

FRANCHISE DISCLOSURE DOCUMENT



BAB Ventures Franchising, LLC
a Minnesota limited liability company
~~5485 Bethelview Road, Suite 360-151~~
Cumming, GA 30040
470-239-3694
sales@pureoneservices.com

Deleted: 4212 83rd Avenue N^e
Minneapolis, MN 55443

BAB Ventures Franchising, LLC offers individual franchises for the operation of a PureOne Service® franchised business (“Franchised Business”) that offers ~~commercial cleaning and restoration services~~ under the PureOne Services Marks and System.

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The total estimated initial investment necessary to begin operation of a PureOne Services Franchised Business is approximately ~~\$139,900 to 185,000~~. This includes ~~\$105,700 to \$112,500~~ that must be paid to us or our affiliates.

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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 Franchise Sales at BAB Ventures Franchising, LLC at ~~470-239-3694~~.

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The terms of your contract will govern your franchise relationship. Don't 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, like a lawyer or an accountant.

Buying a franchise is complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “[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. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May ~~12, 2023~~

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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 territory 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 C.
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 territories.
Will my business be the only PureOne Services business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a PureOne Services franchisee?	Item 20 or Exhibit C 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 customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

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.

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Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.
2. **Mandatory Minimum Payments.** You must make mandatory minimum royalty and advertising payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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.

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DISCLOSURES REQUIRED BY GEORGIA LAW

The State of Georgia has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

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DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

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.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee 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 a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor 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 5 years, and (ii) the franchisee is prohibited by the franchise 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 the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor 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 this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor 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 the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee 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.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

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EXHIBITS:

- EXHIBIT A - Financial Statements
- EXHIBIT B - Franchise Agreement
- EXHIBIT C - Current and Former Franchisees
- EXHIBIT D - List of State Administrators; Agents for Service of Process
- EXHIBIT E - State Specific Addenda
- EXHIBIT F - General Release Form
- EXHIBIT G - Manuals Table of Contents
- EXHIBIT H - Disclosure Acknowledgment Agreement
- EXHIBIT I - State Effective Dates and Receipts

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we” and “us” means BAB Ventures Franchising, LLC, the franchisor. “You” means the person who buys the franchise. If a corporation, partnership or limited liability company buys a franchise, “you” also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company.

The Franchisor

We are a Minnesota limited liability company formed in March 2020. Our principal place of business is at 5485 Bethelview Road, Suite 360-151, Cumming, GA 30040. Our telephone number is 470-239-3694. Our agents for service of process are disclosed in Exhibit D. We do not conduct business in any other line of business, and we have not offered franchises in any other line of business. As of the issuance date of this disclosure document, we provide the following products to our franchisees: certain solutions, respirators, filters, vacuums, dehumidifiers, air movers and other equipment, privately-branded merchandise and various promotional items.

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Our Business Experience and Affiliates.

We began franchising in February 2021. We do not operate the type of business that is being offered under this disclosure document.

Our founders developed the PureOne Services concept in 2019 and began operating PureOne Services businesses in 2019. In December 2018, our founders formed our predecessor and affiliate, Alliance Partners, LLC (“Alliance Partners”). Alliance Partners owns the rights to the PureOne Services Marks and licenses them to us. Our founders currently own and operate three PureOne Services businesses. In addition, a former owner of Alliance Partners operates a PureOne Services business under a royalty-free license agreement with Alliance Partners. For purposes of this disclosure document, the PureOne Services location that operates under a royalty-free license agreement is considered a franchised outlet.

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Other than described above, we do not have any parents, predecessors, or affiliates that are required to be disclosed, and neither we nor our parents, predecessors or affiliates offer franchises in any line of business or provide products or services to our franchisees.

Franchise Offered

You will receive the right to own and operate an individual Franchised Business that offers and sells two divisions of services in commercial cleaning including specialized janitorial, porter services, disinfection, carpet cleaning and more, and restoration services including mold remediation, water damage restoration, hoarding cleanup that can be done for both the commercial and residential client along with all related products and services. You may perform the services we approve at a property owned by a third party or you may purchase any of the properties that you perform services on. You are not required to purchase any of the properties that you service. The Franchised Business will offer the services we approve and use certain distinctive types of equipment, supplies, confidential information, business techniques, proprietary software, servicing techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve (collectively, the “System”) under the service mark PureOne Services as well as other trademarks, service marks, trade names, domain names, logos and other commercial symbols we may use and register in the future for the System (the “Marks”). The Franchised Business may be operated from a location within the Territory (the “Territory”) that we designate. You

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will be required to obtain an approved location for your Franchised Business with adequate storage space within a certain time frame after you commence operations. Before you are required to obtain an approved location, you are permitted to operate the Franchised Business from your home office so long as you have a dedicated quiet and organized space.

Market and Competition

The market for ~~hoarding cleanup~~ is developing, but the market for restoration and janitorial businesses is well developed. Your competition will include other local and national clean up and restoration businesses.

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Laws, Licenses and Permits

You should be aware of state and local government zoning ordinances and regulations in your proposed Territory. You also will likely need to obtain a contractor's license. Each Franchised Business must comply with all federal, state and local laws, and we urge you to become familiar with these specific laws and regulations governing the operation of a Franchised Business in your state. For example, you must comply with all OSHA and EPA regulations and requirements. You also must operate your Franchised Business in compliance with all data protection and privacy laws and all employment and wage and hour laws. You also should check with your state and local authorities to determine if there are additional requirements.

Construction cleaning regulations can vary widely from jurisdiction to jurisdiction, and it is imperative that you investigate and understand any licensing or certification that will be needed for you to operate your Franchised Business. For example, depending on the jurisdiction, you may need to obtain a contractor's license, business license and/or sales tax permit.

We permit you to operate your PureOne Services Franchised Business from your residence for the first few months of operations; however, local law may require that your warehouse be located in a commercial (non-residential) area. You should check with your state and local law to determine where you are permitted to operate your Franchised Business and store the approved products.

ITEM 2

BUSINESS EXPERIENCE

Sandra M. Apoian – President and Chief Operating Officer

Sandra has been our Chief Operating Officer since our inception, President since January 2022, and she is located in Cumming, Georgia. Sandra has also been the President of a GKA Enterprises, Inc. in Cumming, Georgia, since May 2017. From 2012 through May 2017, Sandra was a stay-at-home parent and active volunteer.

Patrick Apoian – President of Field Operations

Patrick has been our President of Field Operations since our inception, and is located in Cumming, Georgia. Patrick also has been an owner of GKA Enterprises, Inc. in Cumming, Georgia since June 2017. Patrick also led the Crime Stoppers Division of the Atlanta Police Foundation from February 2016 through August 2017, and he was a Police Detective in Atlanta, Georgia, from June 2002 to his retirement in February 2016.

Deleted: Jerry Fisher – President of Business Development

Jerry has been our President of Business Development since our inception, and is located in St. Louis, Missouri. Jerry has also been the owner of a Sam Lee Enterprises Inc. in St. Louis, Missouri, since June 2017. Prior to that, Jerry was the National Claims Strategy Leader for Farmers Insurance Exchange in Woodland Hills, California, from July 2001 to June 2017.

Todd Olson – Advisor

Todd has been an Advisor since January 2022, and is located in Los Angeles, CA. Todd has also been the owner of a PureOne Services outlet in Minneapolis, Minnesota, since April 2019 and Los Angeles, California, since June 2020. Prior to that, Todd was our President from March 2020 to January 2022. Todd is the Owner of Arc Property Specialist, LLC in Minneapolis, Minnesota from August 2017 to present.

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ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

In re: Dell Inc. d/b/a Quality RV Minnesota Bankruptcy Court 4:16-bk-42287. Dell Inc. d/b/a Quality RV (“Quality RV”), located at 3801 West Chelsea Road, Monticello, MN 55362, voluntarily filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the District of Minnesota 4:16-bk-42287 in August 2016. Todd Olson was an officer of Quality RV at the time. After the assets were sold to Camping World RV Sales, LLC, the matter was then converted to a Chapter 7 proceeding in October 2016. The proceeding is currently awaiting closing as of January 2021. As part of the bankruptcy proceedings, the trustee of Dell Inc. d/b/a Quality RV filed suit against Todd Olson on May 12, 2016, in Minnesota Bankruptcy court seeking to avoid multiple transfers and subordination of claims. Olson denied all liability on the claims and asserted various defenses, including transfers made for reasonably equivalent value, satisfaction of antecedent debt, contemporaneous exchange, among others. Co-defendants Anthony and Jessy Blaine filed cross-claims against Olson, including breach of contract for deed and cancellation of the contract for deed. The parties entered a settlement on July 19, 2017, pursuant to which Olson agreed to pay the trustee \$400,000.

No other bankruptcies are required to be disclosed in this Item.

ITEM 5

INITIAL FEES

The “Initial Franchise Fee” for a Territory is \$85,000. As described in Item 12, a Territory includes a population of at least 2,500,000 individuals (5 full markets). One (1) market generally consists of approximately 500,000 individuals. To increase your territory size, additional markets can be purchased for an additional \$10,000 per market. The Initial Franchise Fee is due and payable when you sign the Franchise Agreement. The Initial Franchise Fee is uniformly imposed, payable in a lump sum and is not refundable under any circumstances.

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Prior to opening, you will have to purchase from us the list of equipment that we determine, which includes respirators, filters, air movers, dehumidifiers, vacuums, and other equipment that we require and that we set forth in the Manuals (the “Equipment Package”). As of the issuance date of this disclosure document, we estimate that the Equipment Package will cost between \$13,700 to \$19,500. However, due to potential market price fluctuations outside of our control, the actual cost of the Equipment Package could be higher. The purchase of the Equipment Package is payable in a lump sum and is not refundable under any circumstances.

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PureOne Services will offer a ten percent (10%) discount off of the Initial Franchise Fee to the following individuals: (i) men and women who have served in the U.S. Military and were honorable discharged; (ii) men and women who still currently serve in the military and are looking for a career to transition from Military life to civilian life; (iii) active First Responders in good standing with their Employers; (iv) retired First Responders who were in good standing.

Prior to opening, you will also have to pay us an initial training and systems set-up fee of \$5,000 in connection with our initial training as well as setting you up to use our designated CRM Software(s), setting you up with our telephone and call center, your website, emails, telephone numbers and more (the "Initial Fee"). The Initial Fee is payable in a lump sum and is not refundable under any circumstances.

**ITEM 6
OTHER FEES**

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 - (i) 4.5% to 7% of Gross Revenue on Primary Services, plus 3% of Gross Revenue on Reconstruction Services; or
 - (ii) \$1,000 per month
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Type Of Fees (1)	Amount	Due Date	Remarks
Royalty Fee	The greater of 5% of total Gross Revenue or the Minimum Royalty Fee, including Gross Revenue involving national account. The minimum Royalty Fee is \$1,000 per month. (See Note 2 and 3)	Payable on the 5 th day of each calendar month	The Royalty Fee that you must pay us is based on your monthly Gross Revenue for all Services. The \$1,000 minimum Royalty Fee will not go into effect until your 13 th month of operations. (See Note 3)
Marketing Fund	Waived the first year but starting on month 13, 1% of total Gross Revenue is payable but may be capped at \$50,000 or as set forth in the Operations Manual.	Payable on the 5 th day of each calendar month	The Marketing Fund is used to pay PureOne's costs of producing supporting materials and similar activities for your local advertising and marketing programs and developing national and regional opportunities. (See Note 4)
Business Development Fee	\$1295 per month. This includes but is not limited to the following services: (i). National Receptionist Systems Fee; (ii). Technology Fee; (iii). SEO/PPC Fees; (iv). Email; (v). Third Party Telemarketing Fees; (vi). Designated CRM Software(s).	Payable monthly with the Royalty Fee	We reserve the right to modify or cancel the any of these services at any time.

Type Of Fees (1)	Amount	Due Date	Remarks
Required Ongoing Training / Additional On-Site Training / Operating Assistance	Our then-current fee, currently \$500 per day	When incurred	Incurred for any additional or refresher training we require or that you may request. Fees will vary and include personnel cost, flight, hotel and meals. On-site training must be for at least 2 days.
Annual National Convention	Currently, \$0 if you attend	When incurred	We reserve the right to charge our then-current fee if you fail to attend. We may change a fee in the future.
<u>Non-Sufficient Funds Fee</u>	<u>\$30 plus interest at the highest rate permitted by applicable state law for each day amount is then past due.</u>	<u>When incurred</u>	<u>Payable to PureOne.</u>
Late Fee	\$100 per occurrence	When incurred	You must pay us a \$100 late fee each time you fail to pay any amount, or submit any report, owed to us by its respective due date.
Interest Expenses	Lesser of 18% per year or the maximum rate permitted by law	When due	Payable if you do not timely pay any fees or amounts owed to us or our affiliates.
Supplier or Product Evaluation Fee	Currently, not collected	When incurred	When imposed, we may charge you our then-current fee each time you asks us to evaluate a supplier or product.
Designated Accounts Program	Currently, not collected	Payable monthly with the Royalty Fee	When implemented, you will participate in any regional or national accounts program we designate and as described in the Manuals.
Transfer Fee	\$20,000	Before completion of transfer	Paid when Franchise Agreement, assets, or interest in you is transferred. You are responsible for any broker fees.
Renewal Fee	\$20,000	At least 30 days before renewal of Franchise Agreement	
Management of the Franchised Business	Will vary under circumstances	When incurred	(See Note 6)
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	The non-prevailing party will pay Costs and Attorneys' Fees for disputes under the Franchise Agreement.
Audit	Cost of audit and related expenses plus interest	When incurred	(See Note 7)

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Type Of Fees (1)	Amount	Due Date	Remarks
Insurance Reimbursement	Cost of insurance plus a 5% administrative fee	When incurred	If you fail to obtain or maintain required insurance, we may obtain insurance and seek from you reimbursement for insurance.
Income and Sales Taxes	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Franchised Business is located, as well as any assessment on fees and any other income we receive from you.	Payable, when applicable, by electronic funds transfer.	Only imposed if state collects these taxes or assessments.

