

FRANCHISE DISCLOSURE DOCUMENT
GREEN SPIRIT FRANCHISE GROUP, LLC

A California limited liability company

204 North Quarantina Street

Santa Barbara, California 93103

Telephone 805-687-6699

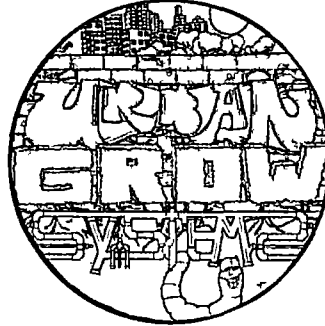
Email franchise@urbangrowsystems.com

URL www.urbangrowsystems.com

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FEB 17 2015

Dept. of Business Oversight



Green Spirit Franchise Group, LLC, a California limited liability company, offers franchises for the operation of franchised businesses (“Urban Grow Systems Businesses”) that offer, sell, design, engineer, install and service commercial and residential hydroponics and aquaponics growing systems, provide commercial and residential gardening, landscaping, irrigation and water filtration installations and service, and offer and sell sustainable products such as compost bins, rain barrels, water catchment systems (where permitted), grey water recycling systems (where permitted), garden supply products, nursery products, home brewing equipment and supplies for the brewing of beer, wine and cider and related merchandise to the public under the trade name **Urban Grow**” We offer the rights for 2 different franchises in this Disclosure Document

Single Franchise Program Under the Single Franchise Program, you will sign a Franchise Agreement to operate a single Urban Grow Systems Business. The total investment necessary to begin operations of a single Urban Grow Systems Business ranges from approximately \$69,150 to \$246,600. This includes \$20,000 that must be paid to us or our affiliate.

Area Development Program Under the Area Development Program, we will assign you a defined area within which you must develop and operate a minimum of 2 Urban Grow Systems Businesses within a specified period of time. The total investment necessary to begin operations of 2 to 4 Urban Grow Systems Businesses under an Area Development Agreement ranges from approximately \$81,150 to \$276,600. This includes between \$30,000 and \$40,000 that must be paid to us or our affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 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 Jared D Ashton, 204 North Quarantina Street, Santa Barbara, California 93103, Telephone 805-687-6699.

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. 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS FEBRUARY 12, 2015

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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed on **Exhibit J** 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 THIS FRANCHISE, 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH GREEN SPIRIT FRANCHISE GROUP, LLC BY MEDIATION AND LITIGATION ONLY IN SANTA BARBARA COUNTY, CALIFORNIA. OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO PARTICIPATE IN MEDIATION AND LITIGATION WITH GREEN SPIRIT FRANCHISE GROUP, LLC IN CALIFORNIA THAN IN YOUR HOME STATE.

2 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

ADDITIONAL RISK FACTORS REQUIRED BY THE STATE OF CALIFORNIA

4 YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

ADDITIONAL RISK FACTORS REQUIRED BY THE STATE OF WASHINGTON

5 THE FRANCHISOR IS A DEVELOPMENT STAGE COMPANY WITH LIMITED FRANCHISE OPERATING HISTORY.

6 THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.

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 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.

See the Next Page for State Effective Dates

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/urban-grow-system>