



FRANCHISE DISCLOSURE DOCUMENT

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FRANCHISE DISCLOSURE DOCUMENT

NM FRANCHISE OPERATIONS, LLC

A Delaware Limited Liability Company
8 White Birch
Littleton, Colorado 80127
Telephone: 773-343-3691
<https://neatmethod.com>



This franchise is for the establishment and operation of a Neat Method® business providing luxury home organizing business services, that brings comfort, efficiency and style to one's home ("Neat Method® Franchise(s)").

The total investment necessary to begin operation of a Neat Method® business is from \$34,000 to \$38,000. This amount includes the initial franchise fee of \$30,000 which is 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 us at **joinNEAT@neatmethod.com**.

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.

FTC Issuance date: April ~~19~~18, ~~2023~~2024

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 or Exhibit F.
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 or Exhibit A 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 Neat Method® business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchise being offered is being offered as an “exclusive” territory or a “non-exclusive” territory.
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 Neat Method® Franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
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 clients, 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 have outstanding financial obligations to others.

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 C.

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 litigation only in Delaware. Out-of-state 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 Delaware than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Mandatory Minimum Payments.** You must make minimum royalty and other payments, regardless of your sales levels. Your inability to make the payment may result in termination of your franchise and loss of your investment.
4. **Unregistered Trademark.** We do not have a federal registration for one or more of our principal marks. Therefore, such trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

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.

NOTICE REQUIRED BY STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five (5) years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.
- (e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:
 - (i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
 - (ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.
 - (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a Franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

- **The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building 525 W. Ottawa Street, Lansing, Michigan 48913, telephone number: (517) 373-7117.

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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 List of Franchisees
- G State Addenda

H General Release
I Receipts

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

The franchisor is NM Franchise Operations, LLC, referred to in this Franchise Disclosure Document as “NM,” “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 Delaware limited liability company on August 8, 2017. We maintain our principal place of business at 8 White Birch, Littleton, Colorado 80127.

We sell Neat Method® franchises providing professional organizing services and home organizing products to residential clients.

We began offering franchises in October 2017.

From August 29, 2017 to September 2017, we owned and operated a business of the type being offered, which was located in Hinsdale, Illinois. This location was sold to a franchisee in September 2017.

From August 29, 2017 to November 2017, we owned and operated a business of the type being offered, which was located in Ft. Lauderdale, Florida. This location was sold to a franchisee in November 2017.

Our agents for service of process in certain states are listed in Exhibit D.

As of December 31, 2022, Neat Method Strategies Holdings, LLC, a Delaware limited liability company (“NMSH”) repurchased the controlling membership interest in NMSH that was previously held by Whitmor Holdings, LLC, a Delaware limited liability company (“WHL”). Following this transaction, NMSH is wholly owned by AMM Holdings, LLC, the successor entity to the original founding entity, Neat Method, Inc. We are wholly owned by NMSH.

The Franchise

We offer qualified applicants who enter into a Franchise Agreement (the “Franchise Agreement”) with us a franchise to operate a luxury home organizing business (the “Franchised Business”).

Our organizing services provide a fully customized, turn-key service for any space in the home that includes space planning, purchasing and implementing organizing solutions that elevate our clients' lifestyle and bring a sense of peace and calm. Our personally designed and developed home product line completes our organizing system by balancing aesthetic and function.

The Franchise Agreement gives you the right to establish and operate a Franchised Business in accordance with our distinct business system (the “System”), which includes our methods and procedures for establishing and operating a Franchised Business. The Franchised Business is identified by the Neat Method® 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”).

We assign a tier designation to a territory based on the population and the revenue potential for that territory. Tier 1 locations are in a territory where we determine a franchisee can typically charge our highest rate per organizer, and Tier 4 locations are in a territory where we determine a franchisee will be

required to charge our lowest rate per organizer. Tiers 2 and 3 fall in between those two categories. (See Item 12 for further information on each Tier Designation.)

Market

The market for home organizing services is continuing to develop and has seen rapid growth over the last five years. Our clients are generally upper-class homeowners that are seeking to get organized within their homes. Sales are consistent year-round without any significant fluctuations in demand due to seasonality.

Industry Regulations

You must review with your legal counsel the state laws and regulations that affect the operation of your Franchised Business and which may regulate the industry in your state. You must operate your Franchised Business in compliance with state laws and regulations. You are responsible for compliance with all state laws and regulations. In addition to laws governing businesses generally such as the Americans with Disabilities Act, Federal Wage and Hours Laws, the Occupation, Health and Safety Act, and the United States Postal Service's regulations of Commercial Mail Receiving Agencies, there may be other laws applicable to your business. You should consider that certain aspects of the state and local laws, regulations and ordinances vary significantly. We urge you to make further inquiries about these laws.

Competition

Your competition will be all companies providing organizational related services.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Ashley Murphy

Ms. Murphy has been our Chief Executive Officer since September 1, 2017. Ms. Murphy was co-founder of our predecessor, Neat Method, Inc., located in San Francisco, California, and from January 2011 to August 2017 she was its Chief Executive Officer.

Chief Operating Officer: Marissa Hagemeyer

Ms. Hagemeyer has been our Chief Operating Officer since September 1, 2017. Ms. Hagemeyer was co-owner of our predecessor, Neat Method, Inc., located in San Francisco, California, and from May 2012 to August 2017 she was its Chief Marketing Officer.

Director: Molly Graves

Ms. Graves has been a director on our Board of Directors since September 1, 2017. Ms. Graves was co-founder of our predecessor, Neat Method, Inc., located in San Francisco, California and from January 2011 to August 2017 she was its Chief Operating Officer.

ITEM 3

LITIGATION

On April 26, 2018, Neat Method, Inc., now known as AMM Holdings, Inc., entered into Consent Order S-18-2396-18-CO01 with the State of Washington, Department of Financial Institutions, Securities Division (the “Securities Division”). The Securities Division alleges that on or around August 7, 2017, Neat Method, Inc. sold one professional organizing services business to two business partners who resided in Washington (the “Franchisee”) without having a current permit to offer and sell franchises in Washington and without providing the Franchisee with a current disclosure document. Neat Method, Inc., without admitting or denying the State’s findings of fact or conclusions of law, agreed in the Consent Order to (1) cease and desist from any violation of RCW 19.100.080, the unlawful acts section of the Franchise Investment Protection Act of Washington; (2) cease and desist from any violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of Washington; (3) pay the Securities Division \$500 for its costs of investigation of the matter; and (4) waive its right to a hearing and to judicial review of the matter.

Other than the above, 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

Initial Franchise Fee

You must pay us an initial franchise fee of \$30,000 in a lump sum when you sign the Franchise Agreement. The initial franchise fee is our standard initial fee and is charged uniformly to all new 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	Determined based on (1) the Tier that NEAT assigns to the Franchisee’s territory based on the population and the revenue potential of	On or before the 15 th calendar day of each month for the preceding month.	“Service Revenue” means the aggregate amount of total service billed in a given month, including all charges for services performed, by the Franchised Business, but does not include product

	that territory and (2) Franchisee's Service Revenue over a Trailing Twelve Month ("TTM") period compared to the revenue targets that NEAT has established for Franchisee's Tier. (See Note 2)		sales, 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 the Franchise Agreement.
Renewal Fee	\$5,000	Upon renewal of a new 5 Year term	Not applicable.
Transfer Fee	Franchisee: The greater of \$2,000 or 20% of the purchase price, paid by transferee; Transferee: \$15,000	Before the date of closing of the transfer of the Franchise Agreement.	If you transfer your franchise to a new owner, you must pay us a transfer fee equal to the greater of \$2,000 or 20% of the consideration that you receive for the transfer. In addition, the purchaser of your franchise must pay us a franchise fee equal to \$15,000 when the purchaser signs a new franchise agreement with us.
Technology Fee	Up to \$150	On or before the 15 th calendar day of each month.	You will pay a monthly Technology Fee in an amount not to exceed \$150 per month, to cover the costs of the technologies necessary to operate your business. At our discretion we may increase the technology fee to meet the demands of the business.
Liquidated Damages (3)	\$5,000	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your default or you terminate the Franchise Agreement without cause.
Audit	Delinquency of Royalty Fee, plus any other cost associated with audit.	Within 15 days after receipt of the audit report.	In the event that an audit shows nonpayment or underpayment of 5% or more, then you shall immediately reconcile any nonpayment or underpayment and shall reimburse us for our actual

			costs associated with the audit.
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Notes:

(1) All fees in this Item 6 are not uniformly imposed on all franchisees. Some of the initial licensees of our predecessor were originally offered a different fee structure and, now as franchisees, continue to pay fees based on that fee structure. All fees collected by and payable to us are non-refundable under any circumstance.

(2) The Royalty Fee paid by Franchisee is determined based on (1) the Tier that NEAT assigns to the Franchisee’s territory based on the population and the revenue potential of that territory and (2) Franchisee’s Service Revenue over a Trailing Twelve Month (“TTM”) period compared to the revenue targets that NEAT has established for Franchisee’s Tier. For instance, a Tier 1 location is a territory where NEAT determines a franchisee can typically charge NEAT’s highest rate per organizer, and a Tier 4 location is a territory where NEAT determines a franchisee will be required to charge NEAT’s lowest rate per organizer. If Franchisee’s TTM revenues are less than the lowest revenue target that NEAT establishes for Franchisee’s Tier, Franchisee’s royalty percentage will equal 20%. If Franchisee’s TTM revenues exceed the lowest revenue target but is less than the highest revenue target that NEAT establishes for Franchisee’s Tier, Franchisee’s royalty percentage will equal either 17% or 15% or 13% depending on the amount of Service Revenue compared to the revenue targets for that Tier. If Franchisee’s TTM revenues exceed the highest revenue target that NEAT establishes for Franchisee’s Tier, Franchisee’s royalty percentage will equal 10%. Once a Franchisee reaches a lower royalty percentage based on TTM revenues, the Franchisee will remain at such royalty rate unless and until Franchisee successfully advances to the next lowest royalty percentage based on TTM revenues (if applicable). Franchisee will never move back up to a high royalty rate once a lower one is achieved unless Franchisee does not meet the required Performance Standards set forth in Exhibit B to the Franchise Agreement, or for any other good-faith reason at Franchisor’s discretion.

Below is a chart illustrating service revenue targets that, when achieved, will lower royalty rates:

Tier 1 Location

- Revenue Target 1: \$130,000 (17%)**
- Revenue Target 2: \$180,000 (15%)**
- Revenue Target 3: \$230,000 (13%)**
- Revenue Target 4: \$280,000 (10%)**

Tier 2 Location

- Revenue Target 1: \$120,000 (17%)**
- Revenue Target 2: \$165,000 (15%)**
- Revenue Target 3: \$210,000 (13%)**
- Revenue Target 4: \$255,000 (10%)**

Tier 3 Location

- Revenue Target 1: \$105,000 (17%)**
- Revenue Target 2: \$145,000 (15%)**
- Revenue Target 3: \$185,000 (13%)**
- Revenue Target 4: \$225,000 (10%)**

Tier 4 Location

Revenue Target 1: \$90,000 (17%)
Revenue Target 2: \$125,000 (15%)
Revenue Target 3: \$160,000 (13%)
Revenue Target 4: 195,000 (10%)

(3) This fee is not uniform to all franchisees. Franchisees who have converted from a License Agreement to a Franchise Agreement are not subject to the requirement of paying this fee.

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	\$30,000	Lump sum	At signing of Franchise Agreement	Us
Costs Associated with Hiring and Employing at least One Employee	\$1,000 to \$2,000	As incurred	As incurred	Various third parties
Travel and Accommodations While Training ²	\$1,000 to \$2,000	As incurred	As incurred	Various third parties
Promotional Materials;	\$250-\$500	As incurred	As incurred	Various third parties
Business Licenses and Permits;	\$250-\$500	As incurred	As incurred	State and Local Agencies
Additional Funds ³	\$1,500 to \$3,000	As Incurred	As Incurred	Employees, Suppliers, Lawyers, Insurance Agents, Technology Fee
Total	\$34,000 TO \$38,000			

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 three day initial training program. Although we bear all of our own costs associated with the initial training program, you must pay all costs of travel and lodging as incurred by you and your personnel in attending the initial training program.

3. This estimates your initial expenses during the start-up phase of your Franchised Business. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. We have relied on the experience of our predecessor, franchisees and/or management team in operating locations similar to the one you will operate. These estimates are subject to increase based on market conditions and cost of providing services. At this time we have no plans to increase payments we control.

We do not currently offer financing for 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

You must purchase from us a minimum amount of our NEAT Method product every calendar year (the “Minimum Annual Purchase Requirement”) equal to the lesser of (a) 10% your total Service Revenue from the operation of the Franchised Business for that calendar year or (b) 30% of your total expenditures on product purchases of any kind for that calendar year for the Franchised Business. “Service Revenue” means the aggregate amount of total service billed in a given month, including all charges for services performed, by the Franchised Business, but does not include product sales. If you do not meet this minimum purchase requirement, we reserve the right to charge you for the difference between the required amount and the actual amount you purchase from us.

Except as set forth in the paragraph above, we have not designated any supplier or otherwise imposed any restrictions on the suppliers from whom you purchase products or services. We reserve the right to do so in the future, including designating ourselves, our parents and our other affiliates as the designated supplier of products they may develop relating to establishing or operating your Franchised Business.

We currently do not receive revenue based on the purchase of products or services by our franchisees from any supplier. But, beginning on the date of the issuance of this Franchise Disclosure Document, we will begin to receive revenue from our franchisees based on the Minimum Annual Purchase Requirement described above. We cannot estimate the precise basis of any future payments made to us should we designate suppliers and establish required services or products that you must purchase from those designated suppliers.

During the fiscal year ended, December 31, ~~2022~~2023, we received \$0_ revenue based on required purchases and/or leases from franchisees from any supplier.

We currently do not, but may in the future, enter into arrangements with suppliers which provide discounts and/or rebates on purchases by our company-owned Neat Method® businesses and by franchisee-owned Neat Method® franchises. You may be offered the opportunity to participate in these programs on the same basis as our company-owned Neat Method® businesses.

None of our officers owns an interest in any supplier. Please confirm this has not changed.

We reserve the right, in our sole discretion, to restrict your sources of products and other items and services 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 will maintain approved supplier criteria; however, this criteria will not be issued to you.

If we designate suppliers in the future or we impose other restrictions on the suppliers for which you purchase products and services, and you propose to purchase items from any supplier 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 (typically 30 - 60 days) 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.

Our approval of a supplier 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. Our approval of a supplier 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.

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 0%. We estimate that the required purchase or lease of required products and services will range from 10% to 20% of your total operating costs.

You will receive a commission equal to 20% of your NEAT Method purchases. The amount of these commissions are subject to change and will be deducted from the amount of your required payment for Royalty Fees each month.

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 be utilized in the manner we prescribe. You may not use any advertising, promotional, marketing and public relations materials that we have not approved.

Insurance

You must obtain and maintain insurance coverage in the types and amounts specified below (or otherwise provided to you in writing), naming us as an additional insured:

Commercial general liability insurance, including bodily injury and property damage, with coverage of not less than \$1,000,000;

We may increase the minimum coverage of insurance and/or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, or other relevant changes and circumstances.

Purchasing Arrangements

From time to time, we may have company-wide partnerships with other companies that could provide preferred pricing on products or services for our franchisees. While these are not required purchasing arrangements, they are offered as benefits to you in the operation of your Franchised Business.

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.

Obligation	Section in Agreement	Disclosure document item
a. Site Selection and acquisition/lease	Not Applicable	Item 12
b. Pre-opening purchases/leases	Article III	Items 7 and 8
c. Site development and other pre-opening requirements	Not Applicable	Not Applicable
d. Initial and ongoing training	Not applicable	Items 5, 6 and 11
e. Opening	Not applicable	Item 11
f. Fees	Article VII	Items 5 and 6 Items 5, 6 and 7
g. Compliance with standards and policies/ operating manual	Article IV	Items 8 & 11
h. Trademarks and proprietary information	Article VI	Items 13 and 14
i. Restriction on products/services offered	Article I	Items 8, 11 and 16
j. Warranty and customer service requirements	Not applicable	Item 11
k. Territorial development	Article I	Item 12
l. Ongoing product/service purchases	Article III	Item 8
m. Maintenance, appearance, and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Article X	Items 7 and 8
o. Advertising	Article V	Items 6, 7 and 11
p. Indemnification	Article II	Item 6

Obligation	Section in Agreement	Disclosure document item
q. Owner's participation/management/staffing	Not applicable	Items 11 and 15
r. Records/reports	Article VII	Item 11
s. Inspections/audits	Article VII	Items 6 and 11
t. Transfer	Article VIII	Items 6 and 17
u. Renewal or extension	Article I	Item 17
v. Post-termination obligations	Article IX	Item 17
w. Non-competition covenants	Article VI	Items 15 & 17
x. Dispute resolution	Article XI	Item 17
y. Other:	Not Applicable	Not Applicable

ITEM 10

FINANCING

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

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 Franchised Business and grant you a license to use our Licensed Marks in a specific geographic territory (Franchise Agreement - Article I).
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.

Our typical franchisee operates the Franchised Business from their home and does not have a separate physical location for the Franchised Business. With a home based Neat Method franchise, there are no site approval requirements.

We currently do not, but we reserve the right to establish, maximum, minimum or other requirements with respect to the pricing, charges, and terms you sell your products and services to your clients

Time for Opening

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is generally 15 days. The factor that could affect the opening of the Franchised Business is non-payment of the initial franchise fees. Failure to open your Franchised Business within 15 days from the date of the Franchise Agreement may result in the termination of the Franchise Agreement.

After you open your Franchised Business, we will:

1. Provide you with ongoing assistance and supervision (Franchise Agreement, Article IV, paragraph 2);
2. Provide specifications for supplies to operate the Franchised Business (Franchise Agreement, Article III);
3. Provide you with marketing and sales assistance (Franchise Agreement, Article IV);
4. Provide you with administrative, marketing, sales and general operating procedures for the operation of your Franchised Business Franchise Agreement, Article IV);
5. Review your proposed advertising and marketing materials which you have developed Franchise Agreement, Article IV);
6. Provide you with such additional training and support as we may determine in our sole discretion (Franchise Agreement, Not Applicable);
7. Establish, amend or revise policies, procedures, standards and specifications pertaining to the operation of your Franchised Business (Franchise Agreement, Article III, Paragraph 8); and
8. Provide you, during the term of the Franchise Agreement, access to our electronic Operations Manual (Franchise Agreement, Article III, Paragraph 2).

Advertising

We will supply to you advertising and sales materials, including various templates, that you can customize and use when advertising your business. Such Marketing Materials may be in the form of computer files (i.e. PDF, JPG) which Franchisee shall have the right to use and duplicate solely in connection with the Franchised Business.

You may utilize your own advertising material subject to submission to us and approval by us in writing of the content (Franchise Agreement, Article V, Section 2), in addition to any company-wide advertising we chose to undertake on our own.

Local and Regional Advertising Cooperatives

At this time, you are not required to participate in any local or regional advertising cooperatives.

Advertising Fund

At this time, there is no advertising fund that requires contributions to be made by you. We reserve the right to implement an advertising fund in the future.

Computer & Technology Fee

In order to successfully operate your business, you must have a computer with adequate internet access. There are no required computer hardware and software requirements, but we reserve the right to implement such requirements, in our sole discretion, as part of an overall franchise management system that will manage certain aspects of your business. If we do so in the future, we reserve the right to have independent access to the data on your computer system.

You will pay a monthly technology fee (the “Technology Fee”), in an amount not to exceed \$150 per month, per franchisee, to cover the costs of the technologies necessary to operate your business. At our discretion we may increase the technology fee to meet the demands of the business.

You are not required to purchase or use electronic cash registers.

Operations Manual

During the term of your Franchisee, you will have access to the Operations Manual which will be online and will provide you with requirements and best business practices for running your business. The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures we prescribe for the operation of your Franchised Business and information relative to your obligations, and may consist of one or more online documents, all of which are referred to as the Operations Manual. We have the right to continuously modify the Operations Manual as it makes sense to do so.

Additionally, we have an internal proprietary intranet that will be a resource for you in the operation of your Franchised Business.

Exhibit E to this Franchise Disclosure Document is the Table of Contents of the Operations Manual. The Operations Manual contains a total of 161-212 pages.

Training

Training will occur after you sign the Franchise Agreement and while you are developing the Franchised Business. We schedule training to accommodate you and other franchisees.

We provide a six week training program that includes a combination of in-person, virtual training sessions, and one-on-one calls. These are on a wide variety of topics that assist our new Franchisees in being ready to officially launch their business.

The training materials will consist of our internal website which includes all brand tools and resources and our complete Operations Manual.

The initial training program is outlined as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Learning the NEAT Method	14	0	Virtual and Chicago, Illinois
Marketing and Business Management	8	0	Virtual
Hands on learning at client's home.	0	8	TBD
Product Knowledge Training	6	0	Virtual and Chicago, Illinois
Total Hours	28	8	

The instructors, who will oversee our training program, may include our founders and/or owners and our director of Franchise Operations. Together, the instructors have a combined total of over eleven years of experience in the professional organizing industry and over four years of experience with us.

You, your manager or your Representative must attend and complete the training program to our satisfaction within a reasonable time after signing your Franchise Agreement. However, we do not have a set deadline for completion of training and in some instances training may be completed after opening.

We do not charge you a fee for the training program. However, you will be responsible for your travel and accommodations while attending the training program.

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 do not charge you a fee for the supplemental training program. However, you will be responsible for your travel and accommodations while attending the supplemental training program

ITEM 12

TERRITORY

Except for the rights reserved by us as described below, and except for the cities described in the following paragraph, the Franchise Agreement grants you certain rights within a designated geographic area (the “Protected Territory”) set forth on Schedule C of your Franchise Agreement. We determine the size and boundaries of the Protected Territory in our discretion based upon factors such as population density, character of the neighborhood, location and number of competing businesses and other similar factors. Your Protected 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 on a map. When determining the Protected Territory, we generally use demographic statistics provided by the U.S. Census Bureau among other tools and resources at our disposal.

Our franchisees in the following major metropolitan cities will not have a Protected Territory: Chicago and New York City.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

Notwithstanding the rights granted to you under the Franchise Agreement, we reserve the right to: (i) market and sell products and services into your Protected Territory through dissimilar channels of distribution, including without limitation the internet and other online platforms; and (ii) provide services to certain clients who either (1) request services be provided directly by us or our representative or (2) generate unique goodwill for the System and the Licensed Marks such as celebrities or other influential clients. You are not entitled to any compensation if we exercise any of these rights.

From time-to-time we receive inquiries for organizing services (typically through our website) from prospects in your Protected Territory. If you are in full compliance with the terms of your Franchise Agreement, except for the rights reserved by us in the preceding paragraph, we will forward to you all inquiries that we receive from a prospect located within your Protected Territory.

We assign a tier designation (the “Tier Designation”) to each Protected Territory based upon our expectations of the market in terms of hourly rates charged to clients for the services provided to the clients in that Protected Territory which we generally determine based upon the median income of the residents of in each Protected Territory and the total population of each Protected Territory. Tier 1 Designations are for a Protected Territory where we determine a franchisee can typically charge our highest rate per organizer, and Tier 4 Designations are for a Protected Territory where we determine a franchisee will be required to charge our lowest rate per organizer. We may reassess the Tier Designation in any Protected Territory if changes occur in median income, population or other factors in that market that change our expectation of the hourly rate that can be charged in that Protected Territory.

In order to continue to have the rights granted to you in your Protected Territory, you must meet the following minimum performance standard:

1. Generate a minimum of \$500 per month in Royalty Fees from providing the Approved Services beginning in the thirteenth (13th) month of operation of your Franchised Business if you are a *new franchisee*; or
2. Generate a minimum of \$500 per month in Royalty Fees from providing the Approved Services beginning in the first (1st) month of operation of your Franchised Business if you are renewing your Franchise Agreement or have otherwise been operating an *existing Franchised Business*.

We may allow you to solicit or accept orders in a geographic area outside your Protected Territory if there is not then an existing Neat Method® business operating in that geographic area. If approval is

granted to you to solicit or accept orders outside your Protected Territory, you must agree that once a Neat Method® business is established in any such geographic area that you will immediately cease and desist from soliciting or accepting orders in that area or work out an arrangement with the new Neat Method business, at their sole discretion.

