

to make, all customary representations and warranties given by the seller of the assets of a business, including, without limitation, representations and warranties regarding ownership and condition of, and title to, assets and validity of contracts and the liabilities, contingent or otherwise, relating to the assets being purchased. If FRANCHISOR exercises FRANCHISOR'S right of first refusal, FRANCHISEE agrees that, for two (2) years beginning on the closing date, FRANCHISEE and FRANCHISEE'S immediate family will be bound by the non-competition covenant contained in Article 16.D below.

If FRANCHISOR does not exercise its right of first refusal, FRANCHISEE may complete the sale to the proposed buyer on the original offer's terms, subject to FRANCHISOR'S approval of the transfer as provided in Subsections B and C above. If FRANCHISEE does not complete the sale to the proposed buyer within sixty (60) days after FRANCHISOR notifies FRANCHISEE that FRANCHISOR does not intend to exercise FRANCHISOR'S right of first refusal, or if there is a material change in the terms of the sale (which FRANCHISEE must tell FRANCHISOR promptly), FRANCHISOR will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or FRANCHISOR'S receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at FRANCHISOR'S option.

H. OWNERSHIP STRUCTURE.

If FRANCHISEE is an entity, FRANCHISEE represents and warrants that its ownership structure is as set forth on Exhibit A hereto and covenants that it will not vary from that ownership structure without the prior written approval of FRANCHISOR.

ARTICLE 14 **GRANT OF A RENEWAL FRANCHISE**

A. FRANCHISEE'S RIGHT TO ACQUIRE A RENEWAL FRANCHISE.

When the initial term of this Agreement expires, FRANCHISEE may acquire a renewal franchise if all of the following conditions are met:

- (1) FRANCHISEE has substantially complied with this Agreement;
- (2) FRANCHISOR continues to maintain a franchise program for FRANCHISOR Businesses in the geographic area surrounding the Site;
- (3) (a) FRANCHISEE agrees to remodel and/or expand the BUSINESS (provided FRANCHISEE is not operating from home), add or replace Operating Assets and other assets, and otherwise modify the BUSINESS as FRANCHISOR requires to comply with specifications and standards then applicable for new FRANCHISOR Businesses, provided that such costs shall not exceed thirty thousand dollars (\$30,000), or

(b) at FRANCHISEE'S option, FRANCHISEE agrees to relocate to a substitute site FRANCHISOR has approved and FRANCHISEE develops that site according to specifications and standards then applicable for new FRANCHISOR Businesses.

FRANCHISEE, upon acquiring such a successor franchise, will be able to operate the BUSINESS as a Clutterbusters Business for one (1) additional five (5) year term on the terms and conditions of the franchise agreement FRANCHISOR then uses to grant franchises for FRANCHISOR Businesses (modified as necessary to reflect, in the provisions governing renewal or successor franchises and elsewhere, the fact that it is for a successor franchise), which may contain provisions that differ

materially from any and all of those contained in this Agreement (subject to Subsection C below), provided that the percentages used to calculate the amount FRANCHISEE owes as a Royalty and as a contribution to the National Marketing and Advertising Fund will not be different under the renewal agreement than they are under this Agreement. The Operator must satisfactorily complete any refresher training course FRANCHISOR requires before signing the successor franchise agreement. FRANCHISEE shall have the ability to acquire two (2) additional successor terms of five (5) years.

B. NOTICES.

FRANCHISEE agrees to give FRANCHISOR written notice of FRANCHISEE'S election to acquire a successor franchise no more than three hundred sixty (360) days, and no less than two hundred seventy (270) days, before the original term of Agreement expires. FRANCHISOR agrees to give FRANCHISEE written notice ("FRANCHISOR'S Notice"), not more than ninety (90) days after FRANCHISOR receives FRANCHISEE'S notice, of FRANCHISOR'S decision: (1) to grant FRANCHISEE a successor franchise; (2) to grant FRANCHISEE a successor franchise on the condition that FRANCHISEE corrects existing deficiencies of the BUSINESS or in FRANCHISEE'S operation of the BUSINESS; (3) not to grant FRANCHISEE a successor franchise based on FRANCHISOR'S determination that FRANCHISEE has not substantially complied with this Agreement during its term; or (4) not to grant FRANCHISEE a successor franchise because FRANCHISOR no longer maintains a franchise program for FRANCHISOR Businesses in the geographic area surrounding the Site. If applicable, FRANCHISOR'S Notice will: (a) describe the remodeling, expansion, improvements and/or modifications required to bring the BUSINESS and the Operating Assets into compliance with then applicable specifications and standards for new FRANCHISOR Businesses; and (b) state the actions FRANCHISEE must take to correct operating deficiencies and the time period in which FRANCHISEE must correct these deficiencies. If FRANCHISOR elects not to grant FRANCHISEE a successor franchise, FRANCHISOR'S Notice will describe the reasons for FRANCHISOR'S decision. FRANCHISEE'S right to acquire a successor franchise depends on FRANCHISEE'S continuing to comply with all of the terms and conditions of this Agreement through the date of its expiration, in addition to FRANCHISEE'S compliance with the obligations described in FRANCHISOR'S Notice.

