

3. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.

4. Covenantor shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of a 2B ORGANIZED® Franchised Business.

5. Covenantor must surrender any material containing some or all of the Trade Secrets

to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which the information or material may have been furnished to Covenantor.

6. Covenantor shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

7. Franchisor loans all manuals to Franchisee for limited purposes only and they remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

Covenants Not to Compete

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Covenantor of the Trade Secrets, Covenantor further agrees and covenants as follows:

a. Not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or customer of the Franchised Business to any competitor; and

b. Except with prior written consent of Franchisor, not to employ, or seek to employ, any person who is at the time or was within the preceding 180 days employed by Franchisor, any of its Affiliates or any franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave that person's employment except as may occur in connection with Franchisee's employment of that person if permitted under the Franchise Agreement.

c. Except with respect to 2B ORGANIZED® Franchised Businesses not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures) become employed, advise, assist or make loans to, any business that is of a character and concept similar to the 2B ORGANIZED® Franchised Business. As used in this Agreement, the term "similar" means a professional organizing business which looks like, copies, imitates, or operates in a manner similar to a 2B ORGANIZED® Franchised Business.

2. In further consideration for the disclosure to Covenantor of the Trade Secrets and to protect the uniqueness of the System, Covenantor agrees and covenants that for two years following the earlier of the expiration, termination or transfer of all Franchisee's interest in the Franchise Agreement or the termination of his association with or employment by Franchisee, Covenantor will not without the prior written consent of Franchisor:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the Franchised Businesses to any competitor;

b. Employ, or seek to employ, any person who is at the time or was within the preceding 180 days employed by Franchisor, any of its Affiliates or any franchisee of Franchisor, or otherwise directly or indirectly induce such persons to leave that person's employment; or

c. Except with respect to 2B ORGANIZED® Franchised Businesses not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures) become employed, advise, assist or make loans to, any business that is of a character and concept similar to the 2B ORGANIZED® Franchised Business. As used in this Agreement, the term “similar” means a professional organizing business which looks like, copies, imitates, or operates in a manner similar to a 2B ORGANIZED® Franchised Business.

Miscellaneous

1. Franchisee shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of a breach, or threatened or attempted breach of any of the provisions, Franchisor is entitled to enforce the provisions of this Agreement and is entitled, in addition to any other remedies available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys’ fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

4. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF GREENE COUNTY, MISSOURI AND THE FEDERAL DISTRICT COURT FOR GREENE COUNTY, MISSOURI. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY MISSOURI OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE SPRINGFIELD, MISSOURI; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

7. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

2B Organized Franchise System, Inc.
2733 E. Battlefield #244
Springfield, MO 65804
Attn: Betsy Miller, CEO

with a copy to:

Brydon, Swearengen & England
312 East Capitol Avenue
P. O. Box 456
Jefferson City, Missouri 65102

If directed to Franchisee, the notice shall be addressed to:

Attention: _____
Facsimile: _____

If directed to Covenantor, the notice shall be addressed to:

Attention: _____

Facsimile: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by telex or facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 15 days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective Affiliates, successor and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

2B Organized Franchise System, Inc.

By: _____

Its: _____

FRANCHISEE:

(If Franchisee is an entity)

Name of Corporation/Limited Liability
Company

By: _____

Title: _____

(If Franchisee is an individual owner,
Franchisee must sign below; if a partnership,
all partners must sign below)

Franchisee

Franchisee

EXHIBIT C – STATEMENT OF OWNERSHIP INTEREST AND PRINCIPALS

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

- A. The following is a list of shareholders, partners, member, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

Name	Percentage of Ownership/Nature of Interest
------	--

- B. The following is a list of all Principals (as defined in this Agreement) as of the date of this Agreement, each of whom shall execute the Confidentiality Agreement and Ancillary Covenant Not to Compete substantially in the form set forth in Exhibit B to this Agreement.

EXHIBIT D - ELECTRONIC FUND TRANSFER AUTHORIZATION

ELECTRONIC FUNDS TRANSFER FORM Authorization Agreement for Direct Payments to 2B Organized Franchise System, Inc.

