

CERTA PROPAINTERS, LTD.

FRANCHISE DISCLOSURE DOCUMENT

2019



M/S 3-19

CertaPro Painters

FRANCHISE DISCLOSURE DOCUMENT

CERTA PROPAINTERS, LTD. a Massachusetts Corporation 150 Green Tree Road, Suite 1003 Oaks, PA 19456 610-650-9999

Effective April 1, 2019 new address:

2621 Van Buren Avenue, Suite 550A Audubon, PA 19403

As a franchisee, you will sell and perform painting and decorating services under the CertaPro marks. The total investment necessary to begin operation of a CertaPro Painters franchise is \$133,250 to \$169,500. This includes the total amount of Item 5, the initial franchise fee of \$57,500 and the business and technology setup fee of \$7,500, which must be paid to CertaPro or an 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, 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 Certa ProPainters, Ltd., Recruiting Team, at 150 Green Tree Rd., Suite 1003, PO Box 836, Oaks, PA 19456 610-650-9999; effective April 1, 2019, new address is 2621 Van Buren Avenue, Suite 550A, Audubon, PA 19403.

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 contracts 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," 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 <u>www.ftc.gov</u> 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.

Issuance date: March 25, 2019.



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STATE COVERAGE 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 D 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 YOU MEDIATE DISPUTES AND RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN PENNSYLVANIA. 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 PENNSYLVANIA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA 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. TO KEEP YOUR TERRITORY, YOU MUST SATISFY THE PERFORMANCE CRITERIA DESCRIBED IN ARTICLE 6 OF THE FRANCHISE AGREEMENT.

4. 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 FOR THE REGISTRATION STATES ARE LISTED ON THE NEXT PAGE.

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