If FRANCHISOR'S Notice states that FRANCHISEE must cure certain deficiencies of the BUSINESS or its operation as a condition to FRANCHISOR'S granting FRANCHISEE a successor franchise, and FRANCHISEE fails to do so to FRANCHISOR'S satisfaction, FRANCHISOR will give FRANCHISEE written notice of FRANCHISOR'S decision not to grant a successor franchise not less than sixty (60) days before this Agreement expires; provided, however, that FRANCHISOR need not give FRANCHISEE this sixty (60) days' notice if FRANCHISOR decides not to grant FRANCHISEE a successor franchise due to FRANCHISEE'S breach of this Agreement during the sixty (60) day period before it expires. If FRANCHISOR fails to give FRANCHISEE:

(i) notice of deficiencies in the BUSINESS, or in FRANCHISEE'S operation of the BUSINESS, within ninety (90) days after FRANCHISOR receives FRANCHISEE'S timely election to acquire a successor franchise (if FRANCHISOR elects to grant FRANCHISEE a successor franchise under Subsection A above); or

(ii) notice of FRANCHISOR'S decision not to grant a successor franchise at least sixty (60) days before this Agreement expires, if this notice is required,

FRANCHISOR may extend this Agreement's term for the time period necessary to give FRANCHISEE either reasonable time to correct deficiencies or the sixty (60) days' notice of FRANCHISOR'S refusal to grant a successor franchise. If FRANCHISEE fails to notify FRANCHISOR of FRANCHISEE'S election to acquire a successor franchise within the prescribed time period,

FRANCHISOR need not grant FRANCHISEE a successor franchise.

C. AGREEMENT/RELEASES.

If FRANCHISEE satisfies all of the other conditions for a successor franchise, FRANCHISEE agrees to sign the form of franchise agreement and any ancillary agreements FRANCHISOR then customarily uses in granting franchises for FRANCHISOR Businesses (modified as necessary to reflect, in the provisions governing renewal or successor franchises and elsewhere, the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement, and FRANCHISEE shall not pay an initial franchise fee. FRANCHISEE further agrees to sign general releases, in a form satisfactory to FRANCHISOR, of any and all claims against FRANCHISOR and FRANCHISOR'S affiliates and FRANCHISOR'S and their respective shareholders, officers, directors, employees, agents, representatives, successors and assigns. FRANCHISOR will consider FRANCHISEE'S failure to sign these agreements and releases and to deliver them to FRANCHISOR for acceptance and signing within sixty (60) days after their delivery to FRANCHISEE an election by FRANCHISEE not to acquire a successor franchise.

ARTICLE 15
TERMINATION OF AGREEMENT

A. BY FRANCHISEE.

If FRANCHISEE is fully complying with this Agreement and FRANCHISOR materially fails to comply with this Agreement, and FRANCHISOR does not:

(a) correct the failure within thirty (30) days after FRANCHISEE delivers written notice to FRANCHISOR specifically identifying the material failure; or

(b) if FRANCHISOR, cannot using reasonable efforts correct the failure within thirty (30) days, give FRANCHISEE (within thirty (30) days after FRANCHISEE'S notice) reasonable evidence of FRANCHISOR'S effort to correct the failure within a reasonable time; then FRANCHISEE may terminate this Agreement to be effective an additional thirty (30) days after FRANCHISEE delivers to FRANCHISOR written notice of termination. FRANCHISEE'S termination of this Agreement for any other reason or without notice will be deemed a termination without cause.

B. BY FRANCHISOR.

FRANCHISOR may terminate this Agreement, effective upon delivery of written notice of termination to FRANCHISEE, if:

(1) FRANCHISEE or any of its Owners has made or makes a material misrepresentation or omission in acquiring the Franchise or operating the BUSINESS;

(2) If FRANCHISEE does not operate from home, and fails to sign a lease for the Site within thirty (30) days after signing this Agreement as required by Article 2.B. or fails to open the BUSINESS for business according to Article 2.G. within sixty (60) days after signing a lease for the Site.

(3) the Operator does not satisfactorily complete initial training;

(4) FRANCHISEE abandons or fails actively to operate the BUSINESS for three (3) or more consecutive business days;

(5) FRANCHISEE or an Owner surrenders or transfers control of the BUSINESS' operation without FRANCHISOR'S prior written consent;

(6) FRANCHISEE or an Owner is or has been convicted by a trial court of, or pleads or has pleaded no contest to, a felony;

(7) FRANCHISEE fails to maintain the insurance FRANCHISOR requires from time to time;

(8) FRANCHISEE interferes with FRANCHISOR'S right to inspect the BUSINESS or observe its operation, as provided in Article 12 of this Agreement;

(9) FRANCHISEE or an Owner engages in any dishonest or unethical conduct which, in FRANCHISOR'S opinion, adversely affects the BUSINESS' reputation, the reputation of other FRANCHISOR Businesses or the goodwill associated with the Marks;

(10) FRANCHISEE or an Owner makes an unauthorized assignment or transfer of this Agreement, all or substantially all of the Operating Assets, the BUSINESS or the right to receive all or any part of the BUSINESS' profits or losses;

(11) any material licenses or permits necessary for the BUSINESS' proper operation are suspended, revoked or not renewed;

(12) FRANCHISEE or an Owner makes any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information, or discloses all or any part of the Client List;

(13) FRANCHISEE fails to pay when due any federal, state or local income, service, sales or other taxes due on the BUSINESS' operation, unless FRANCHISEE is in good faith contesting FRANCHISEE'S liability for these taxes;

(14) FRANCHISEE understates the BUSINESS Gross Revenue by more than two percent (2%) on any one occasion;

