

FRANCHISE DISCLOSURE DOCUMENT

SBS SAN DIEGO CHANNEN CO. LLC (a California Company) d/b/a Stratus Building Solutions of Metro San Diego

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

SBS SAN DIEGO CHANNEN CO LLC d/b/a Stratus Building Solutions of METRO SAN DIEGO ("STRATUS OF METRO SAN DIEGO") grants franchisees the right to operate a comprehensive building maintenance care business, providing commercial cleaning, landscaping and maintenance services to interior and exterior environments of business and residential locations within a designated territory

The total estimated initial investment necessary to begin operation of a Stratus unit franchise ranges from \$4,350 to more than \$72,850 This includes the initial franchise fee which must be paid to STRATUS OF METRO SAN DIEGO is \$3,600 to \$62,100, depending on the type of a franchise plan you choose You will also be required to purchase certain supplies and equipment prior to servicing your first client account The cost of the basic initial supplies and equipment is estimated at \$850 to \$27,000

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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, STRATUS OF METRO SAN DIEGO 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 your entire contract carefully Show your contract and this Disclosure Document to an advisor, like an attorney 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 (FTC) 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](http://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

This Disclosure Document is effective as of April 20, 2018

STATE COVER PAGE

- A 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
- B **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**
- C Please consider the following **RISK FACTORS** before you buy this franchise
- 1 **THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN THE STATE OF CALIFORNIA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE**
 - 2 **THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS SUCH AGREEMENT, AND THIS LAW MAY NOT PROVIDE YOU WITH THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS**
 - 3 **WE MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THIS DISCLOSURE DOCUMENT HOWEVER, STRATUS OF METRO SAN DIEGO CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT**
 - 4 **STRATUS OF METRO SAN DIEGO HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE 1/1/14 THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT** 5 **If your franchise fails, both you and your spouse's marital and personal assets including your home could be lost, if**
 - a **You live in a community property state, or**
 - b **You live in another state, and your spouse must sign a document such as a guarantee that makes your spouse liable for your financial obligations under the franchise agreement, even if your spouse does not own any part of the franchise business**

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