Notes:

- Type of Fees.** Unless otherwise noted, all fees are payable to us, are non-refundable and are uniformly imposed. We reserve the right to require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer, credit card, or other similar means, as described in the Franchise Agreement and Manuals. If payments are required in this method, you must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached as an Exhibit to the Franchise Agreement or any other form that we may accept) for direct debits from your Franchised Business's bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you shall authorize us or our affiliates to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us or our affiliates and any interest that may be owing. You shall make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely paid the Royalty Fee, Marketing Fee, or any other fee due to us or our affiliates for any month, then we or our affiliates shall be authorized, at our option, to debit your account for the applicable fees. A payment will be deemed delinquent if we or our affiliates do not receive the payment on or before the payment due date, or if there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the payment due date.
- Gross Revenue Definition.** "Gross Revenue" means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made or provided at or in connection with the Franchised Business. "Gross Revenue" does not include any federal, state, municipal or other sales, value added or retailer's excise taxes that you pay or accrue. For the purposes of the Franchise Agreement, a sale occurs at the time the services are performed or the goods are sold. We have the right to adjust your Gross Revenue for uncollected amounts in the event that you are required to adjust an invoice or for any other reasons set forth in the Manuals or otherwise. For example, if you invoice a job for \$10,000, but the customer's insurance company only agrees to pay \$9,000 and you are unable to collect the remaining \$1,000 from the customer, then we may adjust your Gross Revenues based upon the \$1,000 that you were unable to collect. Among other conditions, we reserve the right to require you to demonstrate that you attempted to obtain the uncollected amount, to our satisfaction, before adjusting your Gross Revenues.
- Royalty Fee.** Except where otherwise stated, all references to "Royalty Fee" in this disclosure document refer to the Royalty Fee on all Services. You must pay us the 5% Royalty Fee on all Gross Revenue generated by your Franchise Business on a monthly basis.

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The Royalty Fee must be paid via ACH on or before the 5th day of each calendar month, you shall provide to us a written signed report, in the manner and method prescribed by us, which details your Gross Revenues for the immediately preceding calendar month.

- (4) Marketing Fund. PureOne Services has a Marketing Fund that is used for the cost of producing support materials and similar activities for your local advertising and marketing programs and developing national and regional opportunities. Your contribution to the Marketing Fund is waived the first year but starting on month 13 of your franchised business, 1% of your total monthly Gross Revenue is payable via ACH at the same time the Royalty Fee is due. The Marketing Fund may be capped at \$50,000. Please refer to the Operations Manual for more information.
- (5) Management of the Franchised Business. If you (or the Operating Manager) die or are permanently disabled, then your executor or other personal representative or the remaining Principal Owners must appoint a competent Operating Manager acceptable to us within 30 days. If no Operating Manager is appointed, we may step in to manage the Franchised Business and charge you a reasonable fee.
- (6) Audit. This fee is payable only if an audit shows an understatement of 2% or more of Gross Revenue in any month, or an audit is required because you did not provide us with required information in a timely manner.

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 "Cumulative Gross Revenue of Primary Services" will reset to \$0 on January 1st of each calendar year. ¶
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Reconstruction Services. Additionally, you must also pay us a monthly Royalty Fee equal to 3% of all Gross Revenue that you generate from Reconstruction Services, regardless of whether you performed such Reconstruction Services or you subcontracted them. "Reconstruction Services" includes all types of construction work. In the event of a dispute as to whether any services constitute Primary Services or Reconstruction Services, we will make the final determination in our sole discretion. ¶

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Deleted: <#>Property Purchase Fee. You are permitted to purchase any of the properties that you perform services on. If you purchase any property that you perform services on, then you must pay a property purchase fee equal to \$2,500 ("Property Purchase Fee") instead of any Royalty Fees or other fees that you would have been required to pay us in connection with the services performed at the property. You are not required to purchase any of the properties that you service. ¶

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type Of Expenditures (Note 1)	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Note 2)	\$85,000	Lump Sum	When you sign the Franchise Agreement	PureOne
<u>In-House Initial Training and Systems Set-Up Fee (Note 9)</u>	\$5,000	<u>Lump Sum</u>	<u>When you sign the Franchise Agreement</u>	PureOne
Rent (3 Months) (Note 3)	\$3000 to 6,000	As Incurred	As Incurred	Landlord
Equipment Package (Note 4)	\$13,500 to \$19,700	As Incurred	As Incurred	PureOne
Vehicle Financing & Vehicle Wrap (Note 5)	\$3,500 to \$4,600	As Agreed Upon	As Incurred	Third Party Suppliers
Initial Inventory and Supplies (Note 6)	\$2,000 to \$4,000	As Agreed Upon	As Incurred	Third Party Suppliers

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Type Of Expenditures (Note 1)	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Computer System and POS (Note 7)	\$1,800 to \$3,000	As Incurred	As Incurred	PureOne and Third Party Suppliers
Signage (Note 8)	\$500 to \$1,000	As Incurred	As Incurred	Third Party Suppliers
Outside Training and Onsite Assistance Expenses (including travel) (Note 9)	\$1,500 to \$16,000	As Incurred	As Incurred	Third Party Suppliers
Business Licenses and Permits (Note 10)	\$100 to \$1,000	As Incurred	As Incurred	Governmental Agencies & Departments
Professional and Legal Fees (Note 11)	\$1,000 to \$2,700	As Agreed Upon	As Incurred	Third Party Suppliers
Insurance (Note 12)	\$3,000 to \$12,000	As Incurred	As Incurred	Third Party Supplier
Additional Funds - 3 Months (Note 13)	\$20,000 to \$25,000	As Incurred	As Incurred	Third Party Suppliers
TOTAL (Note 14)	\$139,900 to 185,000			

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Notes:

- Type of Expenditures.** Except where otherwise noted, all fees that you pay to us are non-refundable. We and our affiliates do not offer direct or indirect financing to franchisees for any items. Third party lessors, contractors and suppliers will decide if payments to them are refundable. Except for the Initial Franchise Fee and the Equipment Package, we do not anticipate material differences in the estimated initial investment.
- Initial Franchise Fee.** You pay us an Initial Franchise Fee equal to \$85,000 for a Territory that is approximately 2.5 million individuals and consists of five (5) full markets. You can purchase additional markets consisting of approximately 500,000 individuals for an additional \$10,000 per market at the same time you sign your Franchise Agreement. See Item 5 for more information.
- Rent.** You are permitted to operate your Franchised Business out of a home office until you hit certain benchmarks (see Item 11 for more information). Once you achieve one of those benchmarks, then you will be required to rent or acquire a space for the Franchised Business. A warehouse may be permitted provided that it has sufficient storage space and adequate private areas to meet with staff for meetings, and you continue to conduct normal office tasks from your home office. Depending on the market conditions and other factors in your geographic area, the cost associated with the premises may vary from the estimates provided in this Item 7. Our estimates assume that you will lease the Franchised Business premises. The exact cost or impact on your rental expense will depend on several factors, including the type of premises, the condition of the premises, the landlord's agreement to reimburse you for certain improvements, the size and location

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of the premises for your Business and other economic factors. If you purchase the land and building for your Franchised Business, you will incur significantly greater costs in developing your Franchised Business.

- (4) Equipment Package. This estimated amount reflects the potential cost of the Equipment Package. Due to potential market price fluctuations outside of our control, the actual cost of the Equipment Package could be higher.
- (5) Vehicle Financing and Vehicle Wrap. You must use a truck **with trailer and/or** van that meets our minimum standards and requirements. The estimate included in the table above reflects the estimated cost for leasing a vehicle over a period of 3 months as well as tax, registration and licensing. If you decide to purchase the vehicle, your costs will exceed the costs estimated above. Additionally, you will need to have the vehicle(s) fitted with the vehicle wrap we require. **The** vehicles that you use in operating your Franchised Business must meet our standards and specifications and be wrapped as we require, as more fully described in the Manuals.
- (6) Initial Inventory and Supplies. These amounts reflect the estimated initial inventory and supplies that you will need during the first three months of operations.
- (7) Computer System and POS. These estimates reflect the amount you may pay for the Computer System hardware which we designate for use in your Franchised Business and the Start-Up Technology Fee. If you already own computer hardware that meets our requirements for the Computer Software, you may not need to purchase any additional computer hardware.
- (8) Signage. These estimates reflect the amount you may pay for exterior and interior signage for your Franchised Business.
- (9) Initial Training and Onsite Assistance Expenses. **There is a small fee that goes towards our in-house initial training program. This fee is part of our Initial Training and Systems Set-up Fee. You** are responsible for all travel and accommodation costs and expenses for attendees. The estimate included in the table above includes estimates for travel expenses for up to two people to attend the initial training program at our facilities, and the cost for one person to undergo the outside training provided by the Institute of Inspection Cleaning and Restoration (IICRC). **The Designated Owner** and the designated individual responsible for the day-to-day operation of the Franchised Business (the "Operating Manager"), if they are not the same person, must attend and successfully complete our initial training program. **We do not charge you a fee for providing the initial onsite training in connection with the opening of your Franchised Business, but you must reimburse us for our travel and lodging costs and expenses in providing onsite training to you.**
- (10) Business Licenses and Permits. These amounts reflect the estimates for business licenses and permits and will vary depending on local requirements.
- (11) Professional and Legal Fees. This estimate reflects fees paid to attorneys, accountants and other business advisors to establish your Franchised Business.
- (12) Insurance. The insurance estimate reflects insurance costs for a period of 3 months.
- (13) Additional Funds - 3 Months. This amount estimates the expenses you will incur during the first three months of Franchised Business operations, including fuel and mileage, payroll expenses, miscellaneous supplies, uniforms. These amounts are estimates, and we cannot guarantee that you will not incur additional expenses in starting your Franchised Business. Your costs will depend on

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factors such as how much you follow our systems and procedures, your management skills and experience, local economic conditions, the local market for PureOne Services products and services, competition, the amount of the initial investment you decide to finance, and the sales level reached during the initial period.

- (14) Total. This total is an estimate of your pre-opening initial investment and the estimated expenses you likely will incur during the first three months of Franchised Business operations. The total is based on our founders' experiences in operating the PureOne Service locations in California, Connecticut, Georgia, Minnesota, and Missouri. It also based on our sourcing estimates for other expenses, including inventory, computer system, and other items. You should review this amount carefully with a business advisor before deciding to purchase the franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of products and services throughout the PureOne Services system, you must maintain and comply with our quality standards. We will provide you with our Manuals and various bulletins and notices that will contain these standards. As we determine trends in the marketplace or develop new marketing techniques, technologies, products and services, we anticipate that we will develop and modify our standards as we consider appropriate and useful, and notify you through amendments to the Manuals, newsletters or other bulletins.

Location of your Franchised Business: Vehicle

You are permitted to operate your Franchised Business out of a home office when you commence operations, provided that you have a quiet and organize space, until you hit certain benchmarks (see Item 11 for more information). Once you achieve one of those benchmarks, then you will be required to rent or acquire a space for the Franchised Business. A warehouse may be permitted provided that it has sufficient storage space and adequate private areas to meet with staff for meetings, and you continue to conduct normal office tasks from your home office. See Item 11 for more information about the site selection requirements and deadlines.

Before opening the Franchised Business, you must obtain a truck ~~with a trailer and~~/or van that meets our standards and specifications as outlined in the Manuals. The vehicles that you use in operating your Franchised Business must meet our standards and specifications and be ~~wrapped~~ as we require, as more fully described in the Manuals.

Equipment, Products & Signs

You will use in operating your Franchised Business only those types of approved or designated materials, supplies, equipment (including designated commercial and residential renovation equipment and computer hardware and software), vehicles and signs that we have approved as meeting our specifications and standards for appearance, function and performance. You may purchase these items from any supplier we approve or designate. We or one of our affiliates may be an approved supplier of one or more of these items.

You also agree to maintain the condition and appearance of the vehicle(s) you use in operating the Franchised Business, and repair or replace the vehicle(s) as we may require, including any rebranding or rewrapping the vehicle(s) consistent with our requirements. If at any time in our reasonable judgment, the

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general state of repair, appearance or cleanliness of the vehicle(s) does not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency.

Computer Hardware and Software

You must purchase and use the Computer System we designate, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the "Computer System"). The Computer System developed for use in your Franchised Business may include one or more proprietary software programs or applications developed for us (the "Proprietary Software"). See Item 11 for further information.

National Receptionist System

You must participate in our receptionist support center program (the "National Receptionist System") where we, our affiliate, or our designated vendor will communicate with current and prospective customers on your behalf. You are required to pay our then-current fee for the National Receptionist System, which is currently part of our Business Development Fee. We may cancel or modify the National Receptionist System at any time.

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Insurance

At a minimum, you must purchase and maintain for each Franchised Business you operate, at your expense, all insurance we require in the types and amounts described in the Manuals. Currently, these minimum requirements include the following: (a) general liability insurance in the amount of \$1 million per occurrence and \$2 million in the aggregate; (b) commercial auto insurance in the amount of \$1 million per occurrence; (c) umbrella liability insurance in the amount of \$1 million per occurrence and \$1 million in the aggregate; (d) pollution liability insurance in the amount of \$1 million per occurrence and \$1 million in the aggregate; (e) Bailees liability insurance in the amount of \$250,000; (f) workers compensation liability in the amount of \$1 million per occurrence; and (g) all insurance required by law.

