

FRANCHISE DISCLOSURE DOCUMENT

Ringside Development Company
An Arizona Corporation DBA



Bio-One Inc.
5635 N. Scottsdale Rd. Suite 170
Scottsdale, Arizona 85250
800-513-1424
www.BioOneInc.com

The franchise offered is for the establishment and operation of an at-home business providing residential and commercial removal of regulated and non-regulated bio medical waste with additional services such as cleaning, disinfecting and repair of damaged structural areas.

The estimated total investment to begin operations of a Bio-One Inc. franchise is \$51,200 to \$75,150. This includes \$35,000 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of Your franchise agreement and other information in plain English. Read this document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before You can 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 the Franchise Administration Department at 5635 N. Scottsdale Rd. Suite 170, Scottsdale AZ .

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 adviser, for example a lawyer or an accountant.

Buying a franchise is a 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, DC 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.

ISSUING DATE: 5-1-2012

STATE COVER PAGE

Your state may have franchise laws that require a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit "F" for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW OUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO ARBITRATE DISPUTES WITH US AND CONDUCT THE ARBITRATION IN [YOUR STATE]. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN [YOUR COMPANY'S STATE] THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT STATES THAT ARIZONA GOVERNS THE AGREEMENT; AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

NOTE: THE AGREEMENT PROVISIONS REFERRED TO IN THE RISK FACTORS MAY BE VOID UNDER SOME STATE FRANCHISE LAWS AND SOME STATE FRANCHISE LAWS MAY REQUIRE DISCLOSURE OF ADDITIONAL RISK FACTORS. SEE EXHIBIT "G".

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

EFFECTIVE DATE: 5-1-2012

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Item 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Definitions.

To simplify the language in this Disclosure Document, the words “we,” “our,” “us” and “Bio-One” refer to Bio-One Inc., the franchisor of this business. “You” and “your” refer to the person who buys the franchise, whether you are a corporation, limited liability company, or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this disclosure also apply to your owners and will be noted. Our Predecessors and Affiliates

Bio-One LLC is our predecessor and is an affiliate.

Our Names.

We also do business under our corporate name Ringside Development Company, and DBA, BIO-ONE INC (not a corporation), Bio-One LLC, and Bio-One.

Our Address and Agent for Service.

Our principal business address is 5635 N. Scottsdale Rd. Suite 170, Scottsdale AZ 85250. Our agents for service of process are disclosed in Attachment E. The principal business address of our affiliate and of our predecessor is 3370 North Hayden Road, #123 Scottsdale, AZ 85251 .

Our Business Form.

We are an Arizona corporation, organized June 2010.

Our Business and Franchises Offered.

Under the franchise we offer, an at-home business providing residential and commercial removal of regulated bio medical waste with additional services such as cleaning, disinfecting and repair of damaged structural areas after disasters/traumatic events. You may have to compete with other business, including in some cases franchised operations, national chains and independently owned companies offering similar services. You may also encounter competition from other Bio-One Franchises. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, change to laws or regulations, changes in supply and demand, new technologies and competition from internet-based organizations that provide information and some related services or products. Our ability to fulfill our obligations under our Franchise Agreement depends in part on our present and future financial condition. **Bio-One Inc. cannot and does not guarantee your success.** Litigation risk also exist, including future litigation that may not be predicted.

Prior Business Experience

We operate a business of the type being offered.

Our affiliate (and predecessor), Bio-One LLC, has operated a business similar to the business you will be operating since 11-1-2011, located in Scottsdale, Arizona.

This is Our first offering of franchises in any line of business.

Laws Affecting Your Licensed Business

Regulations Specific to the Industry

Most states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your business, including occupational health and safety, labor, licensing and bonding, insurance, and advertising. You may need to obtain a contractor's license, technician certification from the Institute of Inspection Cleaning and Restoration Certification (IICRC). You will receive your B.O.T.S. certification after completion of our training course. Additionally, you may need to obtain other certifications and be a licensed contractor or engineer depending on your local or state requirements. You must investigate and comply with all applicable federal, state, county, and city laws and regulations. **You alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you.**

You should obtain a complete copy of the relevant statutes and regulations of the Federal government and of Your state and discuss them with Your attorney. You should also investigate applicable county and city ordinances and regulations.

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Item 2. Business Experience

President and Chief Executive Officer: *Nick-Anthony Zamucen*

Mr. Zamucen is the founder and creator of Bio-One. He started Bio-One in Arizona in 2008 as a sole-proprietor. He sold his majority share of Bio-One in 2010 while staying on as a member of the Bio-One LLC and consultant for, the majority purchaser owner J. Dyer. Mr. Zamucen now is a 20% owner of Bio-One LLC and has a vested interest in sure Bio-One LLC continues to grow and dominate the Phoenix Valley market place. While his is not in the field working jobs for Bio-One LLC, he has taken on the role of President & CEO of Bio-One Inc. and is fully committed to keeping Bio-One a national leader while growing successful franchises.

In addition, Mr. Zamucen has developed and sold many businesses throughout his successful career. At the age of 21, he bought his first business in Northern California, a carpet cleaning business. Within four years, Mr. Zamucen turned a simple carpet cleaning business into a fully blown apartment reconstruction and development business. Mr. Zamucen also has owned real estate, fitness centers, restaurants, and various crime scene cleaning companies.

Starting, Building, and Operating Successful Business is what Nick-Anthony Zamucen has focused his entire career on.

Vice President of Operations: *Nathan Plett*

Mr. Plett is the majority share owner of Bio-One LLC in the Phoenix Valley. He has a background in Mergers and Acquisitions with one of the most successful and dominating companies in the nation. He has been hired on with Bio-One Inc. to help new franchisee's obtain a current owner's perspective of what's going on in bio recovery industry and how to successfully grow their franchise.

In addition, Mr. Plett graduated cum laude from the University of Arizona attaining a BSBA in economics and entrepreneurship. Before buying Bio-One LLC Phoenix, Mr. Plett played a major role in the development of a solar project based in the southwest. He also was involved in multiple multimillion dollar transactions within his time in the Mergers and Acquisitions world and is a perfect fit to assist in the development of Bio-One franchisees.

Item 3. Litigation

No person previously identified in Items 1 or 2 of this Franchise Disclosure Document has been involved in proceedings in a litigation required to be disclosed in this Item.

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Item 4. Bankruptcy

No person previously identified in Items 1 or 2 of this Franchise Disclosure Document has been involved as a debtor in proceedings under the US Bankruptcy Code required to be disclosed in this Item.

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Item 5. Initial Fees

Initial Fee.

The Initial Fee for the **Bio-One Inc.** franchise is \$35,000 depending on the number of territories selected by franchisee. \$35,000 per franchised territory selected.

Payment of Initial Fee.

A deposit in the amount of \$1000.00 is payable with cashiers check upon signing the **Bio-One Inc.** Application for Franchise. You pay us the remainder by wire transfer or cashiers check in a lump sum franchising fee depending on franchised zone/area population/zones purchased, when you sign the Franchising Agreement for a Bio-One franchise (if state law permits). Otherwise, the franchising fee is uniform.

Refund of Initial Franchise Fee.

If we disapprove Your application for a franchise for any reason before You sign the Franchise Agreement, We will refund Your deposit in full. After We have approved Your Application, We will not refund the Initial Franchise Fee except if, We determine that You have not successfully completed the initial training. If that happens, We will refund one-half of the Initial Fee, less any expenses we incur while assisting in your upstart. We will determine whether You have successfully completed the initial training based upon knowledge, test results and Our observations of Your ability to use the knowledge effectively.

We will refund one-half of the franchise fee, less any expenses we incur, you paid if we terminate the franchise for failure to preform your pre-opening obligations under the Franchise Agreement.

If You choose to not move forward for whatever reason after we have approved your application, You will forfeit all and any monies paid to Us. We do not refund any amounts unless We deem you are unfit for our franchise.

THIS FEE IS NON-REFUNDABLE IF YOU CHOOSE TO TERMINATE AFTER WE'VE APPROVED YOU FOR A FRANCHISE.

Web-page Creation Fee

You pay us a fee of \$0 within 0 days after signing your franchise agreement. We immediately begin operations to create a web-page for the franchise business that meets with our standards and specifications. The fee varies depending on the amount of time and effort we spend creating the web-page.

THIS FEE IS NON-REFUNDABLE.