(1) Franchisee Name: _____ ("Franchisee") (2) Business Number: _____

(3) Employer Identification Number (EIN) or Social Security Number: _____

(4) Business Address: _____

Business Mailing Address:
(if different from Business Address) _____

(5) Work Phone: () _____

Franchisee hereby authorizes 2B Organized Franchise System, Inc. to initiate debit entries to Franchisee's _____ checking/savings Account indicated below at the depository financial institution named below, hereinafter called "BANK", to allow payment to for continuing monthly Royalty Fees due under the parties' Franchise Agreement. Franchisee hereby authorizes BANK to honor, execute and charge Franchisee's account for any such debit entries. Franchisee acknowledges that the origination of the transactions from Franchisee's account must comply with the provisions of U.S. Law.

(6) BANK's Name: _____

Branch: _____

City: _____

State: _____

Zip: _____

(7) Routing Number: _____ (8) Account Number: _____

(Please attach a voided check to assure accuracy)

(9) Day of Debit: 5th day of each month.

This authorization is to remain in full force and effect until _____ has received written notification from Franchisee of its termination in such time and in such manner as to afford _____ and BANK a reasonable opportunity to act.

Signature: _____
Authorized Representative of Franchisee

Date: _____

Signature: _____
Authorized Representative of Franchisor

Date: _____

EXHIBIT C

STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR	ADDRESS
California	Commissioner of Corporations Department of Business Oversight	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 Toll Free Telephone #: 1-866-275- 2677
Hawaii	Commissioner of Securities	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of The Attorney General	500 South Second Street Springfield, IL 62706
Indiana	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Maryland	Office of The Attorney General Securities Division	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Consumer Protection Division Franchise Section	525 West Ottawa 670 Law Building Lansing, MI 48913
Minnesota	Department of Commerce	85 7 th Place East, Suite 500 St. Paul, MN 55101-2198
New York	New York State Department of Law Bureau of Investor Protection And Securities	120 Broadway, 23rd Floor New York City, NY 10271
North Dakota	North Dakota Securities Department	600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414 Bismarck, ND 58505-0510 Phone: 701-328-4712
Rhode Island	Department of Business Regulation Securities Division	1511 Pontiac Ave Cranston, RI 02920
South Dakota	Department of Commerce and Regulation Division Of Securities	445 E. Capitol Pierre, SD 57501
Virginia	Virginia State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division	150 Israel Rd. S.W. Tumwater, WA 98501
Wisconsin	Department of Financial Institutions Securities Division	345 W. Washington, 4th Floor Madison, WI 55103

EXHIBIT D

AGENTS FOR SERVICE OF PROCESS

2B Organized authorizes the following, to accept service of process on behalf of 2B Organized in the respective states:

STATE	AGENT	ADDRESS
California	Department of Business Oversight	1515 K Street, Suite 200 Sacramento, CA 95814-4052
Hawaii	Commissioner of Securities	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana	Indiana Secretary of State	302 W Washington Street, Room E-111, Indianapolis, IN 46204
Maryland	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Commerce Corporations And Securities Bureau	525 West Ottawa 670 Law Building Lansing, MI 48913
Minnesota	Commissioner of Commerce	85 7 th Place East, Suite 500 St. Paul, MN 55101-2198
New York	Secretary of State of the State of New York	41 State Street Albany, NY 12231-0001
North Dakota	Securities Commissioner	600 East Boulevard Fifth Floor Bismarck, ND 58505
Rhode Island	Director of the Department of Business Regulation	1511 Pontiac Avenue Cranston, RI 02920
South Dakota	Director Division of Securities Division of Securities	445 E. Capitol Pierre, SD 57501
Virginia	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions	150 Israel Rd. S.W. Tumwater, WA 98501
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division Of Securities 345 W. Washington Ave., 4th Floor Madison, WI 53701

EXHIBIT E

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EXHIBIT F

DISCLOSURE ACKNOWLEDGEMENT AGREEMENT

2B Organized Franchise System, Inc. ("2B Organized"), through the use of this document, desires to confirm that [Name of Franchisee] ("You") fully understand and comprehend that the purchase of a 2B ORGANIZED® franchise is a business decision, complete with its associated risks, and that it is our company policy to verify that you have received certain required documents and that you are not relying upon any unauthorized statements, representations, promises or assurances by any representative of 2B Organized in the purchase of the franchise.

1. You recognize and understand that business risks, which exist in the purchase of any business, make the success or failure of the franchise subject to many variables, including your skills and abilities, the hours you work, competition, interest rates, the economy, inflation, labor costs, lease terms, and your marketing and management skills. You acknowledge your willingness to undertake these business risks.