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All insurance policies must: (1) be issued by an insurance carrier(s) acceptable to us; (2) will name us, our affiliates, directors, agents, and employees as an additional insured; (3) contain a waiver of the insurance company's right of subrogation against us; (4) contain the minimum insurance coverage we designate for each Franchised Business that you operate; and (5) provide that we will receive 30 days' prior written notice of any material change in or termination, expiration or cancellation of any policy. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If you at any time fail to maintain in effect any insurance coverage we require, or to provide satisfactory evidence of such coverage, we, at our option, may obtain insurance coverage for you and require you to pay us an administrative fee for doing so. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur. You will provide us with copies of the certificate of insurance, insurance policy endorsements or other evidence of compliance with these requirements at least 2 weeks before you commence operating the Franchised Business premises, and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require.

We require that BAB Ventures Franchising, LLC be the Certificate Holder for your insurance. Please provide us with a copy of the Certificate prior to opening.

We do not represent or warrant that any insurance that we require you to purchase will provide you with adequate coverage. You should consult with your own insurance agents, attorneys and other insurance

advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits we require.

Advertising and Promotional Approval

We may develop, and make available to you, local media planning assistance. If we do so, you must use our recommended media plan in promoting the Franchised Business or otherwise develop, and obtain our advance written approval for, an alternative media/promotion plan. In addition, you will use only our approved advertising and promotional materials in promoting the Business. We may require you to purchase some of the approved advertising and promotional materials for us or our affiliates, or require you to use our designated vendor for certain marketing activities, such as search engine optimization.

Designated Suppliers; Supplier and Product Approval

In operating the Franchised Business, you will use only those types of materials, supplies, equipment, and signs that we have approved for PureOne Services businesses as meeting our then-current specifications and standards for appearance, function and performance. We will provide you with lists of approved brands, manufacturers, suppliers and distributors ("Approved Suppliers List") and approved products, equipment, vehicles, signs, supplies and other items necessary to operate your Franchised Business ("Approved Supplies List"). The lists specify the suppliers and the products and services which we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists as we deem advisable. The Approved Suppliers List may include specific brands or types of vehicles, supplies, equipment or other items that you may buy from approved suppliers, or if there is no approved supplier for the item, from an unapproved supplier provided that the items conform to the standards and specifications we designate for the System.

As of the issuance date of this disclosure document, we are the sole supplier of certain solutions, respirators, filters, vacuums, dehumidifiers, air movers and other equipment, privately-branded merchandise, various promotional items, for our National Receptionist System, and for managing your advertising programs. Except as described here, neither we nor our affiliates are one of or the only approved supplier for any required goods or services. We, an affiliate, or a third-party vendor or supplier periodically may be one of or the only approved supplier for certain products, supplies, equipment, or other items.

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If you want to use any unapproved material, supply, equipment, product or sign, or purchase any items from any supplier that we have not approved, you must first notify us in writing and must submit to us, at our request, sufficient information, specifications and samples for us to determine whether the services, material, supply, equipment, product or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria. We will not provide you with a list of our criteria. We will notify you of our decision within 14 days following our receipt of all information requested. We reserve the right to charge an evaluation and/or testing fee in connection with this process. We may inspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or supply. As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification. We do not provide material benefits to you based on your use of designated or approved sources.

We apply certain general criteria in approving a proposed supplier, including the supplier's quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability, credit program for franchisees, success pricing, delivery terms, freight costs,

and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services).

Miscellaneous

We may negotiate prices for numerous products for the benefit of the System, but not for any individual franchisee. There are not any purchasing or distribution cooperatives in the System. We attempt to receive volume discounts for the System.

During our last fiscal year, neither we nor our affiliates received any revenues from franchisees as the result of required purchases or leases from us or our affiliates.

We and our affiliates may derive revenue directly or in the form of rebates or other payments from suppliers, based on purchases made by our franchisee. Although we and our affiliates currently do not receive rebates or other payments from suppliers, we and our affiliates reserve the right to receive rebates or other payments in the future. These payments may range from less than 1% up to 15% or more of the total purchase price of those items.

One or more of our officers have an interest in us and our affiliates. No officer owns a material interest in any other supplier.

We estimate that the purchase or lease of products, equipment, software, signs, fixtures, furnishings, supplies, advertising and sales promotions materials and other items meeting our specifications will represent approximately 60% to 90% of the cost to develop the Franchised Business and 50% to 80% of the cost to operate 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 other items of this disclosure document.

	Obligation	Section in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Section 2	Item 11
b.	Pre-opening purchases/leases	Sections 4, 5 and 10	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Sections 5 and 6	Items 5, 7, and 11
d.	Initial and ongoing training	Sections 2, 3, 6, and 15	Items 7 and 11
e.	Opening	Section 5	Items 5 and 11
f.	Fees	Sections 2, 3, 4, 5, 6, 10, 11, 13 and 15	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Sections 4, 5, and 10	Items 11 and 16
h.	Trademarks and proprietary information	Sections 1 and 7	Items 13 and 14

	Obligation	Section in Franchise Agreement	Disclosure Document Item
i.	Restrictions on products/services offered	Sections 2, 5, 6, and 10	Items 8 and 16
j.	Warranty and customer service requirements	Section 10	Item 11
k.	Territorial development and sales quota	Section 2	Item 12
l.	Ongoing product/service purchases	Sections 5 and 10	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 3, 5, and 10	Item 11
n.	Insurance	Section 10	Items 6, 7 and 8
o.	Advertising	Sections 5 and 11	Items 6, 7 and 11
p.	Indemnification	Sections 4 and 9	None
q.	Owner's participation/management/staffing	Section 10	Items 11 and 15
r.	Records/reports	Section 12	Item 6
s.	Inspections/audits	Section 13	Item 6
t.	Transfer	Section 15	Items 6 and 17
u.	Renewal	Section 3	Items 6 and 17
v.	Post-termination obligations	Sections 9, 14 and 18	Item 17
w.	Non-competition covenants	Section 14	Item 17
x.	Dispute resolution	Sections 19 and 20	Item 17

ITEM 10

FINANCING

We do not offer any 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.

Pre-Opening Obligations:

Before you open your Franchised Business, we will:

- (1) Approve your Operating Manager and Designated Owner (Franchise Agreement – Sections 1(C) and 1(G)).
- (2) Designate your Territory (Franchise Agreement – Section 2(A)).

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- (3) Provide you with a list of our approved and designated supplies and suppliers (Franchise Agreement – Section 10(C)).
- (4) Provide the initial training programs described below (Franchise Agreement – Section 6(A)).
- (5) Provide to you access to the confidential Manuals. You must keep the Manuals confidential and discontinue using it when the Franchise Agreement terminates (Franchise Agreement – Section 6(F)).

Ongoing Obligations:

During the operation of your Franchised Business, we will:

- (1) Within the first 30 days of opening, and again within the first 6 months of operations, we will make a representative available to you to assist you in the opening of your Franchised Business (Franchise Agreement – Section 6(B)).
- (2) Operate the Designated Accounts program (Franchise Agreement – Section 2(D)).
- (3) Provide advisory services relating to Franchised Business operations, including the products and services offered for sale from the Franchised Business; selecting and purchasing supplies, equipment and materials; employee relations; marketing assistance and sales promotion programs; and operating, administrative and general operating procedures. We will provide such guidance through our Manuals, bulletins or other written materials, telephone conversations and/or meetings at our office or at the Franchised Business (Franchise Agreement – Section 6(D)).
- (4) Periodically provide you with updated and revised materials for the Manuals (Franchise Agreement – Section 6(F)).
- (5) Administer the Marketing Fund (Franchise Agreement – Section 11(A)).
- (6) Provide such additional assistance and training that we deem appropriate (Franchise Agreement – Sections 6(C) and 6(E)).
- (7) Operate the Designated Accounts program (Franchise Agreement – Section 2(D)).
- (8) For as long as we deem appropriate, we will provide you with the Receptionist System services (Franchise Agreement Section 10(L)).
- (9) Provide back office support, such as assisting you with invoicing and helping you with accounts receivables without charging you a fee (Franchise Agreement Section 6(D)).
- (10) Manage your search engine optimization (SEO) and/or pay per click (PPC) marketing programs and/or third party telemarketing on your behalf within your Territory (Franchise Agreement Section 11(B)).

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Advertising Programs

We establish and conduct various advertising programs as follows:

We will establish and maintain a system marketing fund (the "Marketing Fund") to advertise and promote PureOne Services businesses and the System. The Marketing Fund will be used to pay PureOne's costs of producing supporting materials and similar activities for your local advertising and marketing programs as well as developing national and regional opportunities. You must contribute to the Marketing Fund paying a Marketing Fee equal to 1% of your Gross Revenue. You will pay the Marketing Fee in the same manner and at the same time as the Royalty Fee. Payment into the Marketing Fund is waived for the 1st year of your Franchised business. You will begin paying into the Marketing Fund in your 13th month of operation. Your yearly contribution to the marketing fund is capped. We will place all Marketing Fees we receive in the Marketing Fund and we will manage such Fund. Reasonable disbursements from the Marketing Fund will be made solely to pay expenses we incur in connection with the general promotion of the Marks and the System, including: market research; customer retention; incentive programs; sales development programs and materials; media planning; media buying fees; creating and producing advertising materials; outside advertising agency fees for creating advertising programs; public relation activities; outside public relations agency fees; technology investments; website development and maintenance; digital marketing; search engine optimization; as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Marketing Fund. Marketing Fees will not be used for advertising principally directed at the sale of franchises.

The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Marketing Fund. We are not required to spend any particular amount on marketing, advertising or production in the area in which your Franchised Business is located. We cannot ensure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. We may spend in any fiscal year an amount greater or less than the aggregate contributions of PureOne Services businesses to the Marketing Fund in that year. We may make loans to the Marketing Fund bearing reasonable interest to cover any deficit of the Marketing Fund and cause the Marketing Fund to invest in a surplus for future use by the Marketing Fund. Any end-of-year surpluses or shortages in the Marketing Fund in a given year will carry over to the next year. We will determine the methods of advertising, media employed, and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the Marketing Fund for the most recent calendar year.

Each month you must pay a Business Development Fee. This fee covers part of the cost for a number of business development services that we offer. We manage the Search Engine Optimization (SEO) for all locations. You have the option of having us manage your Pay Per Click (PPC) (Adwords) advertising programs and/or your third-party telemarketing services for your Franchised Business. Business Development Fee does not cover any amounts that you must pay in connection with purchasing Adwords, and you are responsible for purchasing any Adwords directly from the third party PPC vendor, the cost of which will depend upon your territory size, market, number of words purchased, and other factors.

Advertising and promotional activities are considered "approved" if they are included in our recommended media plan for the Franchised Business (if applicable) and otherwise comply with our marketing and advertising requirements in the Manuals, however, we may still require you to spend a certain amount on certain digital marketing activities. You may not market or advertise in any manner that directly target areas outside of your Territory without our prior written consent.

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We do not have an advertising or advisory council composed of franchisees that advise us on advertising policies, but we reserve the right to form a council and the rights of that council in the future. As of the issuance date, we do not require you to participate in an advertising cooperative.

You will use only our approved advertising and promotional materials in promoting the Franchised Business. If you desire to use any advertising or promotional materials that we have not approved, then you must submit such materials to us for our review and written approval at least 10 days before using any such materials. If we do not approve those advertising or promotional materials within 7 days after you submit those materials to us, then the proposed materials will be deemed rejected. If we later determine that your advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

You will use your best efforts to promote and advertise the Franchised Business and will participate in all advertising and promotional programs we establish in the manner we direct. We may require you to purchase advertising templates and marketing materials from us or our affiliates, and we reserve the right to charge you a fee, plus any shipping expenses we incur. You will have the right to advertise and sell your services at the prices you determine, provided such prices are consistent with our general marketing and advertising guidelines.

Computer System

You must purchase and use the computer system we designate, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the "Computer System"). We periodically may update or change the Computer System in response to business, operations, marketing conditions, or changes in technology. Currently, we estimate that the initial cost of the Computer System will be approximately \$1,700 to \$2,500 depending upon whether you already own parts of the Computer System that meet our standards and specifications.

Currently, the Computer System includes an iPad or computer laptop, printer/scanner, smart phone, and such other hardware and software as we designate. The Computer System may include one or more proprietary or other software programs developed or customized for us (the "Proprietary Software"). You must purchase and use any required Proprietary Software from us or our designated third party supplier. The Proprietary Software will remain the confidential property of us or our third party supplier. You must enter into our or our designee's standard form software license agreement in connection with your use of any Proprietary Software.

Currently, you must license from us our designated CRM software(s), and pay us a Start-Up Technology Fee which is part of the Initial Training and System Set-up fee, in connection with setting up your Franchised Business on the software and setting up your website. You are also required to purchase and use Quickbooks, which currently costs \$25 to \$150 per month depending upon the plan you purchase. We also require you to use Slack, but the ongoing costs is currently included in the monthly Business Development Fee. We currently do not require you to obtain or use Xactimate, however, if you obtain any projects through insurance companies or third-party administrators, they may require you to obtain and use Xactimate, which costs approximately \$2,500 per year.