Your Franchised Business is operated out of your home. Your franchise agreement may not permit you to relocate your Franchised Business. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your Franchised Business.

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

ITEM 13

TRADEMARKS

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

As outlined in the table below, our principal tradename, Neat Method, was registered with the United States Patent and Trademark Office (“USPTO”) on August 14, 2012, registration number 4191734.

Trademark Name	Application Number	Filing Date	Registration Number	Registration Date
NEAT IT NOW	87/625,209	27-Sep-2017	5,484,642	05-Jun-2018
NEAT METHOD	85/332,982	27-May-2011	4,191,734	14-Aug-2012
NEAT METHOD	87/317,127	29-Jan-2017	6,190,083	03-Nov-2020
NEAT METHOD	87/625,199	27-Sep-2017	6,190,178	03-Nov-2020
NEAT METHOD	85/611,221	28-Apr-2012	4,263,889	25-Dec-2012
NEAT METHOD	88/297,753	12-Feb-2019	6,907,342	22-Nov-2022

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

We do not yet have a Principal Register federal registration for the following marks: NEAT METHOD (88/297,753 filed February 12, 2019). These trademarks do not have as many legal benefits and rights as a Principal Register federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We 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. You must follow our 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 we license to you. You may not use Neat Method’s name in the sale of any unauthorized product or service or in any manner we do not authorize in writing. You may not use any other mark, name, commercial symbol or logo-type in connection with the operation of your 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, our right to use or license the use of marks, names, logos or symbols.

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

There are no infringing uses known to us 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 our rights 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 our exclusive benefit. 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 franchisee in the manner we prescribe. Other than registering "Neat Method" as an assumed name (i.e. file for a DBA, fictitious business name, etc. for the operation of your Franchised Business), 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 we do not expressly authorize in writing.

You must notify us 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 us and our counsel regarding any infringement, challenge or claim. We have 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 our interests in any litigation, USPTO proceeding or other administrative proceeding or to otherwise protect and maintain our interests in the Licensed Marks.

We 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 us of the claim or proceeding and have otherwise complied with the Franchise Agreement and if we have the right to defend any claim. If we defend the claim, we have 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 our sole discretion, for us 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 us, and the sole obligation of us 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 Neat Method® or marks similar to one or more of the Licensed Marks in conjunction with a Neat Method® Franchise 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 our use, we and our 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 aggressively seek, and will continue to seek, intellectual property protection on innovative products that we bring to the market. The following is a list of current issued and pending Patents:

- Magnetic Identification Label Holder - US Design Patent D935,528
- Magnetic Identification Label Holder- Non-Provisional Utility Patent Application 16/781,783 (Pending)
- Wire Basket with Removable Wood Floor- US Design Patent D948,217
- Wire Basket with Removable Wood Floor- US Continuing Design Patent Application #29/834,521 (Pending)

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 require that you personally supervise the day-to-day operations of the Franchised Business; or if you are a partnership, corporation or a limited liability company, you must employ at least one manager, who we approve and who has completed the initial training program, to our satisfaction. The person who is responsible for the day-to-day supervision of the Franchised Business must assume responsibilities on a full-time basis and may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitment, or otherwise may conflict with the obligations to operate and manage the Franchised Business.

If you are a corporation, limited liability company or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be personally bound by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. The “Guaranty and Assumption of Obligations” is part of the Franchise Agreement.

You must keep us informed at all times of the identity of the manager of your Franchised Business. Your manager need not have an equity interest in the franchise entity, but he or she must sign a written agreement to preserve confidential information to which he or she has access and to not compete with you, us and other franchisees and make such commitments in writing. We may regulate the form of agreement that you use and we may be a third party beneficiary of that agreement with independent enforcement rights.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We currently do not, but reserve the right, to require that you must sell only the products and services we have approved and authorize in the operation of your Franchised Business. You are limited in the operation of your Franchised Business to provide approved professional organizing 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 have the right to change the requirements of authorized products and services that may be offered at Neat Method Franchises without limitation

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	Article I	Initial term of Franchise Agreement is 5 years.
b. Renewal or extension of the term	Article II	If you are in good standing, we may offer you the right to extend this Agreement for additional 5 year terms.
c. Requirements for franchisee to renew or extend	Article II	You must give at least 120 days' notice of renewal, 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, subject to state law, a general release (subject to state law) 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 will be required to pay the then-current renewal fee and 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 Territory will remain the same.
d. Termination by franchisee	Article VIII	You may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by franchisor without cause	Article IX	Not Applicable
f. Termination by franchisor upon the occurrence of certain defaults	Article IX	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 the

Provision	Section in franchise or other agreement	Summary
		Franchised 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. "Cause" defined – curable defaults	Article IX	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.
h. "Cause" defined – non-curable	Article IX	Noncurable defaults include: if you become insolvent, make a general assignment for the benefit of creditors, file a petition or has a petition initiated against you 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 effect on the system (also applies to principals), engage in conduct affecting the goodwill of the Licensed Marks, disclose any confidential information (also applies to principal), breach any material aspect of covenants, made a material misrepresentation with your application for a franchise, that after 3 willful and material breaches of the same term of the franchise agreement, (such as failure to make royalty payments, or maintains falls books or records), occurring within a 12-month period, for which you has been given notice and an opportunity to cure, you commit a 4 th willful and material breach of the same term of the Franchise Agreement (such as failure to make royalty payments, or maintains falls books or

Provision	Section in franchise or other agreement	Summary
		records).
i. Franchisee's obligations on termination/ nonrenewal	Article IX	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	Article VIII	No restriction on our right to assign.
k. "Transfer" by franchisee	Article VIII	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	Article VIII	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Article VIII	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 (subject to state law), transferee must submit to a criminal and credit check, transferee must assume all of your obligations and responsibilities, 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	Not Applicable	In case of termination or nonrenewal, subject to state law, we reserve the right to purchase assets at market value.
o. Franchisor's option to purchase your business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Article I, Article VI	No involvement in competing business anywhere in U.S. Subject to state law
r. Non-competition covenants after the franchise is terminated or	Article VI, Article IX	No competing business for a period of two years in Territory or within 50 miles of the Territory granted you by a Franchise

Provision	Section in franchise or other agreement	Summary
expires		Agreement or within Territory of any other of our franchisees. Subject to state law
s. Modification of the agreement	Article III, Article X	No modification to Franchise Agreement except in writing and signed by both you 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	Article X	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	Not applicable	Not applicable
v. Choice of forum	Article XI	Litigation must be in the State of Colorado (subject to state law).
w. Choice of law	Article XI	Colorado law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our 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.

As described in Item 6 with regard to the determination of the Royalty Fee, we assign a Tier designation to your territory based on the population and the revenue potential for that territory. Tier 1 locations are in a territory where we determine a franchisee can typically charge our highest rate per organizer, and Tier 4 locations are in a territory where we determine a franchisee will be required to charge our lowest rate per organizer.

During the time period January 1, ~~2022~~2023 through December 31, ~~2022~~2023 we had ~~84~~81 franchised outlets in continuous operation and no company or affiliate owned locations. The tables below provide an historic representation of certain information based on our ~~84~~81 franchised outlets that were in operation as of January 1, ~~2022~~2023 and continued in operation through December 31, ~~2022~~2023. The information is categorized by market size.

Each of the four Tiers had the following number of locations in each Tier and the following range of Gross Service Revenue for the locations within each Tier:

Tier Number of Locations Within Tier Range of Annual Service Revenue

Tier	Number of Locations Within Tier	Range of Annual Service Revenue Within Tier
1	41 10	\$62,698 114,220 - \$448,244 420,965
2	26	\$19,492 44,286 - \$503,412 604,560
3	35 30	\$11,413 24,505 - \$296,244 245,107
4	42 15	\$13,008 8,580 - \$268,154 209,294
	84 81	

“Service Revenue” is the “total service revenue generated by franchisees minus any product sales.

Some Neat Method Franchises have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, NM Franchise Operations LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any 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 projections of your future income, you should report it to the franchisor's management by contacting Ashley Murphy, 8 White Birch, Littleton, CO 80127, telephone 773-343-3691, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
For years ~~2020-2022~~2021-2023**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	60	70	+10

<u>Franchised</u>	2021	70	91	+21
	2022	91	90	-1
Company- Owned	2020 <u>2023</u>	0 <u>90</u>	0 <u>94</u>	0 <u>+4</u>
<u>Company-</u> <u>Owned</u>	2021	0	0	0
	2022	0	0	0
<u>Total Outlets</u>	2020 <u>2023</u>	600 <u>600</u>	700 <u>700</u>	+100 <u>+100</u>
<u>Total Outlets</u>	2021	70	91	+21
	2022	91	90	-1
	<u>2023</u>	<u>90</u>	<u>95</u>	<u>+5</u>

Table No. 2
Transfers of Outlets from Franchisees to
New Owners (other than Franchisor)
For years ~~2020-2022~~2021-2023

Column 1	Column 2	Column 3
State	Year	Number of Transfers
California	2020 <u>2021</u>	0
	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
<u>Florida</u>	2021	0
	2022	1
Florida	2020 <u>2023</u>	0
<u>Iowa</u>	2021	0
	2022	1
Iowa	2020 <u>2023</u>	0
<u>Indiana</u>	2021	0
	2022	1 <u>0</u>
	<u>2023</u>	<u>1</u>
Pennsylvania <u>North Carolina</u>	2020 <u>2021</u>	0
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
<u>Pennsylvania</u>	2021	0
	2022	1
Total	2020 <u>2023</u>	0
<u>Total</u>	2021	0
	2022	40 <u>40</u>
	<u>2023</u>	<u>2</u>

Table No. 3
Status of Franchised Outlets¹
For years ~~2020~~2021 to ~~2022~~2023

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2020	0	1	0	0	0	0	1
Alabama	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arizona	2020 202	1	0	0 <u>1</u>	0	0	0	1 <u>0</u>
	<u>3</u>							
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arkansas	2020 202	0 <u>1</u>	0	0	0	0	0	0 <u>1</u>
	<u>3</u>							
Arkansas	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
District of Columbia	2020 202	0 <u>1</u>	2 <u>0</u>	0	0	0	2 <u>0</u>	0 <u>1</u>
	<u>3</u>							
District of Columbia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
California*	2020 202	9 <u>0</u>	2 <u>0</u>	0	0	0	1 <u>0</u>	10 <u>0</u>
	<u>3</u>							
California*	2021	10	3	0	0	0	1	12
	2022	12	2	0	0	0	1	13
Colorado	2020 202	1 <u>3</u>	0 <u>3</u>	0	0 <u>1</u>	0	0 <u>1</u>	1 <u>4</u>
	<u>3</u>							
Colorado	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Connecticut	2020 202	0 <u>1</u>	0 <u>2</u>	0	0	0	0	0 <u>3</u>
	<u>3</u>							
Connecticut	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020 202	6 <u>1</u>	1 <u>0</u>	0	0	0	0	7 <u>1</u>
	<u>3</u>							
Florida	2021	7	0	0	0	0	1	7
	2022	7	0	0	0	0	1	6
Georgia	2020 202	1 <u>6</u>	0	0	0	0	0	1 <u>6</u>
	<u>3</u>							
Georgia								

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Idaho	2020 <u>202</u> <u>3</u>	0 <u>2</u>	1 <u>0</u>	0	0	0	0	1 <u>2</u>
<u>Idaho</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Illinois	2020 <u>202</u> <u>3</u>	5 <u>1</u>	1	0	0	0	0	6 <u>0</u>
<u>Illinois</u>	2021	6	1	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Indiana	2020 <u>202</u> <u>3</u>	1 <u>7</u>	0	0	0	0	0	1 <u>7</u>
<u>Indiana</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Iowa	2020 <u>202</u> <u>3</u>	1	0 <u>1</u>	0	0	0	0 <u>1</u>	1
<u>Iowa</u>	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	1	2
Kansas	2020 <u>202</u> <u>3</u>	1 <u>2</u>	0	0	0	0	0	1 <u>2</u>
<u>Kansas</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2020 <u>202</u> <u>3</u>	2 <u>1</u>	0	0	0	0	0	2 <u>1</u>
<u>Kentucky</u>	2021	2 <u>1</u>	1	0	0	0	0	3 <u>2</u>
	2022	3 <u>2</u>	0	0	0	0	1	2 <u>1</u>
Louisiana	2020 <u>202</u> <u>3</u>	1	0	0 <u>1</u>	0	0	0	1 <u>0</u>
<u>Louisiana</u>	2021	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maryland	2020 <u>202</u> <u>3</u>	1 <u>2</u>	0	0	0	0	0	1 <u>2</u>
<u>Maryland</u>	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	1 <u>0</u>	2 <u>3</u>
Massachusetts	2020 <u>202</u> <u>3</u>	1 <u>3</u>	0 <u>1</u>	0	0	0	0 <u>1</u>	1 <u>3</u>
<u>Massachusetts</u>	2021	1	0	0	0	0	0	1

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2022	1	0	0	0	0	0	1
Michigan	2020 <u>202</u> <u>3</u>	1	1 <u>0</u>	0	0	0	0	2 <u>1</u>
<u>Michigan</u>	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Missouri	2020 <u>202</u> <u>3</u>	0 <u>3</u>	1 <u>0</u>	0	0	0	0	1 <u>3</u>
<u>Missouri</u>	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Minnesota	2020 <u>202</u> <u>3</u>	1 <u>2</u>	0	0	0	0	0	1 <u>2</u>
<u>Minnesota</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Montana	2020 <u>202</u> <u>3</u>	0 <u>1</u>	1 <u>0</u>	0	0	0	0	1
<u>Montana</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nebraska	2020 <u>202</u> <u>3</u>	0 <u>1</u>	0	0	0	0	0	0 <u>1</u>
<u>Nebraska</u>	2021	0 <u>1</u>	1 <u>0</u>	0	0	0	0	1
	2021 <u>202</u> <u>2</u>	1	0	0	0	0	0	1
Nevada	2020 <u>202</u> <u>3</u>	1	1 <u>0</u>	0	0	0	0	2 <u>1</u>
<u>Nevada</u>	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
New-Hampshire	2020 <u>202</u> <u>3</u>	1 <u>3</u>	0	0	0	0	0	1 <u>3</u>
<u>New Hampshire</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Jersey	2020 <u>202</u> <u>3</u>	4 <u>1</u>	0	0	0	0	0	4 <u>1</u>
<u>New Jersey</u>	2021	4 <u>2</u>	1	0	0	0	0	5 <u>3</u>
	2022	5 <u>3</u>	0	0	0	0	0	5 <u>3</u>
New York	2020 <u>202</u> <u>3</u>	1 <u>3</u>	1	0	0	0	0 <u>1</u>	2 <u>4</u>
<u>New York</u>	2021	2	0	0	0	0	0	2

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2022	2	0	0	0	0	0	2
North Carolina	2020 2023	1 2	1 0	0	0	0	0	2
<u>North Carolina</u>	2021	2	1 0	0	0	0	0	3 2
	2022	3 2	0	0	0	0	0	3 2
Ohio	2020 2023	1 2	2 1	0	0	0	0 1	3 2
<u>Ohio</u>	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Oklahoma	2020 2023	0 3	1 0	0	0	0	0	1 3
<u>Oklahoma</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Oregon	2020 2023	1	0	0	0	0	0	1
<u>Oregon</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020 2023	2 1	0 1	0	0	0	0	2
<u>Pennsylvania</u>	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	1	2
Rhode Island	2020 2023	1 2	0	0	0	0	0	1 2
<u>Rhode Island</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
South Carolina	2020 2023	0 1	0	0	0	0	0	0 1
<u>South Carolina</u>	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Tennessee	2020 2023	1 2	0	0	0	0	0	1 2
<u>Tennessee</u>	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Texas	2020 2023	9 2	1	0	0	0	1 0	10 3
<u>Texas</u>	2021	9	1	0	0	0	0	10
	2022	10	0	0	0	0	1	9
Utah	2020 2023	10 9	0 1	0	0	0	1 0	9

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	<u>3</u>							
<u>Utah</u>	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	1	1
Virginia	2020 <u>202</u>	0 <u>1</u>	1 <u>0</u>	0	0	0	0	1
<u>Virginia</u>	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Washington	2020 <u>202</u>	1 <u>3</u>	0	0	0	0	0	1 <u>3</u>
<u>Washington</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Wisconsin	2020 <u>202</u>	1	0	0	0	0	0	1
<u>Wisconsin</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	2020 <u>202</u>	60	77	0	0	0	3	70
	2021 <u>202</u>	70	21 <u>20</u>	0	0	0	0	91 <u>90</u>
	2022 <u>202</u>	91 <u>90</u>	71 <u>13</u>	0 <u>2</u>	0 <u>2</u>	0	8 <u>5</u>	90 <u>94</u>

* Corrected from previous Disclosure Document

Table No. 4
Status of Company Owned Outlets
For years ~~2020~~2021 - ~~2022~~2023

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 Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Total	2020 <u>2021</u>	0	0	0	0	0	0
	2021 <u>2022</u>	0	0	0	0	0	0
	2022 <u>2023</u>	0	0	0	0	0	0

Table No. 5
Projected Openings
As of December 31, ~~2022~~2023

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
N/A	0	0	0

Exhibit F lists the names of all franchisees and the addresses and telephone numbers of their Neat Method Franchises as of the date of this disclosure document.

Listed below are the franchisees who have had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

Pamela Johnson	Streamline Design Enterprise LLC	8173 C Edge Rock Way	Laurel	MD	2072 4	pamela.johnson@neatmethod.com	202-717-0144
Kimberly Chelewski	Kimberly 821x2 LLC	2920 Kirkcaldy Lane	Birmingham	AL	3524 2	kimberly.miller@neatmethod.com	205.745.5661
Krisztina Galambos		Annie-Duckworth 1619 West 23rd Street Houston, Texas 77008 annie@neatmethod.com 713-320-3940			9006 8	Lauren Hanson 1748 Greenwood Ave Jacksonville, FL 32205 lauren.hansonkrisztina@neatmethod.com 904-657-3354	206-276-5447
Rachel Sowell	RVS Consulting, LLC	April Chalk 10671 S Lamond Drive South Jordan,	Louisville	KY	4020 7	Nikol Benavides 3001 Heritage Drive Chesapeake Beach, MD 20732	502-767-0061

		Utah 84009 april@neatmethod.com 210-468-6869 24 8 Chenoweth Lane, Apt 4				nikol.benavides@neatmethod.com 443-486-8067 rachel.sowell@neatmethod.com	
Caitlyn Horton	NEAT Girl, LLC	Jackie Sueyres 1413 La Sierra Drive Sacramento, CA 95864 jackie.sueyres@neatmethod.com 916-505-8155 16800 Frank Ave	Los Gatos	CA	9503 2	Nikki Osborn nikki.orsborn@neatmethod.com 412-977-0718 caitlyn.horton@neatmethod.com	408-832-6199
Rebekah Haynes	Rebekah Haynes, LLC	Kellie Sears 670 Gingermill Ln Lexington, KY 40509 kellie.sears@neatmethod.com 585-356-3327 26 02 North N Street	Midland	TX	7970 5	Sophie Schwarek 185 79th Street West Des Moines, IA 50266 sophie.schwarek rebekah@neatmethod.com 515-326-0762	325-668-8669
Anna Lott	All Aligned LLC	956 S Lake Pointe Way	Eagle	ID	8361 6	anna.lott@neatmethod.com	801-592-4272
Sarah Davis	Think Tidy, LLC	13708 Blooming Orchard Drive	Fishers	IN	4603 8	sarah.davis@neatmethod.com	317-372-4968

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

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

Currently, there are no franchisee associations.

ITEM 21

FINANCIAL STATEMENTS

Exhibit A is our audited financials dated December 31, ~~2022~~,2023 December 31, ~~2021~~2022 and December 31, ~~2020~~2021

Our fiscal year end is December 31.

ITEM 22

CONTRACTS

The following agreements are attached to this disclosure document:

Franchise Agreement

General Release

Franchise Disclosure Document Receipts

Exhibit B

Exhibit H

Exhibit I

ITEM 23

RECEIPTS

The last pages of this disclosure document, Exhibit I, are a detachable document, in duplicate. Please detach, sign, date and return one (1) copy of the Receipt to us, acknowledging that you received this disclosure document. Please keep the second copy for your records.

EXHIBIT A
FINANCIAL STATEMENTS

(Deleted graphics) OPERATIONS, LLC
SUBSIDIARY

Consolidated Financial Statements
December 31, 2022, 2021 and 2020

**LENAHAN,
SMITH, &
BARGIACHI, P.C.**
Certified Public Accountants

NM FRANCHISE OPERATIONS, LLC
AND SUBSIDIARY

(Deleted)

NM FRANCHISE OPERATIONS, LLC
AND SUBSIDIARY

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Consolidated Financial Statements
December 31, 2023, 2022 and 2021

(Modified graphics)

BARGIACHI, P.C.
Certified Public Accountants

James A. Lenahan, III, CPA
J. Anthony Smith, CPA
Charles J. Bargiachi, MS Tax, CPA
Charles J. Hallberg, III, MA, CPA
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1080 Brookfield Road
Memphis, TN 38119
(901) 684-1100
FAX (901) 763-0005

Independent Auditors' Report

To the Management Committee
of NM Franchise Operations, LLC

Opinion

We have audited the accompanying consolidated financial statements of NM Franchise Operations, LLC and Subsidiary (the Company) which comprise the consolidated balance sheets as of December 31, 2022, 2021, and 2020, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NM Franchise Operations, LLC and Subsidiary as of December 31, 2022, 2021, and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of NM Franchise Operations, LLC and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NM Franchise Operations, LLC and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

NM FRANCHISE OPERATIONS, LLC
AND SUBSIDIARY

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Independent Auditors' Report

To the Management Committee
of NM Franchise Operations, LLC

Opinion

We have audited the accompanying consolidated financial statements of NM Franchise Operations, LLC and Subsidiary (the Company) which comprise the consolidated balance sheets as of December 31, 2023, 2022 and 2021, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NM Franchise Operations, LLC and Subsidiary as of December 31, 2023, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of NM Franchise Operations, LLC and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NM Franchise Operations, LLC and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Independent Auditors' Report, continued

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NM Franchise Operations, LLC and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NM Franchise Operations, LLC and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(Modified graphics)ors' Report, continued

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NM Franchise Operations, LLC and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NM Franchise Operations, LLC and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Lenahan, Smith and Bargiachi, P.C.

Memphis, Tennessee

March 30, 2023

[Lenahan, Smith and Bargiachi, P.C.](#)
[Memphis, Tennessee](#)
[April 17, 2024](#)

NM FRANCHISE OPERATIONS, LLC AND SUBSIDIARY
Consolidated Balance Sheets

(Deleted graphics) RATIONS, LLC AND SUBSIDIARY
 ated Balance Sheets

Assets			
	2022	December 31, 2021	2020
Current Assets			
Cash	\$ 1,936,681	\$ 1,885,631	\$ 1,008,488
Accounts receivable	297,950	243,486	125,586
Inventory	164,937	103,823	127,861
Due from affiliates	34,816	10,055	5,258
Other receivable	2,421	-	7,232
Prepaid expenses	<u>20,938</u>	<u>20,159</u>	<u>1,455</u>
	2,457,743	2,283,154	1,275,880
Property and Equipment			
Equipment	41,223	33,426	4,026
Less: accumulated depreciation	<u>(12,799)</u>	<u>(4,756)</u>	<u>(1,840)</u>
	28,424	28,670	2,186
Other Assets			
Intangible assets, net of accumulated amortization	408,050	460,223	510,856
Website, net of accumulated amortization	44,943	38,124	70,037
Contract costs, net of accumulated amortization	1,858	2,658	1,808
Notes receivable	-	-	2,507
	<u>454,851</u>	<u>501,005</u>	<u>585,208</u>
Total Assets	\$ 2,941,018	\$ 2,792,829	\$ 1,863,274
Liabilities and Equity			
Current Liabilities			
Accounts payable	\$ 307,340	\$ 137,643	\$ 87,433
Due to affiliates	141,763	501,563	132,000
Credit card payable	49,087	35,310	3,927
Sales tax payable	252,903	76,764	27,071
Territory sales payable	-	-	4,935
Unearned revenue	167,022	140,900	125,147
Gift cards outstanding	50,139	15,324	8,622
Accrued expenses	7,599	26,676	-
Accrued payroll	<u>38,035</u>	<u>181,966</u>	<u>14,704</u>
	1,013,888	1,116,146	403,839
Member's Equity	1,898,712	1,592,046	1,427,221
Stockholder's Equity			
Retained earnings	33,431	88,376	31,199
Accumulated Other Comprehensive Income (Loss)	<u>(5,013)</u>	<u>(3,739)</u>	<u>1,015</u>
	1,927,130	1,676,683	1,459,435
Total Liabilities and Equity	\$ 2,941,018	\$ 2,792,829	\$ 1,863,274

See accompanying notes to financial statements.

