

FRANCHISE DISCLOSURE DOCUMENT



BU Holdings, LLC
A Delaware limited liability company
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www.bounceu.com
www.bufranchise.com

The franchise offered by BU Holdings, LLC is for the operation of a party service business featuring interactive games and inflatable play equipment and activities identified by the trade name and service mark “BOUNCEU and Design[®]”. A separate franchise agreement must be entered into for each BOUNCEU Facility operated by a franchisee.

The total investment necessary to begin operation of a new BOUNCEU Facility is between \$304,500 to \$637,750. This includes \$85,000 that must be paid to franchisor or its affiliate(s). The total investment necessary to begin operation of an existing BOUNCEU Facility in conjunction with a transfer is \$14,619 to \$38,453. This amount does not include the purchase price you pay to the operator of the existing BOUNCEU Facility.

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 Bryan Colombik at 1860 West University Drive, Suite 108, Tempe, AZ 85281 or (480) 397-1237.

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 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 ALL DISAGREEMENTS BE ARBITRATED OR LITIGATED ONLY IN MARICOPA COUNTY, ARIZONA. OUT-OF-STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN MARICOPA COUNTY, ARIZONA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA 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. THE FRANCHISE OWNERS AND THEIR SPOUSES MUST EACH SIGN PERSONAL GUARANTIES MAKING EACH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE. THESE GUARANTIES PLACE EACH FRANCHISE OWNER'S AND EACH SPOUSE'S PERSONAL ASSETS AT RISK.
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.

STATE EFFECTIVE DATES

State	Status	Effective Date
California	Pending	
Florida	Pending	
Indiana	Pending	
Illinois	Pending	
Maryland	Pending	
Michigan	Pending	
Minnesota	Pending	
New York	Pending	
Rhode Island	Pending	
Virginia	Pending	

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