You must have Internet access with a form of high-speed connection as we require. You will use an e-mail address we designate for communication with us. We have the right to designate a single source from which you must purchase the Computer System, any software or hardware components thereof or associated service, and we or our affiliates may be that single source. You will be required to use and, at our discretion, pay for all future updates, supplements and modifications to the Management System,

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including any additions or modifications to any Proprietary Software. We also may independently access financial information and customer data produced by or otherwise located on your Management System and Equipment Package (collectively the "Client Data"). During the term, we and you will have joint ownership of the Customer Data, although you will be responsible for obtaining all customer consents necessary to allow us to use the Customer Data for various purposes as we may identify. We will periodically establish policies respecting the Customer Data. You must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You cannot use the Customer Data for any purpose other than the operation of the Franchised Business consistent with our standards of use. There are no contractual limitations on our right to access the information and data.

You may be required to obtain ongoing maintenance and repairs respecting the Computer System, as well as upgrades or updates respecting the Computer System, and there are no contractual limitations on our right to require you to maintain and repair the Computer System. You must incorporate these upgrades and updates to the Computer System, and we estimate they will cost between \$100 to \$500 per year.

Site Selection

You may commence operating your Franchised Business from a home office, provided that you have a quiet and organized space. However, you must rent or acquire a site for the Franchised Business that meets our standards and requirement upon the earlier of: (i) 9 months from the date you sign the Franchise Agreement; or (ii) within 30 days of you generating at least \$150,000 in Gross Revenue. A warehouse may be permitted provided that it has sufficient storage space and adequate private areas to meet with staff for meetings, and you continue to conduct normal office tasks from your home office. We estimate that you will need approximately 800 to 2,000 square feet for storage space and private areas. You are solely responsible for finding a site for your Franchised Business, and obtaining our written approval to the site, upon the earlier of either benchmark described above.

The location for the Franchised Business will be identified in Exhibit A to the Franchise Agreement. If you fail to obtain a site for your Franchised Business within the requisite time frame, then we may terminate the Franchise Agreement if you fail to cure such default.

Development Time

The typical length of time between your signing of the Franchise Agreement (or the first payment of consideration for the franchise) and the opening of your Franchised Business varies from 30 days to 90 days. This period may be longer or shorter, depending on the time of year, availability of financing, how soon you can attend training, or other factors. You must complete development, attend the initial training, and open your Franchised Business within 90 days months following the date of the Franchise Agreement. If you do not open your Franchised Business within the 90-day month time period, we may terminate the Franchise Agreement.

Training

Before the opening of your Franchised Business, your Designated Owner (and Operating Manager if they are not the same person) must attend and successfully complete, to our satisfaction, our initial training program on the operation of a Franchised Business. ~~As part of the Initial Training and Systems Set-up Fee, up to two individuals can attend the initial training program, provided that they all attend the same training session, but you are responsible for any costs incurred to attend. We plan to offer our initial training program as often as needed, and space may be limited based on the number of attendees.~~

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Depending on your level of experience, we may reduce the amount of training you must complete before you may open your Franchised Business.

If we determine that either the proposed Designated Owner or Operating Manager is not qualified to manage the Franchised Business, we will allow you to select a substitute Designated Owner or Operating Manager to complete the initial training program at an additional expense to you.

The initial prior to opening training program will take approximately one week of training at a location we designate. Additionally, there is approximately one more week of training required prior to your opening that can be completed either online or in a classroom that we designate. The training program includes instruction relating to the Franchised Business operations, services offered, state and federal law compliance, customer service and marketing and sales programs and more.

The initial training program generally consists of multiple parts: (i) outside training provided by the Institute of Inspection Cleaning and Restoration (IICRC) and any other third party we designate, and (ii) our in-house initial training program, as mentioned above. We chose IICRC training and certification because within the industry it is considered the “Gold Standard” for all mitigation, remediation, and restoration work. Other trainings that will be done "in-house" are sales, billing, CRM software(s), equipment usage and other operational aspects. Portions of the initial training can be completed within 180 days of the opening of your Franchised Business.

TRAINING PROGRAM

Prior to Opening

<u>Topic</u>	<u>Hours Classroom Training</u>	<u>Hours of On the Job Training</u>	<u>Location</u>
Sales <u>and Contracts</u> Training	<u>2</u>		Headquarters in Cumming, GA Training facility or any other location we designate
Operations and Administration (including Human Resources)	3		Headquarters in Cumming, GA Training facility or any other location we designate
Marketing Training	3		Headquarters in Cumming, GA Training facility or any other location we designate
Hoarding Intro/Basics	1.5		Headquarters in Cumming, GA Training facility or any other location we designate
Water Damage Restoration Intro/Basics	2		Headquarters in Cumming, GA Training facility or any other location we designate
Mold Remediation Intro/Basics	2		Headquarters in Cumming, GA Training facility or any other location we designate
Safety Training including OSHA**	1.5		Headquarters in Cumming, GA Training facility or any other location we designate
Products and Equipment Orientation	3		Headquarters in Cumming, GA Training facility or any other location we designate

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<u>Topic</u>	<u>Hours Classroom Training</u>	<u>Hours of On the Job Training</u>	<u>Location</u>
Estimating and Pricing	8		Headquarters in Cumming, GA Training facility or any other location we designate
Accounting	2		Headquarters in Cumming, GA Training facility or any other location we designate
Field Training	0	1-10*	Headquarters in Cumming, GA Training facility or any other location we designate
TOTAL HOURS:	36.5 - 38	1-10	

*Depending upon schedule and availability

**This is a required training but can be done during either Headquarter Training or online prior to opening

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Training to be Completed PRIOR to Opening

<u>Topic</u>	<u>Hours Classroom Training</u>	<u>Hours of On the Job Training</u>	<u>Location</u>
IICRC WRT – Water Damage Restoration	24		Online, or any other location company designates
IICRC AMRT -Mold Remediation	32		Online, or any other location company designates
Lead	8		Online, or any other location company designates
TOTAL HOURS:	64	0	

⁽¹⁾ Additional training will be required if your location will be offering additional services, such as but not limited to, Crime Scene/Trauma Cleanup, Fire Damage Restoration, Meth and/or Tear Gas Cleanup. These training will be required to be completed within 6 months of opening or prior to accepting Bio/Trauma jobs.

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We may change any in-person training to virtual training at any time. In regards to the outside training, your Designated Owner (and Operating Manager if they are not the same person) must attend and successfully complete the all required trainings specifically the IICRC trainings. The outside training program fees currently cost approximately \$1,700 per person to attend, spread out over time. Please note that if per your contract you are offering additional services then this cost will be higher based upon the cost of those additional classes.

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The instructional materials for inside training programs include the Manual, handouts and visual aids, and will include lecture, classroom discussion, and/or hands-on demonstrations.

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The main instructors for our initial inside training program include Todd Olson, Patrick Apoian, and Sandra Apoian. Todd, who has been with us since our inception and has over 5 years' experience in the industry, will be the main instructor for sales marketing topics, Patrick, who has been with us since our inception and has over 5 years' experience in the industry, will be the main instruction for field operations. Sandra, who has been with us since our inception and has over 5 years' experience in the industry, will be the main instructor for office operations.

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Additionally, we will provide an initial on-site training visit at an agreed upon time within the first 30 days of opening. We will also visit your Franchised Business again within the first 6 months of

operations. We will not charge a training fee for our opening assistance or require you to reimburse us for our representative's costs and expenses in traveling and providing such training to you.

Upon your reasonable request, and subject to our availability, we may provide additional onsite assistance to you. If you request, and we provide, any additional on-site assistance, then we reserve the right to charge you our then-current training fee, which is currently \$800 per day, including costs and expenses, and require you to pay for our representative's travel, lodging and meals costs and expenses in connection with providing such on-site assistance.

After you open your Franchised Business, we may require that you (or if you are an entity, the Designated Owner and Operating Manager) and/or such other managers or employees we designate to attend, or when available, participate by Internet in, such supplemental and refresher training programs we designate. We reserve the right to charge you our then-current fee for additional and ongoing training in the future, which is currently \$800 per day of training, including costs and expenses. You are solely responsible for all compensation, travel, lodging and living expenses that you and your designees incur while attending the initial training program and any supplemental or refresher training programs.

Conventions and Conferences

We periodically may hold or sponsor optional franchise conventions and meetings relating to new Services or Products, new operational procedures or programs, training, business management, sales and sales promotion, or similar topics. If we host any franchise conventions or meetings, you will not be required to pay any registration fees provided that you attend, but you will still be responsible for all of your and your attendees' travel and living expenses. We reserve the right to charge you our then-current fee if you fail to attend any franchise conventions or meeting, which is currently not collected.

Manuals

During the term of the Franchise Agreement, we will loan to you one copy of, or allow electronic access to, our Operations Manuals (the "Manuals"). There are currently 83 pages in the Manuals. The current table of contents of the Manuals, as of the Effective Date of this Disclosure Document, is attached as Exhibit G.

ITEM 12 TERRITORY

~~When you sign the Franchise Agreement, you will receive a Territory that is approximately five (5) full markets (each, a "Territory"). The territory that you will receive from the initial franchise fee will include a population of approximately 2.5 million individuals. Each market is made up of approximately 500,000 individuals. You will have the opportunity with your Franchise Agreement to make your territory larger by purchasing additional "markets" over the initial "Territory".~~ The actual size and boundaries of your Territory will depend upon a variety of factors, including the population base; density of population; growth trends of population; the density of residential and business entities; and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas.

The location of the Franchised Business and the Territory will be identified in Exhibit A to the Franchise Agreement. You will need to obtain a site for the Franchised Business that has adequate storage space and meets our standards and specifications. The location of your Franchised Business must be within your Territory.

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- Deleted:** "Macro Territory" means a Territory that includes a population of at least 500,000 individuals. A "Micro-Territory" means a Territory that includes a population of between 100,000 to 499,999 individuals

Maintenance of your Territory is not dependent upon achieving certain minimum performance requirements or other contingencies. During the term of the Franchise Agreement, we will not locate or franchise another the right to locate the physical location of another PureOne Services business inside the Territory, except as described below. Unless we otherwise expressly authorize in writing, the Marks licensed to you under this Agreement: (i) may not be used at any location other than the Franchised Business, and (ii) may be used in connection with a vehicle we authorize, provided the vehicle is only used inside the Territory. 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.

You may not sell products or services identified by the Marks at any location other than at or from the Franchised Business or from a vehicle that we approve that is operated solely inside the Territory without obtaining our prior written consent. You may not solicit or accept orders from customers outside your Territory, and you do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside the Territory. Except as expressly allowed in the Franchised Agreement, you must concentrate your advertising and marketing efforts within your Territory.

We (for ourselves and our affiliates) retain all rights not expressly granted to you in the Franchise Agreement, including the right:

1. to operate, or to grant other persons the right to operate, PureOne Services businesses at locations outside the Territory (except to the extent we may be restricted under a separate PureOne Services franchise agreement to which you are a party);
2. to service customers or offer products or services, or to grant other persons the right to service customers or offer products or services, located inside or outside the Territory under any trademarks except for the Marks;
3. to sell products, equipment, and other materials under the Marks or other trademarks through dissimilar channels of distribution (i.e., other than the operation of a PureOne Services business), including by electronic means such as the Internet and by websites we establish, or through retail locations within and outside the Territory;
4. to merge with, acquire, be acquired, or become associated with any businesses of any kind under other systems and/or other marks, which businesses may convert to or operate under the Marks or other trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your Franchised Business, and which may be located anywhere inside or outside the Territory;
5. to provide services to, or to grant other persons the right to provide services to, Designated Accounts located inside or outside of your Territory as described further below; and
6. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks.

We are not required to pay you any compensation if we exercise any of these rights.

In addition to the reserved rights outlined above, we or our affiliates have the right to sell and enter into agreements with Designated Accounts, both inside and outside the Territory. A "Designated Account"

are those customers or accounts we designate as desiring central billing accounts or that have at least 5 locations, and such locations are located in more than one franchised or company-owned territory or market. You must participate in any regional or national accounts program (the "Designated Accounts Program") we designate, and comply with the terms of the Designated Accounts Program as described in the Manuals or as we otherwise describe in writing. We will establish the rules under which you will participate, and be compensated for participation, in the Designated Accounts Program. We may terminate, modify or replace the Designated Accounts Program at any time. You will pay us our then-current fees (which are currently not collected) associated with the Designated Accounts Program; currently, this fee is not assessed. We have the right to service a Designated Account or grant a third party (including one or more PureOne Services franchisees) the right to service a Designated Account in your Territory for all of the following reasons: (i) you fail to timely notify us of your acceptance of the Designated Account business; (ii) you cannot or will not service the Designated Account business for any reason; (iii) you are in default of your Franchise Agreement; or (iv) the Designated Account objects to you providing the services.

If a Designated Account contacts you directly, you must refer the Designated Account to us within 3 days. We will negotiate all contracts with Designated Accounts and you will not have any right to negotiate any contract or provide services to the Designated Account without our express written consent.

You may not, unless in connection with other PureOne Services franchisees and with our consent, market or advertise in telephone or similar online directories that directly target areas outside of your Territory or establish a mailing address for your Franchised Business or make other representations to potential customers that would lead others to believe that you have facilities or authorization to operate outside the Territory. However, if neither we nor another franchisee operates in an area adjacent to your Territory, then upon your receipt of our prior written consent, you may advertise, market and/or service commercial or residential customers located outside of your Territory. In those instances, we reserve the right to require you, in the future, to cease all direct advertising and marketing efforts to those customers located outside your Territory, and we reserve the right to require you to purchase the area adjacent to your Territory in order to continue servicing that area upon written notice to you.

You may relocate your Franchised Business only with our written consent, which we will not unreasonably withhold provided that your new location satisfies our then-current requirements. If we permit you to relocate your Franchised Business, you will need to build out the Franchised Business consistent with our then-current standards for new Franchised Businesses.