-3-

Assets

December 31,

2023

2022

2021

<u>Current Assets</u>			
<u>Cash</u>	\$ 1,107,119	\$ 1,936,681	\$ 1,885,631
<u>Accounts receivable</u>	330,046	297,950	243,486
<u>Inventory</u>	705,222	164,937	103,823
<u>Due from affiliates</u>	10,351	34,816	10,055
<u>Other receivable</u>	15,621	2,421	-
<u>Prepaid expenses</u>	194,215	20,938	20,159
	<u>2,362,574</u>	<u>2,457,743</u>	<u>2,263,154</u>
<u>Property and</u>			
<u>Equipment</u>	54,275	41,223	33,426
<u>Equipment</u>			
<u>Less: accumulated depreciation</u>	(23,702)	(12,799)	(4,756)
	<u>30,573</u>	<u>28,424</u>	<u>28,670</u>
<u>Other Assets</u>			
<u>Intangible assets, net of accumulated amortization</u>	350,185	408,050	460,223
<u>Website, net of accumulated amortization</u>	10,146	44,943	38,124
<u>Contract costs, net of accumulated amortization</u>	1,283	1,858	2,658
	<u>361,614</u>	<u>454,851</u>	<u>501,005</u>
<u>Total Assets</u>	<u>\$ 2,754,761</u>	<u>\$ 2,941,018</u>	<u>\$ 2,792,829</u>
<u>Liabilities and</u>			
<u>Equity</u>			
<u>Current Liabilities</u>			
<u>Accounts payable</u>	\$ 876,715	\$ 307,340	\$ 137,643
<u>Due to affiliates</u>	9,306	141,763	501,563
<u>Credit card payable</u>	54,275	49,087	35,310
<u>Sales tax payable</u>	157,029	252,903	76,764
<u>Unearned revenue</u>	162,449	167,022	140,900
<u>Gift cards outstanding</u>	93,873	50,139	15,324
<u>Accrued expenses</u>	35,888	7,599	26,676
<u>Accrued payroll</u>	50,086	38,035	181,966
	<u>1,439,621</u>	<u>1,013,888</u>	<u>1,116,146</u>
<u>Member's Equity</u>	1,313,660	1,898,712	1,592,046
<u>Stockholder's Equity</u>			
<u>Retained earnings</u>	9,257	33,431	88,376
<u>Accumulated Other Comprehensive Income (Loss)</u>	(7,777)	(5,013)	(3,739)
	<u>1,315,140</u>	<u>1,927,130</u>	<u>1,676,683</u>
<u>Total Liabilities and Equity</u>	<u>\$ 2,754,761</u>	<u>\$ 2,941,018</u>	<u>\$ 2,792,829</u>

See accompanying notes to financial statements.

NM FRANCHISE OPERATIONS, LLC AND SUBSIDIARY
Consolidated Statements of Income

	<u>For the Years Ended</u>		
	<u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>2021</u>
<u>Revenue</u>	\$ <u>8,227,774</u>	\$ <u>7,580,865</u>	\$ <u>5,478,203</u>
<u>Cost of Sales</u>	<u>2,603,503</u>	<u>2,477,992</u>	<u>1,634,804</u>
<u>Gross Profit</u>	<u>5,624,271</u>	<u>5,102,873</u>	<u>3,843,399</u>
<u>Operating Expenses</u>			
<u>Salaries, wages, and benefits</u>	<u>2,067,788</u>	<u>2,139,473</u>	<u>1,609,411</u>
<u>Warehouse</u>	<u>284,115</u>	<u>322,779</u>	<u>201,531</u>
<u>Franchise legal fees</u>	<u>6,882</u>	<u>11,188</u>	<u>2,183</u>
<u>Management fees</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>
<u>Sales and marketing</u>	<u>1,373,872</u>	<u>1,069,077</u>	<u>567,853</u>
<u>General and administrative</u>	<u>700,949</u>	<u>1,116,712</u>	<u>771,179</u>
	<u>4,433,606</u>	<u>4,671,229</u>	<u>3,164,157</u>
<u>Income from Operations</u>	<u>1,190,665</u>	<u>431,644</u>	<u>679,242</u>
<u>Other Income (Expense)</u>			
<u>Other income</u>	<u>5,035</u>	<u>26,348</u>	<u>116,402</u>
<u>Other expense</u>	<u>-</u>	<u>(1,478)</u>	<u>-</u>
<u>Depreciation</u>	<u>(10,904)</u>	<u>(8,042)</u>	<u>(2,916)</u>
<u>Amortization</u>	<u>(93,237)</u>	<u>(84,020)</u>	<u>(89,421)</u>
	<u>(99,106)</u>	<u>(67,192)</u>	<u>24,065</u>
<u>Income Before Income Tax</u>	<u>1,091,559</u>	<u>364,452</u>	<u>703,307</u>
<u>Income Tax</u>	<u>-</u>	<u>17,734</u>	<u>3,803</u>
<u>Net Income</u>	<u>1,091,559</u>	<u>346,718</u>	<u>699,504</u>
<u>Other Comprehensive Income (Loss)</u>			
<u>Foreign currency adjustments</u>	<u>(2,764)</u>	<u>(1,274)</u>	<u>(4,754)</u>
	<u>(2,764)</u>	<u>(1,274)</u>	<u>(4,754)</u>
<u>Total Comprehensive Income</u>	<u>\$ 1,088,795</u>	<u>\$ 345,444</u>	<u>\$ 694,750</u>

See accompanying notes to financial statements.

NM FRANCHISE OPERATIONS, LLC AND SUBSIDIARY
Consolidated Statements of Changes in Equity

	<u>For the Years Ended</u>		
	<u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>2021</u>
<u>Beginning Balance</u>	<u>\$ 1,932,143</u>	<u>\$ 1,680,422</u>	<u>\$ 1,458,420</u>
<u>Net Income</u>	<u>1,091,559</u>	<u>346,718</u>	<u>699,504</u>
<u>Member Distributions</u>	<u>(1,700,785)</u>	<u>(94,997)</u>	<u>(477,502)</u>
<u>Ending Balance</u>	<u>1,322,917</u>	<u>1,932,143</u>	<u>1,680,422</u>
<u>Accumulated Other Comprehensive Income</u>			
<u>Beginning Balance</u>	<u>(5,013)</u>	<u>(3,739)</u>	<u>1,015</u>
<u>Other Comprehensive Income (Loss)</u>	<u>(2,764)</u>	<u>(1,274)</u>	<u>(4,754)</u>
<u>Ending Balance</u>	<u>(7,777)</u>	<u>(5,013)</u>	<u>(3,739)</u>
<u>Total Equity</u>	<u>\$ 1,315,140</u>	<u>\$ 1,927,130</u>	<u>\$ 1,676,683</u>

See accompanying notes to financial statements.

NM FRANCHISE OPERATIONS, LLC AND SUBSIDIARY
Consolidated Statements of Cash Flows

	<u>2023</u>	<u>For the Years Ended December 31, 2022</u>	<u>2021</u>
<u>Cash Flows From (Used in) Operating Activities</u>			
<u>Net Income</u>	\$ <u>1,091,559</u>	\$ <u>346,718</u>	\$ <u>699,504</u>
<u>Adjustments to reconcile net income to net cash from operating activities:</u>			
<u>Amortization</u>	<u>93,237</u>	<u>84,020</u>	<u>89,421</u>
<u>Depreciation</u>	<u>10,904</u>	<u>8,042</u>	<u>2,916</u>
<u>(Increase) decrease in:</u>			
<u>Accounts receivable</u>	<u>(32,096)</u>	<u>(54,464)</u>	<u>(117,899)</u>
<u>Inventory</u>	<u>(540,285)</u>	<u>(61,114)</u>	<u>24,038</u>
<u>Due from affiliates</u>	<u>33,816</u>	<u>(24,761)</u>	<u>(4,797)</u>
<u>Other receivable</u>	<u>(13,200)</u>	<u>(2,421)</u>	<u>7,232</u>
<u>Prepaid expenses</u>	<u>(173,277)</u>	<u>(779)</u>	<u>(18,704)</u>
<u>Contract costs</u>	<u>=</u>	<u>=</u>	<u>(1,500)</u>
<u>Notes receivable</u>	<u>=</u>	<u>=</u>	<u>2,507</u>
<u>(Decrease) increase in:</u>			
<u>Accounts payable</u>	<u>569,375</u>	<u>169,697</u>	<u>50,210</u>
<u>Due to affiliates</u>	<u>(141,808)</u>	<u>22,705</u>	<u>24,061</u>
<u>Credit card payable</u>	<u>5,188</u>	<u>13,777</u>	<u>31,383</u>
<u>Sales tax payable</u>	<u>(95,874)</u>	<u>176,139</u>	<u>49,693</u>
<u>Territory sales payable</u>	<u>=</u>	<u>=</u>	<u>(4,935)</u>
<u>Unearned revenue</u>	<u>(4,574)</u>	<u>26,122</u>	<u>15,753</u>
<u>Accrued expenses</u>	<u>28,289</u>	<u>(19,077)</u>	<u>26,676</u>
<u>Accrued payroll</u>	<u>12,051</u>	<u>(143,931)</u>	<u>167,262</u>
<u>Gift cards outstanding</u>	<u>43,734</u>	<u>34,815</u>	<u>6,702</u>
<u>Net Cash From (Used in) Operating Activities</u>	<u>887,039</u>	<u>575,488</u>	<u>1,049,523</u>
<u>Cash Flows From (Used in) Investing Activities</u>			
<u>Website development and design</u>	<u>=</u>	<u>(32,310)</u>	<u>=</u>
<u>Acquisition of trademarks</u>	<u>=</u>	<u>(5,555)</u>	<u>(6,226)</u>
<u>Purchase of property and equipment</u>	<u>(13,052)</u>	<u>(7,797)</u>	<u>(29,400)</u>
<u>Net Cash From (Used in) Investing Activities</u>	<u>(13,052)</u>	<u>(45,662)</u>	<u>(35,626)</u>
<u>Cash Flows From (Used in) Financing Activities</u>			
<u>Member distributions</u>	<u>(1,700,785)</u>	<u>(477,502)</u>	<u>(132,000)</u>
<u>Net Cash From (Used in) Financing Activities</u>	<u>(1,700,785)</u>	<u>(477,502)</u>	<u>(132,000)</u>
<u>Effect of Exchange Rate Changes on Cash</u>	<u>(2,764)</u>	<u>(1,274)</u>	<u>(4,754)</u>
<u>Increase (Decrease) in Cash</u>	<u>(829,562)</u>	<u>51,050</u>	<u>877,143</u>
<u>Cash at Beginning of Year</u>	<u>1,936,681</u>	<u>1,885,631</u>	<u>1,008,488</u>
<u>Cash at End of Year</u>	<u>\$ 1,107,119</u>	<u>\$ 1,936,681</u>	<u>\$ 1,885,631</u>

See accompanying notes to financial statements.

NM FRANCHISE OPERATIONS, LLC
AND SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2023, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of NM Franchise Operations, LLC dba NEAT Method (a Delaware Limited Liability Company) and its wholly owned subsidiary, NM Franchise Operations (Canada) LTD. (a Canadian Corporation), collectively referred to as the “Company”. All material intercompany transactions have been eliminated in consolidation.

Organization and Operations

NM Franchise Operations, LLC dba NEAT Method (the Parent), a wholly owned subsidiary of NM Strategies, LLC, is a State of Delaware limited liability company organized on August 25, 2017. The Parent is governed by its Limited Liability Company Agreement dated August 25, 2017. The Parent does not have a termination date. The member is not liable for the obligations of the Parent.

The Company sells franchise rights to clients who provide professional organization services for residential consumers. Upon execution of a franchise agreement, the Company has an ongoing obligation to maintain and service the intangible assets available for the use by the franchisees. The Parent also sells organizational products. Revenue related to the franchise components contributes to roughly 33% of total revenue while product related revenue contributes to roughly 67%.

Basis of Consolidated Financial Statement Presentation

The Company's policy is to prepare consolidated financial statements in accordance with U.S. generally accepted accounting principles.

Inventory

Inventory is reflected at lower of cost or market, on a first-in, first-out basis. All inventory is finished goods.

Property, Equipment and Depreciation

Property and equipment are stated at cost. Depreciation is computed using the straight-line method. Tangible assets are being depreciated over their useful lives. Major renewals and improvements are capitalized while maintenance and repairs which do not improve or extend the life of the asset are expensed. Depreciation expense totaled \$10,904, \$8,042 and \$2,916 for the years ended December 31, 2023, 2022 and 2021, respectively. Accumulated depreciation was \$23,702, \$12,799 and \$4,756 as of December 31, 2023, 2022 and 2021, respectively.

<u>Asset Class:</u>	<u>Asset Value:</u>	<u>Useful Life:</u>
<u>Equipment</u>	<u>\$ 1,000</u>	<u>5 years</u>
<u>Computer</u>	<u>\$ 8,332</u>	<u>3 years</u>
<u>Product Mold</u>	<u>\$31,891</u>	<u>5 years</u>

See accompanying notes to financial statements.

NM FRANCHISE OPERATIONS LLC
AND SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2023, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies, cont'd

Use of Estimates

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

Income Taxes

As a limited liability company, the Parent's federal taxable income or loss is allocated to the member in accordance with the operating agreement. Therefore, no provision or liability for federal income taxes has been included in the consolidated financial statements. The Parent will file various state income tax returns. All tax returns are subject to examinations by state tax authorities. The Subsidiary is subject to income tax in Canada and will file the appropriate returns.

Cash Flows

The Company considers all highly liquid investments, with a maturity of three months or less at the date of acquisition, to be cash equivalents.

Cash paid for income tax was \$0, \$17,734, and \$3,800 during the years ended December 31, 2023, 2022 and 2021, respectively.

Fair Value of Financial Instruments

The fair value of the Company's financial instruments, comprised of cash, accounts receivable and accounts payable, approximates recorded value.

Allowance for Doubtful Accounts

Management has determined that all accounts receivable are collectible, therefore, no allowance for doubtful accounts has been recorded. Management reviews the status of all open accounts at the end of each year.

Advertising

Advertising expense was \$318,677, \$196,261 and \$130,787 for the years ended December 31, 2023, 2022 and 2021, respectively. These costs are expensed as incurred and included in Sales and Marketing expenses.

NM FRANCHISE OPERATIONS LLC
AND SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2023, 2022 and 2021

Uncertain Tax Positions

The Company has adopted FASB ASC 740-10-25, Accounting for Uncertainty in Income Taxes. The Company will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Company evaluation on December 31, 2023 revealed no uncertain tax positions that would have a material impact on the financial statements. Generally, the Company's tax returns remain open for three years for federal and state income tax examination. The Company does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Note 2 – Related Party Transactions

Effective December 31, 2022, Whitmor, Inc. was no longer an affiliate of the Company. The Company has an amount due to its affiliate, Whitmor, Inc. of \$0, \$205,406 and \$146,842 at December 31, 2023, 2022 and 2021, respectively.

The Company paid a monthly management fee to Whitmor, Inc. The total management fees paid were \$0, \$12,000 and \$7,000 during the years ended December 31, 2023, 2022 and 2021, respectively. The Subsidiary also pays a monthly fee to the Parent for the use of the intangible assets and management functions. See Note 5 for more detail.

The Company also purchases substantially all its inventory product from Whitmor, Inc. Total purchases were \$1,818,052, \$1,696,663, and \$1,096,452 during the years ended December 31, 2023, 2022 and 2021, respectively.

Note 3 – Concentration of Credit Risk

At times, the Company's cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) limit.

Note 4 – Intangibles

The Company has elected to amortize all intangible assets. Management has reviewed each class of intangible assets and assigned useful lives to each. Amortization expense totaled \$93,237, \$84,020 and \$89,421 for the years ended December 31, 2023, 2022 and 2021, respectively. Accumulated amortization was \$509,281, \$416,044, and \$332,024 as of December 31, 2023, 2022 and 2021, respectively. It is the Company's intent to renew all intangible assets subject to renewal.

NM FRANCHISE OPERATIONS LLC
AND SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2023, 2022 and 2021

Note 4 – Intangibles, cont'd

The major classes of intangible assets are as follows:

<u>Asset class:</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Useful Life:</u>
<u>Franchise agreements net of accumulated amortization of \$227,633, \$191,433 and \$155,233</u>	<u>\$134,367</u>	<u>\$170,567</u>	<u>\$206,767</u>	<u>10 years</u>
<u>Covenants not to compete, net of accumulated amortization of \$26,390, \$22,223 and \$18,056</u>	<u>73,610</u>	<u>77,777</u>	<u>81,944</u>	<u>24 years</u>
<u>Best practices lists, net of accumulated amortization of \$63,333, \$53,333 and \$43,333</u>	<u>36,667</u>	<u>46,667</u>	<u>56,667</u>	<u>10 years</u>
<u>Trademarks and other intellectual property, net of accumulated amortization of \$36,203, \$28,846 and \$22,343</u>	<u>103,708</u>	<u>110,706</u>	<u>112,012</u>	<u>20 years</u>
<u>Miscellaneous intangible property, net of accumulated amortization of \$3,167, \$2,667 and \$2,167</u>	<u>1,833</u>	<u>2,333</u>	<u>2,833</u>	<u>10 years</u>
<u>Website, net of accumulated amortization of \$148,463, \$113,666 and \$89,550</u>	<u>10,146</u>	<u>44,943</u>	<u>38,124</u>	<u>3 years</u>
<u>Contract costs, net of accumulated amortization of \$1,283, \$2,142 and \$1,342</u>	<u>1,283</u>	<u>1,858</u>	<u>2,658</u>	<u>5 years</u>
	<u>\$361,614</u>	<u>\$454,851</u>	<u>\$501,005</u>	

Estimated aggregate amortization for all intangible assets for the next 5 years is as follows:

Year Ending December 31,

<u>2024</u>	<u>\$</u>	<u>69,198</u>
<u>2025</u>		<u>67,567</u>
<u>2026</u>		<u>58,003</u>
<u>2027</u>		<u>43,220</u>

Note 5 – Foreign Operations

During the year ended December 31, 2022, the Subsidiary issued dividends of \$25,000. In determining net earnings of the Subsidiary, a management fee of \$60,000, \$61,000 and \$12,000 for the years ended December 31, 2023, 2022 and 2021, respectively, paid to the Parent within the United States, is deducted.

NM FRANCHISE OPERATIONS LLC
AND SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2023, 2022 and 2021

Note 6 – Contracts with Customers

Franchise agreements consist of three main sources of revenue for the Company. Revenue from each source is recognized when the Company has satisfied the performance obligations related to that aspect of the agreement. Initial franchise fees, which are due upon signing of the franchise agreement, and renewal fees, which are due upon the renewal date of the agreement, are earned at a point in time when the franchisee launches or renews. Annual franchise fees are due on the anniversary date of the agreement and are earned over the twelve-month period covered by the annual fee based on the contract renewal date. The Company uses a time-based measure to recognize this revenue as the Company satisfies its performance obligation evenly throughout the twelve-month period. Royalties revenues are based on a percent of sales and recognized at the time the underlying sales occur. Earnings of the Company could follow general economic trends as the services provided by franchisees are non-essential and growth or downturns in the economy could impact the use of these services.

Accounts receivable arising from contracts with customers totaled \$330,046, \$297,950 and \$243,486 at December 31, 2023, 2022 and 2021, respectively. Contract liabilities consisting of unearned revenue totaled \$162,449, \$167,022 and \$140,900 at December 31, 2023, 2022 and 2021, respectively.

Initial franchise fees totaled \$397,500, \$52,500 and \$167,500 for the years ended December 31, 2023, 2022 and 2021, respectively.

The Company has an obligation to fulfill return requests on product sales that meet the established guidelines. Management has determined that a provision for product returns can not be reasonably estimated at this time.

Revenue Streams

The Company recognizes revenues based on the timing of the transfer of goods or services, either at a point in time or over time. Disaggregation information for the years ended December 31 is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Recognized at a point in time</u>	<u>\$7,977,123</u>	<u>\$7,295,874</u>	<u>\$5,240,284</u>
<u>Recognized over time</u>	<u>250,651</u>	<u>284,991</u>	<u>237,919</u>
	<u>\$8,227,774</u>	<u>\$7,580,865</u>	<u>\$5,478,203</u>

Note 7 – Other Income (Expense)

The Company has other income reported that is generated by fees paid by franchisees that are unrelated to franchise fees or royalties or paid by third parties under influencer agreements. The total other income was \$5,035, \$26,348 and \$116,402 for the years ended December 31, 2023, 2022 and 2021, respectively.

NM FRANCHISE OPERATIONS LLC
AND SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2023, 2022 and 2021

Note 8 – Franchising

Information about the number of company-owned and franchised markets is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Company-owned markets:</u>			
<u>Purchased</u>	=	=	=
<u>In operation as of December 31</u>	=	=	=
 <u>Franchised markets:</u>			
<u>Sold</u>	<u>12</u>	<u>4</u>	<u>21</u>
<u>In operation as of December 31</u>	<u>97</u>	<u>93</u>	<u>95</u>

Note 9 – Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 17, 2024, the date the consolidated financials were available to be issued.

(Added graphics) E OPERATIONS, LLC
SUBSIDIARY

Consolidated Financial Statements
December 31, 2022, 2021 and 2020

LENAHAN,
SMITH, &
BARGIACHI, P.C.

Certified Public Accountants

(Modified graphics) **OPERATIONS, LLC**
FINANCIAL STATEMENTS
SUBSIDIARY

	Contents		
	For the Years Ended		
	2022	December 31, 2021	2020
Revenue	\$ 7,580,865	\$ 5,478,203	\$ 2,330,804
Cost of Sales	<u>2,477,992</u>	<u>1,634,804</u>	<u>492,109</u>
Gross Profit	5,102,873	3,843,399	1,838,695
Consolidated Balance Sheets at December 31, 2022, 2021 and 2020			3
Operating Expenses	2,139,473	1,609,411	917,715
Salaries, wages, and benefits	322,779	201,531	48,831
Warehouse	11,188	2,183	23,793
Franchise/legal fees	12,000	12,000	7,400
Advertising	1,069,077	567,853	159,308
Sales and marketing	1,118,712	771,179	360,118
General and administrative	<u>177,200</u>	<u>3,164,157</u>	<u>1,516,765</u>
Income from Operations	431,644	679,242	121,930
Consolidated Statements of Cash Flows for the Years Ended			
Other income	26,348	116,402	162,856
Other expense	(1,478)	-	-
Depreciation	(8,042)	(2,916)	(1,176)
Amortization	<u>(84,020)</u>	<u>(89,421)</u>	<u>(85,969)</u>
Notes to Consolidated Financial Statements	<u>(67,192)</u>	<u>24,065</u>	<u>79,711</u>
Income Before Income Tax	364,452	703,307	197,641
Income Tax	<u>17,734</u>	<u>3,803</u>	<u>2,455</u>
Net Income	346,718	699,504	195,186
Other Comprehensive Income (Loss)			
Foreign currency adjustments	(1,274)	(4,754)	1,330
	<u>(1,274)</u>	<u>(4,754)</u>	<u>1,330</u>
Total Comprehensive Income	<u>\$ 345,444</u>	<u>\$ 694,750</u>	<u>\$ 196,516</u>

See accompanying notes to financial statements.

(Modified graphics)

BARGIACHI, P.C.

