



Franchise Disclosure Document

Flex Franchise

Duraclean International, Inc. an Illinois corporation 220 W. Campus Drive Arlington Heights, IL 60004 (847) 704-7100 www.duraclean.com

The franchisee will operate either a service business for the professional care and cleaning of carpet and upholstery, the "Fabric Specialist Franchise"; or a service business for the professional care and cleaning of carpet and upholstery, tile and grout, duct cleaning and water damage restoration in both residential and commercial service centers, the Cleaning and Restoration Franchise. The business is a full-time opportunity with the option to expand into new markets and services you desire at your own pace.

The total investment necessary to begin operation of the Duraclean Fabric Specialist franchise is from \$38,695. to \$86,495. This includes \$29,995.00 that must be paid to the franchisor before the business opens.

The total investment necessary to begin operation of the Duraclean Cleaning and Restoration Franchise is from \$68,600. to \$117,900. This includes \$59,900 that must be paid to the franchisor before the business opens.

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 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 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.

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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 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.

OUR WEBSITE, www.duraclean.com HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

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

- 1. THE FRANCHISE AGREEMENT REQUIRES THAT YOU RESOLVE DISPUTES FOR MONIES DUE AND OWING BY LITIGATION IN COOK COUNTY, ILLINOIS. THE FRANCHISE AGREEMENT REQUIRES THAT YOU RESOLVE DISPUTES OTHER THAN THOSE FOR MONIES DUE AND OWING BY ARBITRATION ONLY IN COOK COUNTY, ILLINOIS. OUT OF STATE LITIGATION/ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE WITH US IN ILLINOIS THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT REQUIRES THAT ILLINOIS 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. YOU MUST PAY US A MINIMUM ROYALTY FEE SEMI-MONTHLY, EVEN IF YOUR FRANCHISE BUSINESS HAS NO REVENUE.
- 4. YOU MUST PURCHASE A MINIMUM AMOUNT OF DURACLEAN PRODUCTS FROM US WHETHER OR NOT YOU CAN USE SUCH PRODUCTS.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date:



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Exhibits

| А | Franchise Agreement and Related Materials |
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| | State Addenda to Franchise Agreement |
| | Exhibits to Franchise Agreement: |
| | Exhibit 1 - Franchised Territory |
| | Exhibit 2 - Confidentiality/Non-Competition Agreement |
| | Exhibit 3 - Guarantee |
| В | Financial Statements |
| С | State Administrators |
| D | Agents for Service of Process |
| Е | State Addenda to Franchise Disclosure Document |
| F | List of Franchises |
| G | List of Former Franchisees |
| H1 | not applicable |
| H2 | not applicable |
| Ι | State Effective Dates |
| J | Guarantee of Duraclean International, Inc. |
| K1 | Equipment Packages |
| K2 | Duraclean Fees and Services Form |
| K3 | Table of Contents - Manuals |
| L | Receipt |

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