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

Neither we nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the products and services authorized for sale at PureOne Services Franchised Businesses under any other trademark or service mark.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to operate your Franchised Business under the service mark PureOne Services as well as other Marks we or our affiliates may use and register in the future for the System.

The following schedule lists only the principal Marks that you are licensed to use, which we have filed for on the USPTO Principal registrar. We have filed all required affidavits and renewals for the Marks listed below.

Trademark	Registration / Application Dates	Registration / Application Number
	6331378	April 27, 2021

Our right to use and license others to use the Marks is exercised under a trademark license agreement (the “TM Agreement”) with Alliance Partners dated February 8, 2021. Under the TM Agreement, we are granted the right to use and to permit others to use the Marks. The TM Agreement has a 20-year term, with automatic 1-year renewal terms. If we were ever to lose our right to the Marks, Alliance Partners is required under the TM Agreement to allow our franchisees to maintain their rights to use the Marks in accordance with their franchise agreements. Also, the franchise agreements will be assigned to Alliance Partners. Other than the TM Agreement, there are no agreements in effect which significantly limit our rights to use or license the Marks in any state in a manner material to PureOne Services franchisees.

We have the right to periodically change the list of Marks. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Marks unless we direct so in writing. You may not use any Marks or portion of any Marks as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any other unauthorized manner. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Marks. You have the right to access our website. Except as we may authorize in writing, however, you will not: (1) link or frame our website; (2) 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); (3) create or register any Internet domain name in any connection with your Franchised Business; and (4) use any e-mail address which we have not authorized for use in operating the Franchised Business. You will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar. Further, you may not market, advertise or promote your Franchised Business or conduct any business on the Internet, including using social and professional networking sites to promote your Franchised Business, except as provided in our written social media policy (if any) or with our prior written approval. We will own and have administrative rights to any social and professional networking sites that you use in your Franchised Business.

There are currently no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks that are relevant to your use in any state. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchisee.

You must immediately notify us of any apparent infringement of or challenge to your use of any Marks, and we have sole discretion to take any action we deem appropriate. We are unaware of any infringing uses or superior rights that could materially affect your use of the Marks.

You may not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings. You must, however, within 24 hours of learning of any alleged claim or complaint, notify us of such claims or complaints made against you respecting the Marks and you must, at your expense, cooperate in all respects with us in any court or other proceedings involving the Marks. Subject to our right of indemnification, we will pay the cost and expense of all litigation we incur, including

attorneys' fees, specifically relating to the Marks. We and our legal counsel will have the right to control and conduct any litigation relating to the Marks. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you will make these changes or substitutions at your own expense.

We reserve the right to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after we notify you.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents, pending patent applications or copyrights currently registered that are material to the franchise. We do claim copyright ownership and protection for the Manuals and for certain other written materials we provide to assist you in operating your Franchised Business.

We own certain proprietary or confidential information relating to the operation of Franchised Businesses, including information in the Manuals ("Confidential Information"). You will not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Franchised Business. Your use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. The Confidential Information is proprietary, is our trade secret, and is disclosed to you solely on the condition that you agree that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Franchised Business employees; and (5) will require all Operating Managers and other employees with access to Confidential Information to sign such an agreement in a form we approve. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Manuals at your cost. We may access Customer Data produced by or otherwise located on your Computer System. We periodically will establish policies respecting the use of the Customer Data.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

A Principal Owner (as defined below) who we have approved and has satisfactorily completed our initial training program and will represent you in interacting with us ("Designated Owner") will oversee the Franchised Business operations.

You also must hire a manager who is responsible for the day-to-day operation of the Franchised Business, and who must successfully complete our initial training program to our satisfaction ("Operating Manager"). The Designated Owner and Operating Manager may be the same person. If the Franchisee is an entity, the Operating Manager is not required to be an owner or have an equity interest in you.

The Operating Manager assumes his/her responsibilities on a full-time basis and may not engage in any other business or other activity that requires any significant management responsibility, time commitments, or otherwise may conflict with his/her obligations. Unless you receive our prior written consent, the franchisee entity (or you if you sign the Franchise Agreement as an individual) may not engage in any business or activities other than the ownership and operation of Franchised Businesses under Franchise Agreements that we grant.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a “Principal Owner” and must sign the Guaranty and Assumption of Obligations Agreement attached as Exhibit D to the Franchise Agreement. These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17. In addition, all Operating Managers and other employees with access to Confidential Information or attend our initial training program, must sign a confidentiality and non-competition agreement substantially in the form attached as Exhibit E to the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell in your Franchised Business all and only those products and services that we have approved, however, you have the option, but are not required, to purchase any of the properties that you perform services at. We may add new products or services that you must offer at your Franchised Business. Our right to modify the approved list of goods and services to be offered at a Franchised Business is not limited. You will immediately cease selling products, and offering or performing services, we no longer approve, and you agree to begin offering new or modified products and services within the time period(s) we describe in the Manuals.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision		Section in Franchise or Other Agreement	Summary
a.	Length of the franchise term	Section 3(A)	10 years
b.	Renewal or extension of the term	Section 3(B)	1 additional term of 10 years
c.	Requirements for you to renew or extend	Section 3(B)	Advance notice, compliance with Franchise Agreement and brand standards, Principal Owner satisfactorily completes refresher training, sign then-current form of franchise agreement (which may have materially different terms and conditions as the Franchise Agreement), pay fee, sign general release, upgrade/modernize the Franchised Business.

Provision		Section in Franchise or Other Agreement	Summary
d.	Termination by you	Section 17	If you comply with the Franchise Agreement, and we fail to cure a material provision within 60 days after written notice.
e.	Termination by us without cause	<i>Not Applicable</i>	<i>Not Applicable</i>
f.	Termination by us with cause	Sections 16	Only if you default.
g.	“Cause” defined – curable defaults	Sections 16(C)	Except as described in (h) below or otherwise in the Franchise Agreement, you have 30 days to cure all other defaults and violations under the Franchise Agreement. You have 10 days to cure monetary breaches.
h.	“Cause” defined – non-curable defaults	Sections 16(A) and (B)	Bankruptcy; unauthorized transfer; failure to complete initial training and open on time; material misrepresentation or omission on franchise application; abandonment; being involved in an act that impairs the Marks; unauthorized use of a website; violating restrictive covenants; insufficient funds on multiple occasions; if you breach the Agreement three or more times in any 12-month period; and other violations.
i.	Your obligations on termination/nonrenewal	Section 18	Pay all amounts due us, stop using and return the Manuals and other materials, assign to us the Franchised Business telephone number and telephone listing or (at our option) disconnect the telephone number, cease using and assign to us all email addresses and social media accounts, remove all signs and other materials containing any Marks, cancel all fictitious or assumed name filings, and cease using and return to us all confidential information and customer data, do not divert Franchised Business customers to any competing business for 2 years (also see o, r below).
j.	Assignment of contract by us	Section 15(A)	We may assign fully assign this agreement, and the assignee must fulfill our obligations under the Franchise Agreement.
k.	“Transfer” by you-defined	Section 15(C)	Includes transfer of Franchised Business or its assets, or your interest in agreement or an ownership interest of 25% or more change.
l.	Our approval of transfer by franchisee	Section 15(B), (C) and (D)	We have the right to approve all transfers of the Franchise Agreement, but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	Section 15(C)	All amounts owed us, our affiliates and vendors are paid, transferee meets our qualifications for a new franchise, transferee signs our then-current franchise agreement (which may contain materially different terms from those in your franchise agreement), transferee completes required training, lease assigned (if applicable), pay transfer fee, complete any upgrades or modernization to bring the Franchised Business up to our then-current standards, you sign a non-compete agreement and general release, we approve material provisions of the purchase agreement between you and transferee.

Provision		Section in Franchise or Other Agreement	Summary
n.	Our right of first refusal to acquire your business	Section 15(F)	We can match any offer for your business.
o.	Our option to purchase your business	Section 18(B)	When the Franchise Agreement expires or terminates, we may purchase assets at the fair market value.
p.	Your death or disability	Section 15(D)	Franchise must be assigned by estate to an approved buyer within reasonable time not exceeding 12 months.
q.	Non-competition covenants during the term of the franchise	Section 14(B)	No involvement in any construction or commercial business that is competitive with a PureOne Services business.
r.	Non-competition covenants after the franchise is terminated or expires	Section 14(C)	No involvement in any construction or commercial business that is competitive with a PureOne Services business for two years within your Territory; from the Franchised Business premises; within 5 miles from the outside boundary of your Territory; or within the territory of another PureOne Services franchisee.
s.	Modification of the agreement	20(F)	No modifications to the Franchise Agreement, except in writing. We may modify Manuals, Marks, System and goods/services to be offered to your Franchised Business.
t.	Integration/merger clause	Section 20(L)	Only the terms of the Franchise Agreement (including exhibits) and the Disclosure Acknowledgement Agreement are binding (subject to federal or state law). Any other promises may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u.	Dispute resolution by arbitration or mediation	Sections 19(A), (B)	Except for disputes over amounts owed or injunctive relieve, the parties must first submit any dispute to non-binding mediation before commencing arbitration. Except for actions involving monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes will be subject to binding arbitration in Fulton County, Georgia (subject to state law).
v.	Choice of forum	Section 20(D)	Litigation not subject to arbitration must be brought in a federal or state court located in Fulton County, Georgia (subject to state law).
w.	Choice of law	Section 20(E)	The laws of the state of Georgia apply (subject to state law).

ITEM 18

PUBLIC FIGURES

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

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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 franchised 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.

This Item 19 presents **Gross Revenue** data for the 7 PureOne Services businesses (each, a “Location”) in the 2022 calendar year. Of the 7 Locations: (a) 4 Locations operated by our officers (“Company-Owned Locations”); (b) 1 franchised Location operated in a Micro Territory; and (c) 2 franchised Locations operated. The Locations are operated in a substantially similar manner to the Business offered in this Disclosure Document. **A Micro Territory is less populated or more rural territory with less individuals.**

Please carefully read all of the information in this Item 19, and all of the notes following the charts, in conjunction with your review of the historical data. You should conduct an independent investigation of the costs and expenses you will incur in managing your Business.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you’ll sell as much.

Gross Revenue in 2022 Calendar Year

<u>Location</u>	<u>2022 Gross Revenue</u>	
<u>North Atlanta</u>	<u>514,043.91</u>	
<u>Connecticut</u>	<u>356,830.47</u>	
<u>Central Minnesota</u>	<u>67,896.38</u>	<u>Micro Territory</u>
<u>South Los Angeles</u>	<u>378,504.31</u>	
<u>NW Minneapolis</u>	<u>296,107.10</u>	
<u>South St. Louis</u>	<u>356,731.94</u>	
<u>NW Atlanta</u>	<u>163,282.34</u>	<u>Started June 2022</u>

- Deleted:** 6
- Deleted:** during the months that each respective Location was open
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- Deleted:** 6
- Deleted:** in Macro Territories
- Deleted:** 1
- Deleted:** in a Macro Territory

- Deleted:** by Type of Project
- Deleted:** 21
- Deleted:** Average ... [7]
- Deleted:** North

Notes to Chart:

PureOne Services focused its retail services toward property restoration during the first quarter of 2022 whereas the North Atlanta location piloted this effort during the first quarter of 2022.

- During the fourth quarter of 2022, PureOne Services in South Los Angeles launched and piloted a commercial contract janitorial cleaning service program. During the month of December, which was the first month that these services were offered, PureOne South Los Angeles performed \$66,226 in commercial janitorial contract services.
- “Gross Revenue” means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made or provided at or in connection with the Location in the 2021 calendar year. “Gross Revenue” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes that a Location paid or accrued. A sale occurs at the time the services are performed or the goods are sold.

The financial information we used in this Item 19 was provided to us from our affiliates or franchisee that operate their respective PureOne Services business.

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you in our main office upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company owned or franchised outlets. We also do not authorize our 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 the General Counsel at BAB Ventures Franchising, LLC, 5485 Bethelview Road, Suite 360-151, Cumming, GA 30040, 470-239-3694, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Deleted: Not all Locations offer and sell services for each of the above referenced projects, but your Franchised Business will be permitted to offer and sell services for each of the projects included in the above chart. The scope and work performed for any individual project is the same regardless of whether the Location operates in a Macro Territory or a Micro Territory.

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Deleted: “Fire Damage projects” means offering and selling services and goods in connection with performing fire remediation projects.

“Water Damage projects” means offering and selling services and goods in connection with performing water damage projects.

“Hoarding projects” means offering and selling services and goods in connection with the cleanup and clean out of a property that is owned or leased by a hoarder. A hoarding situation occurs when a person has the compulsive need to keep objects, animals or trash.

“Mold Remediation project” means offering and selling services and goods in connection with mold remediation projects.

“Bio Hazard projects” means offering and selling services and goods in connection with the cleanup of bio hazardous materials, which includes, for example, the clean-up of blood or bodily fluids due to murder, death, suicide, unattended death, etc.

“Viral Disinfection projects” means offering and selling services and goods in connection the disinfection of a home or business from viral diseases, including but not limited to COVID-19.

“Build-Back projects” means offering and selling services and goods in connection with a project where, after remediation and restoration work is performed, floors and walls need to be replaced and/or patched.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Outlet Summary
For Years 2019 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2019	0	1	+1
	2020	1	2	+1
	2021	2	2	0
	2022	2	3	+1
Company-Owned**	2019	0	3	+3
	2020	3	4	+1
	2021	4	4	0
	2022	4	4	0
Total Outlets	2019	0	4	+4
	2020	4	6	+2
	2021	6	6	0
	2022	6	7	+1

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*These locations operate under royalty-free license arrangements with us or Alliance Partners.

