

## FRANCHISE DISCLOSURE DOCUMENT

DEPT OF CORPORATIONS
SUBFRANCHISOR/AREA OPERASON FRANCISCO



CLEANNET OF SOUTHERN CALIFORNIA, INC. 10350 Heritage Park Drive, Suize 1 SEP 10 Alo:43 Santa Fe Springs, California 90670 (562) 941-6600 jgerbus@cleannetusa.com

## FRANCHISOR:

CLEANNET U.S.A, INC. 2010 Corporate Ridge, Suite 700 McLean, VA 22102 (800) 735-8838 elugo@cleannetusa.com www.cleannetusa.com

As a CleanNet® franchisee, you will open and operate an independent commercial cleaning business that specializes in janitorial services and building maintenance and related services.

The total investment necessary to begin operation of an independent CleanNet franchised business ranges from \$9,755 to \$97,950. This includes an initial fee that must be paid to the subfranchisor that ranges from \$6,050 to \$83,000, depending on the franchise package that you choose. This estimate does not include any real estate costs.

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, 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.** 

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is 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 ("FTC"). 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 <a href="www.ftc.gov">www.ftc.gov</a> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: March 23, 2012, as amended August 1, September 7, 2012



## STATE COVER PAGE

Your state may have a franchise law that requires the 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 C 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 FACTOR before you buy this franchise:

THERE MAY BE RISKS CONCERNING THIS FRANCHISE.

California Effective Date:	April 6, 2012, as amended August 8, 2012	
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	Monthly Gross	Initial Franchise	10% Cash	Down Payment If	Financed	36-Months Payment
Package	Billings	Fee	Discount	Financed	Amount	Amount
<u>P-18XE</u>	<u>\$1,500</u>	<u>\$7,050</u>	<u>\$6,345</u>	<u>\$2,950</u>	<u>\$4,100</u>	<u>\$130.38</u>
P-18	\$1,500	\$ <del>8,000</del> <u>7,<b>500</b></u>	\$ <del>7,200</del> <b><u>6,750</u></b>	\$4,000	\$4 <del>,000</del> <b>3,500</b>	\$ <del>127.20</del> <b>111.30</b>
P-24	\$2,000	\$10,000	\$9,000	\$5,000	\$5,000	\$159.00
P-30	\$2,500	\$11,800	\$10,620	\$6,800	\$5,000	\$159.00
P-36	\$3,000	\$13,000	\$11,700	\$8,000	\$5,000	\$159.00
P-48	\$4,000	\$16,200	\$14,580	\$10,700	\$5,500	\$174.90
P-60	\$5,000	\$18,000	\$16.200	\$12,500	\$5,500	\$174.90
P-72	\$6,000	\$21,000	\$18.900	\$15,500	\$5,500	\$174.90
P-84	\$7,000	\$23,000	\$20,700	\$17,500	\$5,500	\$174.90
P-96	\$8,000	\$27,000	\$24,300	\$20,000	\$7,000	\$222.60
P-120	\$10,000	\$30,500	\$27,450	\$23,500	\$7,000	\$222.60
P-132	\$11,000	\$33,500	\$30,150	\$26,500	\$7,000	\$222.60
P-144	\$12,000	\$35,000	\$31,500	\$28,000	\$7,000	\$222.60
P-156	\$13,000	\$37,500	\$33,750	\$29,500	\$8,000	\$254.40
P-168	\$14,000	\$40,000	\$36,000	\$32,000	\$8,000	\$254.40
P-180	\$15,000	\$42,500	\$38,250	\$34,500	\$8,000	\$254.40
P-192	\$16,000	\$45,000	\$40,500	\$37,000	\$8,000	\$254.40
P-204	\$17,000	\$47,500	\$42,300	\$39,500	\$8,000	\$254.40
P-216	\$18,000	\$50,000	\$45,000	\$42,000	\$8,000	\$254.40
P-228	\$19,000	\$53,000	\$47,700	\$45,000	\$8,000	\$254.40
P-240	\$20,000	\$56,000	\$50,900	\$48,000	\$8,000	\$254.40
P-252	\$21,000	\$59,000	\$53,100	\$51,000	\$8,000	\$254.40
P-264	\$22,000	\$62,000	\$55,800	\$54,000	\$8,000	\$254.40
P-276	\$23,000	\$65,000	\$58,500	\$57,000	\$8,000	\$254.40
P-288	\$24,000	\$68,000	\$61,200	\$60,000	\$8,000	\$254.40
P-300	\$25,000	\$71,000	\$63,900	\$63,000	\$8,000	\$254.40
P-360	\$30,000	\$83,000	\$74,700	\$75,000	\$8,000	\$254.40

All packages may not be available in your state. All packages include equipment, a start-up chemical package and a business package, with the exception of P-12XE, P-15XE and P-18XE, which include only the business package (see Attachment C to the franchise agreement). Purchasers of packages P-12XE, P-15XE and P-18XE may already have a cleaning business and have been determined by us to have some of the required equipment and chemicals already on hand. If you are purchasing package P-12XE, P-15XE or P-18XE, you must already have or must purchase all equipment listed in Attachment C for Packages P12 through P30. You may purchase the equipment from us or from an outside supplier.

If you pay the initial franchise fee in full when you sign the franchise agreement, we will discount the initial franchise fee by 10% as noted above.

If you are a qualified, honorably-discharged veteran of the United States armed services and you pay the initial franchise fee in full when you sign the franchise agreement, we will discount the initial franchise fee by 15%. If you choose the financing option, at our discretion, we will discount the initial franchise fee by 5%. You must submit to us a copy of Form DD-214 as evidence of your status as a veteran to receive the discount.

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