

FRANCHISE DISCLOSURE DOCUMENT



360 Painting, LLC

A Delaware Limited Liability Company

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Charlottesville, VA 22911

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<http://www.360painting.com>

The franchise offered is for the establishment and operation of businesses that provide a full range of painting and wall finishing services for both exterior and interior portions of residences and “light commercial” buildings (a “Unit Franchise”).

The total investment necessary to begin operation of a 360 Painting Unit Franchise is from \$66,655 - \$113,700. This includes an initial franchisee fee of \$40,000 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 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 or grant. **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 Paul Flick at 630 Peter Jefferson Parkway, Suite 200, Charlottesville, Virginia 22911, (703) 622-0109.

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.

This Disclosure Document is for use in the District of Columbia and all states except: California, Hawaii, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, and Virginia.

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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 A 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 THAT MOST DISAGREEMENTS BE SUBMITTED TO MEDIATION OR LITIGATION ONLY IN THE STATE OF OUR PRINCIPAL PLACE OF BUSINESS, WHICH CURRENTLY IS THE COMMONWEALTH OF VIRGINIA. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN OUR HOME STATE THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT IT IS GOVERNED BY THE LAW OF THE COMMONWEALTH OF VIRGINIA. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS. YOU SHOULD REVIEW THE STATE-SPECIFIC ADDENDA ATTACHED TO THIS DISCLOSURE DOCUMENT AND THE FRANCHISE AGREEMENT FOR STATE-SPECIFIC PROVISIONS.
3. YOU MUST SATISFY OUR MINIMUM NET SALES REQUIREMENTS IN ORDER TO MAINTAIN THE EXCLUSIVITY OF YOUR PROTECTED TERRITORY UNDER THE FRANCHISE AGREEMENT.
4. THE FRANCHISE AGREEMENT (SECTION 23.1) INCLUDES A LIQUIDATED DAMAGES PROVISION THAT APPLIES IN THE EVENT WE TERMINATE THE FRANCHISE AGREEMENT BASED UPON YOUR DEFAULT.
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.

Effective Dates:

Illinois	Pending
Michigan	August 21, 2015
Washington	Pending
Indiana	Pending

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- C. FRANCHISE AGREEMENT AND FRANCHISE AGREEMENT EXHIBITS
- D. OPERATIONS MANUAL TABLE OF CONTENTS
- E. NONDISCLOSURE AGREEMENT FOR CONFIDENTIAL OPERATIONS MANUAL
- F. FINANCIAL STATEMENTS
- G. LIST OF CURRENT FRANCHISEES AND FRANCHISESS WHO LEFT SYSTEM: 1/1/15 – 12/31/15
- H. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- I. MULTI-STATE ADDENDA

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