We do not give refunds under other circumstances. (For further information about termination of the franchise, see ITEM 17)

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Item 6. Other Fees

Type of Fee	Amount	Date Due	Remarks
Royalty Fee	7% of Gross Sales and without offset an amount of \$125.	Payable on the 16 th of every month	If date fall on Sunday or Holiday, payments due following working day. You must pay your royalty fee, marketing fund contribution and Internet Ad. fee directly to us by transfer or check mailed to our offices.
Marketing Fund Contribution	2% of Gross Sales Or offset amount of \$0, whichever is greater	Payable Monthly on 16 th of every quarter or monthly	You pay your marketing fund contributions to us, we'll give you a 30 day notice before increasing required contributions.
Local Advertising	0% of Gross Sales	Payable Monthly on 16 th of every month	You pay local suppliers, subject to our approval. We may require your expenditures to be used in cooperative advertising.
Internet Advertising Program Fee	Up to 0% of Gross Sales	Payable Monthly on 16 th of every month	You pay us for support of an Internet Marketing Program linking your webpage to internet leads. We'll give you a 30 day notice before increasing required contributions.
Additional Equipment (QSP)	Approximately \$19,593.00	Payable to Us within 30 days of the franchise agreement signed	The QSP is most of the necessary tools and supplies you'll need to start and operate your franchise. This is a one time purchase but you may purchase additional items from Us to operate your franchise throughout the life of the contract.
Telephone Directory Advertising	Approximately \$600-\$900	As Invoiced	You are required to place an ad in the "white pages" and "yellow pages". Your cost will vary depending on size, location and type of listing.
Audit Expenses	All cost and expenses associated with an audit, approximately \$1500-\$5000	Upon Demand	Audit costs payable only if the audit shows you have not spent a minimum of 2% on local advertising or if you underpay us amounts owed by 3% or more
Late Fee's	2.5% per month or the highest rate allowed by the state where you are located, whichever is higher	Upon Demand	Applies to all overdue fees you owe us. Also applies to any understated amounts due revealed by an audit.

Approval of Products or Suppliers	All reasonable cost of evaluation, approximately \$500-\$1000	Time of evaluation	You pay us the cost we expend in our evaluation of new suppliers you wish to purchase from or product you wish purchase
Insurance Policies	Amount of unpaid premiums plus our reasonable expenses in obtaining the policy	Upon Demand	Payable to us if you fail to maintain required insurance coverage and we elect to obtain coverage for you
Transfer Fee	\$10,000	At the time of transfer	Payable to us at the time of transfer (If you sell your franchise)
Refurbishment Expense	Not more than \$15,000 during the initial term of the franchise	Every 5 Years	You will be required to update the equipment and your vehicles according to our specifications
System Modification	Not unreasonably disproportionate to your initial investment during the initial term of the franchise	As Required	If we make changes to our system, you must adapt your business to conform to the change. Some examples of change include new equipment, tools, software or new Marks.
Relocation Assistance	Cost of providing relocation assistance	Time of Assistance	If you need our assistance to relocate, you must reimburse our cost to assist you.
Customer Service	All cost incurred in assisting your customers, approximately \$3500-\$7000	Upon Demand	You must reimburse us if we determine it is necessary for us to provide service directly to your customers
Substitute or New Manager Training/Additional Training	Currently \$2000 per person, plus your expense in attending	14 Days Before Course Begins	You must pay your expenses as well as your employee's expenses in attending. Your attendance is not required more than 1 time per 3 years and will not exceed 4 days
Ongoing Training	Currently \$2000	14 Days Before Course Begins	You must pay your expenses as well as your employee's expenses in attending. Your attendance is not required more than 1 time per 3 years and will not exceed 4 days

Additional Operations Assistance	Currently \$700 per day plus our expenses	Time of assistance	We provide assistance for the first 3 months of purchase. You will pay for additional assistance if you request it.
Cost of Enforcement	All Costs Including Attorney's or accountants fees	Upon Demand	You must reimburse us for all costs in enforcing obligations if we prevail
Temporary Management Assistance	Currently \$550 per Day Plus our Expenses	Each month that it Applies	If you breach the Franchise Agreement or following the death or incapacity of an owner of the franchise, we may temporarily manage your franchise business for which you will pay us.
Indemnification	All costs Including Attorney's Fees	Upon Demand	You must defend lawsuits at your own cost and hold us harmless against lawsuits arising from your operation of the franchise business. We also provide indemnification to you for any lawsuits or claims arising from your authorized use of the Marks.

These fees are imposed by and are payable to Us. All fees are non-refundable. We require that all fees payable to us be paid through an electronic depository transfer account. All of the fees noted above are uniform. No other fees or payments are to be to us or an affiliate, nor do we impose or collect any other fees or payments for any other third party unless ordered by the courts. All fees are non-refundable.

Notes Regarding Other Fees:

- "Gross Sales" means all revenue from the franchised business. Gross sales do not include sales tax or use ax.
- We assume costs vary depending on factors, including prevailing auditor's rates in your area, the business activity being audited and how well you keep your books and records. You pay our actual costs only. You should be able to investigate these costs by contacting auditors in your area.
- Late fees begin from the date payment was due, but not received, or date of underpayment.
- Costs Vary depending on the availability of product sampling for testing, shipping cost or travel cost to review the product, the type of product under review, whether the product or supplier has been rated and other similar factors. You pay our actual costs only.
- Costs vary depending on factors, including nature of the complaint, expertise needed and the time involved. You pay our actual cost only.
- You must attend our ongoing training programs. You must pay your cost to attend. We do not charge you an attendance fee. Cost vary on the number of people attending, how

far you travel and the type of accommodations you choose. You should be able to investigate these costs through travel agencies. For further reference, review the estimated cost to attend our initial training program.

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Item 7. Estimated Initial Investment

Notes Regarding Initial Investment:

NOTES

- **Franchise Fee.** The franchise fee and its refund policy are described in greater detail in ITEM 5. We don't make it a practice to finance any fee unless a written agreement exists from or preformed from only Nick-Anthony Zamucen . The \$35,000 fee is the minimum fee offered to franchisees.

- **Real Estate/Storage Unit.** You will operate the franchised business from an office you set up in your or designated managers home. You will also need up to 150 square feet of space to store service tools and equipment. The low estimate of \$0 is based on the assumption that you are able to store the service tools and equipment in an attached garage or other home-based storage area. The high estimate is based on the assumption that you lease a storage unit off site and will pay a security deposit and 2 months rent. It is difficult to estimate lease acquisition cost because of the wide variation in these costs between various locations. Lease costs will vary based upon square footage and cost per square foot. Some lessors may refund the security deposit if you cancel the lease before you occupy the premises.

- **Utility Deposits.** If you lease an off-site unit to store tools and equipment, you may need to pay a deposit to obtain electrical service for the unit. The amount of the deposit and whether a deposit is refundable will vary depending on the local utilities. You should contact your local utilities for more information.

- **Office Equipment/Supplies.** You must purchase general office supplies including stationary, business cards, and typical office equipment. Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers and other factors. We do not know if the amounts you pay for office equipment and supplies are refundable. Factors determining whether office equipment and supplies are refundable typically include the condition of the items at the time of return, level of use and length of time of possession. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

- Service Tools & Equipment. You must purchase from Us our Bio-One franchise “Quick Start Pack”. The minimum fee for our QSP is \$19,593 but a maximum of \$21,889. You will receive broom, mop, buckets, sharps containers, vacuum cleaners, bio recovery suits, plastic face shields, box and carpet cutters, scissors, ozone machine, steam machine, fan, standard tools, and many other tools for the minimum standards of operating the franchise. This fee is NON-REFUNDABLE and is required to be purchased from Us prior to beginning your franchise and is due within 30 days of signing your franchise agreement.

- Computer & Software. Part of the franchise fee paid, we give you an Ipad or similar technology. You must purchase a computer and software/apps necessary for operating the franchised business. Our specification for a computer and software are described in ITEM 11. The amount you pay for a computer and software are typically non-refundable, or if refundable may be subject to a “re-stocking fee”. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

- Webpage Creation. You must pay us a one-time fee to design a webpage for the franchised business that meets our requirements. This fee is non-refundable.

- Training. The cost of the initial training for one person is included in the franchise fee, but you are responsible for transportation and expense for meals and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and type of accommodations you choose. These expenses are typically non-refundable. Before buying airline tickets, hotel, rental car or other reservations, you should inquire on refund policy in the event you need to cancel any reservation.

- Vehicle. You will need a cube or box truck or trailer to accommodate the required equipment and waste. The low estimate is based on an assumption that you own an acceptable late model cube/box truck. The high estimate

represents the estimated cost of the down payment to purchase or lease a cube/box truck. The amounts you pay to lease a cube/box truck are typically non-refundable.

- Signage. This range includes the cost of the vehicle signage for 1 cube/box truck that you will use to operate the franchise. The signage requirements and costs will vary based upon the vehicle sign makers. The amounts you pay are typically non-refundable. You should inquire about the refund policy before the time of purchase.

- Insurance. You must purchase the following types and at minimum the following amounts of insurance:
 1. “all risk” property insurance coverage for assets of the franchised business;
 2. workers compensation insurance and employer liability coverage with a minimum limit of \$100,000 or higher if your state law requires;
 3. comprehension general liability insurance with a liability coverage of \$1,000,000 per occurrence, or higher if your state law requires;
 4. business interruption insurance;
 5. automobile liability insurance of at least \$1,000,000 or higher if your state law requires; and
 6. insurance coverage for contractual indemnity

Factors that may affect your cost of insurance including the size and location of the franchised business, value of inventory, equipment, number of employee’s and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

- Grand Opening. You must spend a minimum amount we specify on grand opening advertising during the first 3 months of operation. We determine the minimum based on our assessment of your advertising costs in your area and the time of year that you are opening. You may choose to spend more. Factors that may affect the cost of advertising are types of media used, size of add, length of add, customer demographics in the surrounding areas, and time of year. You should inquire about refund policies before or at the time of purchase.

