

FRANCHISE DISCLOSURE DOCUMENT

AMERISPEC L.L.C. A Delaware Limited Liability Company 3839 Forest Hill-Irene Road Memphis, Tennessee 38125 901-597-8500 or 800-426-2700 Website: www.amerispec.com <u>sales@amerispec.net</u> www.ownafranchise.com



The franchise offered is for the operation of a residential and commercial inspection business.

The total investment necessary to begin operation of an AmeriSpec franchise ranges from: \$54,900 to \$76,800 or \$44,900 to \$66,800 depending on the territory. This includes \$42,200 or \$32,200 that must be paid to the franchisor.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement or make any payment 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 Dinah Coopwood at 3839 Forest Hill-Irene Road, Memphis, Tennessee 38125 or at 901-597-8500.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement 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 of 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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. In addition, there may also be laws on franchising in your state. Ask your state agency or visit your public library for other sources of information on franchising.

The issuance date of this disclosure document is: April 1, 2014



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. 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 franchisor administrator listed in <u>Exhibit</u> C 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 EXIRES. 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 PERMITS THE FRANCHISEE TO ARBITRATE WITH AMERISPEC L.L.C. ONLY IN TENNESSEE. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN TENNESSEE THAN IN YOUR HOME STATE.

2. WE MAY TERMINATE YOUR FRANCHISE AGREEMENT IF YOU DO NOT REACH CERTAIN REVENUES AND MARKET SHARE IN YOUR BUSINESS IF YOUR AGREEMENT WITH US HAS GROWTH REQUIREMENTS.

3 THE FRANCHISE AGREEMENT STATES THAT THE LAW OF TENNESSEE GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

4. ALTHOUGH THE FRANCHISE AGREEMENT PROVIDES THAT TENNESSEE LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE DISCLOSURE DOCUMENT.

5. PLEASE NOTE THAT 69.3% OF THE SERVICEMASTER COMPANY ASSETS ARE INTANGIBLE. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

6. YOU MUST PAY US MINIMUM SERVICE FEES OF \$250 EACH MONTH AND MINIMUM ADVERTISING FEES OF \$125 EACH MONTH, EVEN IF YOUR FRANCHISE BUSINESS HAS NO REVENUE.

7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

State Effective date: see next page



The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

STATE	EFFECTIVE DATE
CALIFORNIA	
HAWAII	
ILLINOIS	
INDIANA	
MARYLAND	
MICHIGAN	JANUARY 22, 2014
MINNESOTA	
NEW YORK	
NORTH DAKOTA	
RHODE ISLAND	
SOUTH DAKOTA	
VIRGINIA	
WASHINGTON	
WISCONSIN	

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of: April 1, 2014

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