

# FRANCHISE DISCLOSURE DOCUMENT

RENUÉ SYSTEMS DEVELOPMENT CORP., INC.  
an Illinois corporation  
1147 North Main Street  
Lombard, Illinois 60148  
(630) 691-0800  
contact@renuesystems.com  
www.renuesystems.com

## RENUÉ®

As a franchisee, you will operate a RENUÉ® comprehensive hotel cleaning business.

The total investment necessary to begin operation of a franchised RENUÉ® business is \$165,200 to \$194,900. This includes \$129,000 that must be paid to the franchisor or its affiliate.

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 government 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 David Grossman at Renue Systems Development Corp., Inc., 1147 North Main Street, Lombard, Illinois 60148 (630) 691-0800.

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, DC 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.

**Issuance Date: March 15, 2024**

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Illinois than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or marketing fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.
5. **Sales performance required. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.**

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

## TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
Item 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
Item 2. BUSINESS EXPERIENCE.....	2
Item 3. LITIGATION.....	3
Item 4. BANKRUPTCY.....	3
Item 5. INITIAL FEES.....	3
Item 6. OTHER FEES.....	4
Item 7. ESTIMATED INITIAL INVESTMENT.....	6
Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	8
Item 9. FRANCHISEE'S OBLIGATIONS.....	12
Item 10. FINANCING.....	13
Item 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	13
Item 12. TERRITORY.....	17
Item 13. TRADEMARKS.....	19
Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	21
Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	21
Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	21
Item 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	22
Item 18. PUBLIC FIGURES.....	24
Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS.....	24
Item 20. OUTLETS AND FRANCHISEE INFORMATION.....	<del>30</del> <a href="#">29</a>
Item 21. FINANCIAL STATEMENTS.....	<del>33</del> <a href="#">32</a>
Item 22. CONTRACTS.....	<del>33</del> <a href="#">32</a>
Item 23. RECEIPTS.....	<del>34</del> <a href="#">33</a>
State-Specific Addenda to Disclosure Document	

## EXHIBITS

Exhibit A	State Agency Exhibit
Exhibit B	Franchisee Information
Exhibit C	Financial Statements
Exhibit D	Franchise Agreement
Exhibit E	CRM Services Agreement
Exhibit F	Sample Form of General Release
Exhibit G	Franchisee Questionnaire
Exhibit H	State Effective Dates & Receipts

We offer a 10% discount on the Initial Franchise Fee for honorably discharged veterans of the United States armed forces and active military personnel as well as women owner-operators and members of select minority groups.

~~Depending on business circumstances, we have permitted franchisees to pay the Initial Franchise Fee in installments in the past.~~

In addition to the Initial Franchise Fee, you will also pay an Initial Equipment, Chemicals, Supplies and Training Package Fee of \$54,500, as described more fully in Item 8. It is paid to RSI as a lump sum upon the signing of the Franchise Agreement. The Initial Equipment, Chemicals, Supplies and Training Package Fee is not refundable. The total of all of the above initial payments described in this Item is \$129,000.

**Item 6. OTHER FEES (1)**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	<p><u>Monthly minimum payments:</u></p> <p><u>Year 1:</u> 10% of your Gross Sales for the applicable monthly period</p> <p><u>Year 2:</u> The greater of i) 10% of your Gross Sales for the applicable monthly period or ii) \$1,000</p> <p><u>Year 3:</u> The greater of i) 10% of your Gross Sales for the applicable monthly period or ii) \$2,000</p> <p><u>Year 4+:</u> The greater of i) 10% of your Gross Sales for the applicable monthly period or ii) \$2,500</p>	The last day of each calendar month	Gross Sales is defined to mean all sales or revenues invoiced or otherwise derived from your Franchised Business, whether such amounts are actually collected by you, exclusive of sales taxes. (See Notes 2-4)
Marketing Fund	Up to 1% of your Gross Sales for the applicable monthly period	Same as Royalty Fee	See Item 11.
Ongoing Equipment, Chemicals & Supplies	At RSI's then-current prices	As incurred	You will need to replenish ongoing equipment, chemicals and supplies needs.
Ongoing Training	Then-current fee; currently \$500 a day per trainer, plus the travel expenses of each trainer for training conducted at your Franchised Business or the travel expenses of each of your representatives for training conducted at our offices in Illinois	As incurred	Payable if you request or if we require additional training. You can be required to attend up to one week of refresher training each calendar year, at your expense.
Convention or Meeting Fees	Then-current fee; the fee for the annual convention is currently estimated to be \$1,000, including accommodations and meals	As incurred	We may charge you the attendance fee of any convention or other meeting held by us. You must also pay your travel expenses; the location of the convention may vary, and your travel

and operating throughout the entire 2022 and 2023 calendar years. Excluded from these Tables are two franchised RENUÉ® businesses that opened in 2022, two franchised RENUÉ® businesses that permanently ceased operations in 2022, one franchised RENUÉ® business that temporarily ceased operations in 2023, and 1 company RENUÉ® business that commenced operations in 2022 and then ceased operations in 2023. There is also a franchised RENUÉ® business that operates in three territories, but reports their data in one aggregate report, and as such, they are represented as one franchised RENUÉ® business for purposes of this Item 19.