(15) FRANCHISEE (a) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to submit when due reports or other data, information or supporting records, to pay when due any amounts due to FRANCHISOR (or FRANCHISOR'S affiliates), or otherwise to comply with this Agreement, whether or not FRANCHISEE corrects any of these failures after FRANCHISOR delivers written notice to FRANCHISEE; or (b) fails on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not FRANCHISEE corrects either of the failures after FRANCHISOR delivers written notice to FRANCHISEE;

(16) FRANCHISEE makes an assignment for the benefit of creditors or admits in writing its' insolvency or inability to pay its debts generally as they become due; FRANCHISEE consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of FRANCHISEE'S property; the BUSINESS is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of FRANCHISEE or the BUSINESS is not vacated within thirty (30) days following the order's entry;

(17) FRANCHISEE, or Owners or a member of FRANCHISEE'S or Owner's immediate family violates the restrictions of Article 7 (Exclusive Relationship) or any other non-compete agreement;

(18) If FRANCHISEE is not operating from home, FRANCHISEE causes or permits to exist a material default under the lease or sublease for the Site and fails to cure such default within the applicable cure period set forth in the lease or sublease;

(19) FRANCHISEE fails to pay FRANCHISOR (or FRANCHISOR affiliates) any amounts due and do not correct the failure within three (3) business days after FRANCHISOR delivers written notice of that failure to FRANCHISEE;

(20) FRANCHISEE fails to meet the performance quota set forth in Paragraph 9B hereof;

(21) FRANCHISEE or any of his/her owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or FRANCHISEE or any of his/her owners otherwise violate any such law, ordinance, or regulation.

(22) FRANCHISEE fails to comply with any other provision of this Agreement or any System Standard and does not correct the failure within thirty (30) days after FRANCHISOR delivers written notice of the failure to FRANCHISEE.

ARTICLE 16
FRANCHISOR'S AND FRANCHISEE'S RIGHTS AND OBLIGATIONS UPON TERMINATION
OR EXPIRATION OF THIS AGREEMENT

A. PAYMENT OF AMOUNTS OWED.

FRANCHISEE agrees to pay within fifteen (15) days after this Agreement expires or is terminated, or on any later date that FRANCHISOR determines the amounts due to it, the Royalties, National Marketing and Advertising Fund and Cooperative contributions, interest and all other amounts owed to FRANCHISOR or FRANCHISOR'S affiliates which then are unpaid.

B. DE-IDENTIFICATION.

When this Agreement expires or is terminated for any reason:

(1) FRANCHISEE shall not directly or indirectly at any time thereafter or in any manner (except in connection with other FRANCHISOR Businesses FRANCHISEE own and operate): (a) identify itself or any business as a current or former a Clutterbusters Business or as one of FRANCHISOR'S franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or other indicia of a Clutterbusters Business in any manner or for any purpose; or (c) use for any purpose any trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with FRANCHISOR;

(2) FRANCHISEE agrees to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to FRANCHISEE'S use of any Mark;

(3) FRANCHISEE agrees to deliver to FRANCHISOR within thirty (30) days all signs; advertising, marketing and promotional materials; forms; and other materials containing any Mark or

otherwise identifying or relating to a Clutterbusters Business that FRANCHISOR requests and allow FRANCHISOR, without liability to FRANCHISEE or third parties, to remove these items from the BUSINESS;

(4) if FRANCHISEE is not operating from a home-based location, and if FRANCHISOR does not have or does not exercise an option to purchase the BUSINESS under Subsection E below, FRANCHISEE agrees promptly and at FRANCHISEE'S own expense to make the alterations FRANCHISOR specifies in the Operations Manual (or otherwise) to distinguish the BUSINESS clearly from its former appearance and from other FRANCHISOR Businesses in order to prevent public confusion:

(5) FRANCHISEE agrees to notify the telephone FRANCHISOR and all telephone directory publishers of the termination or expiration of FRANCHISEE'S right to use any telephone, telecopy or other numbers and telephone directory listings associated with any Mark, to authorize the transfer of these numbers and directory listings to FRANCHISOR or at FRANCHISOR'S direction, and/or to instruct the telephone FRANCHISOR to forward all calls made to FRANCHISEE'S numbers to numbers FRANCHISOR specifies. As soon as FRANCHISEE obtains any such numbers and listings, FRANCHISEE shall sign FRANCHISOR'S form (and the applicable phone FRANCHISOR form) of conditional assignment of telephone number. If FRANCHISEE fails to do so, FRANCHISOR may take whatever action and sign whatever documents FRANCHISOR deems appropriate on FRANCHISEE'S behalf to effect these events; and

(6) FRANCHISEE agrees to give FRANCHISOR, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to FRANCHISOR of FRANCHISEE'S compliance with these obligations.

C. CONFIDENTIAL INFORMATION.

FRANCHISEE agrees that, when this Agreement expires or is terminated, FRANCHISEE will immediately cease using any Confidential Information in any business or otherwise and return to FRANCHISOR all Confidential Information, including all copies of the Operations Manual, the Client List and any other confidential materials that FRANCHISOR has loaned FRANCHISEE.

