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**FRANCHISE DISCLOSURE DOCUMENT**

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**SUBFRANCHISOR**  
**D&G ENTERPRISES, INC**  
**DBA CLEANNET OF THE BAY AREA**  
333 Hegenberger Road, Suite 806  
Oakland, California 94621  
(510) 635-2500  
dcrum@cleannetusa.com

DEPARTMENT OF  
BUSINESS OVERSIGHT  
SAN FRANCISCO

**FRANCHISOR**  
**CleanNet U S A , INC**  
2010 Corporate Ridge, Suite 700  
McLean, Virginia 22102  
(800) 735-8838  
stessier@cleannetusa.com  
www.cleannetusa.com

As a CleanNet® franchisee, you will open and operate an independent commercial cleaning and related services business that operates under the CleanNet mark and system

The total investment necessary to begin operation of a CleanNet franchise ranges from \$20,018 to \$85,779 This includes \$17,445 to \$71,485 that must be paid to the franchisor or its affiliate

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 [www.ftc.gov](http://www.ftc.gov) 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

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### 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 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

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION OR LITIGATION ONLY IN ALAMEDA COUNTY, CALIFORNIA. OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

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

3 YOUR TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS. FRANCHISOR CONTROLS

4 YOU ARE REQUIRED TO FORM A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER LEGAL ENTITY, OBTAIN A BUSINESS LICENSE, AND OBTAIN SEVERAL TYPES OF INSURANCE BEFORE OPERATING THIS FRANCHISE

5 ONCE OUR OBLIGATION TO OFFER YOU INITIAL BUSINESS HAS BEEN FULFILLED, WE HAVE NO OBLIGATION TO OFFER FURTHER BUSINESS

6 THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT YOUR RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING, BUT NOT LIMITED TO, A LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL

7 ALL OWNERS OF THE FRANCHISEE ARE REQUIRED TO SIGN A JOINDER, MAKING THEM PERSONALLY LIABLE FOR THE FRANCHISE'S OBLIGATIONS

8 FOR MORE INFORMATION, YOU ARE ADVISED TO REVIEW THE BROCHURE "BUYING A

JANITORIAL SERVICES FRANCHISE", LOCATED ON THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT'S WEBSITE AT

[http://www.dbo.ca.gov/Licensees/franchise\\_investment\\_law/pdf/janitorial.pdf](http://www.dbo.ca.gov/Licensees/franchise_investment_law/pdf/janitorial.pdf)

9 OUT OF THE 63 OUTLETS IN OPERATION AT THE BEGINNING OF 2016 IN SAN FRANCISCO, 12 WERE EITHER TERMINATED OR CEASED OPERATIONS FOR OTHER REASONS AND, OUT OF 24 OUTLETS IN OPERATION AT THE BEGINNING OF 2016 IN SAN JOSE, 2 WERE TERMINATED

10 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

California Effective Date \_\_\_\_\_, 2017

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