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DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO

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 in Exhibit D 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 MEDIATION, ARBITRATION, OR LITIGATION ONLY IN CALIFORNIA. OUT-OF-STATE DISPUTE RESOLUTION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE IN CALIFORNIA THAN IN YOUR HOME STATE.

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

3. YOU WILL BE SUBJECT TO A ROYALTY FEE OF 10% OF TOTAL REVENUES DUE FROM ALL ACCOUNTS FOR SERVICES YOU PROVIDE. THE FRANCHISOR WILL INVOICE AND COLLECT PAYMENT FROM YOUR ACCOUNTS AND DEDUCT AND PAY ITSELF, ROYALTY FEES, SUPPORT FEES, COLLECTION COSTS, AND ANY OTHER MONEY DUE TO THE FRANCHISOR. ON THE LAST BUSINESS DAY OF EACH MONTH, THE FRANCHISOR WILL REMIT NET AMOUNT BILLED TO YOUR RECURRING ACCOUNTS FROM THE PREVIOUS MONTH. IF ACCOUNTS YOU SERVICE DO NOT PAY, YOU SUFFER THE LOSS OF NON-PAYMENT.

4. IF YOU ARE A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, ALL OF YOUR OWNERS WILL BE REQUIRED TO SIGN PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.

5. YOUR OBLIGATIONS UNDER THE PROMISSORY NOTE ARE SECURED BY A SECURITY INTEREST IN ALL YOUR ASSETS, INCLUDING ALL EQUIPMENT, INVENTORY, AGREEMENTS, CONTRACTS, ACCOUNTS, ACCOUNTS RECEIVABLES, AND ALL OTHER PROPERTY YOU OWN OR WILL LATER ACQUIRE, USED IN THE FRANCHISE BUSINESS.

6. THE PROMISSORY NOTE CONTAINS PROVISIONS THAT LIMIT YOUR RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA, INCLUDING BUT NOT LIMITED TO A WAIVER OF DEFENSES AND LEGAL RIGHTS FOR VALUATION AND APPRAISEMENT, DEMAND, PRESENTMENT, NOTICE OF NON-PAYMENTS, DISHONOR AND PROTEST AND WAIVER OF JURY TRIAL.

7. UNDER THE FRANCHISE AGREEMENT, YOU RE REQUIRED TO WAIVE ANY CLAIM YOU MAY LATER HAVE FOR ANY DAMAGES RESULTING FROM YOUR CLASSIFICATION AS THE FRANCHISOR'S EMPLOYEE INSTEAD OF A FRANCHISE, INCLUDING FOR EXAMPLE, LOST WAGES, MINIMUM WAGES, OVERTIME WAGES, ETC.

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8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: _____

EXHIBIT H

CALIFORNIA ADDENDUM

ADDITIONAL REGULATIONS REQUIRED BY THE STATE OF CALIFORNIA

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec101 et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding mediation. The mediation will occur in California with costs being borne by you, if you lose. This provision may not be enforceable under California law.

You should review the Department of Business Oversight's literature on janitorial franchises before purchasing this franchise:

http://www.dbo.ca.gov/Licensees/franchise_investment_law/pdf/Look_Before_You_Leap_Spanish.pdf

http://www.dbo.ca.gov/Licensees/franchise_investment_law/pdf/Look_Before_You_Leap_ENG.pdf

Neither the franchisor, nor any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

Our Uniform Resource Locator ("URL") address is www.jan-pro.com.

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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

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