- Licenses & Permits. State and local government agencies typically charge a fee for occupancy permits, operating licenses and permits to make improvement to your storage area. In addition to business and operating licenses and permits, you may need to become a licensed contractor or engineer to make repairs to damaged structures. The low estimate represents the cost of standard occupancy permits and operating licenses. The high represents the cost of permits and possible costs to obtain a contractor or engineer license. Your actual cost may vary depending on the state you are in and local government agencies. You should inquire about the cancellation and refund policy of the agencies at or before the time of payment.

- Certifications. You will need to gain certification of B.O.T.S. which you will be granted after successful completion of our training course. The amounts you spend for travel, meals, and lodging vary on accommodations selected.

- Legal & Accounting. You may need to employ an attorney, an accountant and other consultants to assist you in establishing your franchised business. These fees may vary from location to location depending on the prevailing rates of local attorney's, accountants and consultants. These fees are typically non-refundable. You should inquire about refund policies before or at the time of hiring.

- Additional Funds. We recommend that you have a minimum of \$20,000 available to cover operating expenses, including rent, utilities, and employee's salaries for the first 3 months that the franchise business is opened. We cannot guarantee that our

recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically non-refundable.

- Total. In compiling this chart, we relied on our industry knowledge and experience. The amounts shown are estimates only and may vary for many reasons, including the condition of your facility, the capabilities of you and your management team, where you locate your franchised business and your business experience and acumen. You should review these estimates carefully with an accountant or other business adviser before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the franchised business.

Except as described in ITEM 10, we do not offer direct or indirect financing to you for any items.

No Refunds. We will not refund any of the payments You make except as provided in Item 5, above.

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Item 8. Restrictions on Sources of Products and Services

You must purchase from Us or a supplier We approve certain equipment, supplies and inventory necessary to start or operate the Licensed Business. As to other equipment, supplies and inventory, You may purchase them from the vendor(s) of Your choice, but the item(s) must meet Our specifications. We issue specifications in writing and incorporate them in the Manual. These specifications include quality, accuracy, preparation, installation, application, delivery, performance, design and appearance. In some instances, You must purchase items that comply with Our reasonable subjective determination of whether they meet the standards and comport with the Bio-One image. If We have not provided specifications, You may purchase any items that reasonably meet the requirements of the Licensed Business.

In some locations, We will offer franchised Bio-One businesses on a fully equipped basis only. In that case, You must purchase the equipment and the initial inventory from Us or an affiliate or approved vendor. Your cost of equipment and initial inventory will be not more than Our cost for the items on a delivered and installed basis plus a reasonable margin of profit.

You must purchase from Us all items used to start or operate Your business that contain or bear the Marks, that you will gain from your purchase of our QSP as listed in Item 7. We and Our affiliate, are currently the only approved vendors for the initial equipment package. We or our designated vendor(s) will make a wholesale profit consistent with industry standards. All items that You purchase from approved suppliers must meet Our specifications. This includes advertising and marketing materials, forms, and promotional items. In addition, You must purchase the signs used to identify the Licensed Business(s) and Premises from a vendor We approve.

We publish a list of approved vendors and order procedures in the Manual. We may approve other vendors if You request it in writing or if a vendor requests it and if the vendor demonstrates to Our satisfaction that it is financially stable and can provide product(s) or service(s) that meet Our specifications and that are consistent with Our image. We may charge a reasonable fee to cover Our costs in evaluating a proposed vendor. We will give you a good faith estimate of our cost of evaluating a proposed vendor within a reasonable time after you make the request, but before we begin the evaluation process. We will normally make Our decision within sixty days. We reserve the right to disapprove any previously approved vendor whose performance falls below Our standards. We will make any approvals of new vendors or revoke approval of vendors in writing and will incorporate Our decision in the Manual.

During the fiscal year covered by Our Audited Financial Statements (Attachment A), neither We nor our affiliate derived any revenue from vendors based on required purchases or leases by franchisees made in accordance with Our specifications. Because of common industry practices, we expect to receive rebates, discounts and allowances from some vendors with whom you do business. We will place such monies in either the National Marketing Fund or in a separate fund to cover the cost of franchisee conferences and conventions and franchisee incentive programs. We will make a reasonable attempt to administer the funds in a way that is fair and equitable. We anticipate that such rebates, discounts and allowances may range from zero percent to as high as fifteen percent of the amount of your purchase of certain items. We expect the amount and availability to vary from time to time based upon factors outside our control. We will prepare an annual unaudited accounting of the amount of monies received and their application by general category and will provide You with a copy upon written request.

Please review Item 11 for information regarding computer hardware and software You must purchase or license.

Because this is the first time We have offered franchises, Our historic information about how much You will spend on equipment, supplies and inventory from Us or approved vendors is an estimate based upon historic spending for one similar business operated by our affiliate. Thus, We have almost no historic information about how much You will spend on equipment, supplies and inventory that must meet Our specifications.

We may negotiate purchase arrangements with suppliers for Your benefit in the future. Except as described in this Item, We do not currently provide any material benefits to You based upon Your use of designated or approved sources except that You know that We have confidence that the designated or approved vendor can perform to Our specifications.

Your employees and manager(s) must complete certain training programs at Your expense. We have no historic information about how much You will spend on mandatory training programs. See Item 6.

We estimate that Your purchases of goods and services from approved sources will represent approximately 90 to 100% of Your overall purchases in operating the Licensed Business after the initial purchase of Our QSP.

We estimate that Your purchases of goods and services in accordance with specifications will represent approximately 90 to 100% of Your total purchases in connection with establishing Your Licensed Business and approximately 90 to 100% of Your total purchases in connection with operating Your Licensed Business after the initial purchase of Our QSP.

The numbers contained in this Item 8 are Our good faith estimates. We have little historic data from which to derive accurate numbers or percentages. In the interest of providing You with some point of reference, We have provided these estimates. Both We and Our affiliate(s) have the right to make a profit on items You purchase from Us. Any profits would be within the range of standards in the industry for the item(s) in question.

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Item 9. Franchisee's Obligations

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS FRANCHISE DISCLOSURE DOCUMENT.

Obligation	Section in Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Articles 1, 6, 9, 12, 15, 17, Exhibits A, B, & E Exhibit H (if applicable)	Items 5, 8, 9, 11, 12, & 17 Attachment B, Exhibits A, B & E Attachment B, Exhibit H (if applicable)
b. Pre-opening purchases/leases	Articles 1, 6, 7, & 8 Exhibits A, B, C & D Exhibit H (if applicable)	Items 5, 6, 7, 8, 9 & 17 Attachment B, Exhibits A, B, C & D Attachment B, Exhibit H (if applicable)
c. Site development and other pre-opening requirements	Articles 1, 2, 4, 6, 7, 8, 11, 15 & 17, Exhibits A, B, C & D Exhibit H (if applicable)	Items 5, 6, 9, 11, 12 & 17 Attachment B, Exhibits A, B, C & D Attachment B, Exhibit H (if applicable)
d. Initial and ongoing training	Articles 1, 4, 5, 6, 7, 9, 11, 12, 13, 15 & 20	Items 5, 6, 7, 8, 9, 11, 14, 15 & 17
e. Opening	Articles 1, 2, 4, 6, 7, 8, 11, 12, 19, Exhibits A, B, C, D, E, F, G, H (if applicable), I & K	Items 5, 6, 7, 8, 9, 11, 12, 16, 17, 22, Attachment B, Exhibits A, B, C, D, E, F, G, H (if applicable) I & K
f. Fees	Articles 2, 3, 4, 5, 7, 9, 11, 12, 17, 18, 20 & Exhibit G; Exhibit L (if applicable)	Items 5, 6, 7, 8, 9, 10, 17, Attachment B, Exhibit G; Attachment B, Exhibit L (if applicable)
g. Compliance with standards and policies/Operating Manual	Articles 1, 2, 3, 4, 5, 6, 7, 11, 12, 13 & 15 & Exhibits C & D	Items 8, 9, 12, 13, 16, 17, Attachment B, Exhibits C & D
h. Trademarks and proprietary information	Articles 1, 2, 5, 6, 7, 11, 15, 16, 17, 18 (if applicable) & Exhibits A, B, D, F, G, I & L (if applicable)	Items 1, 2, 8, 9, 11, 12, 13, 14, 16, 17, Attachment B, Exhibits A, B, D, F, G, I & L (if applicable)