2. You acknowledge receipt of the following documents: (a) 2B Organized Franchise Disclosure Document, (b) 2B Organized Franchise Agreement, and (c) audited financials of 2B Organized. You acknowledge and agree that you have personally and carefully reviewed each document and have been advised to (i) seek professional assistance, (ii) have professionals review these documents, and (iii) consult with your professional advisors regarding the risks associated with the purchase of a 2B ORGANIZED® franchise.

3. You acknowledge and agree that you were in receipt of the 2B Organized Franchise Disclosure Document at least 14 calendar days prior to signing the Franchise Agreement or paying the initial franchise fee.

4. You acknowledge and agree that you were in receipt of the 2B Organized Franchise Agreement containing all material terms at least 7 calendar days prior to signing the Franchise Agreement.

5. Except as set forth at Item 19 of the 2B Organized Franchise Disclosure Document, you acknowledge and agree that you have not received, and that your decision to purchase a franchise is not otherwise predicated upon, either (a) any oral or written representations, assurances, warranties, guarantees or promises made by 2B Organized or any of its employees or other representatives as to the likelihood of success of the franchise or (b) any information concerning actual, average, projected or forecasted sales, profits or earnings.

If you believe that you have received any of the above, please describe these in the space provided below or write "None."

Acknowledged and accepted this _____ day of _____, 20____.

FRANCHISEE:

[Name of Franchisee]

EXHIBIT G

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

**AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO 2B ORGANIZED FRANCHISE SYSTEM, INC.**

_____, (the "Depositor"), is a franchisee of 2B ORGANIZED FRANCHISE SYSTEM, INC. and hereby authorizes _____ (the "Depository") to enter debit and credit entries to Depositor's checking account specified below, payable 2B ORGANIZED FRANCHISE SYSTEM, INC., by Electronic Fund Transfer, subject to sufficient funds being available to pay the amount upon presentation.

Presentment of our Electronic Funds Transfer shall be treated by the Depository the same as if a check drawn upon the Depositor's account was presented for payment. Depositor agrees that if any charge is dishonored, regardless of the cause, the Depository shall be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Account Number: _____

Depositor: _____
(Please Print)

Signature: _____

Date Signed: _____

EXHIBIT H

GENERAL RELEASE

[For Renewal of Franchise]

This Release (the "Release") is made and entered into this ____ day of _____, 20__, by and between 2B ORGANIZED FRANCHISE SYSTEM, INC., a Missouri corporation, (hereinafter referred to as "2B Organized"), and _____, a **[insert jurisdiction of incorporation or organization] [corporation/limited liability company]** ("Franchisee") and **[names of shareholders or members]** ("Guarantors").

WITNESSETH:

WHEREAS, 2B Organized and Franchisee are parties to a 2B Organized Franchise Agreement dated _____ (the "Franchise Agreement") granting Franchisee the exclusive right to open a 2B ORGANIZED® franchise (the "Franchised Business") under said Franchise Agreement within an area described in Exhibit A to the Franchise Agreement; and

WHEREAS, Guarantors are the sole **[shareholders/members]** of Franchisee; and

WHEREAS, Guarantors personally guaranteed the obligations of Franchisee under the Franchise Agreement; and

WHEREAS, Franchisee and Franchisor desire to renew the term of the Franchise Agreement.

WHEREAS, Franchisee and Guarantors desire to release 2B Organized from certain obligations, claims, rights and privileges which may have accrued or been established by 2B Organized, Franchisee, and Guarantors as a result of said Franchise Agreement and the Guaranty and Assumption of Obligations Agreement and relative to the renewal of the terms of the Franchise Agreement.

NOW THEREFORE, in consideration of the premises outlined herein and the payment of the required renewal fee and the execution of this Release, it is hereby agreed by the parties as follows:

1. The provisions of the recital paragraphs outlined are hereby incorporated by reference as if set out fully and shall have full force and legal effect.

2. Franchisee and Guarantor on behalf of themselves, their predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys do hereby RELEASE AND FOREVER DISCHARGE 2B Organized and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys and all persons or entities which might be liable from any and all actions, causes of action, claims, demands, damages, costs, expenses and compensation arising out of any event, known or unknown, occurring prior to the date of this Release and specifically, without restricting said Release, release 2B Organized and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys and all persons or entities which might be liable from any and all actions, causes of action, claims, demands, damages, costs and expenses directly or indirectly arising out of (a) the Franchise Agreement and any performance required by 2B Organized under the Franchise Agreement; (b) any obligation to buy back or repurchase any franchise unit covered by the Franchise Agreement, or any property owned by

Franchisee and Guarantors, whether arising under the Franchise Agreement or otherwise; and (c) any facts, claims or representations of the sale of said Franchise Agreement to Franchisee.

