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FRANCHISE DISCLOSURE DOCUMENT

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STEAMATIC, INC, a Texas Corporation 3333 Quorum Drive, Suite 280 Fort Worth, Texas 76137 (817) 332-1575 <u>bsims@steamatic com</u> www.steamatic.com

Steamatic grants franchises to use Steamatic Technology to perform Steamatic Services including catastrophe restoration and cleaning services to both structure and contents, residential and commercial carpet, hard surface, window coverings and furniture cleaning, and other retail cleaning services such as cleaning of air ducts and ventilation systems. Steamatic offers multiple levels of franchises depending on the size of the territory, the equipment required and the Steamatic Services to be provided.

The total investment necessary to begin operation of a Steamatic franchise ranges from \$73,160 00 for a small market franchise located in a territory with a population of 75,000 or less, to \$162,050 00 for a territory with a population of up to 200,000 This includes an amount that must be paid to the franchisor or its affiliate(s), ranging from \$15,000 00 for a small market territory containing a population of 75,000 or less, to \$40,000 00 for a territory containing a population of 75,000 or less, to \$40,000 00 for a territory containing a population of 95,000 reless, to \$40,000 00 for a territory containing a population of 100 populations in excess of 200,000, the total investment increases by \$200 per 1,000, all of which must be paid to the franchisor or its affiliate(s)

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**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact William R Sims at 3333 Quorum Drive, Suite 280, Fort Worth, Texas 76137, telephone no (817) 332-1575

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 <u>www ftc gov</u> 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 The issuance date of this Disclosure Document is June 5, 2015



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

Call the state franchise administrator listed in Exhibit H for information about the franchisor, about other franchisors, 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 OR ARBITRATION ONLY IN TARRANT COUNTY, TEXAS OUT-OF-STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO SUE OR ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT REQUIRES 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 A FRANCHISEE'S SPOUSE MAY BE REQUIRED TO SIGN A GUARANTY, MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND PLACING THE SPOUSE'S PERSONAL ASSETS AT RISK
- 4 We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise
- 5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the next page for state effective dates

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