**For purposes of this Item 20, "Company-Owned" locations includes any locations owned and operated by our officers or directors.

TABLE NUMBER 2
Transfers of Franchised Outlets From Franchisee to New Owners (Other than the Franchisor)
For Years 2019 to 2022

State	Year	Number of Transfers
TOTAL	2019	0
	2020	0
	2021	0
	2022	0

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**TABLE NUMBER 3
Status of Franchised Outlets
For Years 2019 to 2022**

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State	Year	Franchised Outlets at the Start of the Year	Franchised Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Franchised Outlets at the End of the Year
Connecticut*	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Georgia	2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Minnesota*	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
TOTAL	2019	0	1	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>

*These locations operate under royalty-free license arrangements with us or Alliance Partners.

TABLE NUMBER 4
Status of Company-Owned Outlets
For Years 2019 to 2022

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State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
California	2019	0	0	0	0	0	0
	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Georgia	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	2
Minnesota	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Missouri	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
TOTAL	2019	0	3	0	0	0	3
	2020	3	1	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4

TABLE NUMBER 5
Projected Openings
As of December 31, 2022

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State	Franchise Agreements Signed But Franchised Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
CA	0	1	0
FL	0	2	0
IL	0	2	0
NC	0	1	0
SC	0	1	1
TX	0	2	0
TOTAL	0	9	1

The names, addresses and telephone numbers of current and former franchisees are included in [Exhibit C](#). If you buy a PureOne Services franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

No independent franchisee association is required to be disclosed in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A are our audited financial statements for the reporting period ending December 31, 2022, December 31, 2021 and December 31, 2020. Our fiscal year end is December 31. Because we began franchising in 2021, and we have not been in business for three years or more years, we cannot include all the financial statements required by the FTC Rule.

ITEM 22

CONTRACTS

The Franchise Agreement (including exhibits) is attached as Exhibit B. The State Addenda are attached as Exhibit E. A general release form is attached as Exhibit F. The Disclosure Acknowledgment Agreement is attached as Exhibit H.

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are attached as Exhibit I at the end of this disclosure document. You will keep one copy of the receipt for your files, and you will return the second copy to us.

EXHIBIT A
FINANCIAL STATEMENTS

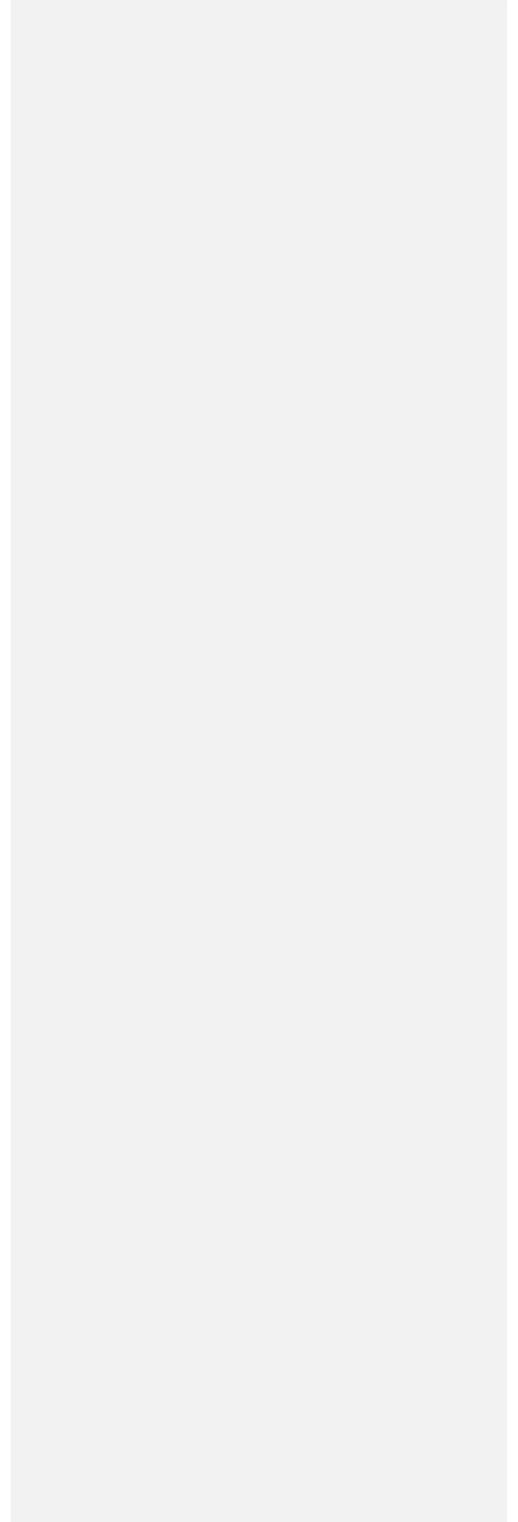


EXHIBIT B
FRANCHISE AGREEMENT

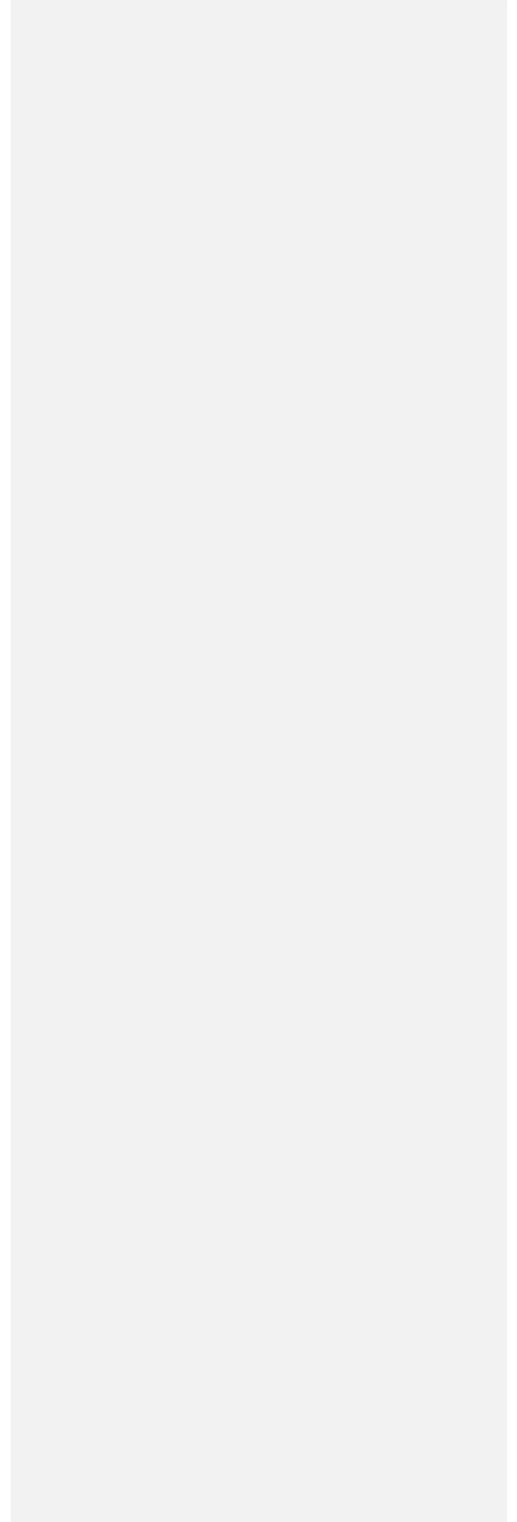


EXHIBIT C
CURRENT AND FORMER FRANCHISEES

LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, 2022

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Name	Address	City	State	Zip Code	Phone Number
Mathew Fleisher*	10 Liberty Way Suite A5	Niantic	CT	06357	860-373-2006
Corey Moyer*	23229 182 nd St.	Verndale	MN	56481	218-513-2686
<u>Don and Mary Snider</u>	<u>3344 Cobb Parkway NW</u>	<u>Acworth</u>	<u>GA</u>	<u>30101</u>	<u>404-426-3610</u>

**Operates under royalty-free license arrangement with us or Alliance Partners.*

LIST OF FORMER FRANCHISEES AS OF DECEMBER 31, 2022

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Below is a list of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the Disclosure Document issuance date:

None.

EXHIBIT D

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Georgia	Secretary of State of Georgia Corporations Division	2 Martin Luther King, Jr. Dr., SE Suite 315, West Tower Atlanta, GA 30334 404-656-2817
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

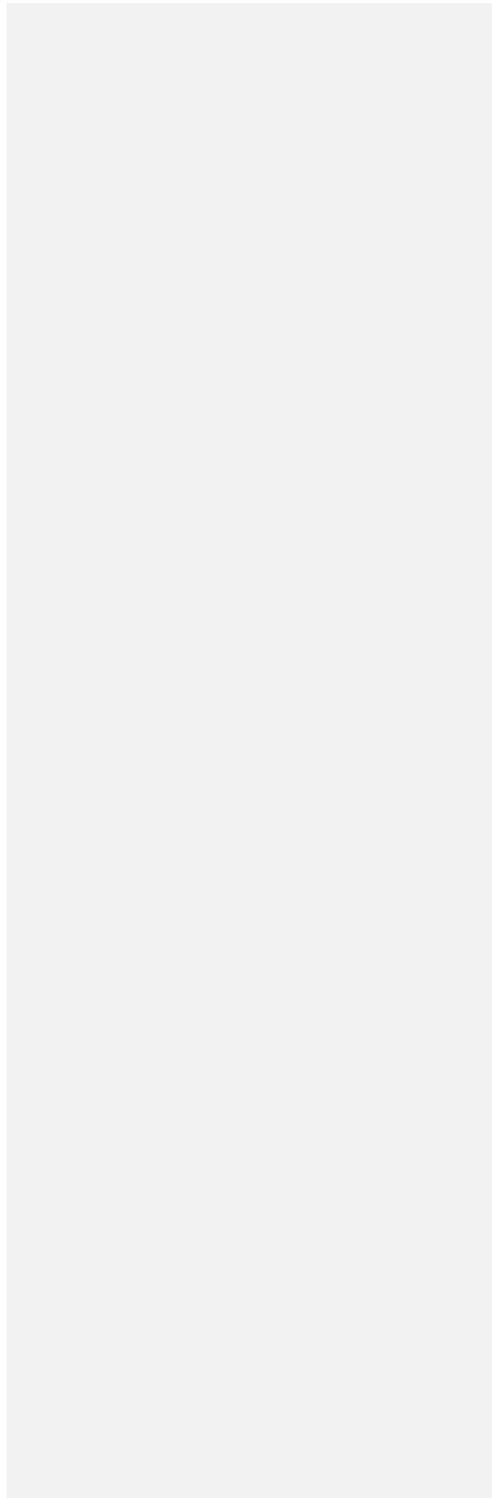
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EXHIBIT E
STATE SPECIFIC ADDENDA



CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Item 3. Additional Disclosure:

Neither we nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.

Item 5. Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

Item 6. Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

Item 17. Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The franchise agreement requires application of the laws of Georgia. This provision may not be enforceable under California law.

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

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.)

The franchise agreement requires binding arbitration. The arbitration will occur in Georgia with the cost being borne equally by the parties. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Item 19, Additional Disclosures:

The financial performance representation does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your PureOne Services business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

Exhibit H, Franchisee Disclosure Document Questionnaire:

Residents of the State of California and individuals who will operate their PureOne Services business, in whole or in part, within the State of California, will not be required to sign the Franchisee Disclosure Document Questionnaire located at Exhibit H.

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.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

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To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

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

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Georgia with the cost being borne equally by the parties. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

Sections 22A, 22B, and 22C of the Franchise Agreement are hereby deleted in their entirety.

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

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

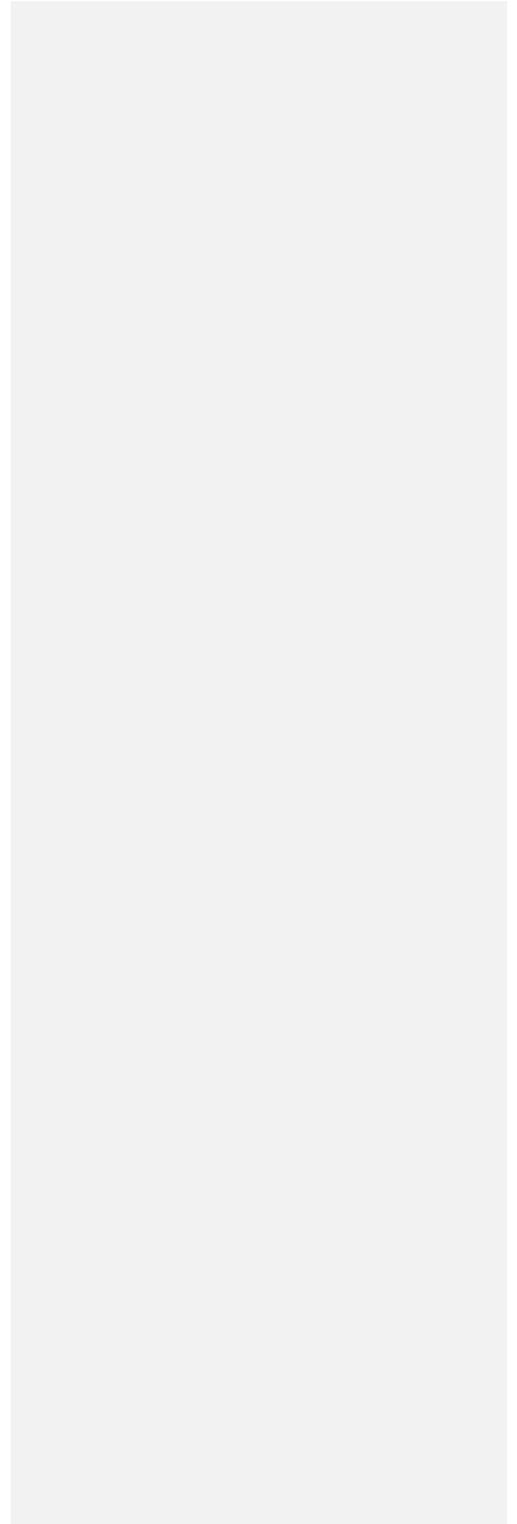
FRANCHISOR:

FRANCHISEE:

BAB VENTURES FRANCHISING, LLC

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____



GEORGIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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This Addendum will pertain to franchises sold in the State of Georgia and will be for the purpose of complying with Georgia statutes and regulations. Item numbers correspond to those in the main body.