The RENUÉ® businesses included in this Item offer substantially similar products and services to their customers.

The financial performance representations disclosed below are derived from the actual revenues and expenses of the RENUÉ® businesses that are disclosed in this Item.

**Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.**

**Table 1**  
**Months Until Disclosed RENUÉ® Businesses Generated \$100,000 in Cumulative Gross Sales**

Set forth below is a summary of the number of months that the 22 franchised RENUÉ® businesses were in operation until they generated cumulative Gross Sales in excess of \$100,000. Some outlets have since transferred ownership but have remained operating post-transfer.

Years When Businesses Opened	Number of Franchised Businesses Included	Mean Number of Months	Median Number of Months	Months in Operation When Generated Cumulative Gross Sales of \$100,000 <sup>(1,2)</sup>	
				Low	High
2001-2022	22	13	12	4	39
2001-2003	6	16	11	7	39
2004-2007	5	14	15	8	18
2008-2014	3	14	14	10	18
2015-2016	3	11	10	10	14
2021-2022	5	10	11	4	16

Footnotes to Table 1:

- (1) Throughout this Item, the term “Gross Sales” means all sales or revenues invoiced or otherwise derived from the applicable RENUÉ® businesses, whether such amounts are actually collected by the business, exclusive of sales taxes.
- (2) **Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.** ~~The above Table does not take into account the length of time that any of the represented franchised RENUÉ® business continued generating Gross Sales in an amount that exceeds \$100,000 after the first time that they exceeded \$100,000.~~

**ADDENDUM TO  
RENUE SYSTEMS DEVELOPMENT CORP., INC.  
FRANCHISE DISCLOSURE DOCUMENT  
FOR STATE OF CALIFORNIA**

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation or endorsement by the commissioner.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with a copy of this Disclosure Document at least 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or deny any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

1. Representations made by the franchisor or its personnel or agents to a prospective franchisee.

2. Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

3. Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

4. Violations of any provision of this division.

The franchisor's email address is: [www.renuesystems.com](http://www.renuesystems.com)

California Business and Professions Code §§20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of your franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon your bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101, et seq.).

You must sign a joint and mutual release of claims when you 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 §§2000 through 20043).

The provisions of the Franchise Agreement containing covenants not to compete which extend beyond its term may not be enforceable under California law.

The Franchise Agreement requires binding arbitration in Lombard, Illinois. You will bear the costs of the arbitration if we prevail. You are encouraged to consult private legal counsel to

determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California. The provisions of the Franchise Agreement requiring jurisdiction and venue in Illinois may not be enforceable under California law.

California Corporations Code, §31125 requires us to give you a disclosure document, in a form containing the information that the commission may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

The highest interest rate allowed by law in California is 10% annually.

~~The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation or endorsement by the commissioner.~~

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO  
RENUE SYSTEMS DEVELOPMENT CORP., INC.  
FRANCHISE DISCLOSURE DOCUMENT  
FOR STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

**ADDENDUM TO  
RENUE SYSTEMS DEVELOPMENT CORP., INC.  
FRANCHISE AGREEMENT, ~~QUESTIONNAIRE~~, AND RELATED AGREEMENTS  
FOR STATE OF WASHINGTON**

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this "Addendum") is made, entered into, and effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between Reneue Systems Development Corp., Inc. ("Reneue") and \_\_\_\_\_ (the "Franchisee") to amend and revise certain provisions of the Franchise Agreement between Reneue and the Franchisee, dated the same date as this Addendum, as follows:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Section 13 of the Franchise Agreement is deleted and replaced with the following:

The Franchisee acknowledges and agrees that the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the Company's high standards of quality and service and the uniformity of those standards at all RENUÉ® Franchised Businesses in order to protect and preserve the goodwill of the Marks. The Franchisee acknowledges that the Company reserves the right, without accountability to the Franchisee, to receive and retain commissions, rebates, allowances and other similar amounts received by the Company from any supplier who has been approved by the Company from time to time in connection with the supply of goods, fixtures, furnishings, equipment, chemicals, signs, supplies, and other products or services for the Franchised Business. The Franchisee affirms that all information set forth in any and all applications, financial statements and submissions to the Company is true, complete and accurate in all respects, with the Franchisee expressly acknowledging that the Company is relying upon the truthfulness, completeness and accuracy of such information. The Franchisee acknowledges that the Company has the right to disclose in its Franchise Disclosure Document as required by law, and in other documents and places as determined by the Company, any information relating to the Franchised Business, including the Franchisee's name, address and telephone number(s), revenues, expenses, results of operation and/or other information. Any such disclosure by the Company will be for reasonable business purposes.

~~2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.~~

~~3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.~~

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**RENUÉ SYSTEMS  
DEVELOPMENT CORP., INC.**

**FRANCHISEE**

**FRANCHISEE**

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	<del>Pending</del> <a href="#">March 20, 2024</a>
Hawaii	<del>Pending</del> <a href="#">March 22, 2024</a>
Illinois	<del>Pending</del> <a href="#">March 15, 2024</a>
Minnesota	Pending
Washington	<del>Pending</del> <a href="#">March 22, 2024</a>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.