Certified Public Accountants

NS, LLC AND SUBSIDIARY
s of Changes in Equity

James A. Lenahan, III, CPA
J. Anthony Smith, CPA
Charles J. Bargiachi, MS Tax, CPA
For the Years Ended
December 31, 2022, 2021, and 2020
Diana, CPA
MS, CPA

	2022	2021	2020
Beginning Balance	\$ 1,680,422	\$ 1,458,420	\$ 1,395,234
Net Income	248,716	699,504	195,186
Member Distributions To the Management Committee	(94,997)	(477,502)	(132,000)
Profit Balance of NM Franchise Operations, LLC	1,932,143	1,680,422	1,458,420
Accumulated Other Comprehensive Income			
Beginning Balance	(3,739)	1,015	(315)
Other Comprehensive Income (Loss)	(1,374)	(4,754)	1,830
Ending Balance	(5,013)	(3,739)	1,015
Total Equity	\$ 1,927,130	\$ 1,676,683	\$ 1,459,435

Independent Auditors' Report

Opinion

We have audited the accompanying consolidated financial statements of NM Franchise Operations, LLC and Subsidiary (the Company) which comprise the consolidated balance sheets as of December 31, 2022, 2021, and 2020, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NM Franchise Operations, LLC and Subsidiary as of December 31, 2022, 2021, and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of NM Franchise Operations, LLC and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NM Franchise Operations, LLC and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

See accompanying notes to financial statements.

(Modified graphics) OPERATIONS, LLC

Consolidated Financial Statements
 December 31, 2022, 2021 and 2020

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Note 1 - Summary of Significant Accounting Policies

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement, whether due to fraud or error. The audit is limited by the inherent limitations of internal control. All material misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

The consolidated financial statements include the accounts of NM Franchise Operations, LLC dba NEAT Method (a Delaware Limited Liability Company) and its wholly owned subsidiary, NM Franchise Operations (Canada) LTD (a Canadian Corporation), collectively referred to as the "Company". All material intercompany transactions have been eliminated in consolidation.

Organization and Operations

NM Franchise Operations, LLC dba NEAT Method (the Parent), a wholly owned subsidiary of NM Strategies, LLC, is a State of Delaware limited liability company organized on August 25, 2017. The Parent is governed by its Limited Liability Company Agreement dated August 25, 2017. The Parent does not have a termination date. The member is not liable for the obligations of the Parent.

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify sales fraud risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design the performance audit procedures obligation responsible to those risks. The audit procedures include examining the Parent's sales and other products. Revenue from the consolidated financial statements contributes to roughly 33% of total revenue while product related revenue contributes to roughly 67%.

Obtain an understanding of internal control relevant to the audit 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 NM Franchise Operations, LLC and Subsidiary's internal control. Accordingly, no such opinion is expressed.

The Company's policy is to prepare consolidated financial statements in accordance with U.S. generally accepted accounting principles.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

Inventory is stated at lower of cost or market, on a first-in, first-out basis. All inventory is finished goods. aggregate, that raise substantial doubt about NM Franchise Operations, LLC and Subsidiary's ability to continue as a going concern for a reasonable period of time.

Property, Equipment and Depreciation

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Property and equipment are stated at cost. Depreciation is computed using the straight-line method. Tangible assets are being depreciated over their useful lives. Major renewals and improvements are capitalized while maintenance and repairs which do not improve or extend the life of the asset are expensed. Depreciation expense totaled \$8,042, \$2,916 and \$1,176 for the years ended December 31, 2022, 2021 and 2020, respectively. Accumulated depreciation was \$12,799, \$4,756 and \$1,840 as of December 31, 2022, 2021 and 2020, respectively.

Lehman, Smith & Bargiachi, P.C.

Asset Class: Lehman, Smith and Bargiachi, P.C.

Asset Class:	Asset Value:	Useful Life:
Equipment	\$ 1,000	5 years
Memphis, Tennessee	\$ 8,332	3 years
Product Mold	\$31,891	5 years

March 30, 2023

(Modified graphics) CONS. LLC AND SUBSIDIARY

Statement of Cash Flows

	Assets		
	For the Years Ended		
	2022	2021	2020
Current Assets			
Cash Flows From (Used in) Operating Activities			
Net income	\$ 1,938,681	\$ 1,885,631	\$ 1,008,488
Adjustments to reconcile net income to net cash from operating activities:			
Accounts receivable	\$ 34,679	\$ 69,593	\$ 125,388
Inventory	164,937	103,823	127,861
Due from affiliates	34,816	10,055	5,258
Amortization	84,020	89,421	85,989
Other receivable	5,421	-	7,232
Depreciation	8,047	2,916	1,159
Prepaid expenses	29,838	29,199	-
(Increase) decrease in:			
Accounts receivable	2,457,743	2,263,154	1,275,880
Inventory	(54,464)	(117,899)	(12,326)
Due from affiliates	(81,114)	24,038	(127,861)
Equipment	(24,104)	(27,429)	(5,938)
Less: accumulated depreciation	(2,421)	(1,232)	(5,837)
Prepaid expenses	779	(16,044)	10,288
Other Assets			
Contract costs	-	(1,500)	(500)
Intangible assets, net of accumulated amortization	408,050	435,673	518,884
Website, net of accumulated amortization	44,943	38,124	70,037
Contract costs, net of accumulated amortization	169,008	50,263	63,999
Notes receivable	22,705	24,061	(4,500)
Credit card payable	15,795	59,385	59,382
Total Assets	\$ 2,701,138	\$ 2,701,138	\$ 1,888,894
Liabilities and Equity			
Territory sales payable	-	(4,995)	1,500
Unearned revenue	26,122	15,753	60,480
Accrued expenses	(19,077)	26,676	(124)
Accrued payroll	(143,931)	167,262	2,517
Gift cards outstanding	34,815	6,702	8,622
Current Liabilities			
Accounts payable	\$ 307,340	\$ 137,843	\$ 87,433
Net Cash From (Used in) Operating Activities	575,483	1,049,583	568,008
Cash Flows From (Used in) Investing Activities			
Website development and design	(32,310)	-	(40,000)
Acquisition of trademarks	(5,500)	(6,000)	(13,997)
Purchases of land and equipment	(7,979)	(29,603)	(5,601)
Accrued expenses	7,599	26,676	-
Net Cash From (Used in) Investing Activities	(48,290)	(19,927)	(69,604)
Cash Flows From (Used in) Financing Activities			
Member distributions	(477,502)	(132,000)	1,427,221
Stockholder's Equity	(477,502)	(132,000)	31,199
Net Cash From (Used in) Financing Activities	(954,704)	(264,000)	1,458,420
Accumulated Other Comprehensive Income (Loss)	(5,013)	(3,739)	1,015
Effect of Exchange Rate Changes on Cash	1,657	1,657	1,450
Total Increase (Decrease) in Cash	\$ 2,011,658	\$ 2,672,139	\$ 1,888,894
Cash at Beginning of Year	1,885,631	1,008,488	755,064
Cash at End of Year	\$ 1,938,681	\$ 1,885,631	\$ 1,008,488

See accompanying notes to financial statements.

(Modified graphics) OPERATIONS, LESLIE, INC.

NOTES TO CONSOLIDATED Financial Statements December 31, 2022, 2021 and 2020

For the Years Ended
December 31,

Note 1 – Summary of Significant Accounting Policies, cont'd	2022	2021	2020
Revenue	\$ 7,580,865	\$ 5,478,203	\$ 2,130,804
Use of Estimates			
Cost of Sales	<u>2,477,992</u>	<u>1,634,804</u>	<u>492,109</u>
Gross Profit	5,102,873	3,843,399	1,638,695
Operating Expenses			
Salaries, wages, and benefits	2,139,473	1,809,411	917,715
Warehouse	522,719	201,331	42,531
Printing and supplies	11,188	2,183	23,793
Management fees	12,000	12,000	7,000
Sales and marketing	1,069,077	567,853	159,308
General and administrative	1,116,712	771,179	360,118
Income Taxes	<u>4,671,229</u>	<u>3,164,157</u>	<u>1,516,765</u>
Income from Operations	431,644	679,242	121,930
Other Income (Expense)	28,116	11,103	6,258
Other expense	(1,478)	-	-
Depreciation	(8,042)	(2,916)	(1,176)
Amortization	(84,020)	(89,421)	(85,969)
Cash Flows	<u>(67,192)</u>	<u>24,065</u>	<u>75,711</u>
Income Before Income Tax	364,452	703,307	197,641
Income Tax	<u>17,734</u>	<u>3,803</u>	<u>2,455</u>
Net Income	346,718	699,504	195,186
Other Comprehensive Income (Loss)			
Foreign currency adjustments	(1,274)	(4,754)	1,330
Fair Value of Financial Instruments	<u>\$ 345,444</u>	<u>\$ 694,750</u>	<u>\$ 196,516</u>

The fair value of the Company's financial instruments, comprised of cash, accounts receivable and accounts payable, approximates recorded value.

Allowance for Doubtful Accounts

Management has determined that all accounts receivable are collectible, therefore, no allowance for doubtful accounts has been recorded. Management reviews the status of all open accounts at the end of each year.

Advertising

Advertising expense was \$196,261, \$130,787 and \$35,737 for the years ended December 31, 2022, 2021 and 2020, respectively. These costs are expensed as incurred and included in Sales and Marketing expenses.

(Modified graphics) OPERATIONS, LLC
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended
 December 31, 2022, 2021 and 2020

	2022	2021	2020
Note 1 – Summary of Significant Accounting Policies, cont'd			
Beginning Balance	\$ 1,680,422	\$ 1,458,420	\$ 1,395,234
Uncertain Tax Positions	346,718	699,504	195,186
Member Distributions	(94,997)	(477,502)	(132,000)
Ending Balance	\$ 1,932,143	\$ 1,680,420	\$ 1,458,420
Accumulated Other Comprehensive Income			
Beginning Balance	\$ 1,330	\$ 1,330	\$ 1,330
Other Comprehensive Income (Loss)	(1,274)	(4,754)	1,330
Ending Balance	\$ (5,013)	\$ (3,739)	\$ 1,015
Total Equity	\$ 1,927,130	\$ 1,676,683	\$ 1,459,435
Note 2 – Related Party Transactions			

The Company has an amount due to its affiliate, Whitmor, Inc. of \$205,406, \$146,842 and \$43,013 at December 31, 2022, 2021 and 2020, respectively.

The Company pays a monthly management fee to Whitmor, Inc. The total management fees paid were \$12,000, \$12,000 and \$7,000 during the years ended December 31, 2022, 2021 and 2020, respectively. During 2020, management fees were reduced in consideration of the impact of COVID-19 on the Company's operations. The Subsidiary also pays a monthly fee to the Parent for the use of the intangible assets and management functions. See Note 5 for more detail.

The Company also purchases substantially all its inventory product from Whitmor, Inc. Total purchases were \$1,696,663, \$1,096,452 and \$299,820 during the years ended December 31, 2022, 2021 and 2020, respectively.

Note 3 – Concentration of Credit Risk

At times, the Company's cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) limit.

Note 4 – Intangibles

The Company has elected to amortize all intangible assets. Management has reviewed each class of intangible assets and assigned useful lives to each. Amortization expense totaled \$84,020, \$89,421 and \$85,969 for the years ended December 31, 2022, 2021 and 2020, respectively. Accumulated amortization was \$416,044, \$332,024 and \$242,603 as of December 31, 2022, 2021 and 2020, respectively. It is the Company's intent to renew all intangible assets subject to renewal.

(Modified graphics) OPERATIONS, LLC SUBSIDIARY

Notes to Consolidated Financial Statements December 31, 2022, 2021 and 2020

	For the Years Ended			
	2022	2021	2020	
Note 4 – Intangibles, cont'd				
Cash Flows From (Used in) Operating Activities				
The major classes of intangible assets are as follows:	\$ 346,718	\$ 699,504	\$ 195,186	
Adjustments to reconcile net income to net cash from operating activities:				
Asset class	2022	2021	2020	Useful Life
Amortization	84,020	89,421	80,904	
Depreciation	8,042	2,916	1,176	
Franchise agreements, net of accumulated amortization of \$151,433, \$155,233 and \$119,033	(54,464)	(117,899)	(12,326)	10 years
Covenants not to compete, net of accumulated amortization of \$22,223, \$18,056 and \$13,889	(81,114)	24,038	(127,881)	10 years
Best practices, net of accumulated amortization of \$16,332, \$43,333 and \$33,333	(24,761)	(4,767)	(3,233)	10 years
Trademarks and other intellectual property, net of accumulated amortization of \$28,846, \$22,343 and \$16,392	(2,421)	7,232	5,563	24 years
Miscellaneous intangible property, net of accumulated amortization of \$2,667, \$2,167 and \$1,667	(77,777)	81,944	86,111	24 years
Website, net of accumulated amortization of \$113,666, \$89,550 and \$57,637	-	2,507	8,594	10 years
Contract costs, net of accumulated amortization of \$2,142, \$1,342 and \$692	46,667	56,667	66,667	10 years
Accounts receivable	189,697	50,210	63,741	
Inventory	22,705	24,061	(4,600)	
Due from affiliates	13,777	31,383	(7,102)	
Prepaid expenses	176,139	49,693	29,094	
Contract costs	-	(4,935)	1,509	
Best practices	26,122	15,753	60,480	
Accounts payable	(19,077)	26,676	(124)	
Accrued payroll	2,333	143,931	105,173	10 years
Gift cards outstanding	34,815	6,702	8,622	
Net Cash From (Used in) Operating Activities	575,488	1,049,523	308,038	
Website development and design	(32,310)	-	(40,600)	
Acquisition of trademarks	(5,555)	(6,235)	(13,883)	
Purchase of property and equipment	(7,797)	(29,400)	(1,461)	
Estimated aggregate amortization for all intangible assets for the next 5 years is as follows:	<u>1,858</u>	<u>2,658</u>	<u>1,808</u>	5 years
Net Cash From (Used in) Investing Activities	(45,662)	(36,626)	(55,944)	
Member distributions	(477,502)	(132,000)	-	
Net Cash From (Used in) Financing Activities	(477,502)	(132,000)	-	
Effect of Exchange Rate Changes on Cash	(1,274)	(4,754)	1,330	
Increase (Decrease) in Cash	51,050	877,143	253,424	
Cash at Beginning of Year	1,885,631	1,008,488	755,064	
Note 5 – Foreign Operations	\$ 1,936,681	\$ 1,885,631	\$ 1,008,488	

During the year ended December 31, 2022, the Subsidiary issued dividends of \$25,000. In determining net earnings of the Subsidiary, a management fee of \$61,000, \$12,000 and \$6,000 for the years ended December 31, 2022, 2021 and 2020, respectively, paid to the Parent within the United States, is deducted.

(Modified graphics) OPERATIONS, LLC SUBSIDIARY

Notes to Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Note 9 – Contracts with Customers

Franchise agreements consist of three main sources of revenue for the Company. Revenue from each source is recognized when the Company has satisfied the performance obligations related to that aspect of the agreement. Initial franchise fees, which are due upon signing of the franchise agreement, are earned at a point in time when the franchisee launches. Annual franchise fees are due on the anniversary date of the agreement and are earned over the twelve-month period covered by the annual fee based on the contract renewal date. The Company uses a time-based measure to recognize this revenue as the Company satisfies its performance obligation evenly throughout the twelve-month period. Royalties revenues are based on a percent of sales and recognized at the time the underlying sales occur. Earnings of the Company could follow general economic trends as the services provided by franchisees are non-essential and growth or downturns in the economy could impact the use of these services.

The consolidated financial statements include the accounts of NIM Franchise Operations, LLC dba NEAT Method (a Delaware Limited Liability Company) and its wholly owned subsidiary, NIM Franchise Operations (Canada) LTD. (a Canadian Corporation), collectively referred to as the Company. All material intercompany transactions have been eliminated in consolidation.

NIM Franchise Operations, LLC dba NEAT Method (the Parent), a wholly owned subsidiary of NIM Strategies, LLC, is a State of Delaware limited liability company organized on August 25, 2017. The Parent is governed by its Limited Liability Company Agreement dated August 25, 2017. The Parent does not have a termination date. The member is not liable for the obligations of the Parent. Accounts receivable arising from contracts with customers totaled \$297,950, \$243,486 and \$125,500 at December 31, 2022, 2021 and 2020, respectively. Contract liabilities consisting of unearned revenue totaled \$167,022, \$140,900 and \$125,147 at December 31, 2022, 2021 and 2020, respectively. The Company sells franchise rights to clients who provide professional organization services for residential consumers. Upon execution of a franchise agreement, the Company has an ongoing obligation to maintain and service the intangible assets available for the use by the franchisees. The Parent also sells organizational products. Revenue related to the franchise components contributes to roughly 33% of total revenue while product related revenue contributes to roughly 67%.

The Company has an obligation to fulfill return requests on product sales that meet the established guidelines. Management has determined that a provision for product returns can not be reasonably estimated at this time. The Company's policy is to prepare consolidated financial statements in accordance with U.S. generally accepted accounting principles.

The Company recognizes revenues based on the timing of the transfer of goods or services, either at a point in time or over time. Disaggregation information for the years ended December 31 is as follows: Inventory is reflected at lower of cost or market, on a first-in, first-out basis. All inventory is finished goods.

	2022	2021	2020
Property, Equipment and Depreciation			
Recognized at a point in time	\$7,295,874	\$5,240,284	\$1,949,936
Recognized over time	284,991	237,919	180,868
Property and equipment are stated at cost. Depreciation is computed using the straight-line method. Tangible assets are being depreciated over their useful lives. Major renewals and improvements are capitalized while maintenance and repairs which do not improve or extend the life of the asset are expensed. Depreciation expense totaled \$8,042, \$2,916 and \$1,176 for the years ended December 31, 2022, 2021 and 2020, respectively. Accumulated depreciation was \$12,790, \$4,756 and \$1,840 as of December 31, 2022, 2021 and 2020, respectively.	\$7,580,865	\$5,478,203	\$2,130,804

Note 7 - Other income (Expense)
The Company has other income reported that is generated by fees paid by franchisees that are unrelated to franchise fees or royalties or paid by third parties under influencer agreements. The total other income was \$26,348, \$116,402 and \$162,856 for the years ended December 31, 2022, 2021 and 2020, respectively. For the year ended December 31, 2020, other income also includes \$134,045 of non-refundable funds received under programs related to the CARES Act of 2020. See Note 9 for more detail.

Asset Class	Asset Value	Useful life
Equipment	\$ 1,000	5 years
Computer	\$ 8,332	3 years
Product Mold	\$31,891	5 years

(Modified graphics) OPERATIONS, LLC
 SUBSIDIARY
 Notes to Consolidated Financial Statements
 December 31, 2022, 2021 and 2020

Note 8 – Summary of Significant Accounting Policies, cont'd

Use of Estimates Information about the number of company-owned and franchised markets is as follows:

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

Company-owned markets:

Purchased	-	-	-
In operation as of December 31	-	-	-

Income Taxes

Franchised markets:

As a limited liability company, the Parent's federal taxable income or loss is allocated to the member in accordance with the operating agreement. Therefore, no provision or liability for federal income taxes has been included in the consolidated financial statements. The Parent will file various state income tax returns. All tax returns are subject to examinations by state tax authorities. The Subsidiary is subject to income tax in Canada and will file the appropriate returns.

Note 9 – Pandemic Related Assistance

Cash Flows

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic. The pandemic is having widespread, rapidly evolving and unpredictable impacts on global society, economies, financial markets, and business practices. As a result of these disruptions, the United States Government developed various programs to assist communities, businesses, and individuals affected by the pandemic.

Cash paid for income tax was \$11,734, \$3,80, and \$2,455 during the years ended December 31, 2022, 2021 and 2020, respectively.

In April 2020, the Company received a loan which was financed by the SBA in the amount of \$124,045 pursuant to the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, and it provides for forgivable loans to qualifying business for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan principal and accrued interest are forgivable after a period of twenty-four weeks if loan proceeds are used for qualifying expenses such as payroll, rent, and utilities.

Allowance for Doubtful Accounts

At December 31, 2020, the Company had met the requirements for PPP loan forgiveness and, on April 7, 2021, the loan was forgiven by the SBA. In accordance with Technical Questions and Answer (TQA) 3200-18, issued by the American Institute of Certified Public Accountants (AICPA), the Company is electing to record the PPP proceeds as a government grant wherein there is reasonable assurance that the conditions to receive the grant have been met. As a result, the PPP funds are included in "other income" on the accompanying consolidated statement of income.

Advertising

In May 2020, the Company received a government grant from the SBA in the amount of \$10,000 pursuant to the EIDL Advance Program. This program was established by the CARES Act and provides qualifying businesses negatively impacted by the pandemic with a grant of \$1,000 per employee (limited to \$10,000 total) that does not need to be repaid. As a result, the EIDL Advance funds are included in "other income" on the accompanying consolidated statement of income.

(Modified graphics)

OPERATIONS, LLC
OPERATIONS, LLC
SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2022, 2021 and 2020
December 31, 2022, 2021 and 2020

Note 1 – Summary of Significant Accounting Policies, cont'd

Note 10 – Prior Period Restatement

Uncertain Tax Positions

Prior year consolidated statements of changes in equity and the consolidated balance sheets have been restated to reflect an accrual for member distributions that were derived from and declared for the year ended December 31, 2021 and 2020. These accrued amounts are included on the consolidated balance sheets under Due to Affiliates.

The Company has adopted FASB ASC 740-10-25, Accounting for Uncertainty in Income Taxes. The Company will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Company evaluation on December 31, 2022 revealed no uncertain tax positions that would have a material impact on the financial statements. Generally, the Company's tax returns remain open for three years for federal and state income tax examination. The Company does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Note 11 – Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 30, 2023, the date the consolidated financials were available to be issued.

In order to facilitate a purchase agreement between the owners of the parent company, NM Franchise Operations, LLC loaned \$1,100,000 to the parent to fund the buyout of an ownership interest. The parent company is in the process of obtaining funding to repay this loan. It is the expectation of management that this loan will be repaid during 2023.

Pursuant to the operating agreement, the parent company will issue a 2022 profit distribution to its owners based on the consolidated audited net income. The total management fees paid were \$12,000, \$12,000 and \$7,000 during the years ended December 31, 2022, 2021 and 2020, respectively. During 2020, management fees were reduced in consideration of the impact of COVID-19 on the Company's operations. The Subsidiary also pays a monthly fee to the Parent for the use of the intangible assets and management functions. See Note 5 for more detail.

The Company also purchases substantially all its inventory product from Whitmor, Inc. Total purchases were \$1,696,663, \$1,096,452 and \$299,820 during the years ended December 31, 2022, 2021 and 2020, respectively.

Note 3 – Concentration of Credit Risk

At times, the Company's cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) limit.

Note 4 – Intangibles

The Company has elected to amortize all intangible assets. Management has reviewed each class of intangible assets and assigned useful lives to each. Amortization expense totaled \$84,020, \$89,421 and \$85,969 for the years ended December 31, 2022, 2021 and 2020, respectively. Accumulated amortization was \$416,044, \$332,024 and \$242,603 as of December 31, 2022, 2021 and 2020, respectively. It is the Company's intent to renew all intangible assets subject to renewal.

[Link-to-previous setting changed from off in original to on in modified.].

(Deleted graphics) Neat Method

Balance Sheet

As of April 30, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
BMO - US	0.00
BMO -CA	0.00
Cash	733,106.82
Total Bank Accounts	\$733,106.82
Accounts Receivable	
Accounts Receivable (A/R)	234,288.99
Total Accounts Receivable	\$234,288.99
Other Current Assets	
Amazon Reserve Account	0.00
Client Purchases	0.00
Due From Affiliates	2,108.01
Due From Neat Method Strategies	6,975.29
Due From NM Strategies Holdings	27,392.81
Due From NMFO CANADA	22,631.81
Total Due From Affiliates	59,107.92
Inventory - 3rd party Resale	-646.31
Inventory - Labels	179,568.48
Inventory - Promotional Items	48,314.05
Inventory - Spices	4,689.00
Inventory Asset	105,396.32
Investment in Subsidiary	25,000.00
Other Receivables	2,421.24
Prepaid Expenses	19,856.07
Shopify Holding	144,532.74
Undeposited Funds	0.00
Whitmor Inventory Adjustment	-68.01
Total Other Current Assets	\$588,171.50
Total Current Assets	\$1,555,567.31

[Link-to-previous setting changed from off in original to on in modified.].

