

## FRANCHISE DISCLOSURE DOCUMENT

HM SERVICES, LLC (A Delaware Limited Liability Company) d/b/a HouseMaster 92 East Main Street Suite 301 Somerville, NJ 08876

(800) 526-3939 or (732) 469-6565 hminfo@housemaster.com www.housemaster.com



The HouseMaster<sup>TM</sup> franchisee will perform building inspection and related services for customers.

The total investment for a HouseMaster franchise ranges from \$61,100 to \$106,150. This includes the \$42,500 initial franchise fee, and \$0 to \$15,000 paid to our affiliate NIBI for licensing compliance services.

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 Marge Hall, 92 East Main Street Suite 301 Somerville, NJ 08876 (800) 526-3939.

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 "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 be laws on franchising in your state. Ask your state agencies about them.

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## 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 franchise administrator listed in Exhibit F 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 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:

- THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US ONLY IN NEW JERSEY. 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 NEW JERSEY THAN IN YOUR OWN STATE.
- THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. BEGINNING 90 DAYS FOLLOWING THE BUSINESS EFFECTIVE DATE, YOU MUST PAY A MONTHLY MINIMUM ROYALTY REGARDLESS OF WHETHER YOU HAVE ANY GROSS SALES.
- YOU DO NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES AND FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETTIVE BRANDS THAT FRANCHISOR CONTROLS.
  - 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.



## STATE EFFECTIVE DATES

This franchise disclosure document is registered, on file or exempt from registration in the following state having franchise registration and disclosure laws, with the following effective date:

Effective Date State FTC: April 1, 2018

California: Hawaii: Illinois: Indiana: Maryland: Michigan: Minnesota: New York: North Dakota: Rhode Island: South Dakota: Virginia: Washington: Wisconsin:

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