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FRANCHISE DISCLOSURE DOCUMENT

JANI-KING OF CALIFORNIA, INC.

a Texas corporation
16885 Dallas Parkway
Addison, Texas 75001
(972) 991-0900
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 \$22,931 to \$168,186 (*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 \$2,681 to \$6,936, 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.

Issuance Date in the State of California: April 20, 2017
Amended: November 17, 2017

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 X 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 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.
2. 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.
3. WE HAVE THE EXCLUSIVE RIGHT TO PERFORM ALL BILLING AND ACCOUNTING FUNCTIONS FOR THE SERVICES YOU PERFORM PRODUCTS YOU SELL.
4. THE MONTHLY ROYALTY YOU PAY US IS SUBJECT TO A MINIMUM AMOUNT OF \$100 FOR EACH OF THE FIRST 12 MONTHS AND \$250 FOR EACH MONTH THEREAFTER, ADJUSTED ANNUALLY FOR INCREASES IN THE CONSUMER PRICE INDEX.
5. YOU MUST PAY A FINDER'S FEE ON ANY ADDITIONAL BUSINESS OR CONTRACTS ABOVE THE INITIAL BUSINESS YOU RECEIVE WHEN YOU SIGN THE FRANCHISE AGREEMENT.
6. THE TERRITORY YOU RECEIVE IS NOT EXCLUSIVE AND YOU WILL FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS WE OWN OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE OWN OR CONTROL.
7. YOU MUST HIRE AT LEAST ONE EMPLOYEE FOR YOUR BUSINESS OTHER THAN YOU AND YOUR PRINCIPALS.
8. YOU ARE PROHIBITED FROM ENTERING INTO CONTRACTS FOR SERVICES, AND FROM SOLICITING BUSINESS, OUTSIDE OF THE DESIGNATED TERRITORY.

9. YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

10. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: May 1, 2017

Amended:

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