3. This Release shall be binding upon and shall inure to the benefit of all parties hereto, their heirs, executors, administrators, successors, and assigns, and parties hereby agree for themselves and their heirs, executors, administrators, successors and assigns to execute any and all instruments and to perform any acts which may be necessary or proper to carry out the purpose of this Release.

4. This Release sets forth the entire understanding between the parties. No change or modification hereto shall be valid unless made in writing and signed by all parties hereto.

5. The provisions of this Release are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Release is for any reason held to be contrary to law or contrary to any rule or regulation having the force and effective law, such decision shall not affect the remaining provisions of this Agreement.

6. This Release may be executed in any number of copies, the copies of which shall be deemed an original, but all of which shall constitute one and the same Release.

7. This Release shall be governed by the substantive laws of the State of Missouri.

8. The terms hereof are contractual and not mere recitals and they state the entire agreement between the parties.

9. In the event any party to this Release makes a claim relating to any conflict, omission, or ambiguity in this Release, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Release was prepared by or at the request of a particular party or its counsel.

IN WITNESS WHEREOF, the parties have executed this Release the day and year first above written.

FRANCHISOR:

FRANCHISEE:

2B ORGANIZED FRANCHISE SYSTEM, INC.

(Corporate or LLC name)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

GUARANTORS:

EXHIBIT H

GENERAL RELEASE

[For assignment/transfer of Franchise Agreement]

This Release (the "Release") is made and entered into this ____ day of_____, 20_, by and between 2B ORGANIZED FRANCHISE SYSTEM, INC., a Missouri corporation, (hereinafter referred to as "2B Organized"), and_____, a **[insert jurisdiction of incorporation or organization] [corporation/limited liability company]** ("Franchisee") and **[names of shareholders or members]** ("Guarantors").

WITNESSETH:

WHEREAS, 2B Organized and Franchisee are parties to a 2B Organized Franchise Agreement dated_____(the "Franchise Agreement") granting Franchisee the exclusive right to open a 2B Organized franchise (the "Franchised Business") under said Franchise Agreement within an area described in Exhibit A to the Franchise Agreement; and

WHEREAS, Guarantors are the sole **[shareholders/members]** of Franchisee; and

WHEREAS, Guarantors personally guaranteed the obligations of Franchisee under the Franchise Agreement; and

WHEREAS, Franchisee has transferred the rights to the Franchise Agreement and sold the assets of the Franchised Business to_____, assigning unto_____, all rights, privileges and goodwill in said Franchise Agreement, subject to the terms and conditions thereof which included, the agreement by_____to pay 2B Organized the required transfer fee; and

WHEREAS, 2B Organized has agreed to approve the assignment of the Franchise Agreement and the sale of the assets to_____upon the express condition that Franchisee and Guarantors release 2B Organized as provided in this Release; and

WHEREAS, Franchisee and Guarantors desire to release 2B Organized from certain obligations, claims, rights and privileges which may have accrued or been established by 2B Organized, Franchisee, and Guarantors as a result of said Franchise Agreement and the Guaranty and Assumption of Obligations Agreement and relative to the sale and purchase of the franchise rights to_____.

NOW THEREFORE, in consideration of the premises outlined herein and the payment of the required transfer fee and the execution of this Release, it is hereby agreed by the parties as follows:

1. The provisions of the recital paragraphs outlined are hereby incorporated by reference as if set out fully and shall have full force and legal effect.

2. 2B Organized agrees to approve the sale of assets and the assignment of the Franchise Agreement to_____.