(Deleted graphics) Neat Method

Balance Sheet

As of April 30, 2023

	TOTAL
Fixed Assets	
Accumulated Depreciation	-12,798.52
Other fixed assets	45,400.36
Website Development & Design	131,108.98
Total Fixed Assets	\$163,710.82
Other Assets	
Accumulated Amortization	-414,669.18
Contract Costs	4,000.00
Intangible Assets	734,949.69
Notes Receivable	0.00
Total Other Assets	\$324,280.51
TOTAL ASSETS	\$2,043,558.64
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	246,943.59
Total Accounts Payable	\$246,943.59
Credit Cards	
American Express Credit Card	49,609.57
Due to Affiliates	10,305.50
Suntrust Credit Card	0.00
Total Credit Cards	\$59,915.07
Other Current Liabilities	
Accrued Audit Fees	0.00
Accrued Benefits	0.00
Accrued Expenses	891.22
Accrued Expenses (Whitmor/NM COGS variance)	61,603.15

(Deleted graphics) Neat Method

Balance Sheet

As of April 30, 2023

	TOTAL
Total Accrued Expenses	62,494.37
Accrued Payroll	38,034.97
Arizona Department of Revenue Payable	11,342.80
California Department of Tax and Fee Administration Payable	134,649.64
Colorado Department of Revenue Payable	15,007.03
Comptroller of Maryland Payable	2,243.91
Connecticut Department of Revenue Services Payable	5,569.25
Delaware Division of Revenue Payable	0.00
Florida Department of Revenue Payable	22,998.94
Florida Department of Taxation and Finance Payable	-3,729.75
Georgia Department of Revenue Payable	17,844.85
Gift Card Liability	64,769.45
Illinois Department of Revenue Payable	51,324.54
Indiana Department of Revenue Payable	7,479.42
Iowa Department of Revenue Payable	2,015.91
Kentucky Department of Revenue Payable	135.42
Louisiana Department of Revenue Payable	9,007.38
Massachusetts Department of Revenue Payable	136.46
Michigan Department of Treasury Payable	6,470.60
Minnesota Department of Revenue Payable	7,620.83
Mississippi Department of Revenue Payable	2,143.75
Missouri Department of Revenue Payable	5.54
Nevada Department of Taxation Payable	49.17
New Jersey Department of Revenue Payable	12,168.24
New York Department of Taxation and Finance Payable	64,821.40
North Carolina Department of Revenue Payable	12,591.79
Ohio Department of Revenue Payable	12,415.80
Oklahoma Tax Commission Payable	7,290.95
Out Of Scope Agency Payable	-47,756.10
Payroll Tax Payable	0.00
Pennsylvania Department of Revenue Payable	76.59
Sales Tax Payable	-229,571.85
South Carolina Department of Revenue Payable	10,059.22
Tennessee Department of Revenue Payable	13,164.09
Territory Sales Payable	0.00
Texas State Comptroller Payable	71,522.74
Unearned Revenue	152,431.76
Utah State Tax Commission Payable	6,293.26
Virginia Department of Taxation Payable	9,170.96
Washington State Department of Revenue Payable	19,099.29
Wisconsin Department of Revenue Payable	8,512.47
Total Other Current Liabilities	\$579,905.09

(Deleted graphics) Neat Method

Balance Sheet

As of April 30, 2023

	TOTAL
Total Current Liabilities	\$886,763.75
Long-Term Liabilities	
Notes Payable	0.00
Total Long-Term Liabilities	\$0.00
Total Liabilities	\$886,763.75
Equity	
Capital Contributions	
Capital Contributions - NMFO	0.00
Capital Contributions - WH	1,300,000.00
Total Capital Contributions	1,300,000.00
Opening Balance Equity	0.00
Owner Draws	-708,785.73
Owner's Pay & Personal Expenses	-1,100,000.00
Retained Earnings	1,264,416.20
Net Income	401,164.42
Total Equity	\$1,156,794.89
TOTAL LIABILITIES AND EQUITY	\$2,043,558.64

(Deleted graphics) Neat Method

Profit and Loss

April 2023

	TOTAL
Income	
Product Revenue from Retailers- Revenue	1,279.26
Client Service Revenue	700.00
Commission from Affiliates	87.76
Franchise Fees	
Annual Franchise Fee	16,333.33
Total Franchise Fees	16,333.33
Franchise Renewal Fee	5,833.34
Initial Franchise Fee	45,000.00
Product Revenue from Consumers	521,143.24
Product Revenue from Retailers	
Bloomingdale's Sales	31,590.20
Food 52	14,520.30
Lulu & Georgia	4,170.00
Saks 5th Ave / Saks Direct	-402.50
Zola Sales	84.00
Total Product Revenue from Retailers	49,962.00
Service Royalties	150,786.05
Total Revenue	789,845.72
Shipping Income	23,965.20
Total Income	\$815,090.18
Cost of Goods Sold	
Cost of Goods Sold	173,790.63
Shipping	49,743.16
Total Cost of Goods Sold	\$223,533.79
GROSS PROFIT	\$591,556.39
Expenses	
1 Salaries & Wages	65,922.14
Employee Benefits	1,759.54
Payroll Expenses	65,911.52
Payroll Taxes	6,297.52
RD Commissions	44,577.98
Total 1 Salaries & Wages	184,468.70

(Modified graphics) **Parent Method**
OPERATIONS, LLC
), SUBSIDIARY
Profit and Loss
and 2023
Notes to Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Note 4 - Intangibles, cont'd

				TOTAL
The major classes of intangible assets are as follows:				
Franchise Fees				600.00
Advisory Board				391.90
Franchise Legal Fees				1,125.00
RD Relations				5,373.72
Training & Development				7,480.62
Franchise agreements, net of accumulated amortization of \$191,433, \$155,233 and \$149,033	2022	2021	2020	10 years
	\$170,567	\$206,767	\$242,967	10 years
Covenants not to compete, net of accumulated amortization of \$22,223, \$18,056 and \$13,889	77,777	81,944	86,111	24 years
Best Practices lists, net of accumulated amortization of \$53,333, \$43,333 and \$33,333	46,667	56,667	66,667	10 years
Trademarks and other intellectual property, net of accumulated amortization of \$28,846, \$22,343 and \$16,352	110,706	112,012	111,778	20 years
Miscellaneous intangible property, net of accumulated amortization of \$2,667, \$2,167 and \$1,667	2,333	2,833	3,333	10 years
Website, net of accumulated amortization of \$110,566, \$89,550 and \$57,637	44,943	38,124	70,037	3 years
Contract costs, net of accumulated amortization of \$2,142, \$1,342 and \$692	1,858	2,658	1,808	5 years
Total Travel	\$454,851	\$501,005	\$582,701	3,218.85
Total 4 General & Administrative				99,266.29
Estimated 5 year amortization for all intangible assets for the next 5 years is as follows:				94,997.00
Total Expenses				\$455,184.54
Year Ending December 31,				
				\$136,371.85
Other Income				
Credit Card Convenience Fee	2023	\$ 83,449		1,000.70
Other Miscellaneous Income	2024	69,198		316.50
Summit Revenue	2025	67,567		3,440.00
Total Other Income	2026	58,003		\$4,757.20
Other Expenses	2027	43,220		
QuickBooks Payments Fees				1,575.60
Reconciliation Discrepancies				908.65
Total Other Expenses				\$2,484.25
During the year ended December 31, 2022, the Subsidiary issued dividends of \$25,000. In determining net earnings of the Subsidiary, a management fee of \$61,000, \$12,000 and \$6,000 for the years ended December 31, 2022, 2021 and 2020, respectively, paid to the Parent which United States, is deducted.				

(Modified graphics) **Real Method SOLUTIONS, LLC**
SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2022, 2021 and 2020

-Note 6 - Contracts with Customers

				TOTAL
Franchise agreements consist of three main sources of revenue for the Company. Revenue from each source is recognized when the Company has satisfied the performance obligations related to that aspect of the agreement. Initial franchise fees, which are due upon signing of the franchise agreement, are earned at a point in time when the franchisee launches. Annual franchise fees are due on the anniversary date of the agreement and are earned over the twelve-month period covered by the annual fee based on the contract renewal date. The Company uses a time-based measure to recognize this revenue as the Company satisfies its performance obligation evenly throughout the twelve-month period. Royalties revenues are based on a percent of sales and recognized at the time the underlying sales occur. Earnings of the Company could follow general economic trends as the services provided by franchisees are non-essential and growth or downturns in the economy could impact the use of these services.				
3 Sales & Marketing				
Advertising & Marketing				4,000.00
Affiliate Advertising				4,000.00
Share Sale				1,837.45
Total Affiliate Advertising				4,000.00
Bank Expenses				1,837.45
Brand Collaborations				2,000.00
Brand Collaborations - Inspire				69.06
Brand Collaborations - Collaboration				2,730.94
Total Brand Collaborations				96.65
Brand Collateral				96.65
Digital Agency				6,936.00
Digital Agency				6,936.00
Accounts receivable arising from contracts with customers totaled \$297,950, \$243,486 and \$129,980 at December 31, 2022, 2021 and 2020, respectively. Contract liabilities consisting of unearned revenue totaled \$167,022, \$140,900 and \$125,147 at December 31, 2022, 2021 and 2020, respectively.				8,126.63
Total PPC Advertising				8,126.63
Initial franchise fees totaled \$52,500, \$167,500 and \$50,000 for the years ended December 31, 2022, 2021 and 2020, respectively.				46,463.28
Product Promotions				110.65
Model Photography				110.65
Public Relations				3,388.00
Public Relations - PR				3,388.00
Total Public Relations				3,388.00
Social Media Advertising				84.92
Apps for Social Media Advertising				84.92
Public Ads				489.13
Pinterest Ads				616.78
Total Social Media Advertising				1,190.83
Total Advertising & Marketing				76,452.55
Total 3 Sales & Marketing				76,452.55
4 General & Administrative				
Bank Charges & Fees	2022	2021	2020	
Recognized at a point in time	\$7,295,874	\$5,240,284	\$1,949,936	121.28
Recognized over time	284,991	237,919	180,868	224.79
Total Bank Charges & Fees	<u>\$7,580,865</u>	<u>\$5,478,203</u>	<u>\$2,130,804</u>	346.07
Commission to Affiliates				352.01
Discretionary - Ashley				20.09
Discretionary - Marissa				461.00
Due & subscriptions				3,602.42
Employee Relations				211.95
The Company has other income reported that is generated by fees paid by franchisees that are unrelated to franchise fees or royalties or paid by third parties under influencer agreements. The total other income was \$26,348, \$116,402 and \$162,856 for the years ended December 31, 2022, 2021 and 2020, respectively. For the year ended December 31, 2020, other income also includes \$134,045 of forgivable funds received under programs related to the CARES Act of 2020. See Note 9 for more detail.				

(Added graphics) HISE OPERATIONS, LLC
 AND SUBSIDIARY
 Notes to Consolidated Financial Statements
 December 31, 2022, 2021 and 2020

Note 8 – Franchising

Information about the number of company-owned and franchised markets is as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Company-owned markets:			
Purchased	-	-	-
In operation as of December 31	-	-	-
Franchised markets:			
Sold	4	21	15
In operation as of December 31	93	95	74

Note 9 – Pandemic Related Assistance

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic. The pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. As a result of these disruptions, the United States Government developed various programs to assist communities, businesses, and individuals affected by the pandemic.

In April 2020, the Company received a loan which was financed by the SBA in the amount of \$124,045 pursuant to the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, and it provides for forgivable loans to qualifying business for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan principal and accrued interest are forgivable after a period of twenty-four weeks if loan proceeds are used for qualifying expenses such as payroll, rent, and utilities.

At December 31, 2020, the Company had met the requirements for PPP loan forgiveness and, on April 7, 2021, the loan was forgiven by the SBA. In accordance with Technical Questions and Answer (TQA) 3200.18 issued by the American Institute of Certified Public Accountants (AICPA), the Company is electing to record the PPP proceeds as a government grant wherein there is reasonable assurance that the conditions to receive the grant have been met. As a result, the PPP funds are included in "other income" on the accompanying consolidated statement of income.

In May 2020, the Company received a government grant from the SBA in the amount of \$10,000 pursuant to the EIDL Advance Program. This program was established by the CARES Act and provides qualifying businesses negatively impacted by the pandemic with a grant of \$1,000 per employee (limited to \$10,000 total) that does not need to be repaid. As a result, the EIDL Advance funds are included in "other income" on the accompanying consolidated statement of income.

(Added graphics) CHISE OPERATIONS, LLC
IND SUBSIDIARY
Notes to Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Note 10 – Prior Period Restatement

Prior year consolidated statements of changes in equity and the consolidated balance sheets have been restated to reflect an accrual for member distributions that were derived from and declared for the year ended December 31, 2021 and 2020. These accrued amounts are included on the consolidated balance sheets under Due to Affiliates.

Note 11 – Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 30, 2023, the date the consolidated financials were available to be issued.

In order to facilitate a purchase agreement between the owners of the parent company, NM Franchise Operations, LLC loaned \$1,100,000 to the parent to fund the buyout of an ownership interest. The parent company is in the process of obtaining funding to repay this loan. It is the expectation of management that this loan will be repaid during 2023.

Pursuant to the operating agreement, the parent company will issue a 2022 profit distribution to its owners based on the consolidated, audited net income. This amount has been accrued on the 2022 consolidated financial statements as the distribution is funded by NM Franchise Operations, LLC.

(Added graphics) Neat Method

Balance Sheet

As of April 30, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
BMO - US	0.00
BMO -CA	0.00
Cash	733,106.82
Total Bank Accounts	\$733,106.82
Accounts Receivable	
Accounts Receivable (A/R)	234,288.99
Total Accounts Receivable	\$234,288.99
Other Current Assets	
Amazon Reserve Account	0.00
Client Purchases	0.00
Due From Affiliates	2,108.01
Due From Neat Method Strategies	6,975.29
Due From NM Strategies Holdings	27,392.81
Due From NMFO CANADA	22,631.81
Total Due From Affiliates	59,107.92
Inventory - 3rd party Resale	-646.31
Inventory - Labels	179,568.48
Inventory - Promotional Items	48,314.05
Inventory - Spices	4,689.00
Inventory Asset	105,396.32
Investment in Subsidiary	25,000.00
Other Receivables	2,421.24
Prepaid Expenses	19,856.07
Shopify Holding	144,532.74
Undeposited Funds	0.00
Whitmor Inventory Adjustment	-68.01
Total Other Current Assets	\$588,171.50
Total Current Assets	\$1,555,567.31

(Added graphics)

Neat Method

Balance Sheet

As of April 30, 2023

	TOTAL
Fixed Assets	
Accumulated Depreciation	-12,798.52
Other fixed assets	45,400.36
Website Development & Design	131,108.98
Total Fixed Assets	\$163,710.82
Other Assets	
Accumulated Amortization	-414,669.18
Contract Costs	4,000.00
Intangible Assets	734,949.69
Notes Receivable	0.00
Total Other Assets	\$324,280.51
TOTAL ASSETS	\$2,043,558.64
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	246,943.59
Total Accounts Payable	\$246,943.59
Credit Cards	
American Express Credit Card	49,609.57
Due to Affiliates	10,305.50
Suntrust Credit Card	0.00
Total Credit Cards	\$59,915.07
Other Current Liabilities	
Accrued Audit Fees	0.00
Accrued Benefits	0.00
Accrued Expenses	891.22
Accrued Expenses (Whitmor/NM COGS variance)	61,603.15

(Added graphics) Neat Method

Balance Sheet

As of April 30, 2023

	TOTAL
Total Accrued Expenses	62,494.37
Accrued Payroll	38,034.97
Arizona Department of Revenue Payable	11,342.80
California Department of Tax and Fee Administration Payable	134,649.64
Colorado Department of Revenue Payable	15,007.03
Comptroller of Maryland Payable	2,243.91
Connecticut Department of Revenue Services Payable	5,569.25
Delaware Division of Revenue Payable	0.00
Florida Department of Revenue Payable	22,998.94
Florida Department of Taxation and Finance Payable	-3,729.75
Georgia Department of Revenue Payable	17,844.85
Gift Card Liability	64,769.45
Illinois Department of Revenue Payable	51,324.54
Indiana Department of Revenue Payable	7,479.42
Iowa Department of Revenue Payable	2,015.91
Kentucky Department of Revenue Payable	135.42
Louisiana Department of Revenue Payable	9,007.38
Massachusetts Department of Revenue Payable	136.46
Michigan Department of Treasury Payable	6,470.60
Minnesota Department of Revenue Payable	7,620.83
Mississippi Department of Revenue Payable	2,143.75
Missouri Department of Revenue Payable	5.54
Nevada Department of Taxation Payable	49.17
New Jersey Department of Revenue Payable	12,168.24
New York Department of Taxation and Finance Payable	64,821.40
North Carolina Department of Revenue Payable	12,591.79
Ohio Department of Revenue Payable	12,415.80
Oklahoma Tax Commission Payable	7,290.95
Out Of Scope Agency Payable	-47,756.10
Payroll Tax Payable	0.00
Pennsylvania Department of Revenue Payable	76.59
Sales Tax Payable	-229,571.85
South Carolina Department of Revenue Payable	10,059.22
Tennessee Department of Revenue Payable	13,164.09
Territory Sales Payable	0.00
Texas State Comptroller Payable	71,522.74
Unearned Revenue	152,431.76
Utah State Tax Commission Payable	6,293.26
Virginia Department of Taxation Payable	9,170.96
Washington State Department of Revenue Payable	19,099.29
Wisconsin Department of Revenue Payable	8,512.47
Total Other Current Liabilities	\$579,905.09

(Added graphics) Neat Method

Balance Sheet
As of April 30, 2023

	TOTAL
Total Current Liabilities	\$886,763.75
Long-Term Liabilities	
Notes Payable	0.00
Total Long-Term Liabilities	\$0.00
Total Liabilities	\$886,763.75
Equity	
Capital Contributions	
Capital Contributions - NMFO	0.00
Capital Contributions - WH	1,300,000.00
Total Capital Contributions	1,300,000.00
Opening Balance Equity	0.00
Owner Draws	-708,785.73
Owner's Pay & Personal Expenses	-1,100,000.00
Retained Earnings	1,264,416.20
Net Income	401,164.42
Total Equity	\$1,156,794.89
TOTAL LIABILITIES AND EQUITY	\$2,043,558.64

(Added graphics) Neat Method

Profit and Loss

April 2023

	TOTAL
Income	
Product Revenue from Retailers- Revenue	1,279.26
Client Service Revenue	700.00
Commission from Affiliates	87.76
Franchise Fees	
Annual Franchise Fee	16,333.33
Total Franchise Fees	16,333.33
Franchise Renewal Fee	5,833.34
Initial Franchise Fee	45,000.00
Product Revenue from Consumers	521,143.24
Product Revenue from Retailers	
Bloomingdale's Sales	31,590.20
Food 52	14,520.30
Lulu & Georgia	4,170.00
Saks 5th Ave / Saks Direct	-402.50
Zola Sales	84.00
Total Product Revenue from Retailers	49,962.00
Service Royalties	150,786.05
Total Revenue	789,845.72
Shipping Income	23,965.20
Total Income	\$815,090.18
Cost of Goods Sold	
Cost of Goods Sold	173,790.63
Shipping	49,743.16
Total Cost of Goods Sold	\$223,533.79
GROSS PROFIT	\$591,556.39
Expenses	
1 Salaries & Wages	65,922.14
Employee Benefits	1,759.54
Payroll Expenses	65,911.52
Payroll Taxes	6,297.52
RD Commissions	44,577.98
Total 1 Salaries & Wages	184,468.70

(Added graphics) Neat Method

Profit and Loss

April 2023

	TOTAL
3 Sales & Marketing	
Advertising & Marketing	
Affiliate Advertising	
ShareASale	4,000.00
Total Affiliate Advertising	4,000.00
Book Expenses	1,837.45
Brand Collaborations	
Brand Collaborations - Inspirato	-2,800.00
Brand Collaborations -Collaborations	69.06
Total Brand Collaborations	-2,730.94
Brand Collateral	96.65
Digital Agency	
Digital Agency	6,000.00
Total Digital Agency	6,000.00
PPC Advertising	
Google	8,126.63
Total PPC Advertising	8,126.63
Product Commission	45,493.28
Product Photography *don't use*	110.65
Public Relations	
Public Relations IHPR	12,328.00
Total Public Relations	12,328.00
Social Media Advertising	
Apps for Social Media Advertising	84.92
FB/IG Ads	489.13
Pinterest Ads	616.78
Total Social Media Advertising	1,190.83
Total Advertising & Marketing	76,452.55
Total 3 Sales & Marketing	76,452.55
4 General & Administrative	
Bank Charges & Fees	121.28
Amazon Fees	224.79
Total Bank Charges & Fees	346.07
Commission to Affiliates	352.01
Discretionary - Ashley	20.09
Discretionary - Marissa	461.00
Dues & subscriptions	3,602.42
Employee Relations	211.95

(Added graphics)

Neat Method

Profit and Loss

April 2023

	TOTAL
Franchise Ops	
Advisory Board	600.00
Franchise Legal Fees	381.90
RD Relations	1,125.00
Training & Development	5,373.72
Total Franchise Ops	7,480.62
Insurance	4,341.67
IT Expenses	
Software & Maintenance	3,857.02
Shopify Fees	15,676.29
Total Software & Maintenance	19,533.31
Website Expenses	7,950.00
Total IT Expenses	27,483.31
Meals & Entertainment	825.92
Office Supplies	1,065.31
Product Development	5,596.00
Product Photography	7,606.92
Total Product Development	13,202.92
Professional Services	36,385.01
Telephone	269.14
Travel	2,973.34
Lodging	245.51
Total Travel	3,218.85
Total 4 General & Administrative	99,266.29
Uncategorized Expense	94,997.00
Total Expenses	\$455,184.54
NET OPERATING INCOME	\$136,371.85
Other Income	
Credit Card Convenience Fee	1,000.70
Other Miscellaneous Income	316.50
Summit Revenue	3,440.00
Total Other Income	\$4,757.20
Other Expenses	
QuickBooks Payments Fees	1,575.60
Reconciliation Discrepancies	908.65
Total Other Expenses	\$2,484.25
NET OTHER INCOME	\$2,272.95
NET INCOME	\$138,644.80

EXHIBIT B
FRANCHISE AGREEMENT

NM FRANCHISE OPERATIONS, LLC

FRANCHISE AGREEMENT

THIS AGREEMENT is made this ___ day of _____ 20___, by and between NM Franchise Operations, LLC, a Delaware limited liability company, having a principal office at 8 White Birch, Littleton, CO 80127 (hereinafter referred to as “NEAT”) and _____, a _____ limited liability company, having a principal office at _____ and (hereinafter referred to as “Franchisee”). Collectively, NEAT and Franchisee are referred to as the “Parties” or individually as a “Party”.

RECITALS

WHEREAS, NEAT is in the business of providing personal organizing services throughout the country, and, as the result of specific industry knowledge, contacts and branding and the expenditure of time, skill, effort and money, owns the right to use and continue to develop a distinctive system (the “System”) to provide personal organizing services and has established substantial goodwill in the personal organizing industry;

WHEREAS, NEAT identifies the System by certain trade names, service marks, trademarks, emblems and indicia of origin, including, but not limited to, the federally registered trademark **NEAT METHOD®** and such other trade names, service marks and trademarks as are now designated (and may hereafter be designated by NEAT in writing) for use in connection with the System (the “Licensed Marks”);

WHEREAS, Franchisee seeks to use the System in its own business (the “Franchised Business”) that solicits clients and performs personal organizing services for those clients within the Territory, as defined below; and

WHEREAS, NEAT and Franchisee desire to enter into this Agreement granting Franchisee the right to use the System and the Licensed Marks and to operate the Franchised Business on the terms set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration receipt of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I: GRANT OF FRANCHISE RIGHTS

1. **Grant of Franchise; Territory; Reservation of Rights**

(a) Subject to the terms of this Agreement, NEAT METHOD grants Franchisee certain rights and license within an exclusive, designated geographic area (the “Protected Territory” or “Territory”) (as described on Schedule C of this Agreement.), to operate the Franchised Business using the System, including the right to use all of the products, services and intellectual property associated with the System, and any products, services or intellectual property created for the System during the Term of this Agreement. Franchisee shall not solicit clients or provide services to clients located outside of the Territory unless authorized in writing by NEAT. Franchisee’s rights within Franchisee’s Protected

Territory are exclusive, meaning that no other Franchisee may provide services to clients within such Protected Territory without written consent from NEAT.

(b) Franchisees in the following major metropolitan cities will not have a Protected Territory: Chicago and New York City.