Obligation	Section in Agreement	Item in Franchise Disclosure Document
i. Restrictions on products/services	Articles 1 & 7 & Exhibit D	Items 1, 8, 9, 12, 13, 14, 16 & 17 & Attachment B, Exhibit D
j. Warranty and customer service requirements	Articles 1, 2, 3, 4, 5, 7, 8 & 15,	Items 1, 8, 9, 12, 13, 14, 15, 16 & 17
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	Articles 4, 5, 7 & 15, Exhibits C & D	Items 6, 8, 9, 16, & 17, Attachment B, Exhibits C & D
m. Maintenance, appearance and remodeling requirements	Articles 1, 6, 7, 9, 11, 12, 15, 16 & 17, Exhibits A, C & D	Items 6, 7, 9, 13, 15, 16 & 17, Attachment B, Exhibits A, C & D
n. Insurance	Articles 8 & 15	Items 7, 9 & 17
o. Marketing	Articles 1, 2, 3, 6, 7, & 15	Items 7, 8, 9, 13, 14, 16, 17 & 18
p. Indemnification	Articles 8, 11 & 15	Items 7, 9 & 17
q. Owner's participation/management/staffing	Articles 4, 5, 7, 11, 13, 15 & 17, Exhibits G & I	Items 7, 8, 9, 12, 13, 15, 16, & 17, Attachment B, Exhibits G & I
r. Records/reports	Articles 3, 7, 8, 12 & 15	Items 8, 9, 15 & 17
s. Inspections/audits	Articles 3, 7, & 15	Items 6, 8, 9, 16 & 17
t. Transfer	Articles 1, 6, 7, 11, 12, 13, 14, 15, 16, 17 & 18 (if applicable)	Items 6, 9, 13, 14 & 17
u. Renewal	Articles 9, 10 & 15	Items 6, 9 & 17
v. Post-termination obligations	Articles 5, 8, 10, 13, 14, 15, 16, 17 & 18 (if applicable)	Items 6, 9, 13, 14 & 17
w. Non-competition covenants	Articles 1, 5, 7, 11, 15, 16 17 & 18 (if applicable)	Items 9, 13, 14 & 17
x. Dispute resolution	Article 19	Items 9 & 17

Item 10. Financing

We may, but are not obligated to in anyway and is our sole option to, finance a portion of your franchise fee. We select purely off our sole digression who we provide financing to, and do not in any way, obligate ourselves to finance any franchisee. The following chart summarizes terms of the financing we may offer. This chart is for illustrative purposes only. We may vary financing terms and conditions at our own digression or simply choose not to provide financing. We do not guarantee your lease notes or other obligations.

Finance Program	Amount Financed	Down Payment	Term	APR	Monthly Payment	Prepay Penalty	Security Required	Liability on Default	Loss of Legal Right on Default
Franchise Fee	Up to \$20,000	Not Less than \$35,000	2-5 yrs	5-10%	24-60 equal monthly installments	None	Assets of Franchise & Personal Guaranty	Acceleration of amounts due	None

Notes

- As described in ITEM 5. the minimum initial franchise fee is \$35,000.

- We may assist creditworthy franchisees in their payment of the franchise fee. We typically finance an amount up to \$20,000 of your fee's depending on your creditworthiness and other similar factors. The financed amount is evidenced by a Promissory Note and is payable over a 2-5 year term of financing. We have no arrangements to make financing available through third party lenders. We have no arrangements to sell, assign or discount to a third party all or part of our franchisee's financing arrangements, however, we may negotiate these arrangements with third parties at a later time at our sole digression without serving notice to you. Also, you may lose defenses against the lender as a result of the sale or assignment.

- Annual interest is payable on the unpaid principle are a rate assigned as a part if the financing arrangement. The applicable interest rate will be stated in the Promissory Note. Interest rates will be assigned based on the amount financed, the term of the loan, state laws assigning a maximum interest rate and other factors. Since we are just beginning to franchise, as of the date of this Disclosure Document, we have not

provided any financing to franchisees and there is no applicable annual percentage rate of interest that we have charged a franchise.

- There is no penalty for prepaying monthly installments or any portion or the entire amount financed before installment payments are due.

- We obtain a Promissory Note from you and all your partners and shareholders for the amount financed. The Promissory Note must be secured by all the assets of the franchised business. We also require you, your partners and shareholders to guarantee the amount financed along with all of your obligations under the Franchise Agreement by signing a guarantee that is the same or similar to the form of Guaranty attached as to the Franchise Agreement.

- If you fail to timely make an installment payment, we will charge a late penalty. We may also require immediate payment of the unpaid balance of the financed amount, terminate the Franchise Agreement and recover from you and your guarantors our costs of enforcing, including attorney's fees and costs.

- Neither you nor we will waive any of our legal rights or remedies in a financing agreement. However, we require you, your partners, and shareholders to sign a guaranty the same as or similar to the form of Unlimited Guaranty. This form of Unlimited Guaranty contains the following waivers that you, your partners and shareholders agree to:
 - A. a waiver of your right to obtain acceptance and notice of our acceptance of the obligations each of you agree to undertake when you sign the Unlimited Guaranty;
 - B. a waiver of the right to receive notice of demand for payment of any indebtedness or non-performance of any obligations guaranteed;
 - C. a waiver of the right to protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations guaranteed;
 - D. a waiver of the right to require that an action be brought against you or any other person as a condition of the guarantor's liability; and

- E. a waiver of the right to any notice or legal or equitable defense each of the guarantors may have.

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Item 11. Franchisor's Assistance, Advertising, Computer Systems and Training

Pre-opening Obligations.

Except as listed below, We are not required to provide You with any assistance.

Obligations before opening, We will:

- A. Before you open your franchise business, we will:
1. If applicable review and approve your lease for an off-site storage unit for the service, equipment and supplies of the franchised business.
 2. Provide you with our criteria for a vehicle, supplies, tools, and equipment necessary for the operation of the franchised business.
 3. Provide you with an initial training program at B.O.T.S. Training School. This is the most comprehensive training you can receive in the Bio Recovery business. This training does not provide you with any contractor or engineer licenses you may need per your states regulation to operate our franchise. **You are responsible to do your due diligent in finding out what is needed to satisfy your states requirements.**
 4. Provide you on-site assistance and guidance to assist you with any questions you may have in operating the franchised business.
 5. Provide to you, on loan, on copy of the Bio-One Inc. Confidential Operations Manual or provide you with access to an electronic copy of the Confidential Operations Manual.

Obligations after opening, We will:

- B. After the opening of the franchised business, we will:
1. Periodically advise you and offer general guidance to you by telephone, email, facsimile, newsletter, and other methods. Our guidance is based on our experience in the field and personal knowledge. We offer you advice and guidance on a variety of business matters, including operations methods, accounting procedures, authorized services or products, marketing and sales strategies.

2. Make period visits to the franchised business to provide you with consultation, assistance, and guidance in various aspects of the operation and management of the franchised business. We may prepare written reports suggesting changes or improvements in the operations of the franchised business and detailing deficiencies that become evident as a result of a visit. If we prepare a report, we may provide you with a copy.
3. Periodically accompany you and/or your employees on job sites, to evaluate your customer service as well as your job performance in various bio related services, or otherwise performing your obligations and duties required under the Franchise Agreement.
4. Make available to you operations assistance and ongoing training as we think necessary.
5. Approve forms of advertising materials you will use for local advertising, grand opening advertising and cooperative advertising.
6. Provide you with modifications to the Confidential Operations Manual as they are made available to franchises.

C. Advertising and Promotions

1. During your first 3 months of operations, you must spend a minimum amount we specify on local advertising and promotion of initial opening (grand opening advertising) including print or news media or direct mailing advertising, dues for business organizations, event dues or other solicitations and promotional efforts. We determine the minimum amount by assessing advertising cost in your area and taking into account the time of year that you are opening. We will provide you with guidance for conducting grand opening advertising, and we will review and approve the materials to you use in your grand opening advertising.
2. Each month you must spend a minimum of 2% of your gross sales on advertising, promotions, and public relations in the local area surrounding the franchised business. You will pay for ads and promotions directly, but we will provide you with general marketing guidance and we will review and approve your advertisements. We will not spend any funds on advertising your franchised business in your area.
3. To assist in our regional and national advertising we have developed a System-wide marketing fund, and you must contribute to the fund. The amount of your contribution to the fund is described in ITEM 6 under the heading "Marketing Fund Contributions." We will administer the marketing fund as follows:

- a. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, internet or other media for advertisements and promotions. We do not guarantee that any particular franchises will benefit directly or in directly in proportion to their contribution from the placement of advertising by marketing fund.
- b. We may use your contributions to meet or reimburse us for any cost of producing, maintaining, administering, and directing consumer advertising (including the cost to prepare conducting television, radio internet, magazine direct mailing, and newspaper advertising campaigns and other public relations activities” hosting internet web page of similar activities: employing advertising agencies to assist therein, providing promotional brochures, conduction market research and providing marketing materials to our franchisee). We will maintain your contributions in a separate from our own funds and we will not use them for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the marketing fund. We will not use marketing fund contributions for the direct solicitation of franchise sales.
- c. We expect to use all contributions in that fiscal year they are given. We will use any interest or other earning of the marketing fund first. We intend for the marketing fund to be perpetual, but we reserve the right to terminate if necessary. We will not terminate the marketing fund until all the contributions and earning have been used for advertising and promotional purposes or we have returned your *pro rata* share.
- d. All Bio-One business owned by us will make similar contributions to the marketing fund as required of franchisors.
- e. We will have an accounting of the marketing fund prepared each year and we will provide you with this accounting per request. We may require that the annual accounting be reviewed or audited and reported on by an independent certified public accountant at the marketing funds expense.
- f. The marketing fund is not a trust and we assume no fiduciary duty in administering the marketing fund.

