

## FRANCHISE DISCLOSURE DOCUMENT



AdvantaClean Systems, Inc. A North Carolina Corporation 107 Parr Drive Huntersville, North Carolina 28078 Phone: (877) 800-2382

Email: franchise@advantaclean.com Website: www.advantacleanfranchise.com

Our franchise involves a method for the operation, marketing, promotion, advertising and managing of an AdvantaClean franchised business that offers and sells certain environmental services, which Franchisor approves and may modify from time to time, to residential and commercial properties utilizing Franchisor's proprietary marks and operating system (a "Franchised Business").

The total investment necessary to begin operation of an AdvantaClean Franchised Business is \$124,800 – \$226,223 which includes \$66,500 - \$110,523 that must be paid to Franchisor or its affiliates, which includes (i) an Initial Franchise Fee of to \$49,000 which is paid to Us at the time you sign the Franchise Agreement, (ii) an Opening Assistance Fee of \$7,500, (iii) a Sandler Training Fee of \$3,000, (iv) a cargo trailer in the amount of \$7,000 and a Supplies, Equipment and Inventory Package fee of \$44,023.

Franchisor also offers qualified parties the right to enter into multiple franchise agreements at once and subsequently operate multiple Franchised Businesses at one time within a larger geographical area (the "Multi-Unit Offering"). Under the Multi-Unit Offering, each Franchised Business is governed by the terms of its own respective franchise agreement, as well as a multi-unit addendum containing additional terms and conditions with respect to the operation of all the Franchised Businesses that are opened as part of the Multi-Unit Offering (the "Multi-Unit Addendum").

The total initial investment necessary to begin operation of multiple Franchised Businesses as part of our Multi-Unit Offering depends on the number of Franchised Businesses we grant you the right to open, which will typically range from two (2) to three (3) businesses. By way of example, the total initial investment to operate three (3) Franchised Businesses is \$189,800 – \$306,819, which includes: (i) a multi-unit fee of \$113,000 which is paid to Us at the time you sign the Franchise Agreement; (ii) an Opening Assistance Fee of \$7,500, (iii) a Sandler Training Fee of \$3,000, (iv) a cargo trailer in the amount of \$7,000 and a Supplies, Equipment and Inventory Package fee of \$60,619.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental 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 AdvantaClean Systems Home Office at 107 Parr Drive, Huntersville, North Carolina 28078 or call (877) 800-2382.



The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like 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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

The Issue Date of this disclosure document is April 27, 2016.



## **State Cover Page**

Your state may have a franchise law that requires 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 A 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 YOUR 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 AND MULTI-UNIT ADDENDUM PERMIT YOU TO SUE US ONLY IN THE STATE OF NORTH CAROLINA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO SUE US IN NORTH CAROLINA THAN IN YOUR HOME STATE.
- THE FRANCHISE AGREEMENT AND MULTI-UNIT ADDENDUM STATE THAT NORTH CAROLINA LAW
  GOVERNS THESE AGREEMENTS. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS
  AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- SOME STATES HAVE LICENSING REQUIREMENTS PERTAINING TO CERTAIN ASPECTS OF THIS INDUSTRY
  THAT MAY REQUIRE A FEE, AN EXAMINATION, OR OTHER REQUIREMENTS BEFORE YOU CAN LEGALLY
  PERFORM THE SERVICES DESCRIBED IN THIS OFFERING.
- 4. IF THE FRANCHISEE IS A BUSINESS ENTITY, EACH INDIVIDUAL OWNING AN INTEREST IN THE FRANCHISEE ENTITY AND THEIR RESPECTIVE SPOUSES MUST EXECUTE A PERSONAL GUARANTY. THIS PLACES THE PERSONAL ASSETS OF EACH FRANCHISE OWNER AND THEIR SPOUSE AT RISK.
- 5. YOU DO NOT RECEIVE AN EXCLUSIVE TERRITORY UNDER THE FRANCHISE AGREEMENT AND YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OF COMPETITIVE BRANDS WE OWN. DURING THE TERM OF THE FRANCHISE AGREEMENT, HOWEVER, WE WILL NOT OPEN, OR LICENSE A THIRD PARTY THE RIGHT TO OPEN, A FRANCHISED BUSINESS WITHIN YOUR TERRITORY.
- 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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.

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