(c) Notwithstanding the rights granted to Franchisee under this Agreement, NEAT reserves the right, in its sole discretion, to: (i) market and sell products and services into the Territory through dissimilar channels of distribution, including without limitation the internet and other online platforms; and (ii) provide services to certain clients who either (1) request services be provided directly by a NEAT representative or (2) NEAT determines will generate unique goodwill for the System and the Licensed Marks such as celebrities or other influential clients. Franchisee, at Franchisor's discretion, may be asked to provide such services and may be compensated if NEAT exercises any of these rights. Except for the rights reserved in this paragraph by NEAT, NEAT shall not solicit or sell any products or services to any client of Franchisee during the term of this Agreement.

(d) All rights not expressly granted to Franchisee, including without limitation, any rights outside of the Territory, are expressly reserved by NEAT.

2. **Performance Standard.** Franchisee agrees and acknowledges that the exclusive rights granted under this Agreement are contingent upon Franchisee generating income and diligently performing services in accordance with the standards established by NEAT (the "Performance Standard"), the current version of which is attached hereto as Schedule B. NEAT reserves the right to modify the Performance Standard applicable to the Franchisee at any time upon at least six months' prior notice to Franchisee. If Franchisee fails to achieve the Performance Standard, NEAT will have the right to either (a) revoke the right of exclusivity within the Protected Area granted to Franchisee or (b) declare a material default of this Agreement and terminate this Agreement.

3. **Approved Services.** The right and license granted to Franchisee by this Franchise Agreement is limited to the right to provide the personal organizing services (the "Approved Services") set forth in the Operations Manual (as defined below in Article III). The Approved Services will generally include, but not necessarily be limited to, personal organizing and other related services, but NEAT reserves the right to change or modify the Approved Services at any time.

4. **Product Purchase Requirement.** NEAT requires Franchisee to purchase a minimum amount of NEAT Method product every calendar year that must equal the lesser of (a) 10% Franchisee's total Service Revenue from the operation of the Franchised Business for that calendar year or (b) 30% of Franchisee's total expenditures on product purchases of any kind for that calendar year for the Franchised Business Franchisee will receive a rebate equal to 20% on Franchisee's purchases of NEAT Method purchases from NEAT. The amount of these rebates will be deducted from the amount of Franchisee's required payment for Royalty Fees each month. If Franchisee does not meet this minimum purchase requirement, NEAT reserves the right to charge Franchisee for the difference between the required amount and the actual amount Franchisee purchases from NEAT.

5. **Term.** The initial term of this Agreement shall be for five years from the date of execution of this Agreement ("Initial Term") and may be renewed by Franchisee for additional five year terms (each, an "Extension Term") if Franchisee complies with the renewal process in Article 1, Section 5. Collectively, the Initial Term and any Extension Term shall be referred to as the "Term".

6. **Renewal.** If, upon expiration of the Initial Term (or any Extension Term), Franchisee provides written notice to NEAT of Franchisee's desire to renew this Agreement at least one hundred twenty

(120) days before the expiration of this Agreement, then NEAT will determine whether or not Franchisee has substantially complied with the material terms of this Agreement and will provide written notice to Franchisee of its determination at least ninety (90) days before the expiration of this Agreement. If NEAT does not receive written notice of Franchisee's desire to renew at least one hundred twenty (120) days before the expiration of this Agreement, it shall expire at the end of such Term. As conditions of such renewal, NEAT will require Franchisee to pay the Renewal Fee and execute Neat's then-current form of Franchise Agreement that NEAT then customarily uses in the grant of new franchises (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 Franchisee's previous Franchise Agreement(s), such as, but without limitation, increases in and/or modifications to the Performance Standard, changes to the Territory and fees. If Franchisee does not sign a new agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after expiration, then, at the option of NEAT, this Agreement may be treated either as (a) expired as of the date of expiration, with Franchisee then operating a franchise without the right to do so and in violation of NEAT's rights or (b) continued on a month-to-month basis (the "Interim Period") until NEAT 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 thirty (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 Franchise Agreement had not expired, and all obligations and restrictions imposed upon Franchisee on the expiration of this Franchise Agreement shall be deemed to take effect upon the termination of the Interim Period.

ARTICLE II: RELATIONSHIP OF THE PARTIES

1. **Status of Franchisee.** The Parties agree that the Franchisee and its employees, agents, contractors and assigns are not employees, partners, agents or representatives of NEAT. Franchisee is not entitled to any of the rights or benefits afforded to NEAT's employees, including disability or unemployment insurance, workers' compensation, medical insurance, sick leave, or any other employment benefit. Franchisee is responsible for providing, at its own expense, disability, unemployment, and other insurance, workers' compensation, training, permits, and licenses for its employees, agents, contractors and assigns. Neither Party shall do anything that would jeopardize the relationship of "independent contractor" between NEAT and Franchisee. It is understood and agreed by the Parties that this Agreement does not create a fiduciary relationship between them and that the Franchised Business is owned and operated by Franchisee independent of NEAT, but that the terms and conditions of this Franchise Agreement are necessary and critical to protect and maintain the goodwill associated with the System and the Licensed Marks. Franchisee must identify itself in all dealings with clients, contractors, suppliers, public officials and others as the independent owner and operator of the Franchised Business under a franchise from NEAT.

2. **Franchisee Expenses.** Franchisee shall be responsible for and pay all of its own expenses related to the Franchised Business including, without limitation, the following: (a) license and business fees; (b) transportation expenses; (c) long distance telephone charges; (d) entertainment expenses; (e) membership dues in professional associations; (f) charges for other services provided for the benefit of employees, including, but not limited to, maps, business cards, personal brochures, and other promotional and sales tools; (g) advertising placed by Franchisee and advertising placed by NEAT for the specific benefit of Franchisee (provided such advertising expenses are approved by Franchisee); (h) attorney, accountant, consultant or other professional services procured by Franchisee; (i) signs; (j) insurance, including errors and omissions, general business, automobile liability and property damage insurance; (k) income taxes; (l) NEAT follow-up services for Franchisee's own benefit; and/or (m) all

other expenses related to the Franchised Business. For purposes of clarity and the avoidance of doubt, NEAT may incur expenses on behalf of Franchisee but shall not have any obligation to do so.

3. **Taxes.** 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. Franchisee agrees to pay its own taxes. Franchisee shall reimburse NEAT should Franchisee fail to pay any required federal, state or local taxes, which are then paid by NEAT, provided, however, NEAT shall not be obligated to pay any taxes of Franchisee pursuant to this Agreement or otherwise.

4. **No Authority.** 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 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.

5. **Agents, Employees & Independent Contractors.** Franchisee shall have the right to appoint suitable and desirable agents, employees, and contractors, and Franchisee shall be solely responsible for those persons and their acts. Franchisee is encouraged, at his/her own discretion, to conduct background checks on any such individual appointed to assist in the business activities of the Franchise. Compensation of such persons shall be Franchisee's sole responsibility, and no agent, employee, or Independent Contractor shall have any claim against NEAT for salaries, commissions, items of cost, or other form of compensation or reimbursement.

7. **No Liability for NEAT for Operations of Franchised Business.** Due to the independent ownership and operation of the Franchised Business by Franchisee and the representations by Franchisee to the public of Franchisee's independent ownership and operation of the Franchised Business, Franchisee agrees that NEAT is not obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business. Franchisee shall indemnify, defend and hold harmless NEAT, and its affiliates, employees, and agents, against any losses or damages sustained by any of them based upon any claim made in connection with Franchisee's ownership or operation of the Franchised Business. If any action is initiated based on a claim that is subject to indemnification under the preceding sentence, NEAT shall notify Franchisee of such action, and Franchisee shall have the right to assume the defense (or cause a defense to be provided) at Franchisee's expense. If Franchisee fails or neglects to defend the action in a timely manner, NEAT may defend the action, and any expenses, including reasonable attorneys' fees which are paid or incurred in defending the action, and the amount of any judgment that it may be required to pay, must be promptly reimbursed upon demand.

ARTICLE III: OPERATION OF FRANCHISED BUSINESS

1. **Representative.** If Franchisee is an entity, upon execution of this Agreement, Franchisee must designate an individual to serve as the Representative of Franchisee who is fully authorized to act on behalf of Franchisee in all transactions with Franchisor (the "Representative").

2. **Operations Manual.** During the Term of this Agreement, NEAT will provide Franchisee with a set of operations manuals, handbooks and other materials (collectively, the "Operations Manual") for the operation of the Franchised Business.

3. **Products and Services.** Franchisee understands the importance of maintaining uniformity of the Approved Services and complying with NEAT's required standards and specifications relating to the operation of the Franchised Business. In order to protect the System and the goodwill associated with the

Licensed Marks, Franchisee shall solicit orders from clients using NEAT's Pricing Terms and Service Contract, each as defined below. Franchisee acknowledges and agrees that NEAT shall have the right to restrict Franchisee's ability to purchase products from suppliers not previously approved by NEAT.

4. **Pricing Terms.** NEAT reserves the right to establish, maximum, minimum or other requirements with respect to the pricing, charges, and terms Franchisee sells its products and services to its clients ("Pricing Terms").

5. **Service Contract.** As part of the Operations Manual, NEAT shall supply Franchisee with a form of service contract ("Service Contract") for Franchisee's engagements with its clients. Franchisee, in its discretion, may amend or revise the Service Contract to fit its particular needs provided any changes or revisions to the Service Contract are enforceable and do not violate any local, state or federal laws. Franchisee shall obtain a signed Service Contract from each client before providing products or service to such client and shall submit each signed Service Contract to NEAT in accordance with the Operations Manual.

6. **Client Billing.** Franchisee shall be responsible for all billing and invoicing of its clients in accordance with the Operations Manual and all applicable, federal, state and local laws. Franchisee shall choose the method and terms of its invoicing policy and shall remain liable for all taxes, including without limitation any excise, sales or income taxes, as set forth above. In order to maintain quality control and for purposes of accounting, Franchisee agrees to submit a signed copy of each Service Contract to NEAT in accordance with the procedure in the Operations Manual.

7. **Assumed Name.** So long as Franchisee satisfies the Performance Standard and otherwise maintains the exclusive and/or non-exclusive rights in the Territory, Franchisee must use "NEAT Method" as an assumed name (i.e. file for a DBA, fictitious business name, etc.) in the Territory during the term of this Agreement. Franchisee may, at its own expense, register such right with an applicable government agency in order to comply with federal, state and local laws. If Franchisee registers the assumed name with a government agency, Franchisee shall terminate or cancel said registration upon the expiration or termination of this Agreement, for any reason whatsoever, or upon its loss of exclusivity in the Territory. In the event Franchisee fails to cancel or terminate the registration, Franchisee hereby appoints NEAT as its attorney in fact for the purpose of making such cancellation or termination.

8. **Modifications to the System.** NEAT may from time to time modify any components of the System and the requirements applicable to Franchisee by means of modifications to the Operations Manual or otherwise, including: (1) altering the products, services, programs, methods, standards, accounting and computer systems, forms, policies and procedures of the System; (2) adding to, deleting from or modifying the Approved Services; and (3) changing, improving, modifying or substituting for the Licensed Marks. Franchisee agrees to implement, at its sole cost and expense, any such System modifications as if they were part of the System at the time Franchisee signed this Agreement.

9. **No Employment Relationship.** Franchisee agrees and acknowledges that NEAT shall have no employment or contractual relationship with any employee of Franchisee, and each and every employee who provides services as part of the Franchised Business shall remain employed by, or under contract with, Franchisee at all times that such employee is providing services as part of the Franchised Business during the Term. Franchisee is responsible for paying all income taxes, including estimated taxes, and agrees to hold harmless and indemnify NEAT for any claims, costs, losses, fees, penalties, interest, or damages suffered by NEAT resulting from Franchisee or any of its employees' failure to comply with this provision. Franchisee agrees to provide workers' compensation insurance for Franchisee's employees and agrees to hold harmless and indemnify NEAT for any and all claims arising out of any injury, disability, or death of any of Franchisee's employees or agents.

10. **Qualifications of Employees.** Franchisee represents that each of its employees has the qualifications and skills necessary to perform the services in a competent, professional manner. Franchisee shall cause each employee to complete NEAT's standard NEAT Method Intake Form included in the Operations Manual prior to the commencement of any services by such employee to verify such qualifications and skills and to protect the System and the goodwill associated with the Licensed Marks.

11. **Method of Performing Services.** Franchisee will determine the method, details, and means of performing the Approved Services and agrees to cause its employees to devote as much time as is necessary to perform all of the services required under each Service Contract using tools, materials, and equipment supplied by Franchisee.

12. **Attendance at Annual Franchisee Summit.** Franchisee, or if Franchisee is an entity, Franchisee's Representative, must attend NEAT's annual summit (and/or other required corporate events for franchisees) unless approval not to attend is expressly requested and received.

ARTICLE IV: MARKETING RIGHTS

1. **Selling Aids, Supplies, and Promotion.** NEAT shall supply to Franchisee, at Franchisee's sole expense, reasonable quantities of NEAT's advertising and sales literature, as designed and made available by NEAT, which would be helpful in securing clients ("Marketing Materials"). Such Marketing Materials may be in the form of computer files (i.e. PDF, JPG) which Franchisee shall have the right to use and duplicate solely in connection with the Franchised Business during the Term. Subject to the prior written approval of NEAT, which approval will not be unreasonably withheld, Franchisee shall have right to create the following items for use in their Territory using the Licensed Marks: (a) marketing collateral; and (b) sales and advertising outlets.

2. **Assistance.** NEAT shall, as reasonably requested by Franchisee, (a) render advice to Franchisee in connection with Franchisee's solicitation of clients for the Franchised Business; and (b) familiarize Franchisee with the operation of the System. NEAT may also provide guidance and assistance, from time-to-time, in the form of materials, webinars, classes, workshops or other assistance of an *ad hoc* basis.

3. **Website.** NEAT reserves the sole right to advertise the System and to sell products and services on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Licensed Marks. As of the date of this Agreement, NEAT has registered the domain name and established an operational website located at www.neatmethod.com which will list the biography and contact information for each person providing services on behalf of the Franchised Business. Franchisee may also be offered the opportunity to participate in updating websites, blogs or social media accounts belonging to NEAT. Except as authorized by the Operations Manual or as otherwise approved in writing by NEAT, Franchisee shall not: (i) link or frame NEAT's website; (ii) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication) including email marketing or other digital marketing; (iii) create or register any internet domain name in connection with the Franchised Business; (iv) use any e-mail address which NEAT has not authorized for use in operating the Franchised Business; or (v) conduct any activity on social media or social networking platforms. Franchisee acknowledges that NEAT is the lawful and sole owner of all domain names registered by NEAT.

4. **Inquiries.** NEAT will make reasonable efforts to forward to Franchisee any inquiry regarding NEAT's products and services received by NEAT from any potential or actual client within the Territory.

5. **Customer Data.** Franchisee acknowledges and agrees that NEAT is the sole owner of all client or client data produced by or otherwise contained in any database and/or computer software system used in connection with the operation of the Franchised Business (collectively, the “Customer Data”), whether located at the Franchised Business or otherwise, including without limitation, client lists, although Franchisee will be responsible for obtaining all client consents necessary to allow NEAT to use the Customer Data for various purposes as NEAT periodically may determine in its sole discretion.

ARTICLE V: PROPRIETARY RIGHTS

1. **Licensed Marks.** Franchisee acknowledges and agrees that (a) NEAT holds exclusive ownership of the Licensed Marks and all usage and goodwill is for the benefit of NEAT, (b) other than registering as an assumed name for the operation of the Franchised Business, Franchisee 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 Franchisee use any Licensed Mark in the sale of any unauthorized product or service or in any other manner NEAT does not expressly authorize in writing, (c) Franchisee has no interest or ownership rights whatsoever in or to the Licensed Marks, (d) Franchisee’s right to use the Licensed Marks is derived solely from this Agreement and is limited to the conduct of its Franchised Business pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed by NEAT during the Term. Any unauthorized use of the Licensed Marks by Franchisee constitutes an infringement of the rights of NEAT in and to the Licensed Marks. Upon termination of this Agreement for any reason, Franchisee agrees to cease its use of the Licensed Marks. Franchisee will not, at any time during the Term 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. To the extent there is a possibility of any adverse publicity or public relations as a result of Franchisee’s operation of the Franchised Business or as a result of Franchisee’s acts or omissions that could adversely impact the Licensed Marks, NEAT shall have the right at its election to solely control any related crisis management efforts and communications. If it becomes advisable at any time to modify, or discontinue the use of, any Licensed Mark, Franchisee shall comply with NEAT’s directions within a reasonable time after notice by NEAT and shall be responsible for costs and expenses to comply with this obligation.

2. **New Developments.** Franchisee grants to NEAT a perpetual, royalty-free, transferable, non-exclusive license throughout the world to use any and all designs, plans, reports, specifications, drawings, inventions, processes, and other information or items developed or produced by Franchisee during the Term that arise from or related to the System (“New Developments”). Franchisee shall fully disclose any New Developments to NEAT and shall obtain NEAT’s approval for the use of such New Developments. In the event NEAT determines that a New Development should become part of the System, Franchisee shall transfer all of its rights in the New Development to NEAT. NEAT shall have the right to apply for additional intellectual property protection for any such New Development, and Franchisee shall cooperate with NEAT in securing such protection. In return, NEAT shall authorize Franchisee to use any New Development that may be developed by NEAT or other franchisees or licensees that become part of the System. Franchisor, in its sole discretion, may pay Franchisee a reasonable royalty for New Developments that become part of the System.

3. **Confidential Information.** NEAT possesses confidential information (the “Confidential Information”) related to its methods, procedures, information, and experience operating the System including client requirements and lists, marketing, products, services and prices, and NEAT furnishes such information to Franchisee for use in the Franchised Business. Franchisee will, and will cause its employees, agents, contractors and assigns to, keep this Confidential Information in the strictest confidence, and protect the confidentiality of the Confidential Information in the same manner as Franchisee’s own confidential information is protected. Franchisee agrees: (1) not to disclose any

Confidential Information by any means to any person except with NEAT's approval; (2) not to use the Confidential Information in any other business or capacity; (3) not to make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (4) to adopt and implement all reasonable procedures prescribed by NEAT to prevent unauthorized use or disclosure of the Confidential Information. Immediately upon termination of this Agreement, Franchisee will return any Confidential Information in Franchisee's possession to NEAT. Nothing in this Agreement shall prohibit or limit the disclosure or use of information (i) previously known without breaching any confidentiality obligation with respect to such information, (ii) independently developed, (iii) acquired from a third Party which is not under any confidentiality obligation with respect to such information, or (iv) which is or becomes publicly available through no breach of this Agreement.

4. **Restrictive Covenants.**

(a) **Solicitation of Clients.** Neither Franchisee, nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly solicit, entice, induce, or call on any clients of NEAT or any of its franchisees or licensees, either during the Term of this Agreement or for a period of two (2) years following termination or expiration of this Agreement as it relates to providing professional home organization services.

(b) **Solicitation of Employees.** Neither the Franchisee, nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly solicit, entice, or induce any employee, Independent Contractor, or agent of NEAT to leave NEAT or to stop performing services for NEAT either during the Term of this Agreement or for a period of two (2) years following termination or expiration of this Agreement for any reason whatsoever. Further, neither Franchisee, nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly hire, employ, or engage the services of (other than pursuant to the terms of this Agreement) any employee, Independent Contractor, or agent of NEAT either during the Term of this Agreement or for a period of two (2) years following termination or expiration of this Agreement for any reason whatsoever.

(c) **Competing Businesses.** During the Term of this Agreement, neither Franchisee, nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly, own, maintain, operate, advise, assist, make loans to, provide services in any capacity to, engage in, or have any other financial or beneficial interest in, any Competitive Business. For a period of two (2) years following termination or expiration of this Agreement for any reason whatsoever, neither Franchisee, nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly, own, maintain, operate, advise, assist, make loans to, provide services in any capacity to, engage in, or have any other financial or beneficial interest in, any Competitive Business that is located within or that is intended to be located within the Territory or within 50 miles of the Territory. For purposes of this Agreement, a "Competitive Business" means any business that provides any Approved Service or provides professional organizing services for residential clients or otherwise operates in any manner similar to a NEAT METHOD® business.

(d) **Acknowledgement by Franchisee.** Franchisee acknowledges and agrees that (i) each of the foregoing covenants are reasonable as to time, area and scope and do not impose a greater restraint than is necessary to protect the goodwill of NEAT and should be construed as independent of any other covenant or provision of this Agreement and (ii) any breach of any of these covenants will cause irreparable harm to NEAT. If any court or agency having valid jurisdiction determines all or any portion of any of the foregoing covenants is unreasonable or unenforceable in an final unappealed decision to which Franchisor is a party, 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 Article IV.

(e) **Non Disparagement.** Franchisee's use of the System and the Licensed Marks is subject to Franchisee not taking any action which would defame, disparage or otherwise damage the business or reputation of the System, the Licensed Marks, NEAT or any of its employees, agents, assigns or affiliates.

5. **Equitable Relief.** The Parties acknowledge and agree that in the event of a breach or threatened breach of any of the provisions of this Article, the non-breaching party will have no adequate remedy in damages and, accordingly, shall be entitled to an injunction against such breach or threatened breach; provided, however, that no specification of a particular legal or equitable remedy shall be construed as a waiver, prohibition or limitation of any legal or equitable remedies in the event of a breach hereof.

6. **Survival.** The terms of this Article shall survive any termination or expiration of this Agreement.

ARTICLE VI: FEES; BOOKS AND RECORDS

1. **Initial Fee.** Franchisee shall pay NEAT an initial franchise fee (the "Initial Fee") equal to Thirty Thousand Dollars (**\$30,000 USD**). The Initial Fee will be invoiced to Franchisee upon execution of this agreement. The Initial Fee is fully earned by NEAT upon the signing of this agreement.

2. **Renewal Fee.** If Franchisee complies with Article 1, Section 16, of this Agreement and NEAT determines Franchisee is eligible for renewal, on each term renewal, Franchisee shall pay NEAT a Renewal (the "Renewal Fee") equal to Five Thousand Dollars (**\$5,000.00 USD**). The Renewal Fee is fully earned by NEAT upon each renewal date of this Agreement. Franchisee will be required to sign and agree to the most updated Franchise Agreement at the time of any renewal. 3.

3. **Royalty Fee.** On a monthly basis, Franchisee shall pay NEAT a royalty fee (the "Royalty Fee") which will be calculated as a percentage of Service Revenue in accordance with Schedule D. The term "Service Revenue" means the aggregate amount of total service billed in a given month, including all charges for services performed, by the Franchised Business but does not include product sales. Franchisee shall remit payment to NEAT of the Royalty Fee no more than fifteen (15) days after the last day of each month in which Franchisee completes the service.

4. **Franchise Management System; Technology Fee.** Franchisor reserves the right, upon 30 days' advance written notice, to implement a new franchise management system and to charge Franchisee a monthly technology fee, in an amount not to exceed \$150 per month, to pay for certain aspects of any required computer system and/or software ("Technology Fee"). Upon implementation of the Technology Fee, Franchisor reserves the right to designate and/or change the amount, scope, or manner of payment of the Technology Fee, including the party to whom payment is made.

5. **Books and Records.** Franchisee shall keep complete and accurate books and records in accordance with generally accepted accounting principles to determine the amount of the Royalty Fee owed to NEAT. No more than ten (10) days after the last day of each month, Franchisee shall submit a monthly report to NEAT itemizing the Service Revenue for the previous monthly reporting period and the calculation of the Royalty Fee for that period. NEAT reserves the right to specify the methods of the ways that Franchisee must manage and report their financial processes and/or reports.

6. **Audit Rights.** Franchisee shall maintain records necessary for the computation of amounts payable to NEAT under this Agreement for a period of five (5) years after such amounts are paid. Such

records shall be open to audit and inspection by an auditor selected by NEAT to which Franchisee has no reasonable objection during regular business hours of Franchisee. Such records shall only be used by NEAT or its agents to determine the accuracy of the Royalty Fee paid and reports submitted. NEAT shall bear the expenses of the auditor it selects, however, in the event that an audit shows nonpayment or underpayment of five percent (5%) or more, then Franchisee shall immediately reconcile any nonpayment or underpayment and shall reimburse NEAT for its actual costs associated with the audit.