3. Franchisee and Guarantor on behalf of themselves, their predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys do hereby RELEASE AND FOREVER DISCHARGE 2B Organized and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys and all persons or entities which might be liable from any and all actions, causes of action, claims, demands, damages, costs, expenses and compensation arising out of any event, known or unknown, occurring prior to the date of this Release and specifically, without restricting said Release, release 2B Organized and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys and all persons or entities which might be liable from any and all actions, causes of action, claims, demands, damages, costs and expenses directly or indirectly arising out of (a) the Franchise Agreement and any performance required by 2B Organized under the Franchise Agreement; (b) any obligation to buy back or repurchase any franchise unit covered by the Franchise Agreement, or any property owned by Franchisee and Guarantors, whether arising under the Franchise Agreement or otherwise; and (c) any facts, claims or representations of the sale of said Franchise Agreement to Franchisee.

4. This Release shall be binding upon and shall inure to the benefit of all parties hereto, their heirs, executors, administrators, successors, and assigns, and parties hereby agree for themselves and their heirs, executors, administrators, successors and assigns to execute any and all instruments and to perform any acts which may be necessary or proper to carry out the purpose of this Release.

5. This Release sets forth the entire understanding between the parties. No change or modification hereto shall be valid unless made in writing and signed by all parties hereto.

6. The provisions of this Release are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Release is for any reason held to be contrary to law or contrary to any rule or regulation having the force and effective law, such decision shall not affect the remaining provisions of this Agreement.

7. This Release may be executed in any number of copies, the copies of which shall be deemed an original, but all of which shall constitute one and the same Release.

8. This Release shall be governed by the substantive laws of the State of Missouri.

9. The terms hereof are contractual and not mere recitals and they state the entire agreement between the parties.

10. In the event any party to this Release makes a claim relating to any conflict, omission, or ambiguity in this Release, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Release was prepared by or at the request of a particular party or its counsel.

IN WITNESS WHEREOF, the parties have executed this Release the day and year first above written.

FRANCHISOR:

2B ORGANIZED FRANCHISE SYSTEM, INC.

By: _____
Name: _____
Title: _____

FRANCHISEE:

(Corporate or LLC name)

By: _____
Name: _____
Title: _____

GUARANTORS:

EXHIBIT I
STATE ADDENDA

EXHIBIT I

STATE ADDENDA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR 2B ORGANIZED FRANCHISE SYSTEM, INC. REQUIRED BY THE STATE OF WISCONSIN

In recognition of the requirements of the Wisconsin Franchise Investment Law, Wis. Stat. §§ 553.01 to 553.78 and the Wisconsin Fair Dealership Law, Wis. Stat. §§ 135.01-135.07, the FRANCHISE DISCLOSURE DOCUMENT of **2B ORGANIZED FRANCHISE SYSTEM, INC.** for use in the State of Wisconsin shall be amended as follows:

1. The last full paragraph on the cover page shall be deleted in its entirety and replaced with the following paragraph:

“Registration of this franchise with a state does not mean that the state recommends or it has verified the information in this FRANCHISE DISCLOSURE DOCUMENT. If you learn that anything in this FRANCHISE DISCLOSURE DOCUMENT is untrue, contact the Federal Trade Commission and the Commissioner of Securities, Madison, Wisconsin 53701.”

2. Item 17(b), under the heading entitled “Renewal or extension of the term,” shall be amended by the addition of the following language:

“To the extent that the provisions regarding renewal described in this summary are inconsistent with the requirements of the Wisconsin Fair Dealership Law, § 135.04, (which, among other things, currently grants you the right, in most circumstances, to 90 days prior written notice of non-renewal and 60 days within which to remedy any claimed deficiencies), the renewal provisions will be superseded by the Wisconsin Fair Dealership Law’s requirements and will have no force or effect.”

3. Item 17(f) under the heading “Termination by franchisor upon the occurrence of certain defaults” shall be amended by the addition of the following language:

“To the extent that the provisions regarding termination described in this summary are inconsistent with the requirements of the Wisconsin Fair Dealership Law, § 135.04, (which, among other things, currently grants you the right, in most circumstances, to 90 days prior written notice of termination and 60 days within which to remedy any claimed deficiencies), the termination provisions will be superseded by the Wisconsin Fair Dealership Law’s requirements and will have no force or effect.”

4. Item 17(v) under the heading “Choice of forum” shall be amended by the addition of the following language:

“This provision may not be enforceable under Wisconsin law.”

5. Item 17(w) under the heading “Choice of law” shall be amended by the addition of the following language:

“No provision of the Franchise or Area Development Agreement will constitute a waiver of compliance with any provision of the Wisconsin Franchise Investment Law or Wisconsin Fair Dealership Law.”