D. COVENANT NOT TO COMPETE.

Upon FRANCHISOR'S termination of this Agreement according to its terms and conditions or FRANCHISEE'S termination of this Agreement without cause, FRANCHISEE agrees that, for two (2) years beginning on the effective date of termination or the date on which all persons restricted by this Subsection begin to comply with this Subsection, whichever is later, neither FRANCHISEE nor any Owner, nor any member of FRANCHISEE'S or Owner's immediate family will have any direct or indirect interest (e.g. through a spouse) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent in any Competitive Business (as defined in Article 7 above) operating at the Site or within a fifty (50) mile radius from the Site or from the territorial boundary of any other operating FRANCHISOR business.

These restrictions also apply after transfers, as provided in Article 13.B above. FRANCHISEE and its Owners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, FRANCHISOR is enforcing the covenants made in this Subsection will not deprive FRANCHISEE or Owner of his or her personal goodwill or ability to earn a living.

E. FRANCHISOR'S RIGHT TO PURCHASE BUSINESS.

(1) Exercise of Option. Upon FRANCHISOR'S termination of this Agreement according to its terms and conditions or FRANCHISEE'S termination of this Agreement without cause, FRANCHISOR has the option, exercisable by giving FRANCHISEE written notice within thirty (30) days after the date of termination, to purchase any assets of the business that FRANCHISOR designates. FRANCHISOR has the unrestricted right to assign this option to purchase. FRANCHISOR is entitled to all customary warranties and representations in FRANCHISOR'S asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise.

(2) Purchase Price. The purchase price for the assets FRANCHISOR chooses to acquire will be their book value, provided that these items will not include any value for the Franchise or any rights granted by this Agreement, goodwill attributable to the Marks, FRANCHISOR'S brand image, and other intellectual property or participation in the network of FRANCHISOR Businesses. For purposes of determining the book value of all equipment (including the Phone System and the Computer System) used in operating the BUSINESS, the equipment's useful life shall be determined to be no more than three (3) years.

FRANCHISOR (or FRANCHISOR'S assignee) will pay the purchase price at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although FRANCHISOR (or FRANCHISOR'S assignee) may decide after the purchase price is determined not to exercise FRANCHISOR'S purchase option. FRANCHISOR may set off against the purchase price, and reduce the purchase price by, any and all amounts FRANCHISEE owes FRANCHISOR or FRANCHISOR'S affiliates. At the closing, FRANCHISEE agrees to deliver instruments transferring to FRANCHISOR (or FRANCHISOR'S assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to FRANCHISOR), with all sales and transfer taxes paid by FRANCHISEE; and (b) all of the BUSINESS' licenses and permits which may be assigned or transferred.

If FRANCHISEE cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, FRANCHISOR and FRANCHISEE will close the sale through an escrow. FRANCHISEE further agrees to execute general releases, in a form satisfactory to FRANCHISOR, of any and all claims against FRANCHISOR and FRANCHISOR'S affiliates and FRANCHISOR'S and their respective shareholders, officers, directors, employees, agents, representatives, successors and assigns. If FRANCHISOR exercises its rights under this Subsection E, FRANCHISEE agrees that, for two (2) years beginning on the closing date, FRANCHISEE and members of FRANCHISEE'S immediate family will be bound by the non-competition covenant contained in Subsection 16.D above.

F. CONTINUING OBLIGATIONS.

All of FRANCHISOR'S and FRANCHISEE'S obligations hereunder which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

ARTICLE 17
RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. INDEPENDENT CONTRACTORS

FRANCHISEE and FRANCHISOR understand and agree that this Agreement does not create a fiduciary relationship between FRANCHISEE and FRANCHISOR, that FRANCHISEE and FRANCHISOR are and will be independent contractors, and that nothing in this Agreement is intended to make either FRANCHISEE or FRANCHISOR a general or special agent, joint venture, partner or employee of the other for any purpose. FRANCHISEE agrees to identify itself conspicuously in all dealings with clients, suppliers, public officials, BUSINESS personnel and others as the BUSINESS' owner under a franchise FRANCHISOR has granted. FRANCHISEE further agrees to place notices of independent ownership on the forms, business cards, stationery, advertising and other materials FRANCHISOR requires from time to time, including without limitation a conspicuously placed sign at the Business.

B. NO LIABILITY FOR ACTS OF OTHER PARTY

FRANCHISOR and FRANCHISEE agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that their respective relationship is other than franchisor and franchisee. FRANCHISOR will not be obligated for any damages to any person or property directly or indirectly arising out of the BUSINESS' operation or the business FRANCHISEE conducts under this Agreement.

C. TAXES

FRANCHISOR will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon FRANCHISEE or the BUSINESS, due to the business FRANCHISEE conducts (except any taxes FRANCHISOR is required by law to collect from FRANCHISEE for purchases from FRANCHISOR and FRANCHISOR'S income taxes). FRANCHISEE is responsible for paying these taxes.

D. INDEMNIFICATION

To the fullest extent permitted by law, FRANCHISEE agrees to indemnify, defend and hold harmless FRANCHISOR, its affiliates, and FRANCHISOR'S and their respective shareholders, directors, officers, employees, agents, representatives, successors and assigns (the "Indemnified Parties") from and against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, obligations and damages directly or indirectly arising out of the BUSINESS' operation, the business FRANCHISEE conducts under this Agreement, or FRANCHISEE'S breach of this Agreement. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration or alternative dispute resolution, including travel and living expenses, regardless of whether litigation, arbitration or alternative disputer resolution is commenced.