ARTICLE VII: TRANSFER/ASSIGNMENT

1. **Transfer by NEAT.** NEAT has the right to transfer or assign this Agreement and all or any part of its rights or obligations to any person or entity without the consent of Franchisee.

2. **Transfer by Franchisee.** Franchisee shall not assign or transfer this Agreement or any of its rights or obligations under this Agreement to any third party without NEAT's prior written consent, and any attempted assignment or transfer in violation of this restriction shall be null and void and have no force or effect. This restriction shall also apply to any attempted transfers of (a) any interest in the Franchised Business, (b) any asset of Franchisee related to the operation of the Franchised Business and (c) any of the ownership interests in Franchisee. As a condition of such transfer, a) Franchisee must pay a transfer fee equal to the greater of \$2,000 or 20% of the consideration received by Franchisee for the transfer of such interest, and b) the transferee, or purchaser, of the Franchise will owe NEAT a Franchise Fee of \$15,000 upon execution of the Franchise Agreement. NEAT shall have the right to charge the approved transferee the then-current renewal fee and impose other requirements on Franchisee and the proposed transferee as a condition to its approval of such assignment or transfer.

ARTICLE VIII: TERMINATION

1. **End of Term.** This Agreement shall terminate as of the end of the Term, unless otherwise provided for hereunder. Upon termination, all rights granted under this Agreement shall terminate immediately, unless otherwise noted herein.

2. **Termination Upon Occurrence of Stated Events.** This agreement will terminate automatically on the occurrence of any of the following events: (a) either Party is declared insolvent or makes an assignment for the benefit of creditors; (b) a bankruptcy petition is filed by either Party; or (c) a receiver or other custodian is appointed for the assets of either Party.

3. **Termination for Default.** This Agreement may be terminated forthwith in its entirety by either Party if the breaching Party fails to remedy a material breach of this Agreement within fifteen (15) days after receiving written notice of such breach if such breach is remediable. In the case of a material breach which is not remediable the other Party may terminate this Agreement by given written notification to the breaching Party which will take effect immediately upon receipt of notice by the breaching Party or five (5) days after mailing of notice whichever occurs first. For the purposes of this paragraph, material breach of this agreement includes, but is not limited to (a) either Party's breach of any representation or warranty contained in this Agreement; (b) Franchisee's providing inaccurate information regarding NEAT to third parties; (c) any action by either Party which disparages or damages the personal or business reputation of the other Party, its employees, agents or affiliates; (d) Franchisee fails on three (3) or more separate occasions to comply with a material provision of this Agreement, whether or not failure to comply is corrected after notice is sent to Franchisee; (e) Franchisee or any of its principals is convicted of, or enters a plea of no contest to, a felony or a crime involving moral turpitude; (f) an immediate threat or danger to the health or safety of Franchisee's clients or the public in general results from the operation of the Franchised Business; (g) Franchisee provides Approved Services outside the Territory without NEAT's approval; (h) Franchisee provides Approved Services from any other entity or business not operating the System and paying the Royalty Fee; (i) Franchisee has

made a material misrepresentation or omission in the application for the Franchised Business; (j) Franchisee makes any unauthorized use or disclosure of the Licensed Marks, the Confidential Information or the Operations Manual; (k) Franchisee fails to timely pay fees or other amounts due to NEAT or its affiliates; (l) Franchisee fails to comply with the Performance Standard; or (m) Franchisee fails to comply with any other provision of this Agreement or any mandatory specification, standard or procedure prescribed by NEAT.

4. **Post-Termination Duties of Franchisee.** Promptly upon expiration of the Term or upon any termination of this Agreement, Franchisee shall (a) immediately cease using the Licensed Marks and the System and immediately cease soliciting orders or representing in any manner that it is associated with NEAT, (b) return or cause to be returned to NEAT (or destroyed, at NEAT's election) all advertising material, promotional items, sample contracts, domain names, social media accounts and passwords, and any other materials associated with the Licensed Marks or the System that have not previously been returned to NEAT, (c) deliver to NEAT all Customer Data and any related records, files, correspondences, invoices or other similar items and (d) pay to NEAT all outstanding Royalty Fees and any other fees any other amounts due to NEAT and its affiliates.

5. **Liquidated Damages.** Liquidated Damages. If NEAT terminates this Agreement before the end of the Term due to a default by Franchisee or Franchisee terminates this Agreement without cause, then Franchisee acknowledges and agrees that: (a) Franchisee is liable to Franchisor for lost future royalty fees and annual fees and other potential payment obligations under this Agreement; (b) the actual or anticipated damages suffered by NEAT would be difficult if not impossible to calculate; and (c) Franchisee shall pay Franchisor an amount equal to \$5,000 (the "Liquidated Damages Payment") within fifteen (15) days after the effective date of such termination. The Parties agree that this provision is an integral part of this Agreement and that both Franchisee's liability for lost future fees and other amounts and the difficulty of calculating Franchisor's damages in determining the amount of the Liquidated Damages Payment have been taken into account in establishing the amount of the Liquidated Damages Payment and that the Liquidated Damages Payment is (i) compensation for the anticipated damages incurred by NEAT upon such termination of this Agreement and not a penalty against Franchisee and (ii) is a reasonable estimate of the damages suffered by NEAT upon termination of this Agreement. NEAT's right to receive a Liquidated Damages Payment from Franchisee shall be in addition to NEAT's other rights under this Agreement.

ARTICLE IX: REPRESENTATIONS, WARRANTIES & INSURANCE

1. **Mutual Representations and Warranties.** Each Party, including its employees agents and affiliates, hereby represents and warrants to the other Party as follows:

(a) It is an individual, or a business entity duly organized, validly existing and in good standing under the laws of the state in which it is incorporated or organized;

(b) It has the power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder;

(c) It shall not misuse or misrepresent information or data provided by the other Party hereunder or intentionally present the information or data in any manner which would cause it to be inaccurate or misleading;

(d) It shall, at its own expense, comply with all applicable statutes, regulations, rules, ordinances, and orders of any governmental body, department or agency which apply to or result from its obligations under this Agreement; and

(e) It shall not make any false or misleading representations or statements to any third Party concerning the performance, uses, permitted uses, or functionality of the other Party's products or services which relate to this Agreement.

2. **Insurance.** During the Term, Franchisee shall maintain in force, under policies of insurance issued by third-party insurers, the required types of insurance at minimum levels of coverage set forth in the Operations Manual. All insurance policies shall be written by an insurance company or companies satisfactory to NEAT, in compliance with the standards, specifications, coverage and limits set forth in the Operations Manual or otherwise provided to Franchisee in writing. Franchisee shall include NEAT named insured on its policy. Franchisee acknowledges that NEAT shall have no obligation to insure Franchisee or its employees or agents.

ARTICLE X: ADDITIONAL TERMS & CONDITIONS

1. **Notices and Requests.** Any notice, demand, request, or report required or permitted to be given under this Agreement must be in writing and sent to the following addresses by one of the methods set forth below:

If to NEAT:

Ashley Murphy, CEO
c/o NM Franchise Operations, LLC
8 White Birch Littleton, CO 80127
Attention: Management Committee
ashley@NEATmethod.com

If to Franchisee:

With a mandatory copy to:

John D. Moore
Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, Missouri 64112
john.moore@huschblackwell.com

Either Party may change that Party's address for purposes of this Agreement by written notice given to the other Party in accordance with this Section. All such items shall be deemed delivered (a) at the time delivered by hand, (b) one business day after sending via overnight carrier, (c) three (3) business days after being placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid or (d) upon transmission by electronic mail provided that the sender confirms the transmission by sending a copy and evidence of transmission by overnight carrier or certified or registered mail.

2. **No Implied Waiver.** The failure of either Party at any time to require performance by the other Party of any provision of this Agreement shall not affect in any way the full right to require such performance at any subsequent time. The waiver by either Party of a breach of any provision of this Agreement shall not be taken or held to be a waiver of the provision itself.

3. **Governing Law; Enforcement of Agreement; Attorney's Fees and Cost.** This Agreement shall be subject to and shall be enforced and construed pursuant to the laws of the State of Colorado. If any provision or term of this Agreement is held to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated. In the event of litigation to enforce any of the provisions of this Agreement, the prevailing Party may recover court costs and reasonable attorney's fees.

4. **Forum.** Both Parties agree that any action arising out of or relating to this Agreement (including the offer and sale of the Franchise) shall be instituted and maintained only in a state court of general jurisdiction in Jefferson County, Colorado and the federal courts in Jefferson County, Colorado, and Franchisee irrevocably submits to the jurisdiction of that court and waives any objection to either the jurisdiction or venue of court.

5. **Schedules.** Additional terms that the parties consider desirable are embodied in the attached Schedules, and incorporated herein by reference. Nothing contained in the Schedules to this Agreement shall be interpreted as superseding or nullifying the provisions of this Agreement, and in the event of any ambiguity in meaning or understanding between this Agreement and any of the Schedules, this Agreement shall control.

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

2. **Waiver of Jury Trial and Consolidation.** NEAT and Franchisee each irrevocably waive trial by jury in any action brought by either of them. Franchisee and NEAT agree that any proceeding, whether at law or in equity, which arises out of, concerns, or is related to this Agreement or any of the relationships or transaction contemplated by this Agreement shall be tried before a court of competent jurisdiction and not a jury. Any proceeding of any kind brought by Franchisee and/or to which Franchisee is a party may not be consolidated with another such proceeding between NEAT and any other entity or person.

Entire Agreement; Amendments. This Agreement, including any Schedules attached to it, constitutes the entire agreement between NEAT and Franchisee concerning the subject matter of this Agreement and supersedes all prior and contemporaneous agreements between the parties. This Agreement may be amended only by an instrument in writing that expressly refers to this Agreement and specifically states that it is intended to amend it. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

[Signatures on next page]

NOW, THEREFORE, having agreed upon the terms and conditions set forth above, the Parties hereby execute this Agreement as of the date first set forth above.

NM FRANCHISE OPERATIONS, LLC

By: _____ By: _____
Ashley Murphy, CEO Name:
Title:

Schedules

- Schedule A: Form of Guaranty and Assumption of Obligations
- Schedule B: Performance Standards
- Schedule C: Territory
- Schedule D: Royalty Fee
- Schedule E: Statement of Ownership Interest and Franchisee’s Principal Owners
- ~~Schedule F: Independent Contractor Agreement~~

SCHEDULE A

FORM OF GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20____, by _____, (the “Guarantor”).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date (the “Agreement”) by NM FRANCHISE OPERATIONS, LLC (“NEAT”), and with _____, a limited liability company (“Franchisee”), each of the undersigned, for value received, personally and unconditionally (a) guarantees to NEAT, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee must punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agree 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 set forth in Article V. Each of the undersigned waives: (1) acceptance and notice of acceptance by NEAT 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; (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 of the undersigned consents and agrees that: (1) his direct and immediate liability under this guaranty is joint and several; (2) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) liability is not contingent or conditioned upon pursuit by NEAT of any remedies against Franchisee or any other person; and (4) liability is not diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which NEAT 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 is continuing and irrevocable during the term of the Agreement.

Guarantor consents and agrees that:

(1) Guarantor’s liability under this undertaking is direct, immediate, and independent of the liability of, and is joint and several with, Franchisee and the other owners of Franchisee;

(2) Guarantor shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;

(3) 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 Franchise Agreement by a trustee of Franchisee. Neither the Guarantor’s obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement is 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;

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

(5) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection of amounts due pursuant to this undertaking or any negotiations relative to the obligations guaranteed or in enforcing this undertaking against Guarantor.

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

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

[Signature of spouse – Arizona only]

SCHEDULE B

Performance Standard

The continuation of the rights granted to you in the Protected Territory is dependent upon meeting the below requirements:

If Franchisee is executing the Franchise Agreement to become a Franchisee for the first time:

- (1) performing all of the Approved Services that generate a minimum of \$500 per month in royalties starting after the first 12 months.

If Franchisee is executing this agreement to renew his/her Franchise:

- (1) performing all of the Approved Services that generate a minimum of \$500 in royalties per month effective immediately in the month following the execution of this Franchisee Agreement.

NM FRANCHISE OPERATIONS, LLC

By: _____
Ashley Murphy, CEO

By: _____

Name: _____

Title: _____

SCHEDULE C

PROTECTED TERRITORY

The parties to this Agreement agree that the Franchised Business to be operated by Franchisee shall be located within the following geographical area:

Hourly Rate: Franchisor and Franchisee have agreed that Franchisee will charge _____ for her services. This rate can be modified at a future date in time if such modification is agreed to by Franchisor. _____

NM FRANCHISE OPERATIONS, LLC

By: _____
Ashley Murphy, CEO

By: _____

Name: _____

Title: _____

SCHEDULE D

ROYALTY FEE

The Royalty Fee paid by Franchisee is determined based on (1) the Tier that NEAT assigns to the Franchisee's territory based on the population and the revenue potential of that territory and (2) Franchisee's Service Revenue over a Trailing Twelve Month ("TTM") period compared to the revenue targets that NEAT has established for Franchisee's Tier.

For instance, a Tier 1 location is a territory where NEAT determines a franchisee can typically charge NEAT's highest rate per organizer, and a Tier 4 location is a territory where NEAT determines a franchisee will be required to charge NEAT's lowest rate per organizer. If Franchisee's TTM revenues are less than the lowest revenue target that NEAT establishes for Franchisee's Tier, Franchisee's royalty percentage will equal 20%. If Franchisee's TTM revenues exceed the lowest revenue target but is less than the highest revenue target that NEAT establishes for Franchisee's Tier, Franchisee's royalty percentage will equal either 17% or 15% depending on the amount of Service Revenue compared to the revenue targets for that Tier. If Franchisee's TTM revenues exceed the highest revenue target that NEAT establishes for Franchisee's Tier, Franchisee's royalty percentage will equal 13%.

Once a Franchisee reaches a lower royalty percentage based on TTM revenues, the Franchisee will remain at such royalty rate unless and until Franchisee successfully advances to the next lowest royalty percentage based on TTM revenues (if applicable). Franchisee will never move back up to a high royalty rate once a lower one is achieved unless Franchisee does not meet the required Performance Standards set forth in Exhibit B to this Franchise Agreement, or for any other good-faith reason at Franchisor's discretion.

Below is a summary of the revenue targets for each Tier:

Tier 1 Location

Revenue Target 1 : \$130,000 (17%)

Revenue Target 2 : \$180,000 (15%)

Revenue Target 3 : \$230,000 (13%)

Revenue Target 4 : \$280,000 (10%)

Tier 2 Location

Revenue Target 1 : \$120,000 (17%)

Revenue Target 2 : \$165,000 (15%)

Revenue Target 3 : \$210,000 (13%)

Revenue Target 4 : \$255,000 (10%)

Tier 3 Location

Revenue Target 1 : \$105,000 (17%)

Revenue Target 2 : \$145,000 (15%)

Revenue Target 3 : \$185,000 (13%)
Revenue Target 4 : \$225,000 (10%)

Tier 4 Location

Revenue Target 1 : \$90,000 (17%)
Revenue Target 2 : \$125,000 (15%)
Revenue Target 3 : \$160,000 (13%)
Revenue Target 4 : \$195,000 (10%)

Franchisee's territory has been designated as _____ for purposes of calculation of the Royalty Fee.

SCHEDULE E

STATEMENT OF OWNERSHIP INTERESTS

- A. The following is a list of shareholders, partners, members, 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:

<u>Name</u>	<u>Percentage of Ownership/Nature of Interest</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

~~INDEPENDENT CONTRACTOR AGREEMENT~~

This Agreement is made and entered into this _____ day of _____, _____, between ~~NM FRANCHISE OPERATIONS, LLC~~ a Delaware corporation (“Franchisor”), _____ (“Franchisee”), and _____ (“Independent Contractor”).

~~— RECITALS~~

~~WHEREAS, Franchisor has obtained the right to develop a unique system (the “System”) for the development and operation of NEAT METHOD® franchised businesses under the name and marks NEAT METHOD® (the “NEAT METHOD 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 NEAT METHOD® 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, 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 NEAT METHOD® Franchised Business (the “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 (“Independent Contractor”) to have access to and to use some or all of the Trade Secrets in the management and operation of Franchisee’s Franchised Business using the System; and~~

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

~~WHEREAS, Independent Contractor wishes to remain, or wishes to become associated with or employed by Franchisee; and~~

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

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

Compensation

- ~~1. In consideration for the services to be performed by Independent Contractor, Franchisee agrees to pay Independent Contractor \$_____.~~
- ~~2. Franchisee agrees to pay Independent Contractor the sum set forth above within _____ of the completion of work.~~

Confidentiality Agreement

~~1. Franchisor and/or Franchisee shall disclose to Independent Contractor 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 Independent Contractor are deemed confidential Trade Secrets for the purposes of the Franchise Agreement.~~

~~2. Independent Contractor 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 the Franchised Business for so long as Franchisee is licensed by Franchisor to use the System.~~

~~3. Independent Contractor 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. Independent Contractor 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 the Franchised Business.~~

~~5. Independent Contractor shall keep all information, including client documents, photos taken in a client's home, and everything else that would be deemed by a reasonable person as confidential information, completely confidential and shall not reproduce or discuss anything about a client without written express permission of Franchisor and Franchisee.~~

~~7. Independent Contractor cannot take photos in the client's home without prior Franchisee approval. If Franchisee grants Independent Contractor the expressed permission to take photos, Independent Contractor cannot post images on social media without Franchisee's further express permission.~~

~~6. Independent Contractor 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 Independent Contractor.~~

~~7. Independent Contractor 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.~~

~~8. 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.~~

Restrictive Covenants

~~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 Independent Contractor of the Trade Secrets, Independent Contractor further agrees and covenants as follows:~~

~~a. Neither Independent Contractor, nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly solicit, entice, induce, or call on any clients of NEAT or any of its franchisees or licensees either during the Term of the Franchise Agreement or for a period of two (2) years following termination or expiration of the Franchise Agreement; and~~

~~b. Neither the Independent Contractor, nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly solicit, entice, or induce any employee, Independent Contractor, or agent of NEAT to leave NEAT or to stop performing services for NEAT either during the Term of the Franchise Agreement or for a period of two (2) years following termination or expiration of the Franchise Agreement. Further, neither Franchisee, nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly hire, employ, or engage the services of (other than pursuant to the terms of the Franchise Agreement) any employee, Independent Contractor, or agent of NEAT either during the Term of this Agreement or for a period of two (2) years following termination or expiration of the Franchise Agreement; and~~

~~c. During the Term of the Franchise Agreement, neither Independent Contractor nor any of its subsidiaries, affiliates, employees, or other agents, will, either directly or indirectly, own, maintain, operate, advise, assist, make loans to, provide services in any capacity to, engage in, or have any other financial or beneficial interest in, any Competitive Business. For purposes of the Franchise Agreement, a "Competitive Business" means any business that provides any Approved Service or provides professional organizing services for residential clients or otherwise operates in any manner similar to a NEAT-METHOD® business. Under no circumstances does this provision prevent Independent Contractor from earning a living in whatever way he/she chooses, so long as any and all Trade Secrets, Methods, Systems, and all Confidential Information learned while being an Independent Contractor for Franchisee is never disclosed.~~

Miscellaneous

~~1. Franchisee shall make all commercially reasonable efforts to ensure that Independent Contractor acts as required by the Franchise Agreement.~~

~~2. Independent Contractor agrees to maintain a liability policy of insurance in the minimum amount of One Million Dollars (\$1,000,000) to cover any negligent or accidental acts or omissions committed by Independent Contractor or Independent Contractor's employees or agents during the performance of any duties under this agreement. Furthermore, Independent Contractor agrees to indemnify and hold harmless Franchisee from any and all claims arising from any such negligent act or omission.~~

~~3. Independent Contractor agrees that in the event of a breach of the Franchise 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 the Franchise 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 the Franchise Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.~~

~~4. Independent Contractor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing the Franchise Agreement.~~

~~5. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Independent Contractor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Independent Contractor.~~

~~6. THE FRANCHISE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO. INDEPENDENT CONTRACTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF JEFFERSON COUNTY, COLORADO AND THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO. INDEPENDENT CONTRACTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. INDEPENDENT CONTRACTOR 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 THE FRANCHISE AGREEMENT BY ANY MEANS ALLOWED BY COLORADO OR FEDERAL LAW. INDEPENDENT CONTRACTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THE FRANCHISE AGREEMENT SHALL BE JEFFERSON COUNTY, COLORADO; 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.~~

~~7. The parties acknowledge and agree that each of the covenants contained in the Franchise 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 the Franchise 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, Independent Contractor 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 the Franchise Agreement.~~

~~8. The Franchise Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. The Franchise Agreement may be modified only by a duly authorized writing executed by all parties.~~

~~9. 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 to NEAT:

If to Franchisee:

Ashley Murphy, CEO
c/o NM Franchise Operations, LLC
8 White Birch, Littleton, CO 80127
Attention: Management Committee
ashley@NEATmethod.com

With a mandatory copy to:

If to Independent Contractor:

John D. Moore
Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, Missouri 64112
john.moore@huschblackwell.com

Name: _____
Contact Info: _____

~~Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by electronic mail 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 (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (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.~~

~~10. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective affiliate, successor and assigns. The respective obligations of Franchisee and Independent Contractor hereunder may not be assigned by Franchisee or Independent Contractor without the prior written consent of Franchisor.~~

~~11. Either party may terminate this agreement at any time by giving seven (7) days written notice to the other party. Unless otherwise terminated as provided in this agreement, this agreement will continue in full force and effect indefinitely. In the event of termination by either Franchisee or Independent Contractor, all provisions in this agreement survive such termination and remain in full force and effect.~~

[SIGNATURE PAGE TO FOLLOW]

NM FRANCHISE OPERATIONS, LLC

FRANCHISEE:

By _____
Ashley Murphy, CEO

By _____
Name:
Title:

Independent Contractor: _____

Printed Name: _____

EXHIBIT C**STATE ADMINISTRATORS**

STATE	STATE ADMINISTRATOR	ADDRESS
California	Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-1105 Toll Free Telephone #: 1-866-275-2677
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division	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 280 St. Paul, MN 55101-2198
New York	NYS Department of Law Investor Protection Bureau	28 Liberty St. 21 st Floor New York, NY 10005 (212) 416-8222
North Dakota	North Dakota Securities Department	600 East Boulevard Fifth Floor Bismarck, ND 58505
Rhode Island	Department of Business Regulation Securities Division	1511 Pontiac Avenue Cranston, RI 02920
South Dakota	Department of Insurance Securities Regulation	124 S. Euclid, Suite 104 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**

STATE	AGENT	ADDRESS
California	Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344
Hawaii	Department of Commerce and Consumer Affairs	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana	Indiana Secretary of State	201 State House 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 280 St. Paul, MN 55101-2198
New York	New York Secretary of State New York Department of State	One Commercial Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	Securities Commissioner	600 East Boulevard, 5 th Floor Bismarck, ND 58505
Rhode Island	Director of the Department of Business Regulation	1511 Pontiac Avenue Cranston, RI 02920
South Dakota	Department of Insurance Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia	Clerk of the State Corporation Commission	1300 East Main Street, 1 st Floor Richmond, VA 23209
Washington	Department of Financial Institutions Securities Division	150 Israel Rd. S.W. Tumwater, WA 98501
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 345 W. Washington Ave., 4 th Floor Madison, WI 53703