6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Franchise Investment Law, Wis. Stat. §§ 553.01 to 553.78 and the Wisconsin Fair Dealership Law, Wis. Stat. §§ 135.01-135.07, are independently met without reference to this Addendum. The additional disclosures shall have no force or effect if such jurisdictional requirements are not met.

7. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of the FRANCHISE DISCLOSURE DOCUMENT, the terms of this Addendum shall govern.

THIS ADDENDUM ADDRESSES CERTAIN PROVISIONS OF WISCONSIN LAW THAT AMEND THE FRANCHISE DISCLOSURE DOCUMENT OF 2B ORGANIZED FRANCHISE SYSTEM, INC. READ THIS ADDENDUM CAREFULLY.

I have received this Addendum as an Exhibit to the Franchise Disclosure Document with an effective date in Wisconsin of April 8, 2013.

DATE

PROSPECTIVE FRANCHISEE SIGNATURE

PRINTED NAME

**ADDENDUM TO FRANCHISE AGREEMENT
FOR 2B ORGANIZED FRANCHISE SYSTEM, INC.
REQUIRED BY THE STATE OF WISCONSIN**

In recognition of the requirements of the Wisconsin Franchise Investment Law, Wis. Stat. §§ 553.01 to 553.78 and the Wisconsin Fair Dealership Law, Wis. Stat. §§ 135.01-135.07, the parties set forth below agree to enter into this Addendum (the “Addendum”) to amend the Franchise Agreement of **2B ORGANIZED FRANCHISE SYSTEM, INC.** for use in the State of Wisconsin as follows:

1. Section 18 under the heading “Termination” shall be supplemented by the addition of the following language to the end of such section:

“To the extent that the provisions regarding termination are inconsistent with the requirements of the Wisconsin Fair Dealership Law, § 135.04, (which, among other things, currently grants you the right, in most circumstances, to 90 days prior written notice of non-renewal and 60 days within which to remedy any claimed deficiencies), the termination provisions will be superseded by the Wisconsin Fair Dealership Law’s requirements and will have no force or effect.”

2. Section 22.H under the heading “Governing Law” shall be supplemented by the addition of the following language at the end of such section:

“This provision may not be enforceable under Wisconsin law.”

3. Section 22.I, under the heading “Exclusive Jurisdiction” shall be supplemented by the addition of the following language at the end of such section:

“No provision of this Agreement will constitute a waiver of compliance with any provision of the Wisconsin Franchise Investment Law or Wisconsin Fair Dealership Law.”

4. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Franchise Investment Law, Wis. Stat. §§ 553.01 to 553.78 and the Wisconsin Fair Dealership Law, Wis. Stat. §§ 135.01-135.07, are independently met without reference to this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

5. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum shall govern.

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

ATTEST

FRANCHISOR:

2B ORGANIZED FRANCHISE SYSTEM, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Wisconsin Effective Date: April 8, 2013

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§2000-20043 applies, the terms of this Addendum apply.

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 DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

2B Organized Franchise System, Inc. as principal, and Great American Insurance Company, a corporation, created, organized and existing under and by virtue of the laws of the State of Ohio, as surety, are held and firmly bound unto the State of California for the use thereof, and for the use of any interested person or persons who may have a cause of action against the abovenamed principal of said bond under the provisions of the Law entitled "Franchise Investment Law," of the State of California, in the aggregate sum of \$100,000.00, lawful money of the United States of America. Our California surety bond facing page is enclosed over the next two pages. The surety bond remains active.



BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

(Under Section 31113 of the Corporations Code)

Bond Number: 2897901

KNOW ALL MEN BY THESE PRESENTS:

That we 2 B Organized Franchise System, Inc, as principal, and Great American Insurance Company, a corporation, created, organized and existing under and by virtue of the laws of the State of Ohio, as surety, are held and firmly bound unto the State of California for the use thereof, and for the use of any interested person or persons who may have a cause of action against the above-named principal of said bond under the provisions of the Law entitled "Franchise Investment Law," of the State of California, in the aggregate sum of \$ \$100,000.00, lawful money of the United States of America, to be paid to the State of California, or to any person or persons, for the use and benefit aforesaid, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of the above obligation is such that—

WHEREAS, The above-named principal has made application to the Commissioner of Business Oversight of the State of California for registration of franchises under and pursuant to the Franchise Investment Law, and desires to furnish a bond under the provisions of Section 31113 of the Corporations Code and Section 310.113.5 of Title 10, California Administrative Code in the penal sum above named, conditioned as herein set forth; and

