

FRANCHISE DISCLOSURE DOCUMENT

(Single-Outlet Franchise and Area Development Rights)



FABULOUS FLOORS FRANCHISE, LLC

An Ohio Limited Liability Company 8820 Fox Hollow Lane Mentor, OH 44060 866-601-2833 franchise@fabulousfloorsfranchise.com www. fabulousfloorsfranchise.com



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The franchise described in this Disclosure Document is for the operation of a business which provides a complete dustless and odorless system for refinishing hardwood floors at businesses and in homes (the "Franchise" or the "Franchise Business").

The total investment necessary to begin operation of a *Fabulous Floors*® franchise is \$29,995 to \$56,795. This includes \$9,995 to\$29,995 that must be paid to the franchisor or affiliate. If you sign an Area Development Agreement to open more than one franchise store, the total investment necessary to begin operation is \$19,995 to \$56,795 plus an Area Development Fee of \$2,000 for each additional franchise you will develop. The fee is credited toward the initial franchise fee due for each additional franchise you develop.

This Disclosure Document summarizes certain provisions of the 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 payments to us 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 Fabulous Floors Franchise, LLC, 8820 Fox Hollow Lane Mentor, OH 44060, or call 866-601-2833.

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 "<u>A Consumer's Guide to</u> <u>Buying a Franchise</u>," 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 <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.

Effective Date: April 1, 2014



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 G* 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 MEDIATION, ARBITRATION OR LITIGATION ONLY IN OHIO. OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN OHIO THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT OHIO 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. AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2013, THE FRANCHISOR HAD A NET WORTH OF \$9,150.06. AS A RESULT OF FRANCHISOR'S LIMITED FINANCIAL CONDITION, FRANCHISOR MAY NOT BE ABLE TO MEET FRANCHISOR'S OBLIGATIONS STATED IN THIS DISCLOSURE DOCUMENT
- 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 may 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 Date: See the next page for state effective dates.

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