EXHIBIT E

NEAT OPERATIONS MANUAL

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EXHIBIT F
LIST OF FRANCHISEES
AS OF DECEMBER 31, ~~2022~~2023

Franchisee	Business Name	Address	City	State	Zip	Email	Phone
Kimberly Chelewski	Kimberly 821x2 LLC	2920 Kirkealdy Lane	Birmingham	AL	35242	kimberly.miller@neatmethod.com	205-745-5661
Chelsea Whelan	Organized & Refreshed Spaces LLC	5303 Bryan Place	Springdale	AR	71764	chelsea.whelan@neatmethod.com	
Emmaley Otis	Emmaley Otis LLC	404 West Honeysuckle Drive	Chandler	AZ	85248	emmaley@neatmethod.com	916-612-6768
Alexandra Franco	Rooftop Holdings LLC	6075 N Remington Ave	Fresno	CA	93704	alexandra.franco@neatmethod.com	559-905-4395
Ashley Polselli	ATP SF, LLC	8 Mount Foraker Court	San Rafael	CA	94903	ashley.polselli@neatmethod.com	415-309-8212
<u>Caitlin Dickerson</u>		<u>1802 20th Street, Apt A</u>	<u>Santa Monica</u>	<u>CA</u>	<u>90404</u>		<u>617-286-9033</u>
Bri Van Lierop	Van Lierop, LLC	14910 Sunrise Hill Rd	Riverside	CA	92508	bri.vanlierop@neatmethod.com	951-243-4746
Caitlyn Horton	NEAT-Girl, LLC	16800 Frank Ave	Los Gatos	CA	95032	caitlyn.horton@neatmethod.com	408-832-6199
Elizabeth Lance	Spiffed Spaces LLC	3988 Millbrook Dr	Santa Rosa	CA	95404	elizabeth.lance@neatmethod.com	707-953-8017
Emily Christopher	Emily Christopher LLC	3273 McKinley Blvd	Sacramento	CA	95816	emily.christopher@neatmethod.com	
Hiroko Cruz	Hiroko Cruz, LLC	110 Yuba Court	San Bruno	CA	94066	hiroko.cruz@neatmethod.com	415-515-0612
Kat Pettey	Kat Petty Consulting, LLC	253 Mesa Lane	Santa Barbara	CA	93109	katpettey@neatmethod.com	805-705-1437
Katie Koentje	Katie B.K. LLC	3481 Corte Fortuna	Carlsbad	CA	92009	katie@neatmethod.com	858-952-9850
Lauren Rosenthal	A Place for Everything LLC	2931 Dorothy Drive	Pleasant Hill	CA		lauren.rosenthal@neatmethod.com	925-918-2401
Nicole Longo	Nicole Longo LLC	13071 Bluff Creek Drive	Los Angeles	CA	90094	nicole.longo@neathmethod.com	
Tracey Kuennen	Tracey M Kuennen LLC	5430 Linda Vista Rd #18	San Diego	CA	92110	tracey.kuennen@neatmethod.com	424-218-0169
Krisztina Galambos <u>Lauren Morrisey</u>	Krisztina Galambos LLC	1975 N. Beachwood Drive, Apt. 207 <u>11049 E 28th Place</u>	Los Angeles <u>Denver</u>	CA <u>CO</u>	900688 <u>0238</u>	krisztina@neatmethod.com	206-276-5447 <u>901-651-7475</u>
<u>Linda Horn</u>		<u>51 N Pennsylvania Street</u>	<u>Denver</u>	<u>CO</u>	<u>80203</u>		<u>303-803-4332</u>
Allo Piller	Winthrop LLC	1721 S Franklin Street	Denver	CO	80210	allo@neatmethod.com	513-739-3032
Melissa Porter	Melissa Porter LLC	11 Crestwood Rd	West Hartford	CT	6107	melissa.porter@neatmethod.com	860-214-1223
Blaire Davidson	Organized by Blaire, LLC	151 Golfview Drive	Tequesta	FL	33469	blaire@neatmethod.com	917-297-8103
Kris White	Personalized Organization, LLC	5261 SW 9th Court	Plantation	FL	33317	kris@neatmethod.com	954-415-4776
Laura Frasor	Suburban Neat LLC	9918 Menander Wood Ct	Odessa	FL	33556	lauraf@neatmethod.com	813-545-0761
Meg Wittman	Organized Approach LLC	101 S Interlachen Ave #101	Winter Park	FL	32789	meg@neatmethod.com	216-965-4494
Shannon Drackett	Shannon Drackett LLC	6688 Stonegate Drive	Naples	FL	34109	shannon.drackett@neatmethod.com	239-571-1182

Franchisee	Business Name	Address	City	State	Zip	Email	Phone
Tatiana Blanco	Mas y Mas LLC	1430 South Dixie Highway, Suite 322	Miami	FL	33146	tatiana@neatmethod.com	305-606-8190
Devon Bullock	S & D Simply Organized LLC	2672 Green Meadows Lane NE	Brookhaven	GA	30319	devon@neatmethod.com & sarah@neatmethod.com	513-255-2516
Sarah Edelman	S & D Simply Organized LLC	2690 Etienne Lane	Cumming	GA	30041	devon@neatmethod.com & sarah@neatmethod.com	404-993-2848
Windy Dehem	Windy Dehem LLC	1217 Deer Run Trail	Perry	GA	31069	windy.dehem@neatmethod.com	478-714-1934
Emily Peters	EPC Consulting LLC	105 Union St	Pella	IA	50219	emily.peters@neatmethod.com	
Katie Gorman	KG Organizational Systems LLC	7021 Doubletree Road NE	Cedar Rapids	IA	52402	katie.gorman@neatmethod.com	319-360-4370
Anna Lott	All Aligned LLC	956 S Lake Pointe Way	Eagle	ID	83616	anna.lott@neatmethod.com	801-592-4272
Betsy Marsala	Elizabeth Marsala Organizing, LLC	1402 W Warner Ave Unit 3	Chicago	IL	60613	betsy@neatmethod.com	224-500-5478
Camille Swiech	Camille Swiech, LLC	3450 S Halsted St, Unit 405	Chicago	IL	60608	camille.swiech@neatmethod.com	773-415-6893
Kaitlyn Dane	Kaitlyn Dane LLC	337 Vance Street	Lombard	IL	60148	kaitlyn.dane@neatmethod.com	630-605-3028
Kathryn Gute	Clear & Simple LLC	6 Shenandoah Circle	South Barrington	IL	60010	kathryn.gute@neatmethod.com	440-668-0311
Katie Monge	Katie Monge, LLC	1254 W Barry Ave	Chicago	IL	60657	katie.monge@neatmethod.com	319-404-2314
Laura DeFalco	Laura DeFalco LLC	1269 Whitingham Circle	Naperville	IL	60540	laura@neatmethod.com	630.605.5946
Lauren Spehr	LMS Creative Solutions, LLC	811 Chicago Ave, Unit 505	Evanston	IL	60202	laurens@neatmethod.com	630-267-0277
Sarah Davis Stephanie Craig	Think Tidy, LLC	13708 Blooming- Orchard 10856 Mossy Rock Drive	Fishers	IN	46038	sarah.davis@neatmethod.com	317-372-4968 317-502-9104
Celsie Sneden	CGS Services LLC	4147 SE Colorado Ave	Topeka	KS	66609	celsie@neatmethod.com	785-213-5781
Devan Miller	Devan Miller Enterprises, LLC	121 East 5th Street, Apt E	Newport	KY	41071	devan.miller@neatmethod.com	859-992-0650
Rachel Sowell	RVS Consulting, LLC	248 Chenoweth Lane, Apt-4	Louisville	KY	40207	rachel.sowell@neatmethod.com	502-767-0061
Felicia Schimpf	Felicia Schimpf, LLC	725 Poplar Creek Court	Covington	LA	70433	felicia@neatmethod.com	985-705-2014
Mallory Myers	MGM, LLC	25136 Old Greenwell Springs Rd	Greenwell Springs	LA	70739	mallory.meiers@neatmethod.com	225-362-8871
Jessica Moynihan	J. Moynihan Group, LLC	30 Stockbridge Road	Bridgewater	MA	2324	jessica@neatmethod.com	508-954-8867
Pamela Johnson Holly Holt	Streamline Design Enterprise-LLC	8173 C Edge Rock- Way 5706 Nevada St	Laurel Berwyn Heights	MD	207242 0740	pamela.johnson@neatmethod.com	202-717-0144 240-481-3768

Franchisee	Business Name	Address	City	State	Zip	Email	Phone
Susie Renninger	SRenn LLC	2037 Watervale Rd	Fallston	MD	21047	susie.renninger@neatmethod.com	603-490-0257
April Karn	Upright and Grand LLC	8804 Macomb St Suite B	Grosse Ile	MI	48138	april.karn@neatmethod.com	313-403-1555
Kristian Dunning	Kristian Dunning LLC	7875 Carlisle Ct SW	Byron Center	MI	49315	kristian.dunning@neatmethod.com	616-540-6600
Lauren Combs	Lauren Combs LLC	32711 Bingham Ln	Bingham Farms	MI	48025	laurenc@neatmethod.com	313-910-6343
Lauren Alsup	Methodological Magic, LLC	2136 Ford Parkway #8114	St Paul	MN	55116	laurensup@neatmethod.com	651-353-2569
Jami Cohen	BoKo LLC	16 Cedar Crest	St Louis	MO	63132	jami.cohen@neatmethod.com	314-919-5885
Jennifer Barton	BoKo LLC	10824 Rondelay Dr	St Louis	MO	63141	jennifer.barton@neatmethod.com	818-404-5773
Christina Ryan	Big Sky Professional Organizing, LLC	2497 Thoroughbred Ln	Bozeman	MT	59718	christina.ryan@neatmethod.com	406-600-6700
Coleen Carter	A Perfect Method, LLC	123 Boyce Road	Charlotte	NC	28211	coleen.carter@neatmethod.com	917-518-6151
Jana Ackley	Steph & Jana LLC	2706 Masonboro Ferry Drive	Apex	NC	27502	jana.ackley@neatmethod.com	716-673-5882
Nicole Bartlett	808 Sardis Lane	808 Sardis Lane	Charlotte	NC	28270		812-455-1888
Stephanie Zyboyovski	Steph & Jana LLC	632 Newlyn Drive	Raleigh	NC	27606	stephanie.zboyovski@neatmethod.com	919-741-8186
Allison Helligso	ANHM 456 LLC	1314 N 113th Ct #4605	Omaha	NE	68154	allison.helligso@neatmethod.com	402-305-2626
Mia Whalley	Mia Whalley LLC	1 Palomino Road	Gilford	NH	03249	mia@neatmethod.com	603-799-1859
Corrin McCoy	NM NYC LLC	154 Ave E, Apt C-106	Bayonne	NJ	07002	corrin@neatmethod.com	646-546-7626
Erika Downes	Stable Oak LLC	9 Oak Lane	Morristown	NJ	07960	jennifer@neatmethod.com & erika@neatmethod.com	973-879-3092
Jennifer Ferriso	Stable Oak LLC	4 Barnstable Court	Morristown	NJ	07960	jennifer@neatmethod.com & erika@neatmethod.com	908-591-9314
Louisa Roberts	Louisa M. LLC	61 Bright St., Unit 1	Jersey City	NJ	07302	louisa@neatmethod.com	814-952-3667
Maureen Howard	Maureen Howard, LLC	40 Village Road	Florham Park	NJ	7932	maureen.howard@neatmethod.com	201-454-1792
Wendy Rossier		100 N Monroe Ave Unit 3	Margate City	NJ	08402		484-955-4665
Lauren Dupuis	LMSN Holdings LLC	2353 Stone Rise Road	Reno	NV	89521	lauren.dupuis@neatmethod.com	415-640-8140
Melanie Walker	Energyrx Consulting LLC	769 Tillis Place	Las Vegas	NV	89138	melanie@neatmethod.com	702-563-7728
Jacie Patino	JP Neat LLC	46 Sawgrass Court	Las Vegas	NV	89113	jacie.patino@neatmethod.com	702-808-1725
Abbie Polak	Abbie Polak, LLC	55 Allison Lane	Thornwood	NY	10594	abbie.polak@neatmethod.com	609-605-4766
Donna Gryboski	Weecow Enterprises, LTD	304 Princeton Rd.	Rockville Centre	NY	11570	donna.gryboski@neatmethod.com	631-241-6296
Kelly Platte	PH Design, LLC	7820 Ackerly Loop	New Albany	OH	43054	kelly.platte@neatmethod.com	614-323-2076
Lindsay Herrick	PH Design, LLC	1422 Taylor Corners Circle	Blacklick	OH	43004	lindsay.herrick@neatmethod.com	614-937-7326

Franchisee	Business Name	Address	City	State	Zip	Email	Phone
Lisa Hudak	LAK Design LLC	32731 Albion Drive	Avon Lake	OH	44012	lisa.hudak@neatmethod.com	216-313-5472
Tara Kohlbacher	Tara Lee Interiors LLC	4684 S Winston Ave	Tulsa	OK	74135	tara.kohlbacher@neatmethod.com	214-641-6531
Allison Gross	Allison Gross, LLC	5505 SE 17th Ave. Apt. B	Portland	OR	97202	allison@neatmethod.com	732-910-7145
Ryan Nugent		61567 SW Riverwalk Ln	Bend	OR	97702		815-295-7295
Caitlin Sirianni	CaitSir, LLC	838 Thomas Road	Lafayette Hill	PA	19444	caitlin.sirianni@neatmethod.com	215-870-7710
Stephanie Pace	Stephanie Pace, LLC	3846 Lawnview Ave.	Pittsburgh	PA	15227	stephanie.pace@neatmethod.com	412-419-1179
Stephanie Pasley	Stephanie Pasley, LLC	376 Hill Street	Coventry	RI	02816	stephanie.pasley@neatmethod.com	401-651-6474
Jacquelyn Bender	Jacquelyn Bender LLC	270 Stefan Drive	Charleston	SC	29412	jackie.bender@neatmethod.com	205-807-2221
Sara Sorrows		897 Kingston Lake Dr	Conway	SC	29526		817-907-4929
Meg Garcia	Meg Garcia LLC	907 B West Avenue	West Columbia	SC	26169	meg.garcia@neatmethod.com	803.915.3484
Erica Miller		3068 Shannon Oaks Cove	Germantown	TN	38138		901-651-7475
Holly Trepka	HT Consulting, LLC	906 Cadillac Ave	Nashville	TN	37204	holly.trepka@neatmethod.com	615-944-4814
Lindsey Jones	Lindsey Jones LLC	7038 Lawford Rd	Knoxville	TN	37919	lindsey.jones@neatmethod.com	865-315-5888
Dominique Caskey	The Westhope Company, LLC	29519 Westhope Drive	Spring	TX	77386	dominique@neatmethod.com	713-677-4665
Hannah Parr	T & H Parr Investments LLC	6211 Kenosha Drive	Lubbock	TX	79413	hannah.parr@neatmethod.com	
Kelly Hayden	Hayden Concepts, LLC	3213 Tehama Court	Austin	TX	78738	kellyhayden@neatmethod.com	512-426-3511
Lizette Elizondo	Nacho 201, LLC	18719 Desert Flower	San Antonio	TX	78258	lizette.elizondo@neatmethod.com	956-334-5380
Lyndsey Morgan	Lyndsey D Morgan LLC	3944 Los Robles Dr	Plano	TX	75074	lyndsey.morgan@neatmethod.com	214-223-7884
Rebekah Haynes	Rebekah Haynes, LLC	2602 North N Street	Midland	TX	79705	rebekah@neatmethod.com	325-668-8669
Shelley Anboub	SRTims, LLC	3111 Welborn, Unit 1501	Dallas	TX	75219	shelley.anboub@neatmethod.com	469.855.1473
Stephanie Hampton	Stephanie Lynell Hampton, LLC	1011 Thornridge Court	Argyle	TX	76226	stephanie.hampton@neatmethod.com	214-240-8514
Sydney Coale	SC Coale LLC	6045 Prospect Ave	Dallas	TX	75206	sydney.coale@neatmethod.com	214-686-3833
Lindsay Plum		1923 Pepper Grove Lane	Katy	TX			281-796-0194
Jacklyn Zylstra	JZ Organizing LLC	182 N 100 W	American Fork	UT	84003	jackie.zylstra@neatmethod.com	
Alayana Hermans	Coastal Organizing LLC	628 Nottingham Drive	Virginia Beach	VA	23452	alayna.hermans@neatmethod.com	757-478-1838
Elizabeth Kilberg	Kilberg Ventures Richmond LLC	802 Baldwin Rd.	Henrico	VA	23229	elizabeth.kilberg@neatmethod.com	804-338-1046
Lauren Sadlon	LRS Concepts, LLC	8009 Yorktown Drive	Alexandria	VA	22308	lauren.sadlon@neatmethod.com	703-963-3603
Rachel LaMantia	Seattle Home Simplified, LLC	15300 112th Ave NE, Unit C205	Bothell	WA	98011	rachel@neatmethod.com	206-402-9866

Franchisee	Business Name	Address	City	State	Zip	Email	Phone
Liz Girsch	L .Girsch LLC	N36 W7575 Buchanan Court	Cedarburg	WI	53012	liz@neatmethod.com	414-559-4227

- Five locations are co-owned. We counted each co-owned locations as one franchise.

EXHIBIT G
STATE ADDENDA

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE
AGREEMENT, A FOR CERTAIN STATES FOR
NM FRANCHISE OPERATIONS, LLC**

The following modifications are made to the NM Franchise Operations, LLC (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to Franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated_____, 20 (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means Colorado.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum (“**State Addendum**”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement.

CALIFORNIA

Spousal liability: Your spouse will be liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse’s marital and personal assets, perhaps including your house, at risk if your franchise fails.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.

Section 3119 of the California Corporations Code requires that we provide you a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD, 14 DAYS PRIOR TO EXECUTION OF AGREEMENT

Failure to open the Franchised Business within 15 days after the signing of the Franchise Agreement may result in termination of the Agreement and potential loss of your investment.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you a FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor's Choice of Law State. 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 the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Franchisor's Choice of Law State. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD 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.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such 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 provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

The earnings claim figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the service 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 franchise business. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

- HAWAII

The following is added to the Cover Page:

- THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

- ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.” The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act”.

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is

inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

NM FRANCHISE OPERATIONS, LLC

PROSPECTIVE FRANCHISEE:

By _____
Ashley Murphy, CEO

By _____
Name:
Title:

Dated: _____

- INDIANA

Item 13 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

MARYLAND

Addendum to FDD and Franchise Agreement

Item 17 of the FDD and the Franchise Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement is amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

^p
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 is amended to delete Section 4.d **Acknowledgement by Franchisee in its entirety.**

Dated _____

NM FRANCHISE OPERATIONS LLC

PROSPECTIVE FRANCHISEE

Name: _____

Name: _____

Title: _____

Title: _____

- MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

7. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
8. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
9. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
10. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.
11. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.17, Subd. 5, which requires that no action may be commenced more than three years after the cause of action accrues.
12. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any

third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

13. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
14. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

15. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
16. Item 6 of the FDD and Section I of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.

- NEW YORK

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT FOR NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**: The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

The Cover Page, Item 5 and Item 7 of the FDD and Article VI of the Franchise Agreement shall be amended by the addition of the following language:

“Based on our financial condition, the North Dakota Securities Department has required that payment of the initial franchise fee be deferred until you have completed your initial training and open your first Restaurant for business.”

Sections of the FDD and the Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD and the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD and the Franchise Agreement relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD and the Franchise Agreement requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51- 19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD and the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD and the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 7 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

- RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

- SOUTH DAKOTA

The cover page and Items 5 and 7 of the FDD and Article VI of the Franchise Agreement are supplemented with the following language: “Based on our financial condition, the South Dakota Securities Regulation Office has required that all initial fees be deferred until such time as we have completed our initial obligations to you and your Franchised Business is open for business.”

- VIRGINIA

Item 17(h). The following is added to Item 17(h):

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for NM Franchise Operations or use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or

termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON FRANCHISE AGREEMENT ADDENDUM

Based on our financial condition, the Washington Department of Financial Institutions, Securities Division, has required that collection of the initial franchise fee be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including: an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____

FRANCHISOR

FRANCHISEE

This addendum may also be used as a rider to the Franchise Disclosure Document.

- WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

EXHIBIT H

GENERAL RELEASE

This Release (the "Release") is made and entered into this ____ day of _____, 20____, by and between NM Franchise Operations, LLC, a Colorado limited liability company ("NM"), and _____ [Corporation/LLC name] a [insert jurisdiction of incorporation or organization] [corporation/limited liability company] ("Franchisee") and [names of shareholders or members] ("Guarantors").

WITNESSETH:

WHEREAS, NM and Franchisee are parties to a Neat Method Franchise Agreement dated _____ (the "Franchise Agreement") granting Franchisee the exclusive right to open a Neat Method business, according to 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

Use the following if Franchisee has sold the franchised business – Option 1:

WHEREAS, Franchisee has entered into a [insert title of sale or transfer agreement] (the "Sale Agreement") with [Name of Buyer] (collectively, the "Buyer") assigning unto Buyer, all rights, privileges and goodwill in said Franchise Agreement, subject to the terms and conditions of the Franchise Agreement, which include, without limitation, the agreement by [Buyer or Franchisee] to pay NM the required transfer and training fees;

Or alternatively, use the following if Guarantor has sold its interest in the Franchisee – Option 2:

WHEREAS, Guarantor has entered into a [insert title of sale or transfer agreement] (the "Sale Agreement") with [Name of Buyer] (collectively, the "Buyer") transferring to Buyer all of Guarantor's ownership interest in Franchisee, subject to the terms and conditions thereof, which include, without limitation, the agreement by [Buyer or Guarantor] to pay NM the required transfer and training fees;

WHEREAS, NM has agreed to approve the [assignment of the Franchise Agreement] [transfer of ownership interest in Franchisee] contemplated by the Sale Agreement on the condition that Franchisee [or Guarantor if Option 2] release NM as provided in this Release.

WHEREAS, Franchisee [or Guarantor if Option 2] desires to release NM from certain obligations, claims, rights and privileges which may have accrued or been established between NM and Franchisee [or Guarantor if Option 2] as a result of said Franchise Agreement and relative to the sale and purchase of the franchise rights granted in said Franchise Agreement to Franchisee [or Guarantor if Option 2];

NOW THEREFORE, in consideration of the premises outlined in this Release and the payment of the required training and transfer fees from Buyer to NM, it is agreed:

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

2. NM agrees to approve the **[assignment of the Franchise Agreement] [transfer of ownership interest in Franchisee]** contemplated by the Sale Agreement.

3. Franchisee and Guarantors **[only Guarantors if Option 2]** on behalf of themselves, their predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliate and attorneys do RELEASE AND FOREVER DISCHARGE NM and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliate 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 each other 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 any party thereunder; (b) any obligation to buy back or repurchase any franchise unit covered by the Franchise Agreement, or any property owned by either party, 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 to this Release, their heirs, executors, administrators, successors, and assigns, and parties 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 to this Release shall be valid unless made in writing and signed by all parties to this Release.

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 Colorado.

9. This Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

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

11. 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:

NM FRANCHISE OPERATIONS, LLC

(Corporate of LLC name)

By: _____

Name:

Title:

Name:

Title:

, Individually

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the documents is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	April 19, 2023 Pending
Hawaii	November 14, 2023 Pending
Illinois	April 30, 2023 Pending
Indiana	October 18, 2023 Pending
Maryland	October 27, 2023 Pending
Michigan	October 16, 2023 Pending
Minnesota	July 13, 2023 Pending
North Dakota	May 30, 2023 Pending
New York	June 2, 2023 Pending
Rhode Island	September 19, 2023 Pending
South Dakota	May 8, 2023 Pending
Virginia	July 12, 2023 Pending
Washington	November 16, 2023 Pending
Wisconsin	October 18, 2023 Pending

Other states may require registration, filing or an 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 I
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 law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or payment of any consideration that relates to the franchise relationship.

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 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 is NM Franchise Operations, LLC located at 8 White Birch, Littleton, Colorado 80127. Its telephone number is 773-343-3691.

The name, principal address and telephone number of the franchise seller offering the franchise is: Ashley Murphy, CEO, Molly Graves, COO and Marissa Hagemeyer, CMO at 8 White Birch, Littleton, Colorado 80127, telephone: 773-343-3691.

FTC Issuance Date: April ~~19~~18, ~~2023~~2024

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

I have received a disclosure document dated April ~~19~~18, ~~2023~~2024, 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 – List of Franchisees
- Exhibit G – State Addenda
- Exhibit H – General Release
- Exhibit I – Receipts

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

(Date, sign and return this Receipt to NM)

EXHIBIT I

RECEIPTS

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Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

(Date, sign and keep this Receipt for your records)

Summary report:	
Litera Compare for Word 11.6.0.100 Document comparison done on 4/24/2024 10:59:11 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: 4866-5686-4606.1 NM Franchise Operations 2023 FDD as of 11-15-2023.docx	
Modified filename: 4888-4924-1784.1 NM Franchise Operations 2024 FDD as of 04-19-2024.docx	
Changes:	
Add	489
Delete	410
Move From	0
Move To	0
Table Insert	52
Table Delete	9
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	33
Embedded Excel	0
Format changes	0
Total Changes:	993