Each Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at FRANCHISEE'S expense, and FRANCHISEE may not settle any claim or take any other remedial, corrective or other actions relating to any claim without FRANCHISOR'S consent. Additionally, an Indemnified Party may, at any time, settle any claim against it for which it is entitled to seek indemnity, and FRANCHISEE shall reimburse the Indemnified Party for any amount that the Indemnified Party paid under the settlement terms. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against FRANCHISEE. FRANCHISEE agrees

that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from FRANCHISEE.

ARTICLE 18

DISPUTE RESOLUTION

A. INJUNCTIVE RELIEF.

FRANCHISOR and FRANCHISEE each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. FRANCHISOR and FRANCHISEE may each have these temporary restraining orders and temporary or preliminary injunctive relief without bond, but upon due notice, and the sole remedy of the restrained or enjoined party in the event of the entry of such order or injunction will be the dissolution of such order or injunction, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any order or injunction being expressly waived).

B. GOVERNING LAW.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, all controversies, disputes or claims arising from or relating to or alleged to arise from or relate to:

- (1) this Agreement or any other agreement between FRANCHISEE and FRANCHISOR;
- (2) the relationship of FRANCHISOR and FRANCHISEE;
- (3) the validity of this Agreement or any other agreement between FRANCHISEE and FRANCHISOR; or
- (4) any System Standard will be governed by the laws of the State of Maryland, without regard to its conflict of laws rules, except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between FRANCHISOR and FRANCHISEE will not apply unless its jurisdictional requirements are met independently without reference to this Subsection.

C. ARBITRATION.

FRANCHISOR and FRANCHISEE agree that, except for controversies, disputes, or claims related to or based on improper use of the Marks or Confidential Information, all controversies, disputes, or claims between FRANCHISOR and FRANCHISOR'S affiliates, and FRANCHISOR'S and their respective shareholders, members, officers, directors, agents, and/or employees, and FRANCHISEE (and/or FRANCHISEE'S owners, guarantors, affiliates, and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between FRANCHISEE and FRANCHISOR;
- (2) FRANCHISOR'S relationship with FRANCHISEE;

(3) the validity of this Agreement or any other agreement between FRANCHISEE and FRANCHISOR; or

(4) any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association in the United States ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Subsection otherwise provides, according to the AAA's then current rules. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a five (5) mile radius of FRANCHISOR'S then current principal place of business. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or applicable law), provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Subsection 18.E below, award any punitive, exemplary or multiple damages against either party (FRANCHISOR and FRANCHISEE hereby waiving to the fullest extent permitted by law, except as expressly provided in Subsection 18.C below, any right to or claim for any punitive, exemplary or multiple damages against the other).

FRANCHISOR and FRANCHISEE agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. FRANCHISOR and FRANCHISEE further agrees that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either FRANCHISEE or FRANCHISOR.

FRANCHISOR and FRANCHISEE agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between FRANCHISOR and FRANCHISOR'S affiliates, and FRANCHISOR'S and their respective shareholders, officers, directors, agents, and/or employees, and FRANCHISEE (and/or FRANCHISEE'S owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between FRANCHISOR and any other person.

Despite FRANCHISOR'S and FRANCHISEE'S agreement to arbitrate, FRANCHISOR and FRANCHISEE each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that FRANCHISOR and FRANCHISEE must contemporaneously submit FRANCHISOR'S dispute for arbitration on the merits as provided in this Subsection.

The provisions of this Subsection are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

D. NO RIGHTS EXCLUSIVE OF OTHER RIGHTS.

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is

intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

E. CONSENT TO JURISDICTION.

FRANCHISEE agrees that all actions arising under this Agreement or otherwise as a result of the relationship between FRANCHISEE and FRANCHISOR must be commenced, as applicable, in the state court in the county where FRANCHISOR'S principal business address then is located or in the federal court in the judicial district where FRANCHISOR'S principal business address then is located. FRANCHISEE irrevocably submits to the jurisdiction of those courts and waives any objection FRANCHISEE might have to either the jurisdiction of or venue in those courts.

F. COSTS AND ATTORNEYS' FEES.

FRANCHISOR and FRANCHISEE agree that if either party seeks to enforce this Agreement in a judicial or other proceeding, the prevailing party shall be entitled to its reasonable cost and expenses (including attorneys' fees) incurred in connection with such judicial or other proceeding.

G. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

Except for FRANCHISEE'S obligation to indemnify FRANCHISOR under Article 17 and claims FRANCHISOR bring against FRANCHISEE for FRANCHISEE'S unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information, FRANCHISOR and FRANCHISEE waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between FRANCHISOR and FRANCHISEE, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

FRANCHISOR and FRANCHISEE irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them.

H. LIMITATIONS OF CLAIMS

Except for claims arising from FRANCHISEE'S non-payment or underpayment of amounts FRANCHISEE owes FRANCHISOR, any and all claims arising out of or relating to this Agreement or FRANCHISOR'S relationship with FRANCHISEE will be barred unless a proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim.

I. LIQUIDATED DAMAGES.

If FRANCHISOR terminates the Franchise Agreement with cause, FRANCHISEE must pay FRANCHISOR liquidated damages equal to the present value (using the then-current 30-Year Treasury Bond rate) of the Royalty Fees FRANCHISEE would have paid FRANCHISOR on the product of (a) FRANCHISEE'S Business' average monthly Gross Revenue during its most recent 12 months of operation before the termination multiplied by (b) the number of months remaining in the Franchise Agreement had FRANCHISOR not terminated it.

