



FRANCHISE DISCLOSURE DOCUMENT

Aire-Master of America, Inc. a Missouri corporation P.O. Box 2310 Route CC and Highway 160 Nixa, Missouri 65714 (417) 725-2691 www.airemaster.com

The Franchise is an odor control and commercial hygiene system, including scheduled cleaning of restrooms and servicing of deodorizing and product dispensing equipment. The general market is commercial businesses such as offices, care facilities, food stores, restaurants, etc.

The total investment necessary to begin operations of an Aire-Master franchise is from \$40,484 to \$145,900. This includes \$31,000 to \$96,000 that must be paid to Aire-Master. The initial franchise fee is not uniform for all franchisees.

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 Tammy Stiles at P.O. Box 2310, 1821 N. Hwy CC, Nixa, Missouri 65714 and (417) 725-2691.

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.

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What You Need To Know About Franchising Generally

<u>Continuing responsibility to pay fees</u>. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

<u>Competition from franchisor</u>. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

<u>Renewal</u>. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

<u>When your franchise ends</u>. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda, Exhibit G.



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 provides that you may be sued in the Circuit Court of the State of Missouri, or the federal court for the Western District of Missouri. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Missouri than in your own state. This provision may be superseded by certain state laws (see the attached state specific addendum, if applicable).
- 2. The franchise agreement states that Missouri 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. 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.
- 4. 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.
- 5. There may be other risks concerning this franchise.

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.

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