

FRANCHISE DISCLOSURE DOCUMENT



Bar-B-Clean Franchising, Inc. a California corporation 5390 Los Monteros Yorba Linda, California 92887 Phone: 888-551-8690 Fax: 949-461-1290 Email: bryan@bar-b-clean.com www.bar-b-clean.com

Cleaning · Servicing · Looks Better · Tastes Better · Healthier

Bar-B-Clean franchisees operate mobile businesses that clean and service barbecues for residential and commercial customers within a specific geographic area ("<u>Bar-B-Clean Business(es)</u>").

The total investment necessary to begin operation of a Bar-B-Clean franchised business is between \$36,950 and \$50,070. This includes \$33,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a franchise operating two Bar-B-Clean franchised businesses is between \$68,900 and \$95,140. This includes \$61,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a franchise operating three Bar-B-Clean franchised businesses is between \$75,850 and \$115,210. This includes \$64,000 that must be paid to the franchise operating four Bar-B-Clean franchised businesses is between \$75,850 and \$115,210. This includes \$64,000 that must be paid to the franchise operating four Bar-B-Clean franchised businesses is between \$102,800 and \$155,280. This includes \$87,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Multi-5 Franchise operating five Bar-B-Clean franchised businesses is between \$109,750 and \$175,350. This includes \$90,000 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement 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 Bryan Weinstein at 5390 Los Monteros, Yorba Linda, California 92887, 888-551-8690 or bryan@bar-b-clean.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, 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-FTCHELP, 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.





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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 <u>Exhibit D</u> 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE PRINCIPAL CITY CLOSEST TO OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY YORBA LINDA, CALIFORNIA.) BEFORE BRINGING LITIGATION YOU ARE REQUIRED TO ENGAGE IN NON-BINDING MEDIATION IN CALIFORNIA. IT MAY COST YOU MORE TO MEDIATE AND TO LITIGATE IN CALIFORNIA THAN IN YOUR HOME STATE.
- 2. THERE ARE FINANCIAL AND LEGAL RISKS TO ALL BUSINESS EFFORTS, INCLUDING THIS FRANCHISE. TAKE YOUR TIME TO DECIDE. YOU MAY FIND IT USEFUL TO REVIEW THIS DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT AND OTHER EXHIBITS WITH YOUR OWN ACCOUNTING, FINANCIAL AND LEGAL ADVISORS.
- 3. YOUR SPOUSE MUST SIGN A DOCUMENT, SUCH AS A GUARANTEE, THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHISE BUSINESS. IF YOU LIVE IN A COMMUNITY PROPERTY STATE, YOUR SPOUSE MAY BE LIABLE FOR YOUR FINANCIAL OBLIGATIONS EVEN IF HE OR SHE HASN'T SIGNED ANYTHING. IN EITHER CASE, BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.
- 4. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 is <u>our</u> agent and 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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