Items 5 and 7, Additional Disclosure

Notwithstanding anything in Items 5 and 7 to the contrary, for Georgia franchisees, the Initial Franchise Fee is payable as follows: (1) 15% payable to us when you sign the Franchise Agreement; and (2) 85% payable into an escrow account that will be opened with an independent escrow agent, upon your execution of the Franchise Agreement. The Initial Franchise Fee is fully earned and nonrefundable. The escrowed amount, which will equal 85% of the Initial Franchise Fee, will be paid from the escrow account to us 60 days after the Opening Date. If the Franchise Agreement terminates before you open the Business due to your breach of the Franchise Agreement, the entire escrowed amount, 85% of the Initial Franchise Fee, will be paid to us.

Item 17, Additional Disclosure:

If the company fails to deliver the product, equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the company in writing and demand that the contract be cancelled.

GEORGIA ADDENDUM TO FRANCHISE AGREEMENT

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This Addendum will pertain to franchises sold in the State of Georgia and will be for the purpose of complying with Georgia statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement will be amended to include the following:

1. Section 4(Aa) of the Franchise Agreement is amended to provide that we will retain fifteen percent (15%) of the total Initial Franchise Fee. The remaining balance of eighty-five percent (85%) of the total Initial Franchise Fee, will be placed in escrow with the following independent escrow agent (the "Escrowed Amount"):

acct #: _____

The entire Escrowed Amount will be due and payable to us 60 days after the date the Franchised Business is opened. The Initial Franchise Fee is fully earned and nonrefundable. If the Franchise Agreement terminates before the dated the Franchised Business is open due to your breach of the Franchise Agreement, the entire escrowed amount, 85% of the Initial Franchise Fee, will be paid to us.

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

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

BAB VENTURES FRANCHISING, LLC

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

THESE FRANCHISES WILL BE/HAVE 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 HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, 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 THE FRANCHISOR AND FRANCHISEE.

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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Item 5 Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business. The deferral of the initial franchise fee is required by the Illinois Attorney General's Office based on our financial statements.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Franchisee Acknowledgment / Compliance Certification:

The representations under this Franchise Acknowledgment/Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

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1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business. The deferral of the initial franchise fee is required by the Illinois Attorney General's Office based on our financial statements.

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

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

BAB VENTURES FRANCHISING, LLC

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

No statement, questionnaire, or acknowledgement 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 with the franchise.

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State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of 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 Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

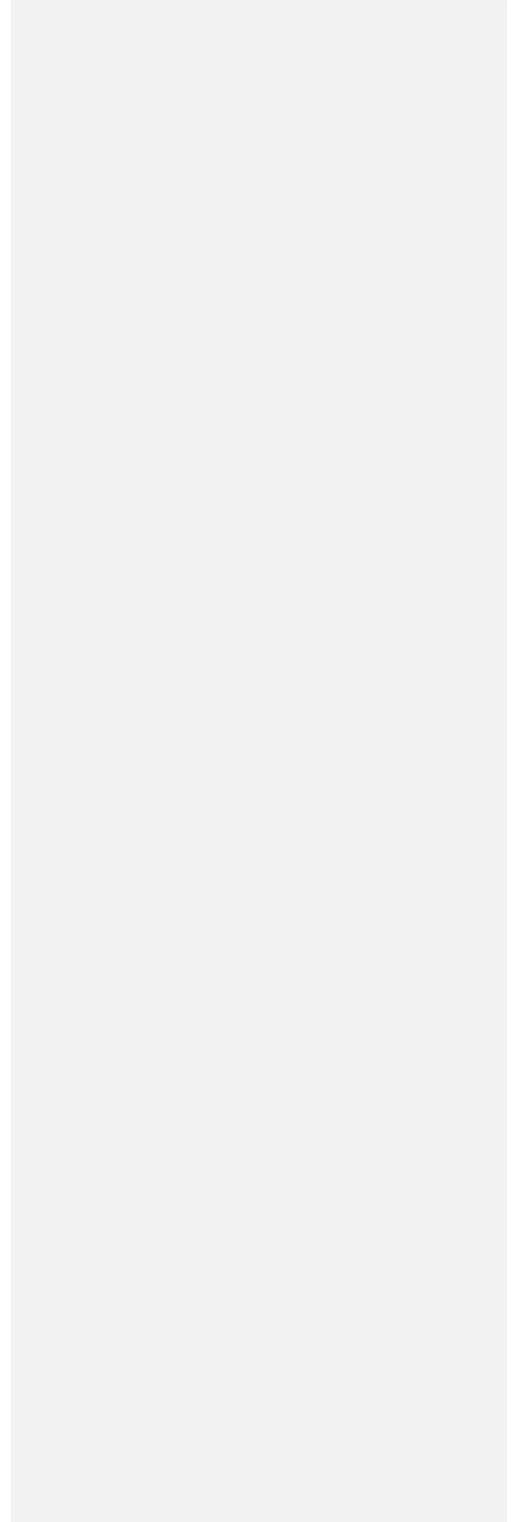
Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), 180 days' notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.



MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

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To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days’ notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee’s use of franchisor’s trademarks (“Marks”) infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee’s use of franchisor’s trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee’s use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor’s standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days’ notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor’s trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee’s rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

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

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

BAB VENTURES FRANCHISING, LLC

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

Cover Page, Additional Disclosure.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS 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.

Item 3, Additional Disclosure. The last sentence in Item 3 is deleted and replaced with the following:

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of 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.

Item 4, Additional Disclosure. Item 4 is deleted and replaced with the following:

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (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 one year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 5, Additional Disclosures.

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

Item 17, Additional Disclosures.

The following is added to the Summary sections of Item 17(c) and 17(m): 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 Section 687.4 and 687.5 be satisfied.

The Summary section of Item 17(d) is deleted and replaced with the following language: You may terminate the agreement on any grounds available by law.

The following is added to the Summary section of Item 17(j): 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.

The following is added to the Summary sections of Items 17(v) and 17(w): 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.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

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To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

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

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

BAB VENTURES FRANCHISING, LLC

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Risk Factor:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$_____ to \$_____. This amount exceeds the franchisor's stockholders equity as of December 31, 2020, which is \$25,581.

Deleted: 86,800 to \$139,100

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Item 17. Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 *et. seq.*).

“According 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.”

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

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To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According 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 ground 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.”

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

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

BAB VENTURES FRANCHISING, LLC

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

Special Risks to Consider About *This* Franchise, Additional Disclosure:

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Financial Condition. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Item 5 and Item 7, Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

Item 17, Additional Disclosure:

The state of Washington has a statute, RCW 19.100.180 which 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.

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

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.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

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To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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.

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

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

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

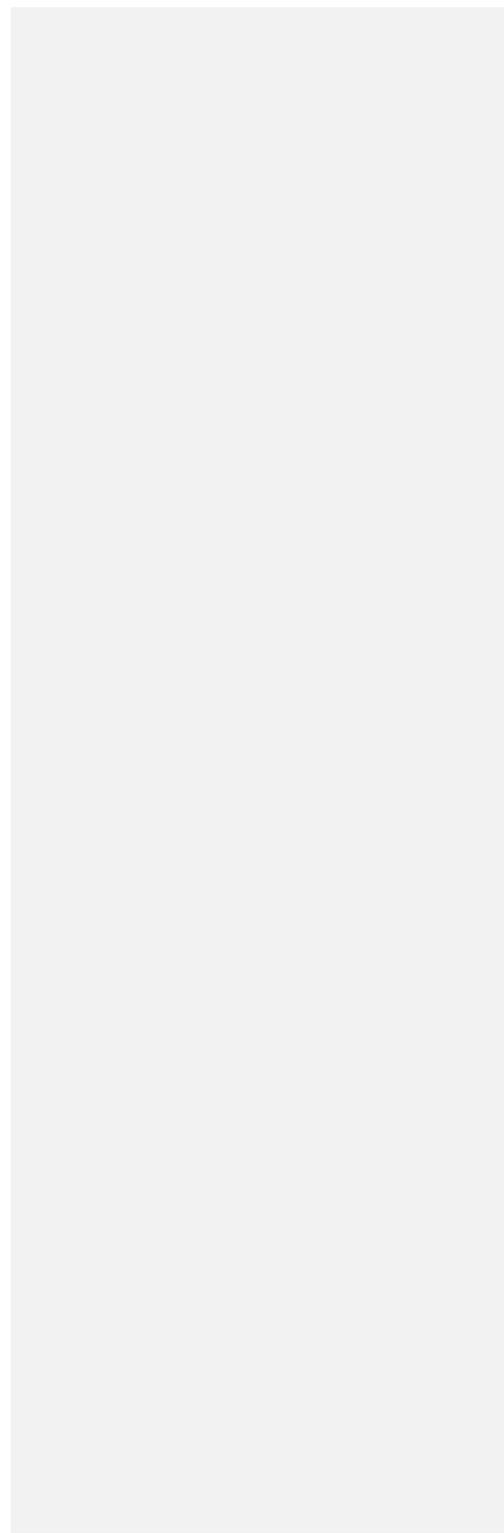
FRANCHISOR:

FRANCHISEE:

BAB VENTURES FRANCHISING, LLC

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____



WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

Item 17. Additional Disclosures:

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

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To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

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

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

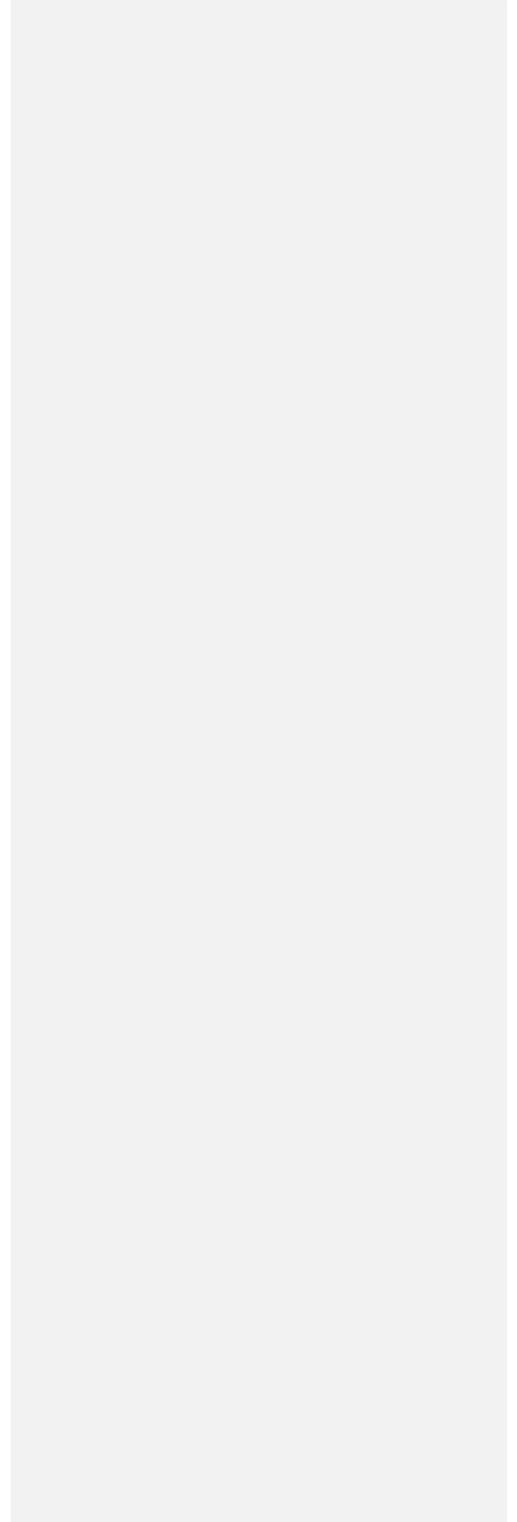
FRANCHISEE:

BAB VENTURES FRANCHISING, LLC

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

EXHIBIT F
GENERAL RELEASE FORM



RELEASE OF CLAIMS

NOTE TO THE PROSPECTIVE FRANCHISEE: THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT. THIS FORM IS SUBJECT TO CHANGE OVER TIME.

