

FRANCHISE DISCLOSURE DOCUMENT



UNITED FRANCHISE HOLDINGS, LLC, a Florida limited liability company 1 Sunshine Boulevard, Unit D Ormond Beach, Florida 32174 T: (386) 492-6904 / F: (386) 492-5978

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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 to commercial and residential customers.

The total investment necessary to begin operation of a UWRG Business franchise ranges from \$179,490 to \$508,254. This includes \$49,000 to \$210,000 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, us or our 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 Kevin Drudge, 1 Sunshine Boulevard, Unit D, Ormond Beach, Florida 32174 and telephone number (386) 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 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 "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 YOU TO RESOLVE DISAGREEMENTS WITH US BY MEDIATION, ARBITRATION AND/OR LITIGATION ONLY IN VOLUSIA COUNTY, FLORIDA. OUT-OF-STATE MEDIATION, ARBITRATION AND/OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE AND/OR LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT REQUIRES THAT FLORIDA LAW GOVERN THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THIS FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
- 4. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
- 5. YOU ARE REQUIRED TO MAKE MINIMUM ROYALTY AND ADVERTISING FUND PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. FAILURE TO MAKE THE REQUIRED PAYMENTS WILL RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
- 6. 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.



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	Pending
Connecticut	Exempt-October 1, 2015
Florida	January 13, 2019
Hawaii	N/A
Illinois	Pending
Indiana	Pending
Kentucky	Exempt-January 10, 2017
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Texas	Exempt-June 8, 2015
Utah	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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