Since this is our inaugural year of franchising, we have neither acquired nor spent any of the System-wide marketing fund. Except for salaries of marketing personnel employed by Bio-One Inc. No advertising funds were

used for solicitation of new franchisees. See ITEMS 6 and 9 for other advertising information.

4. Although we are not obligated to do so, we may create a cooperative advertising program for the benefit of all Bio-One franchises located in a particular region. We have the right to collect and designate all or portion of the local advertising for cooperative advertising. We will determine the geographic territory and market areas for each cooperative advertising program. You must participate in any cooperative advertising program established in your region.
5. You must list the telephone number for the franchised business in your local telephone directory and advertise your franchise business in the “yellow pages” categories that we specify. You must place the listing together with Bio-One franchisee operating within the distribution area of the directory. For further information on cost, see ITEM 6.
6. You are restricted from establishing a presence on or marketing on the internet without our consent. We have an internet website at the uniform resource locator www.biooneinc.com that provides information about the System and Bio-One franchises. We will create a website for your franchised business and link it to the Bio-One Inc. website. We have also created an internet advertising program which uses search engine optimization for leads. Your franchised business will participate in our advertising program. The amount of the fees is described in ITEM 6. We retain the sole right to approve any linking to, or other use of, the Bio-One Inc. website.

D. Computer/Point-of-Sale System

You must purchase and use any hardware and software program we designate. Presently, we require you to purchase the following hardware and software:

Hardware	Software
Computer with current “Windows Operating System”, Laser or Ink Jet Printer	Quickbooks- (small business version)

The approximate cost for the hardware and software ranges from \$1000 to \$2000. This cost is included in the category of "Computer & Software" in Your Estimated Initial Investment chart in ITEM 7. We have used the above hardware and software since 2010.

You do not have to enter into any ongoing maintenance or support agreements for the maintenance of a computer or the various software programs, but you may find it advantageous to do so. You may periodically be required to update or upgrade computer hardware or software if we believe it's necessary. We may introduce new requirements or modify our specifications and requirements for computer and point of sale systems. There are no limits on our rights to do so. We have the right to independently access all information you collect or compile at any without first notifying you.

E. Methods Used to Select the Location of the Franchised Business

You will establish a franchised business office within your or your designated manager's principle residence. At your option, you may service tools and equipment in a storage area that is on site at the same location as the franchised business office or off-site in a leased storage unit.

F. Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise is 60-90 days. Factors that may affect your beginning operations include ability to securing permits, zoning, licensing, and local ordinance. You must open your franchised business within 150 days after signing your Franchise Agreement.

G. Training

We provide you an initial training program that covers material aspects of the operation of your franchised business. The topics covered are listed in the chart below. This training is offered on an on needed basis in Scottsdale or another location of our choosing. You must designate a manager for the franchise business and he/she must satisfactorily complete in the initial training approximately 4-6 weeks before the opening of your franchised business. One assistant may of your choice attend at your expense. We expect that your attendees will advance through the training program at different rates due to personal background experience. The time frames provided in the chart are an estimate of the time it will take to complete training. We do not charge for 1 person's initial training when opening a new franchised business. If you replace or hire a new man/her for your franchise, he/she must attend training at your expense. You r franchise business must at all times be under the day to day supervision of a designated manager who has satisfactorily completed our training

program and is B.O.T.S. certified. After replacement of the designated manager he/she has 30 days to complete our initial training in Scottsdale AZ and become B.O.T.S. certified.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Sales and Marketing	4	20	USA
Safety Program	8	10	USA
Estimating Pricing	4	4	USA
Product & Equipment Orientation	3	2	USA
Supplier Presentation	1	-	USA
Business Management	4	4	USA
Blood born pathogen	4	4	USA
OSHA compliance	4	4	USA
Q & A	4	-	USA

Training in Scottsdale AZ is done at B.O.T.S. Training School. It is the most respected school in the field of Bio-recovery.

The training will include classroom instruction as well as simulated hands on field experience. Certain segments of the training may vary from the charts due to schedule requirements or prior experience.

You or your designated manager and employees must attend the refresher training course to be conducted in Scottsdale AZ at your expense every 2 years as necessary. These training courses will not exceed 5 days in any calendar year.

Item 12. Territory

You will not receive an exclusive territory unless you purchase additional zones at the time of signing the Franchise Agreement. Upon purchase of a franchise you will receive an exclusive 25 mile zone whereas Bio-One Inc. will not place another franchise in selected zone for at minimum a 12 month term. After 12 months, Bio-One Inc. reserves the right to place an additional franchise in said zone. Existing franchisee may purchase additional zones if no other franchisee currently is operating in said zone. We may establish alternate channels of distribution operating in your area unless purchased outright by your franchised business. If we open additional franchises near yours, they may compete with your franchised business.

You will operate the franchise from a home office. You must receive our written permission before relocating. If you can no longer use the location due to circumstances beyond your control or fault, including destruction of the premises, you may be allowed to relocate. If you attempt to sell your franchise or transfer your interest to a third party, we may use our right to first refusal. You do not have the right to acquire additional franchises within your area but you may apply to purchase additional zones. There is no geographical limitation to solicit business for your franchise and there are no sales quotas.

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Item 13. Trademarks

In addition to Our common law rights to the Mark, we have filed for Principal Register federal registration of the Mark. Our filing date was 4/28/2011; We expect to be granted registration within a year. We are not aware of any opposition to our registration and none has been filed with the United States Patent and Trademark Office.

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no presently active determinations of the Patent Office, the Trade Mark Administrator of any state or any court, any pending interference, opposition or cancellation proceeding or any pending material litigation involving the Marks that is relevant to Your ability to use the Marks in connection with the Licensed Business.

There are no agreements that significantly limit Our rights to use or license You to use the Marks in any manner material to the Licensed Business.

You must inform Us if You become aware of any misuse or misappropriation of the Marks or anything confusingly similar. You may not start any litigation relating to the wrongful use of the Marks without Our prior written approval. We may take whatever action We deem appropriate to protect or defend the Marks or System, but We need not take any action.

If a third party sues You claiming that You are infringing the trademark or trade name of the third party by using the Marks, You must inform Us immediately. We will indemnify You as to that claim only and have the right to control the litigation.

It may become necessary in Our sole discretion, because of trademark litigation, a decision of the Patent and Trademark Office, or otherwise, to change the Marks. In that event, You must immediately adopt the new or revised Marks and Our maximum liability, including for any purported goodwill, is to reimburse You for the actual out-of-pocket costs of changing the principal signs identifying Your Premises.

We do not know of any person claiming or having superior rights to any of the Marks or of any infringing uses of the Marks that could materially affect Your use of the Marks.

Item 14. Patents, Copyrights and Proprietary Information

We do not currently own any patents. We have copyrighted and will continue to copyright the Manual and revisions of all Manuals and Handbooks and construction plans loaned to You, and all training materials We provide or sell to You and Your employees. We have not registered any copyrights, but may in the future.

The Manual(s), the contents of each, and certain other information We will provide to You, including certain recipes and annual reports on marketing funds expenditures, if required, are all confidential trade secrets. All information We provide to You or which You develop in the course of performing under the Franchise Agreement which is not generally available to the public and which a competitor might find valuable are trade secrets. If we designate something as a "Trade Secret", You must treat it as a Trade Secret whether or not it would otherwise meet any definition of "Trade Secret". You are responsible for protecting all trade secrets and You cannot transfer them or sell them to anyone at any time. You must require **Bio-One(s)** and other employees who have access to Trade Secrets to comply with Your obligations under the Franchise Agreement to protect Our Trade Secrets.

No patents are material to the franchise. We own copyrights in the Confidential Operations Manual, our website, our marketing material and other copyrightable items that are part of the System. You may use these items only as we specify while operating the franchised business and you must stop using them if we direct you to do so.

We know of no effective determinations off the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to us or license copyrighted items is not materially limited by any agreement or know infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, sales, and promotion techniques, and now-how, knowledge of, and experience in, operating a Bio-One Business. We will provide our trade secrets and other confidential information to you during training, in the Confidential Operations Manual and as a result of the assistance we furnish you during the term of your franchise. You may only use our trade secrets and confidential information when operating Bio-One. You are responsible for enforcing the confidentiality provisions as to your employees.