For and in consideration of the Agreements and covenants described below, BAB Ventures Franchising, LLC ("Franchisor") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

- A. Franchisor and Franchisee entered into an PureOne Service® Franchise Agreement dated _____, _____.
- B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

- 1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release.** Franchisee hereby releases Franchisor, its officers, directors, shareholders, members, managers, and agents, and their respective successors, assigns, heirs, and personal representatives, from all debts, representations, agreements, liabilities, actions, and causes of action of every kind and nature arising out of or relating to the Franchise Agreement between Franchisor and Franchisee, the offer and sale of that franchise and the franchise relationship between the parties.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

FRANCHISEE:

FRANCHISOR:

BAB VENTURES FRANCHISING, LLC

By: _____

By: _____

Its: _____

Its: _____

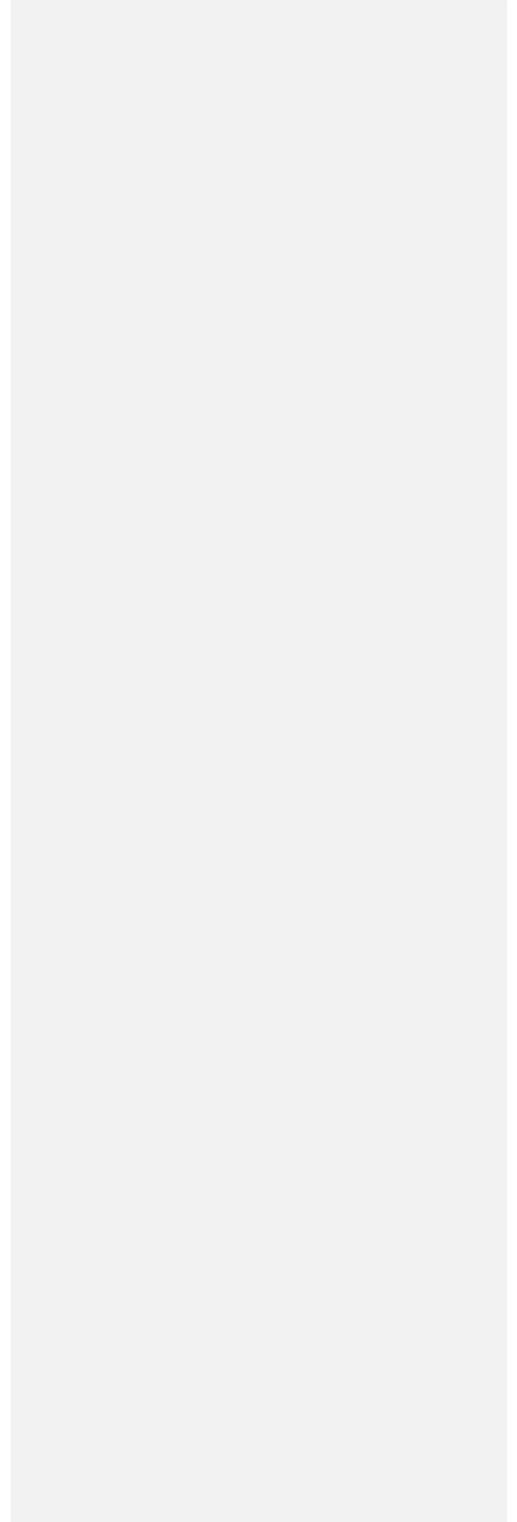
Date: _____

Date: _____

EXHIBIT G
MANUALS TABLE OF CONTENTS

Chapter	Number of Pages
Introduction to PureOne Services	10
Chapter 1 Hiring Your Professional Team	9
Chapter 2 Site Location Requirements	2
Chapter 3 Corporate Training	1
Chapter 4 Setting up your Physical Location	9
Chapter 5 Human Resources	7
Chapter 6 Payroll	2
Chapter 7 PureOne Services Franchise Program	4
Chapter 8 Franchise Fees and Financial Reports	5
Chapter 9 Market and Competitive Analysis	2
Chapter 10 Marketing	19
Chapter 11 Customer Services and Uncollectible Accounts	1
Chapter 12 Safety Procedures and Emergencies	2
Chapter 13 Forms	9
TOTAL	83

EXHIBIT H
DISCLOSURE ACKNOWLEDGMENT AGREEMENT



FRANCHISEE DISCLOSURE DOCUMENT QUESTIONNAIRE

Applicant _____
(If corporation) State of Incorporation _____
Address of Applicant _____
Location (Territory) Applied For _____

1. I have received all appropriate disclosure documents for the State(s) of _____ at least fourteen (14) calendar days, exclusive of the day I received them and the day I signed them, before signing the Franchise Agreement and/or payment of any monies.
2. I have signed and returned to Franchisor the acknowledgment of receipt for each disclosure document given me.
3. I have had an opportunity to read the Franchise Agreement thoroughly and understand all of Franchisor's covenants and obligations and my obligations as a franchisee of the PureOne Services system. I understand that the Franchise Agreement contains all obligations of the parties and that Franchisor does not grant to me under the Franchise Agreement any right of first refusal.
4. I understand that this franchise business, as in all business ventures, involves risk and despite assistance and support programs, the success of my business will depend primarily upon me and my ability. In addition, I understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption.
5. Except for fill in the blank provisions or for negotiated changes that I initiated, I received a copy of the revised Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement or related agreement was signed.
6. I understand that Franchisor has a national marketing and promotional program which is not directed towards any specific franchise territory but is intended to benefit the entire PureOne Services system nationwide. I further understand that amounts from the national marketing and promotional fund will be used, among other purposes, to offset in-house expenses incurred in providing marketing services, media planning and network marketing support, and providing market intelligence through analytics to the PureOne Services system.
7. The financial performance figures do not reflect the exact costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.
8. The representations under this Franchise Disclosure Document Questionnaire are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
9. If I was referred to Franchisor by a franchise broker or referral source, the name of that franchise broker(s) or referral source(s) is _____.
10. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in

the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

The representations under this Franchisee Disclosure Document Questionnaire are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Applicants' Acknowledgment:

Name: _____
Date: _____

Name: _____
Date: _____

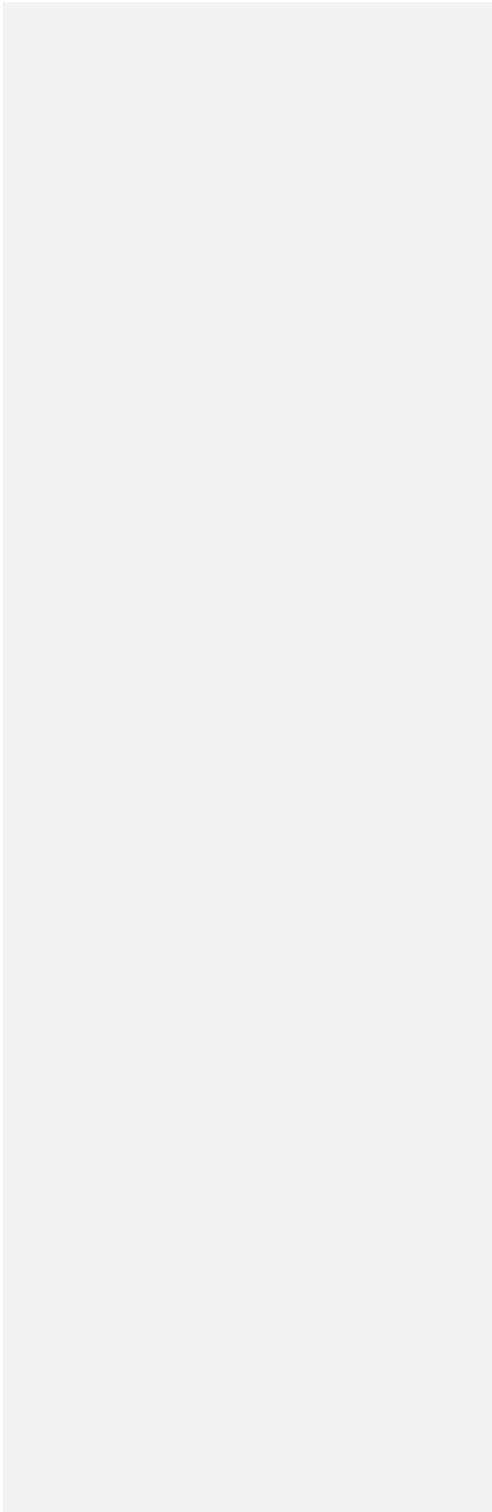
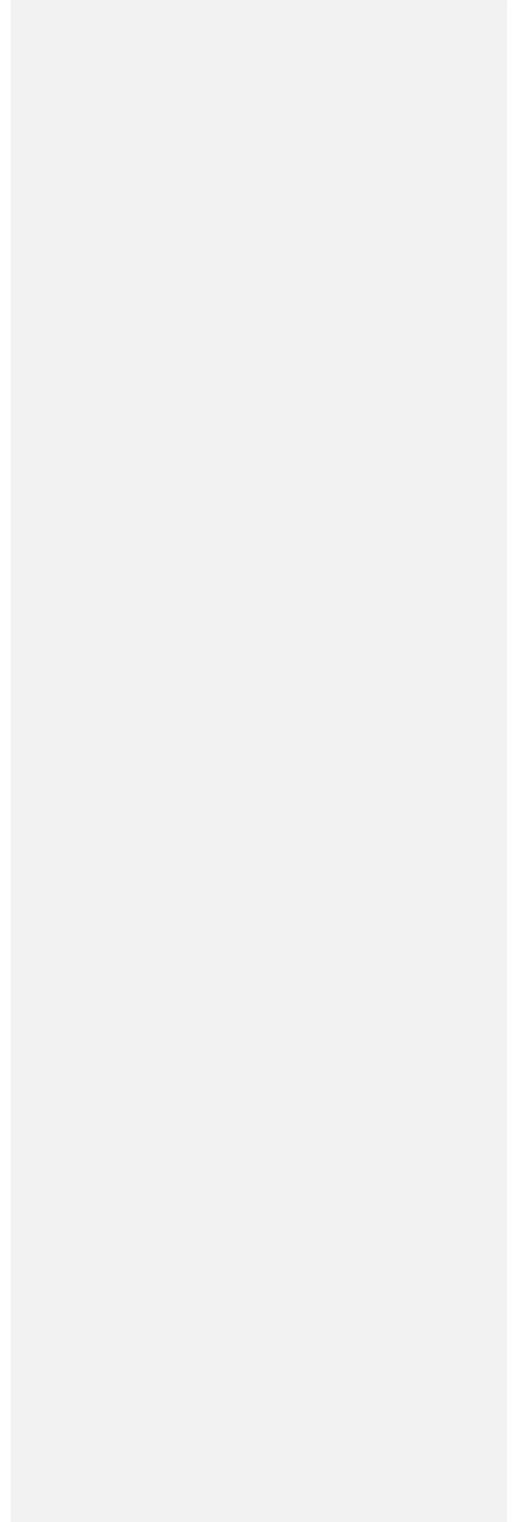


EXHIBIT I
STATE EFFECTIVE DATES AND RECEIPTS



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.

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

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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RECEIPT

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 BAB Ventures Franchising, LLC (“Franchisor”) offers you a franchise, Franchisor must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Franchisor or its affiliate in connection with the proposed franchise sale. Iowa and New York require that Franchisor gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor gives 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 Franchisor does not deliver this disclosure document on time or if it contains a 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 those state administrators listed on Exhibit D.

The franchisor is BAB Ventures Franchising, LLC located at 5485 Bethelview Road, Suite 360-151, Cumming, GA 30040 and 470-239-3694.

Deleted: 5829 Clarion Stree

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Issuance Date: May , 2023.

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The franchise seller involved in offering and selling the franchise to you is: (i) Todd Olson, located at 5640 Shull Street, Suite P, Bell Gardens, CA 90201; or (ii) Sandra Apoian, located at 155 Enterprise Drive, Suite B, Cumming, GA 30040 and 470-239-3694, or is listed below (with address and telephone number) or will be provided to you separately before you sign a franchise agreement:

Deleted: 8401 73rd Avenue North, #48, Brooklyn Park, MN 55428...

Deleted: 5829 Clarion St

Deleted: .

Franchisor authorizes the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document dated May , 2023, that included the following Exhibits:

Deleted: 2

- | | |
|---|---|
| (A) Financial Statements | (E) State Specific Addenda |
| (B) Franchise Agreement | (F) General Release Form |
| (C) Current and Former Franchisees | (G) Manuals Table of Contents |
| (D) List of State Administrators; Agents for Service of Process | (H) Disclosure Acknowledgment Agreement |
| | (I) State Effective Dates and Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

This copy to be retained by Prospective Franchisee

RECEIPT

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 BAB Ventures Franchising, LLC ("Franchisor") offers you a franchise, Franchisor must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Franchisor or its affiliate in connection with the proposed franchise sale. Iowa and New York require that Franchisor gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor gives 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.

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The franchisor is BAB Ventures Franchising, LLC located at 5485 Bethelview Road, Suite 360-151, Cumming, GA 30040 and 470-239-3694.

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Issuance Date: May [redacted], 2023.

Deleted: 2

The franchise seller involved in offering and selling the franchise to you is: (i) Todd Olson, located at 5640 Shull Street, Suite P, Bell Gardens, CA 90201; or (ii) Sandra Apoian, located at 155 Enterprise Drive, Suite B, Cumming, GA 30040 and 470-239-3694, or is listed below (with address and telephone number) or will be provided to you separately before you sign a franchise agreement:

Deleted: 8401 73rd Avenue North, #48, Brooklyn Park, MN 55428; or (ii) Sandra Apoian, located at 5829 Clarion St.

Franchisor authorizes the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document dated May [redacted], 2023, that included the following Exhibits:

Deleted: 2

- | | |
|---|---|
| (A) Financial Statements | (E) State Specific Addenda |
| (B) Franchise Agreement | (F) General Release Form |
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| (D) List of State Administrators; Agents for Service of Process | (H) Disclosure Acknowledgment Agreement |
| | (I) State Effective Dates and Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

This copy to be returned to BAB Ventures Franchising, LLC

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Page 29: [7] Deleted	Todd Olson	4/24/23 8:10:00 PM