WHEREAS, Section 31113 of the Corporations Code requires that this bond be conditioned upon the discharge by the franchisor of its (his) obligations under the franchise contract to provide real estate, improvements, equipment, inventory, training and other items included in the offering of franchises;

NOW, THEREFORE, If the said principal and any and all agents and employees representing said principal shall faithfully conform to and abide by the provisions of the Law entitled "Franchise Investment Law," and of all rules and regulations made by the Commissioner of Business Oversight thereunder, and further shall pay to the State, and to such person or persons, any and all amounts which may become due or owing to the State or to such person or persons, from said principal under and by virtue of the provisions of said Law, then this obligation is to be void, otherwise to remain in full force and effect.

This bond is subject to the following provisions:

1. That any person who sustains an injury covered by this bond, may, in addition to any other remedy that he may have, bring an action in his own name upon this bond for the recovery of any damage sustained by him.
2. That the total aggregate liability of the sureties herein for all claims which may arise under

STATE OF CALIFORNIA –DEPARTMENT OF BUSINESS OVERSIGHT

SURETY BOND

DBO – 31113 (Rev. 09-15)

this bond shall be limited to the payment of \$ \$100,000.00.

3. That the surety or sureties may cancel this bond and be relieved of further liability hereunder by delivering thirty days' written notice to the Commissioner of Business Oversight of the State of California; however, such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said thirty day period.

4. That this bond shall remain in force and effect until the surety or sureties are released from liability by said Commissioner or until the bond is canceled by said surety or sureties.

5. That the effective date of this bond shall be November 07th, 20 18.

IN WITNESS WHEREOF, The seal and signature of the said principal is hereto affixed and the corporate seal and the name of said surety is hereto affixed and attested by its duly authorized officers at DOYLESTOWN, Pennsylvania, this 08th day of November, 20 18.

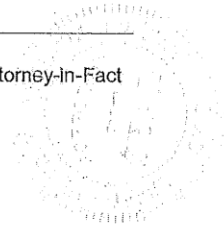
2 B Organized Franchise Sytems, Inc



Principal
Great American Insurance Company

A handwritten signature in black ink, appearing to read "John D. Weisbrot".

Surety
John D. Weisbrot, Attorney-in-Fact



Item 3, Additional Disclosure:

Neither we nor any person any person described in Item 2 of the Disclosure Document 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 17, Additional Disclosure:

California Business and Professions Code Sections 2000 through 220043 provide rights to the franchisee concerning termination, transfer, 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 which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires mediation of disputes. The mediation will occur in Springfield, Missouri with the costs being borne equally between the franchisor and the franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 10050.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Action) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of the State of Missouri. This provision may not be enforceable under California Law.

The earnings claims figure(s), if any, does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue 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 franchised business. Franchisees or former franchisees listed in the offering circular may be one source of this information.

STATE EFFECTIVE DATES

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

The Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California – July 30, 2019

Texas – November 13, 2018

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 J

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Michigan, Oregon, Washington and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains or 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, D.C. 20580 and the appropriate state agency identified on Exhibit C.

The franchisor corporation is located at 2733 E. Battlefield #244, Springfield, MO 65804 Springfield, Missouri 65804. Its telephone number is (417) 880-2325.

The name, principal address and telephone number of the franchise seller offering the franchise is: Betsy Miller, CEO, 2B Organized Franchise System, Inc., 2733 E. Battlefield, #244, Springfield, MO 65804 Springfield, Missouri 65804; telephone number is (417) 880-2325.

FTC Issuance Date: August 20, 2013

Most Recent Issuance Date: July 28, 2020

See Exhibit D for our registered agents authorized to receive service of process.

I have received a disclosure document dated July 28, 2020 that included the following exhibits:

- Exhibit A – Financial Statements
- Exhibit B – Franchise Agreement
- Exhibit C – State Administrators
- Exhibit D – Agents for Service of Process
- Exhibit E – Table of Contents of Manuals
- Exhibit F – Disclosure Acknowledgement Agreement
- Exhibit G – Electronic Funds Transfer
- Exhibit H – General Release
- Exhibit I - State Addenda
- Exhibit J – Receipts

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

(Date, sign and return this Receipt to 2B Organized)

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.

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Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

(Date, sign and return this Receipt to 2B Organized)

