

## FRANCHISE DISCLOSURE DOCUMENT



UNITED FRANCHISE HOLDINGS, LLC,  
 a Florida limited liability company  
 1 Sunshine Boulevard, Unit D  
 Ormond Beach, Florida 32174  
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The franchise is for a United Water Restoration® Group Business (the “UWRG Business” or the “Business”) for the operation of a full-service restoration company that provides quality service in an expedient manner specializing in construction, repair and remediation services relating to water, flood, fire, storm and sewage damage, mold removal and such other services that we specifically authorize from time to time to commercial and residential customers.

The total investment necessary to begin operation of a UWRG Business franchise ranges from ~~\$139,777~~159,342 to ~~\$414,494~~441,874. This includes \$54,000 to ~~\$210,000~~205,000 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 government 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 ~~Viktoria Kazsamer, Franchise Finance Director~~Kevin Drudge, 1 Sunshine Boulevard, Unit D, Ormond Beach, Florida 32174 and telephone number (386) ~~882-9937~~492-6904.

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 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 (the “FTC”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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.

Issuance Date: ~~May 15, 2017, as amended November 29, 2017~~April 30, 2018

## 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 “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 UWRG 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 SETTLED BY ARBITRATION AND/OR LITIGATION IN THE STATE IN WHICH OUR PRINCIPAL HEADQUARTERS ARE LOCATED. OUT-OF-STATE ARBITRATION AND/OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND/OR LITIGATE WITH US IN THE STATE IN WHICH OUR PRINCIPAL HEADQUARTERS ARE LOCATED THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE IN WHICH OUR PRINCIPAL HEADQUARTERS ARE LOCATED 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. FRANCHISOR IS UNDERCAPITALIZED AND MAY NOT BE ABLE TO MEET PREOPENING OBLIGATIONS TO ALL FRANCHISEES.

4. THE FRANCHISOR’S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (ITEM 21), CALLS INTO QUESTION THE FRANCHISOR’S FINANCIAL ~~ABILITY~~ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

5. FRANCHISOR IS A NEWLY FORMED ENTITY AS OF APRIL 1, 2014. THEREFORE, THERE IS NO OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER TO INVEST IN THIS BUSINESS.

6. FRANCHISEES MUST ALSO SIGN A PERSONAL GUARANTY, MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT IF YOU ARE MARRIED. THE GUARANTY WILL PLACE YOUR SPOUSE’S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

7. YOU MUST MAKE MINIMUM ROYALTY AND ADVERTISING FUND PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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.

(See Exhibit “E” for state specific addenda and riders)  
(See Exhibit “D” for state agencies & agents for service of process)  
(See next page for state effective dates)

Franchise Disclosure Document (2018 FDD)

## EFFECTIVE DATES

The following states require that the Franchise 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 Franchise 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:

STATE	EFFECTIVE DATE
California	<del>July 14, 2017, as amended</del> _____, <del>2017</del> <u>2018</u>
Hawaii	
Illinois	<del>July 17, 2017, as amended December 21,</del> <del>2017</del> _____, <del>2018</del>
Indiana	June 2, 2017
Maryland	<del>March 27, 2017, as amended June 26, 2017, as amended December 22, 2017</del> _____, <del>2018</del>
Michigan	<del>October 25, 2016</del>
Minnesota	<del>September 29, 2017, as amended January 2,</del> _____, <del>2018</del>
New York	<del>November 6, 2017, as amended</del> _____, <del>2017</del> <u>2018</u>
North Dakota	
Rhode Island	<del>July 3, 2017, as amended December 22,</del> <del>2017</del> _____, <del>2018</del>
South Dakota	
Virginia	<del>August 11, 2017, as amended</del> _____, <del>2017</del> <u>2018</u>
Washington	<del>July 21, 2017, as amended December 29,</del> <del>2017</del> _____, <del>2018</del>
Wisconsin	<del>June 1, 2017, as amended December 19, 2017</del> <u>May 9, 2018</u>

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