ARTICLE 19
MISCELLANEOUS

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each Article, subsection, paragraph, term and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappeasable ruling issued by any court, agency or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, FRANCHISEE and FRANCHISOR agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of FRANCHISOR'S refusal to enter into a successor franchise agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and FRANCHISOR may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. FRANCHISEE agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

B. WAIVER OF OBLIGATIONS

FRANCHISOR and FRANCHISEE may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver FRANCHISOR grants will be without prejudice to any other rights FRANCHISOR has, will be subject to FRANCHISOR'S continuing review, and may be revoked at any time and for any reason, effective upon delivery to FRANCHISEE of ten (10) days' prior written notice.

FRANCHISOR and FRANCHISEE will not be deemed to waive or impair any right, power or option this Agreement reserves (including, without limitation, FRANCHISOR'S 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 its term expires) because of any custom or practice at variance with this Agreement's terms; FRANCHISOR'S or FRANCHISEE'S failure, refusal or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; FRANCHISOR'S waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other FRANCHISOR Businesses; the existence of franchise agreements for other FRANCHISOR Businesses which contain provisions different from those contained in this Agreement; or FRANCHISOR'S acceptance of any payments due from FRANCHISEE after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to FRANCHISOR will be a waiver, compromise, settlement or accord and satisfaction. FRANCHISOR is authorized to remove any legend or endorsement, and they shall have no effect.

C. FRANCHISEE MAY NOT WITHHOLD PAYMENTS DUE TO FRANCHISOR.

FRANCHISEE agrees that FRANCHISEE will not withhold payment of any amounts owed to FRANCHISOR on the grounds of FRANCHISOR'S alleged nonperformance of any of FRANCHISOR'S obligations under this Agreement.

D. RIGHTS OF PARTIES ARE CUMULATIVE.

FRANCHISOR'S and FRANCHISEE'S rights under this Agreement are cumulative, and FRANCHISOR'S or FRANCHISEE'S exercise or enforcement of any right or remedy under this Agreement will not preclude FRANCHISOR'S or FRANCHISEE'S exercise or enforcement of any other right or remedy under this Agreement which FRANCHISOR or FRANCHISEE is entitled by law to enforce.

E. BINDING EFFECT.

This Agreement is binding upon FRANCHISOR and FRANCHISEE and FRANCHISOR'S and FRANCHISEE'S respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to FRANCHISOR'S right to modify the Operations Manual and the System Standards, this Agreement may not be modified except by a written agreement signed by both FRANCHISEE and FRANCHISOR.

F. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement which, together with the Operations Manual and any riders or addenda signed at the same time as this Agreement, constitutes FRANCHISOR'S and FRANCHISEE'S entire agreement, and there are no other oral or written understandings or agreements between FRANCHISOR and FRANCHISEE, relating to the subject matter of this Agreement. Except as provided in Article 17.D (Indemnification), nothing in this Agreement is intended nor deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates FRANCHISOR reasonably to approve or not unreasonably to withhold its approval of any of FRANCHISEE'S actions or requests, FRANCHISOR has the absolute right to refuse any request FRANCHISEE makes or to withhold FRANCHISOR'S approval of any of FRANCHISEE'S proposed, initiated or completed actions that require FRANCHISOR'S approval.

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

References in this Agreement to "FRANCHISOR," with respect to all of FRANCHISOR'S rights and all of FRANCHISEE'S obligations to FRANCHISOR under this Agreement, include any of FRANCHISOR'S affiliates with whom FRANCHISEE deals in connection with the BUSINESS. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling FRANCHISOR. "Control" means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the Franchise and the BUSINESS, whether as partners or joint ventures, all of those persons must sign this Agreement and their obligations and liabilities to FRANCHISOR will be joint and several. References to "FRANCHISEE" mean each of those persons. "Person" means any natural person, corporation, limited liability FRANCHISOR, general or limited partnership, unincorporated association, cooperative or other legal or functional entity.

The term "BUSINESS" includes all of the assets of the Clutterbusters Business FRANCHISEE operates under this Agreement, including its revenue and income.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

G. COMPLIANCE WITH ANTI-TERRORISM LAWS

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Subsection 15.B21 above.

ARTICLE 20
NOTICES AND PAYMENTS

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

- (a) at the time delivered by hand with confirmation receipt;
- (b) with respect to the Royalty, National Marketing and Advertising Fund contributions and other amounts due, at the time FRANCHISOR actually debits FRANCHISEE'S account (if FRANCHISOR uses an automatic debit program for the BUSINESS);
- (c) with respect to materials that FRANCHISOR posts on its intranet or similar electronic site for franchisees, at the time such materials are first accessible at the site; or
- (d) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. Any required payment or report which FRANCHISOR does not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

ARTICLE 21
ACKNOWLEDGMENTS

To induce FRANCHISOR to sign this Agreement and grant FRANCHISEE the Franchise, FRANCHISEE acknowledges:

- (1) That FRANCHISEE has independently investigated the Clutterbusters Business franchise opportunity and recognizes that, like any other business, the nature of a Clutterbusters Business may, and probably will, evolve and change over time.
- (2) That an investment in a Clutterbusters Business involves business risks.
- (3) That FRANCHISEE'S business abilities and efforts are vital to FRANCHISEE'S success.

(4) That retaining clients for FRANCHISEE'S Clutterbusters Business will require a high level of client service and strict adherence to the Franchise System and the System Standards and that FRANCHISEE is committed to maintaining the System Standards.