All your company offers, manager, employees, stockholders, other owners, and executives will be required to sign nondisclosure and non-competition agreements. We will be a third party beneficiary with the right to enforce those agreements.

Your use of the confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information of the Franchise Agreement following a default is included in ITEM 17.

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Item 15. Obligation to Participate in the Operation of the Franchised Business

The franchised business must always be under the direct, full-time, day-to-day supervision of a designated manager. If you are an individual, you must serve as the designated manager of the franchise. You may not select another person to replace you as the designated manager without our consent. If you are a corporation or other business entity, you will select a designated manager for the franchise and the individual you select must retain a least 20% equity ownership of the corporation or business entity. The designated manager, after our approval, will have to attend our training within 30 days of appointment and must complete the course with satisfactory standards to become B.O.T.S. certified.

If you are a corporation or another business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement.

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Item 16. Restrictions on What the Franchisee May Sell

You must offer the services and products we specify. You may not sell any services or products that we have not authorized and you must discontinued offering any service or products that we may disapprove. We make take action including terminating your franchise if you purchase or sell unapproved products or make purchases from unapproved venders. We may periodically change required or authorized services or products. There are no limits on our right to do so.

Periodically we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences.

We do not place restrictions on you with respect to who may be a customer of your franchised business.

We may change the System or any part of the System at any time, and as changed it will remain the System. We own any improvements or changes in the System whether We, You or other franchisees develop them and have the right to adopt and perfect such improvements or changes without compensating You. If We modify the System, You must, at Your own expense, adopt and use the modification(s) as if they were part of the System at the time You signed the Agreement. There are no restrictions on Our right to modify the types of goods and services You will offer except that We will remain primarily a seller of residential and commercial bio recovery services.

Item 17. Renewal, Termination, Transfer and Dispute Resolution

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

	Provision	Section in Franchise Agreement	Summary
a.	Term of the Franchise	Article 1	10 years.
b.	Renewal or extension of the term	Article 9	If You are in good standing and We continue the franchise system in Your area, We may permit You to renew for another 10 year term under the then-current agreement, which may be materially different than the agreement We are now offering.
c.	Requirements for You to renew or extend	Article 9	Be in good standing with Us, sign new agreement, update or replace and equipment, retain Premises, give 12 months notice and pay a fee of not more than 2/3 of the then-current Initial Fee.
d.	Termination by You	Article 18	At any time; upon 180 days notice; no cause required; sign agreement including general release; and pay an early termination fee determined by Bio-One Inc.
e.	Termination by Franchisor without cause	None	
f.	Termination by Franchisor with cause	Article 15	We may terminate only for cause. We may, in lieu of terminating your franchise, terminate your territorial rights and leave your franchise in full force and effect; however, terminating Your territorial rights does not limit Our rights thereafter to terminate your franchise for the same or a different cause.
g.	"Cause" defined--defaults which can be cured	Article 15	You have 72 hours to cure: failure to pay Us or Our affiliate or another Bio-One franchisee; unauthorized assignment; abandonment (even if unintentional); You become insolvent; failure to pay any taxes before delinquent; sub-licensing of Marks; impasse among owners of Franchise; refusal to permit an audit; violation of any law or rule (including any health codes, rules or regulations); conviction of a felony; failure to operate properly using the Marks; unethical or dishonest business dealings; failure to maintain insurance; failure to timely deliver estoppel certificate; or termination of any other agreement between You and Us for cause. You have 30 days to cure any breach of the Agreement for which the Agreement does not specify a shorter period.

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined--defaults which cannot be cured	Article 15	Non-curable defaults: repeated defaults, even if cured; You are adjudged bankrupt; assignment for benefit of creditors; abandonment of business; convicted or plead guilty to violating law relating to Licensed Business.
i.	Your obligations on termination/non-renewal	Articles 16 & 17	No further use of Marks, telephone numbers, telephone listings, computer software, trade secrets or the Manual; certain notification obligations; payment of sums due to Us; We have option to lease or assume lease for Your Premises; sign document(s) to transfer telephone numbers; continuing royalties on pending sales, if any; and We have option to purchase any part of Your business assets. If We elect to assume Your lease and to operate a Bio-One business from Your Premises, You must cooperate in a changeover procedure, including notifying the landlord of the change of tenant, conducting an inventory, permitting Us to use Your furniture, fixtures and equipment for up to 60 days, and permitting Us to communicate directly with Your employees, vendors and customers in order to facilitate a smooth transition.
j.	Assignment of contract by Franchisor	Articles 12, 14 & 21	No restriction on Our right to assign except that if Our assignee assumes all of Our obligations to You then We are free of further liability to You.
k.	"Transfer" by You--definition	Articles 11, 12, 13 & 14	Includes any assignment, transfer, sale, sublease or encumbrance of the Agreement, the Franchise, the assets of Your business, the Premises, or of any ownership interest in the Franchisee if You are a corporation, partnership or limited liability company or other form of Entity.
l.	Franchisor's approval of transfer by franchisee	Articles 11, 12, 13 & 14	Franchisor has the right to approve or disapprove all transfers.
m.	Conditions for Franchisor's approval of transfer	Articles 11, 12, 13 & 14	You are current in all fees to Us; You are not in material breach of the Agreement; You have paid all debts of Your business; new Franchisee signs release of claims against Us for representations You made; You sign a mutual termination and release of the Agreement; We receive transfer fee (\$10,000); new Franchisee signs the then-current form of Agreement (except preserving Your financial terms for balance of Your term); new Franchisee qualifies; new Franchisee successfully completes initial training program; new Franchisee obtains rights to Your Premises lease, if applicable; and We receive 30 day right of first refusal. The fee to transfer to an entity with identical ownership is \$500.
n.	Franchisor's right of first refusal to acquire Your business	Article 12 & 17	We may match any offer for Your business.

	Provision	Section in Franchise Agreement	Summary
o.	Franchisor's option to purchase Your business	Article 17	On termination, We may purchase any part of Your business at the fair market value of the tangible personal property purchased.
p.	Your death or disability	Articles 12 & 13	Your heirs or personal representative must, within 90 days, either (i) request the right to continue to operate the business, subject to Article 13 of the Agreement except that no transfer fee will be payable, or (ii) sell the Licensed Business to a third party, subject to Article 13 of the Agreement. If We deny a request to continue to operate the business, the 90 days to sell begins on the date of Our denial. The same applies if You become disabled as defined in Article 14 of the Agreement.
q.	Non-competition covenants during the term of the franchise	Article 16	No involvement in any competing business anywhere.
r.	Non-competition covenants after the franchise is terminated or expires	Articles 16 & 18 (if applicable)	For 36 months, You must not compete with Us within 100 miles of the boundaries of Your Territory, or within 100 miles of Bio-One Business, solicit or divert any of Our customers or vendors or customers or vendors of any other franchisee, disclose any trade secrets, or solicit or hire any of Our employees, former employees or franchisees. For 36 months, You will not be employed by or in business with any person or entity that does any of those things.
s.	Modification of the agreement	Article 21	Only by written agreement; We may modify Manual at any time.
t.	Integration/merger clause	Article 21	Only the terms of the Agreement are binding (subject to state law). Any other promises or agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Article 19	Except for actions for the sole purpose of collecting unpaid monies, including franchise fees, royalties or Marketing Fees or to enforce trademark or trade secret rights and covenants against competition, We will settle all disputes with You by Arbitration, which will only occur after the parties try informally to resolve the dispute and participate in mediation.
v.	Choice of forum	Articles 19 & 21	Litigation or arbitration must be in the state of Arizona, the courts located in Maricopa County,
w.	Choice of law	Article 21	Subject to state law, Arizona law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act. 15 U.S.C. Sec. 1051 et seq.) and disputes over copyrights will be governed by federal copyright laws of the United States.

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Item 18. Public Figures

We do not currently use any public figure other to promote Our franchise.

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Item 19. 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 actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to Nick-Anthony Zamucen immediately at 800-513-1424 ext 110 or mail complaint to 5635 N. Scottsdale Rd. Suite 170, Scottsdale AZ 85250 or at the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. Outlets and Franchisee Information

System-wide Outlet Summary

For years 2010 to 2012

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2009-2011

Outlet Type	Year	Outlet at the Start of the Year	Outlet at the End of the Year	Net Change
Franchised	2010	1	1	0
	2011	1	1	0
	2012	2	8	7
Company-Owned	2010	0	0	0
	2011	0	0	0
	2012	0	0	0
Total Outlets	2010	1	1	0
	2011	1	1	2
	2012	7	8	7

Projected Openings As of December 31, 2012

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Fiscal Year
CA	0	4	0
WA	0	3	0
OR	0	4	0
AZ	0	0	0
TX	0	7	0
NM	0	3	0
CO	0	5	0
UT	0	4	0

Item 21. Financial Statements

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 actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to Nick-Anthony Zamucen immediately at 800-513-1424 or mail complaint to 5635 N. Scottsdale Rd. Suite 170, Scottsdale AZ 85250 or at the Federal Trade Commission, and the appropriate state regulatory agencies.

