

NMC FRANCHISING, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT



4/01/14

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Core – Z Franchise Agreement - Page 1

FRANCHISE DISCLOSURE DOCUMENT

NMC Franchising, L.L.C.

a Delaware limited liability company
E. 5227 Trent
Spokane, Washington 99212

509-324-1814

www.natmainco.com

NMC Franchising, LLC offers franchises to business owners to operate a National Maintenance Contractors™ building maintenance CoreZ franchise business. We provide franchisees with an opportunity to enter the building maintenance industry by developing the National Maintenance Contractors brand in a prescribed exclusive territory by marketing and selling janitorial and other services to customers and recruiting, training, and supporting MicroZ franchises as further described herein.

The total investment necessary to begin operation of a National Maintenance Contractors franchise is \$63,800 to \$94,000. This includes \$45,000 to \$ 58,000 that must be paid to the franchisor or 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, us 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 Pete Cain at (509) 324-1814. E. 5227 Trent Spokane, Washington 99212.

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 Ave, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency listed on exhibit B 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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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 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:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN MINNESOTA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN MINNESOTA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE STATE IN WHICH THE FRANCHISEE GOVERNS THE AGREEMENT. YOU MAY WANT TO REVIEW THESE LAWS.
3. THE TERM OF THE FRANCHISE AGREEMENT IS TEN YEARS AND UPON RENEWAL YOU MUST SIGN OUR THEN-CURRENT FORM OF FRANCHISE AGREEMENT WHICH MAY BE MATERIALLY DIFFERENT THAN THE CURRENT FORM OF FRANCHISE AGREEMENT INCLUDED IN THIS DISCLOSURE DOCUMENT.
4. YOUR OWNERS, PARTNERS, SHAREHOLDERS AND MEMBERS MUST SIGN THE FRANCHISE AGREEMENT AND MAY BE REQUIRED TO SIGN A PERSONAL GUARANTEE ON ALL OBLIGATIONS THE FRANCHISED BUSINESS WHETHER OR NOT HE/SHE IS/ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES YOUR PERSONAL ASSETS AND THE PERSONAL ASSETS OF YOUR OWNERS, PARTNERS, SHAREHOLDERS AND MEMBERS AT RISK.
5. YOU MAY LOSE THE EXCLUSIVE TERRITORY AND YOUR FRANCHISE AGREEMENT MAY BE TERMINATED IF YOU FAIL TO ACTIVELY AND SUCCESSFULLY RECRUIT, TRAIN OR SUPPORT MICROZ'S OR FAIL TO ACHIEVE THE MINIMUM REQUIRED ANNUAL SALES VOLUMES.
6. FRANCHISOR HAS THE OPTION TO BUY YOUR FRANCHISE UNDER CERTAIN LIMITED CIRCUMSTANCES.
7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates

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