(5) That, except as set forth in FRANCHISOR'S Franchise Offering Circular, FRANCHISEE has not received or relied upon, and FRANCHISOR expressly disclaims making, any representation, warranty or guaranty, express or implied, as to the revenues, profits or success of the BUSINESS.

(6) That the persons signing this Agreement are all persons who have any ownership interest with respect to the Operating Assets, the BUSINESS or any of the BUSINESS' profits or losses.

(7) That any information FRANCHISEE has acquired from other Clutterbusters franchisees regarding their sales, profits or cash flows is not information obtained from FRANCHISOR, and FRANCHISOR makes no representation about that information's accuracy.

(8) That FRANCHISEE has no knowledge of any representations made about the Clutterbusters Business franchise opportunity by FRANCHISOR, FRANCHISOR'S subsidiaries or affiliates or any of their respective officers, directors, shareholders or agents that are contrary to the statements made in FRANCHISOR'S Franchise Offering Circular or to the terms and conditions of this Agreement.

(9) That in all of their dealings with FRANCHISEE, FRANCHISOR'S officers, directors, employees and agents act only in a representative, and not in an individual, capacity and that business dealings between FRANCHISEE and them as a result of this Agreement are only between FRANCHISEE and FRANCHISOR.

(10) That FRANCHISEE has represented to FRANCHISOR, to induce FRANCHISOR to enter into this Agreement, that all statements FRANCHISEE has made and all materials FRANCHISEE has given FRANCHISOR in acquiring the Franchise are accurate and complete and that FRANCHISEE has made no misrepresentations or material omissions in obtaining the Franchise.

(11) That FRANCHISEE has read this Agreement and FRANCHISOR'S Franchise Offering Circular and understands and accepts that the terms and covenants in this Agreement are reasonably necessary for FRANCHISOR to maintain FRANCHISOR'S high standards of quality and service, as well as the uniformity of those standards at each Clutterbusters Business, and to protect and preserve the goodwill of the Marks.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective on the date stated on the first page above.

FRANCHISEE:

By: _____
Name: _____
Title: _____

FRANCHISOR:

CLUTTERBUSTERS FRANCHISING, INC. a
Delaware Company

By: _____
Name: _____
Title: _____

**EXHIBIT A
OWNERS**

1. Owners. List the full name and mailing address of each person or entity who directly or indirectly owns an equity or voting interest in the FRANCHISEE, and describe the nature of the interest.

Name: _____	Number of Ownership Interests Owned: _____
Address: _____	% of Total Ownership Interests: _____
_____	Other Interest (Describe): _____

Name: _____	Number of Ownership Interests Owned: _____
Address: _____	% of Total Ownership Interests: _____
_____	Other Interest (Describe): _____

Name: _____	Number of Ownership Interests Owned: _____
Address: _____	% of Total Ownership Interests: _____
_____	Other Interest (Describe): _____

Name: _____	Number of Ownership Interests Owned: _____
Address: _____	% of Total Ownership Interests: _____
_____	Other Interest (Describe): _____

As used in this Agreement, a "Principal Owner" is an Owner who holds twenty-five percent (25%) or more of the ownership interests of FRANCHISEE.

2. Ownership Structure and Initial Capitalization. FRANCHISEE and its Owners represent and warrant that the ownership structure of FRANCHISEE is as follows:

	OWNERSHIP STRUCTURE	
Owner	Number of Ownership Interests	Percentage Ownership

As of the date hereof there are _____ (_____) Ownership Interests authorized and there are _____ (_____) Ownership Interests which are issued and outstanding. There are no other authorized classes of shares.

EXHIBIT B
THE SITE AND TERRITORY

1. The Site of the BUSINESS will be located at:

2. The Territory shall be:

EXHIBIT C
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ___ day of _____, 20___, by _____. In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (the "Agreement") by Clutterbusters Franchising, Inc. ("the FRANCHISOR"), each of the undersigned hereby personally and unconditionally (a) guarantees to the FRANCHISOR, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("FRANCHISEE") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (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, including without limitation the provisions of Article 7 and Article 17.D.

Each of the undersigned consents and agrees that: (1) his/her direct and immediate liability under this guaranty shall be joint and several; (2) he/she shall render any payment or performance required under the Agreement upon demand if FRANCHISEE fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the FRANCHISOR of any remedies against FRANCHISEE or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by an extension of time, credit or other indulgence which the FRANCHISOR may from time to time grant to FRANCHISEE or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against FRANCHISOR arising as a result of the undersigned's execution of and performance under this guaranty.

If the FRANCHISOR is required to enforce this guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, it shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If the FRANCHISOR is required to engage legal counsel in connection with any failure by the undersigned to comply with this guaranty, the undersigned shall reimburse the FRANCHISOR for any of the above-listed costs and expenses incurred by it.

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

GUARANTOR(S):

EXHIBIT D
CONDITIONAL LEASE ASSIGNMENT PROVISION

The clauses referred to in Article 2 of the attached Franchise Agreement are as follows:

(i) The premises being leased hereunder shall be used solely for the operation of a "Clutterbusters Business", during the time that the Franchise Agreement is still in effect.

(ii) Lessor has examined FRANCHISOR'S standard design concepts and specifications and consents to Lessee's use of same and of FRANCHISOR'S Marks and such signage as the FRANCHISOR may prescribe for the Business.