Bio-One Inc. is in its inaugural year selling franchise we will phase-in the disclosure of audited financial statements in this manor:

- Prepare audited financial statements as soon as practicable.
- Prepare unaudited statements in a format that conforms as closely as possible to audited statements.

Item 22. Contracts

We urge You to read all of the contracts and agreements carefully. This Franchise Disclosure Document cannot possibly contain all of the terms of the various agreements. It is important that You understand all of those terms. We have attached the following contracts and agreements:

Attachment B - Franchise Agreement

with:

- Exhibit A, Location of Licensed Business;
- Exhibit B, Territory;
- Exhibit C, Required Equipment;
- Exhibit D, Items Pursuant to Specifications
- Exhibit E, Lease Conditional Assignment Agreement
- Exhibit F, Assignment of Telephone Numbers
- Exhibit G, Personal Guaranty
- Exhibit H, Master Lease (if applicable)
- Exhibit I, Trade Secrets and Confidentiality Agreement
- Exhibit J, Mutual Termination and Release Agreement
- Exhibit K, Consent, Waiver and Release for Training
- Exhibit L, Release from Continuing Obligations
- Exhibit M, Confidentiality Agreement—Additional Information
- Exhibit N, Conversion Addendum

Item 23. Receipt

A receipt for this Franchise Disclosure Document is attached at the end of this document. You must remove one copy, sign it and return it to Us.

FRANCHISE DISCLOSURE DOCUMENT

ATTACHMENTS

Attachment A – Location of Licensed Business

5635 N. Scottsdale Rd. Suite 170, Scottsdale AZ 85250

Attachment B – Franchise Agreement

SEE FRANCHISE AGREEMENT

Attachment C – List of Current and Former Franchisees

Nathan Plett	(602) 622-6586
Jeff Radcliff	(303) 725-8892
John Bland	(937) 546-1752
Ben Loyd	(951) 581-2026
Reggie Manuel	(601) 985-7100
James Weigan	(267) 970-2704
Keith Capolino	(845) 464-7622

Attachment D – Manual Table of Contents

BIO-ONE INC.

OPERATIONS MANUAL

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Attachment E – Agents for Service of Process

Registered Agents

Franchisor's agents for service of process are as follows:

California:

Commissioner of Corporations
1390 Market Street
Suite 800
San Francisco, California 94102

Connecticut:

Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, CT 06103

Delaware:

Mr. Richard H. (Rick) Bell, President
Harvard Business Services, Inc.
25 Greystone Manor
Lewes, Delaware, 19958-9776

Florida:

Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, FL 32314-6700

Hawaii:

Business Registration Division
Department of Commerce and Consumer Affairs
1010 Richards Street
Honolulu, HI 96813

Illinois:

Illinois Attorney General
Office of Attorney General
500 S Second
Springfield, IL 92796

Indiana:

Indiana Secretary of State
201 State House
Indianapolis, IN 46204

Iowa:

Director of Regulated Industries Unit
Iowa Securities Bureau
340 Maple
Des Moines, IA 50319-0066

Maryland:

Maryland Securities Commissioner
200 St. Paul Place, 20th Floor
Baltimore, MD 21202-2020

Michigan:

Franchise Administrator
Michigan Department of Attorney General
670 Law Building
Lansing, MI 48913

Minnesota:

Minnesota Commissioner of Commerce
133 East Seventh Street
St. Paul, MN 55101

Nebraska:

Department of Banking & Finance
1200 N Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509

New York:

New York Secretary of State
41 State Street
Albany, NY

North Dakota:

Franchise Examiner
Office of Securities Commissioner
600 East Boulevard, Fifth Floor
Bismarck, ND 58505

Oregon:

Director
Department of Consumer and Business
Services
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310

Rhode Island:

Chief Securities Examiner
Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota:

Franchise Administrator
Division of Securities
118 West Capitol
Pierre, SD 57501

Attachment E – Agents for Service of Process

Texas:

Secretary of State
P.O. Box 12887
Austin, TX 78711

Virginia:

Clerk
State Corporation Commission
1300 E Main Street, 1st Floor
Richmond, VA 23219

Washington:

Director
Department of Financial Institutions
Securities Division
PO Box 9033
Olympia, WA 98507-9033

Wisconsin:

Franchise Administrator
Division of Securities
Department of Financial Institutions
PO Box 1768
Madison, WI 53701

State Agencies

The State agencies involved with franchising are as follows:

California:

Commissioner of Corporations
1515 K Street, Suite 200
Sacramento, California 95814-4052

Connecticut:

Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800

Florida:

Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, FL 32314-6700

Hawaii:

Business Registration Division
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, HI 96810

Illinois:

Illinois Attorney General
Office of Attorney General
500 S Second
Springfield, IL 92796

Indiana:

Franchise Section
Secretary of State
302 West Washington Street
Indianapolis, IN 46204

Iowa:

Director of Regulated Industries Unit
Iowa Securities Bureau
340 East Maple
Des Moines, IA 50319-0066

Maryland:

Office of the Attorney General
Securities Division
200 St. Paul Place, 20th Floor
Baltimore, MD 21202-2020

Michigan:

Franchise Administrator
Michigan Department of Attorney General
670 Law Building
Lansing, MI 48913

Minnesota:

Franchise Examiner
Minnesota Department of Commerce
133 East Seventh Street
St. Paul, MN 55101

Nebraska:

Department of Banking and Finance
1200 N Street, Suite 311
PO Box 95006
Lincoln, NE 68509

New York:

Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

North Dakota:

Franchise Examiner
Office of Securities Commissioner
600 East Boulevard, Fifth Floor
Bismarck, ND 58505

Oregon:

Director
Department of Consumer and Business Services
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310

Rhode Island:

Chief Securities Examiner
Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota:

Franchise Administrator
Division of Securities
118 West Capitol
Pierre, SD 57501

Texas:

Statutory Document Section
PO Box 12887
Austin, TX 78711

Utah:

Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
PO Box 45804
Salt Lake City UT 84145-0804

Virginia:

State Corporations Commission
Division of Securities and Retail Franchising
1300 E Main Street, 9th Floor
Richmond, VA 23219

Washington:

Director
Department of Financial Institutions
Securities Division
PO Box 9033
Olympia, WA 98507-9033

Wisconsin:

Franchise Administrator
Division of Securities
Department of Financial Institutions
PO Box 1768
Madison, WI 53701

The Address of the United States Federal Trade Commission is:

Federal Trade Commission
Washington, D.C. 20580

Attachment G – State Law

Addendum for State-Specific Requirements

General

These states have statutes which may supersede the franchise agreement in your relationship with Us including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e *et seq.*], DELAWARE [Code, Tit. 6, Chap. 25, Section 2551 *et seq.*], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1 – 523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the franchise agreement in your relationship with Us including the areas of termination and renewal of your franchise.

Some states have statutes that limit Our ability to restrict your activity after the franchise agreement has ended. Other states have court decisions limiting Our ability to restrict your activity after the franchise agreement has ended.

A provision in the franchise agreement that terminates the franchise upon your bankruptcy may not be enforceable under Title 11, United States Code.

California Addendum

(Applies only to California franchisees)

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

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER, BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT. 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 FRANCHISE DISCLOSURE DOCUMENT.

Neither We nor any person identified in Item 2 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 the persons from membership in that association or exchange.

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER BY THE PERSON ACQUIRING A FRANCHISE OF CERTAIN RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF CERTAIN RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Attachment G – State Law

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

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

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

You must resolve disputes through binding arbitration. The arbitration will occur at Wayne, New Jersey, USA, with the costs of arbitration being borne equally by the parties. Each party will bear its own expenses, including attorney's fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, We will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

If your Licensed Business will be in California, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Hawaii Addendum

(Applies only to Hawaii franchisees)

If your Licensed Business will be in Hawaii, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Illinois Addendum

(Applies only to Illinois franchisees)

The receipt and the Franchise Agreement are both amended to provide that We must provide the Franchise Disclosure Document to You at least fourteen calendar days before You sign any binding contract or give us any money.

The Illinois Franchise Disclosure Act, Section 4, prohibits any agreement that specifies jurisdiction or venue of any lawsuit in a place outside of the state of Illinois. The Act does permit agreements to require you to arbitrate outside the state of Illinois. The Act prohibits choice of law provisions that would require the application of any laws except the laws of the state of Illinois (Section 41). You cannot waive any of your rights given to you by the Illinois Franchise Disclosure Act (Section 41). You may have other rights under the Illinois Franchise Disclosure Act or other laws of the state of Illinois. To the extent that the

Attachment G – State Law

Franchise Agreement is inconsistent with Illinois law, the inconsistent terms of the Franchise Agreement will not be enforced and the terms of the applicable Illinois law shall apply.

