

FRANCHISE DISCLOSURE DOCUMENT

JANI-KING OF WASHINGTON, D.C., INC.

a Texas corporation
16885 Dallas Parkway
Addison, Texas 75001
(703) 922-4300
www.janiking.com



The franchise is for a business that will provide comprehensive, commercial cleaning and maintenance services.

The total investment necessary to begin operation of a Jani-King franchise ranges from \$20,714 to \$166,963 (*Plus \$2,750 for each additional level of Plan E), as described further in Item 5. This includes the following amounts that must be paid to us or our affiliate: (a) the initial franchise fee, which ranges from \$16,250 to \$142,750 (*Plus \$2,750 for each additional level of Plan E), as described further in Item 5, and (b) the estimated purchase price, ranging from \$2,464 to \$6,713, for certain supplies and equipment you must obtain prior to opening your Jani-King Franchise.

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.**

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. 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.

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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 K 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. JANI-KING OWNS ALL OF THE CONTRACTS UNDER WHICH YOUR SERVICES ARE PROVIDED. WHILE YOU ARE ALLOWED TO NEGOTIATE FOR ADDITIONAL BUSINESS FOR YOUR FRANCHISE, YOU ARE NOT ALLOWED TO SIGN YOUR OWN CONTRACTS. EACH CONTRACT MUST BE APPROVED BY JANI-KING AND BE SIGNED BY A JANI-KING EMPLOYEE. YOU MUST PAY JANI-KING A FINDER'S FEE FOR THIS ADDITIONAL BUSINESS. THE GUIDELINES AND POLICIES AND PROCEDURES FOR CALCULATION AND PAYMENT OF THE FINDER'S FEE MAY BE CHANGED BY JANI-KING AT ANY TIME.

2. JANI-KING WILL OFFER YOU THE RIGHT TO PROVIDE SERVICE TO JANI-KING CONTRACTS IN THE AMOUNT BASED ON THE PLAN YOU PURCHASE. THESE CONTRACTS STIPULATE THE PRICES YOU WILL BE PAID FOR YOUR SERVICES. JANI-KING DOES NOT GUARANTY THAT THESE CONTRACTS WILL BE PROFITABLE OR THAT THE INITIAL FINDER'S FEE BUSINESS WILL REACH OR REMAIN AT THE STATED LEVEL FOR THE PLAN YOU PURCHASE. ONCE THE INITIAL BUSINESS OBLIGATION HAS BEEN FULFILLED, JANI-KING HAS NO FURTHER OBLIGATION TO OFFER YOU THE RIGHT TO SERVICE ANY ADDITIONAL BUSINESS.

3. JANI-KING WILL OFFER YOU THE RIGHT TO SERVICE CONTRACTS LOCATED THROUGHOUT THE TERRITORY, WHICH INCLUDES THE DISTRICT OF COLUMBIA STANDARD METRO STATISTICAL AREA AND SELECTED COUNTIES IN THE STATES OF MARYLAND AND VIRGINIA. JANI-KING HAS NO OBLIGATION TO OFFER YOU THE RIGHT TO SERVICE CONTRACTS IN ANY SPECIFIC PART OF THE TERRITORY. THE SIZE, NUMBER(S), LOCATION(S), AND GROSS MONTHLY BILLINGS OF ACCOUNT(S) OFFERED TO YOU ARE SOLELY AT OUR DISCRETION. THE INITIAL FRANCHISE AND FINDER'S FEES ARE NOT REFUNDABLE UNLESS JANI-KING FAILS TO MEET THE INITIAL BUSINESS OBLIGATION WITHIN THE INITIAL OFFERING PERIOD.

4. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN TEXAS. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE.

5. THE FRANCHISE AGREEMENT STATES THAT TEXAS 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.

6. YOUR OWNERS, DIRECTORS, AND OFFICERS, AND THE SPOUSES OF YOUR OWNERS, DIRECTORS, AND OFFICERS MUST SIGN AN AGREEMENT TO PERSONALLY AND UNCONDITIONALLY GUARANTEE YOUR OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND AGREE TO BE PERSONALLY BOUND BY, AND PERSONALLY LIABLE FOR, THE BREACH OF EVERY PROVISION OF THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THEIR PERSONAL AND MARITAL ASSETS AT RISK.

7. THE FRANCHISE AGREEMENT REQUIRES PAYMENT OF A MINIMUM MONTHLY ROYALTY FEE OF \$100 FOR THE FIRST 12 MONTHS, AND \$250 EACH MONTH THEREAFTER, EVEN IF YOU HAVE NO REVENUE. FAILURE TO PAY THIS ROYALTY PERMITS US TO TERMINATE YOUR FRANCHISE.

8. IF YOU FAIL TO RETURN ANY OF OUR PROPERTY, INCLUDING KEYS AND CONTRACTS, UPON THE NON-RENEWAL OR TERMINATION OF YOUR FRANCHISE AGREEMENT, YOU MUST PAY US \$500 PER DAY IN LIQUIDATED DAMAGES.

9. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date in the state of Maryland:

Effective Date in the state of Virginia:

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