(iii) Lessee may not assign all or any part of its occupancy rights, or extend the term or renew the lease, without FRANCHISOR'S prior written consent.

(iv) Lessor shall furnish FRANCHISOR a copy of the executed lease, including all attachments thereto and related agreements, if any, within five (5) days after its execution, and no change or amendment to such lease affecting the above terms and conditions shall be effective without FRANCHISOR'S prior written approval.

(v) Notwithstanding anything to the contrary contained in this Lease, it is expressly understood and agreed that if the Franchise Agreement dated the _____ day of _____, 20__ between the Lessee and the FRANCHISOR expires or is terminated for any reason whatsoever, the Lessee's rights hereunder shall, at the option of the FRANCHISOR, be transferred and assigned to it. Said option may be exercised by the FRANCHISOR giving the Lessor notice in writing within thirty (30) days following the expiration or termination of the said Franchise Agreement, such notice to specify, inter alia, the date of such expiration or termination. The Lessee acknowledges and agrees that the Lessor may rely upon such notice and shall not be required to inquire into the due execution thereof or the accuracy of the statements set forth therein. It is further agreed that such notice shall, without further act or formality, operate as an effective assignment of the Lessee's right hereunder to the FRANCHISOR and the assumption by the FRANCHISOR of the covenants herein required to be observed or performed by the Lessee. The FRANCHISOR shall thereafter have the right to assign or sublet the Premises to such person as it may designate, provided that in such event that this clause be contained therein. Notwithstanding the foregoing, the FRANCHISOR shall, forthwith upon exercise of such option, execute such documents evidencing its agreement to thereafter keep and perform or cause to be kept or performed all of the obligations of the Lessee arising under this Lease from and after the time of the exercise of such option.

(vi) In the event FRANCHISOR elects not to exercise the above option, Lessor shall permit FRANCHISOR to enter the premises in order to make any modification necessary to protect FRANCHISOR'S Marks.

(vii) The Lessor shall give written notice to the FRANCHISOR

(concurrently with the giving of such notice to the Lessee) of any default by the Lessee under the Lease and the FRANCHISOR shall have, after the expiration of the period during which the Lessee may cure such default, an additional fifteen (15) days to cure, at its sole option, any such default, providing that if such default arises by reason of the bankruptcy or insolvency of the Lessee or the appointment of a receiver over the Lessee's assets or part thereof, the FRANCHISOR shall have the right to assume this Lease upon payment of any arrears of rental to such date. In the event of any such assumption, the Lessee shall cease to have any further rights hereunder.

(viii) The Lessor acknowledges that the said Franchise Agreement contains a right on the part of the FRANCHISOR, in the event of expiration or termination of the said Franchise Agreement for any reason whatsoever, to enter the premises hereby demised and to operate the Business for the account of the Lessee for a period as set forth in the said Franchise Agreement. The Lessor further acknowledges that such entry by the FRANCHISOR shall not constitute an assignment of this Lease, nor a subletting of the premises hereby demised.

(ix) The Lessor acknowledges that the FRANCHISOR is executing this Lease solely for the purpose of acknowledging the provisions contained in the foregoing clauses (i) to (iv) and agrees that such execution by the FRANCHISOR shall in no way be construed so as to obligate the FRANCHISOR for the performance of any of the terms, conditions, obligations and covenants contained herein, except as specifically set forth in clause (i).

The foregoing provisions shall be incorporated into Franchisee's lease agreement.

EXHIBIT E
ASSIGNMENT OF TELEPHONE NUMBERS

For value received, the undersigned (hereinafter called the "Franchisee") hereby irrevocably assigns, effective upon the date of termination, non-renewal or expiration of the Franchise Agreement, the telephone listings and numbers stated below to Clutterbusters Franchising, Inc. (hereinafter called "FRANCHISOR") upon the following terms and conditions:

1. This assignment is made pursuant to the terms of a Franchise Agreement of even date herewith (hereinafter called the "Agreement") between FRANCHISOR and Franchisee, which in part pertains to the telephone listing and numbers used by the Franchisee in the operation of the Clutterbusters business ("Business") in the territory covered by the Agreement.

2. The Franchisee shall retain the limited right to use the telephone listing and numbers solely for the transaction and advertising of the Business while the Agreement between FRANCHISOR and Franchisee shall remain in full force and effect, but upon termination or expiration of the Agreement for any reason whatsoever, the limited right of use of the telephone listing and numbers by the Franchisee shall also terminate.

3. The telephone listing and number subject to this assignment are:

and any numbers on the rotary series and any numbers used by the Franchisee in the Business in the future.

IN WITNESS WHEREOF, the Franchisee has hereunto set his/her hand and seal this _____ day of _____, 20__.

FRANCHISEE:

EXHIBIT F
STATE SPECIFIC ADDENDUM

EXHIBIT F

**ADDENDUM TO CLUTTERBUSTERS FRANCHISING, INC.
OFFERING CIRCULAR REQUIRED BY THE STATE OF CALIFORNIA**

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the UFOC is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The franchise agreement requires binding arbitration. The arbitration will occur in Maryland with the costs being borne by the franchisee and franchisor. 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 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The Franchise Agreement requires application of the laws of Maryland. This provision may not be enforceable under California law.
8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

CLUTTERBUSTERS FRANCHISING, INC.

Witness

By: _____

Name: _____

Title: _____

FRANCHISEE:

Witness