Indiana Addendum

(Applies only to Indiana franchisees)

Indiana law prohibits requiring you to prospectively agree to a release or waiver which purports to relieve any person from liability imposed by the Indiana Franchise Practices Act (IC 23-2-2.7(5)). The Franchise Agreement shall be deemed amended to the extent necessary to comply with IC 23-2-2.7(5).

Indiana law limits the parties agreement to resolve disputes in any jurisdiction outside of Indiana (IC 23-2-2.7(10)). Subject to the Federal Arbitration Act, the Franchise Agreement shall be deemed amended and the forum for any court proceedings shall be in Indiana.

Maryland Addendum

(Applies only to Maryland franchisees)

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16L, provides that, as a condition of the sale of a franchise, We may not require you to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law. Item 17 of the Franchise Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Franchise Disclosure Document shall be deemed amended so that no release, assignment, novation, waiver or estoppel is required if it would violate the Maryland Franchise Registration and Disclosure Law. Nothing in the franchise agreement, including any acknowledgments or representations, shall be deemed a release or waiver of any right or obligation under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

If you are a resident of Maryland or your Licensed Business will be in Maryland, You will not pay your Initial Fee or any other money to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Item 17 of the Franchise Disclosure Document and Article 19 of the Franchise Agreement are amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Attachment G – State Law

Article 19 of the Franchise Agreement is amended to provide as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland. Item 17 is hereby amended by adding the identical language in the “summary” column of line v.

Minnesota Addendum

(Applies only to Minnesota franchisees)

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. §80C.214, Subds. 3, 4, and 5 which require, except in certain specified cases, that We give you 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the franchise agreement.

We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name, to the extent required by Minn. Stat. §80C.12, Subd. 1(g).

To the extent governed by Minn. Rule 2860.4400J, you shall not be deemed to have waived any rights under Minnesota law. You shall not be deemed to have consented to Us obtaining injunctive relief, although We may seek injunctive relief. A Court or the arbitrators shall determine whether to require a bond as a condition of injunctive relief.

If your Licensed Business will be in Minnesota, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

New York Addendum

(Applies only to New York franchisees)

Item 3 is amended to read as follows:

Neither We nor any person identified in Item 2 above have any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against us alleging a violation of any franchise law, antitrust or securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither We nor any person identified in Item 2 above have been convicted of a felony or pleaded *nolo contendere* to any felony charge or during the 10 year period immediately preceding the date of this Franchise Disclosure Document, been convicted of or pleaded *nolo contendere* to a misdemeanor charge been held liable in any other civil action by final judgment or been the subject of any other material complaint or other legal proceeding where such felony, misdemeanor civil action, complaint or other legal proceeding involved violation of any franchise law, antifraud or securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Attachment G – State Law

Neither We nor any person identified in Item 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise 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 by 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.

Item 4 is amended to read as follows:

During the 10 year period immediately preceding the date of the Franchise Disclosure Document neither We nor any predecessor, affiliate, current officer or general partner of Us has been the subject of a bankruptcy proceeding, been adjudged bankrupt or reorganized due to insolvency or been a principal officer of a company or a general partner of a partnership at or within one year of the time that such company or partnership became the subject of a bankruptcy proceeding or was adjudged bankrupt or reorganized due to insolvency or is subject to any such pending bankruptcy or reorganization proceeding.

Item 5 is amended by adding the following: We will use the Initial Fee for the purposes of covering the costs of selling the franchise and other franchises, for your initial training, for general overhead and for profit.

Item 12 is amended by adding the following: Although We will consider many factors in determining the boundaries of your Marketing Area, it will contain a population of not less than 25,000 people.

Item 17 is amended by changing the caption and preliminary statement to read as follows:

Item 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 17 D is amended by adding the following: You may terminate the agreement on any grounds available by law.

Item 17 J is amended by adding the following: We will only assign to an assignee who in Our good faith judgment is willing and able to assume Our obligations.

North Dakota Addendum

(Applies only to North Dakota franchisees)

Under North Dakota law, no modification or change We make to the Manual or method of operation may materially affect your status, rights or obligations under the Franchise Agreement.

Covenants not to compete are considered unenforceable in the State of North Dakota.

Under North Dakota law, a requirement that you consent to liquidated damages or termination penalties in the event of termination of the franchise agreement is considered unenforceable.

The North Dakota Franchise Investment Law (Section 51-19-09) requires that the laws of North Dakota, which laws will prevail, will govern the Franchise Agreement. Further, North Dakota law requires that all issues or disagreements relating to the Franchise Agreement will be arbitrated, tried, heard and decided within the jurisdiction of courts in the state of North Dakota.

Attachment G – State Law

Under the North Dakota Franchise Investment Law (Section 51-19-09), a North Dakota franchisee may not be required to execute a general release upon renewal of the Franchise Agreement.

Rhode Island Addendum

(Applies only to Rhode Island franchisees)

Item 17 is amended by adding the following: Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

If your Licensed Business will be in Rhode Island, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

South Dakota Addendum

(Applies only to South Dakota franchisees)

Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.

In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing law of the state where the franchise is located.

Any provision of the franchise agreement which requires you to agree to jurisdiction and venue outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Notwithstanding any term of the franchise agreement, We not terminate the franchise agreement upon default without first affording you thirty (30) days notice with an opportunity to cure the default within that time.

To the extent required by South Dakota law, all provisions giving any party a right to liquidated damages are hereby deleted from the franchise agreement and the parties shall be entitled to their actual damages instead.

Attachment G – State Law

Virginia Addendum

(Applies only to Virginia franchisees)

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Washington Addendum

(Applies only to Washington franchisees)

If any of the provisions in the Franchise Disclosure Document or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document and franchise agreement with regard to any franchise sold in Washington. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

Initial Fees of new Washington franchisees are held in an escrow account until the franchisee's business is open.

The state law addendum, above, if applicable, is a part of the Franchise Agreement and supersedes any inconsistent term(s) of the Franchise Agreement

Attachment G - State Law Addendum

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year indicated below.

Dated: _____ [effective date]

Date signed: _____

FRANCHISOR:
Bio-One Inc.

FRANCHISEE:

By _____
CEO Nick Zamucen

Franchisee

Address: _____

Phone: _____

5635 N. Scottsdale Rd. Suite 170
Scottsdale AZ 85250

Attachment H – Effective Dates

Attachment I – Franchise Application

Date: _____

APPLICATION FOR AN Bio-One Inc. FRANCHISE (US)

I/We _____

of _____
hereby submit an application to Bio-One Inc. 5635 N. Scottsdale Rd. Suite 170, Scottsdale AZ 85250, Gilbert Arizona 85297 for a Bio-One Inc. Franchise:

Our Bio-One Franchise is to be located in:

_____, in the state of _____ (the "State"). This application once submitted is subject to the following terms and conditions:

1. Initial Franchise Fee for this franchise is **\$35,000.00** payable in cash/cashier's check as follows:
 - a. **One Thousand Dollars (\$1,000)** deposit (non refundable, except as set forth in Paragraph 2 below) Payable to Bio-One upon submitting this Application.
 - b. **Thirty Four Thousand Dollars (\$34,000.00)** is due and payable to Bio-One Inc. within seven (7) days of notification that my/our application has been approved. At such time, I/we will execute the Bio-One Franchise Agreement and appropriate Exhibits.
2. If my/our Application is disapproved by Bio-One Inc., the \$1,000 deposit will be refunded within 30 days.
3. I/we acknowledge that I/we have, at least fourteen calendar days, prior to the signing of this Application Agreement, received Bio-One's current form of Franchise Disclosure Document applicable to the State. I/we understand that a completed form of the Franchise Agreement will be provided at least five business days prior to signing the Franchise Agreement, and that all other terms are to be in accordance with it.
4. I/we have submitted a completed Confidential Qualification Report, including a completed Individual Financial Statement on Bio-One's form and I/we hereby authorize Bio-One to conduct an investigation of my/our background(s) to verify the information submitted.
5. I/we acknowledge and understand that submission of this application does not bind or obligate Bio-One Inc. to issue a Bio-One Franchise to me/us.

(Signature)

(Signature)

Applicant (Print Name)

Applicant (Print Name)

RECEIPT

[Retain This Copy For Your Records]

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all Exhibits carefully.

If Bio-One offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Bio-One 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, C.C. 20580 and [state agency].

I have received a Franchise Disclosure Document,
Effective Date _____.

This disclosure document includes the following Attachments:

- A. Locations
- B. Franchise Agreement
- C. List of Current and Former Franchisees
- D. Manual Table of Contents
- E. Agents For Service of Process
- F. State Agencies
- G. State Law Addendum
- H. Effective Dates
- I. Application for Franchise

Date: _____

Signature

Printed Name

Address

City State Zip

RECEIPT

[Return This Copy To Us]

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all Exhibits carefully.

If Bio-One offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Bio-One 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, C.C. 20580 and [state agency].

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- F. State Agencies
- G. State Law Addendum
- H. Effective Dates
- I. Application for Franchise

Date: _____

Signature

Printed Name

Address

City State Zip