

FRANCHISE DISCLOSURE DOCUMENT

HiLine Homes LLC
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HiLine Homes LLC offers construction-management for low cost homes on sites owned by the customer using our standardized home designs, our scheduling and business methods, and our supplier arrangements. The total investment necessary to begin operation of a HiLine Homes franchise is \$241,750 to \$612,500. This includes an initial \$30,000 franchise fee that must be paid to the franchisor. The shown range for the total investment necessary to begin operations does not include the costs associated with real property and improvements.

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.**

The terms of your contract will govern your franchise relationship. Do not 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.

Date of Issuance: February __, 2016.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register with the 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 administrators listed in Exhibit 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 TERMS 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 ARBITRATION ONLY IN SEATTLE, KING COUNTY, WASHINGTON. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN WASHINGTON THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT REQUIRES THAT WASHINGTON 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. THE MARKET FOR HOME CONSTRUCTION SERVICES IS CYCLICAL IN NATURE AND IS SUBJECT TO DOWNTURNS BASED ON GENERAL FACTORS SUCH AS THE ECONOMY, THE TIGHTENING OF CREDIT CONDITIONS, AND INCREASES IN INTEREST RATES, LAND VALUES, ENERGY AND FUEL COSTS, AND THE COST OF BUILDING MATERIALS.
4. MAINTENANCE OF YOUR RIGHTS OF EXCLUSIVITY IN YOUR ASSIGNED TERRITORY IS CONDITIONED ON YOUR ACHIEVING MINIMUM SALES GOALS.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: February ____, 2016.

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Exhibits

Exhibit A:	Financial Statements
Exhibit B:	State Specific Addenda
Exhibit C:	List of State Franchise Authorities and Registered Agents
Exhibit D:	Summary of Special Laws and Regulations Pertaining to the Franchised Business
Exhibit E:	List of Franchisees and Certain Former Franchisees
Exhibit F:	Operating Manual Table of Contents
Exhibit G:	Franchise Agreement
Exhibit H:	Computer System License Agreement
Exhibit I:	Conditional Assignment of Telephone Numbers and Directory Listings
Exhibit J:	Owners' Personal Guaranty of Franchisee's Obligations
Exhibit K:	Owners' Personal Noncompetition Agreement
Exhibit L:	Non-Owners' Personal Noncompetition Agreement
Exhibit M:	Acknowledgement of Receipt of Completed Agreements
Exhibit N:	Franchise Disclosure Document Receipt

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