

FRANCHISE DISCLOSURE DOCUMENT



One Hour Air Conditioning Franchising, L.L.C.
a Florida Limited Liability Company
Plaza Five Points
50 Central Avenue, Suite 920
Sarasota, Florida 34236
941-893-6864
866-672-0314
www.onehourair.com

The franchise offered is a residential air conditioning and heating maintenance, repair and equipment replacement services franchised business.

The total estimated investment necessary to begin operation of a conversion franchise is \$74,105 to \$243,100. This includes \$43,000 that must be paid to the franchisor or affiliate. The total estimated investment necessary to begin operation of a start-up franchise is \$257,955 to \$541,300. This includes \$43,000 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, 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 your personal Franchise Development Representative at Plaza Five Points, 50 Central Avenue, Suite 920, Sarasota, Florida 34236 and 941-893-6864 or 866-672-0314.

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.

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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 FRANCHISE 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 LITIGATION OR, IN CERTAIN SITUATIONS, MEDIATION. ALL LITIGATION AND MEDIATION SHALL BE CONDUCTED ONLY IN THE STATE WHERE OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED, CURRENTLY SARASOTA, FLORIDA. OUT OF STATE LITIGATION OR MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE OR MEDIATE WITH US IN FLORIDA (OR ANOTHER STATE) THAN IN YOUR OWN HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE WHERE OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY SARASOTA, FLORIDA) GOVERNS THE FRANCHISE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOU MUST PAY US A MINIMUM MONTHLY FRANCHISE FEE OF \$1,500.00 OR \$15 PER 1,000 OF POPULATION EVEN IF THE FRANCHISE HAS NO REVENUE.
4. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE STANDARDS LEVELS. IF YOU FAIL TO DO SO, YOU COULD LOSE YOUR EXCLUSIVE RIGHTS IN YOUR TERRITORY OR THE FRANCHISOR COULD TERMINATE YOUR FRANCHISE AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT.
5. IF YOUR SPOUSE IS AN OWNER OF THE FRANCHISED BUSINESS, YOUR SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS GUARANTY WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF THE FRANCHISE FAILS.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT I**.

We may 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

The following states require that the Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws with the following effective dates:

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

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