

FRANCHISE DISCLOSURE DOCUMENT

URBAN FRANCHISE SYSTEMS, LLC A Colorado corporation



2830 Arapahoe Avenue
Boulder, Colorado, 80303
(303) 440-0288
willwilliams9@gmail.com
www.urbanmattress.com

The franchise offered is for the operation of a mattress and bedroom-furniture showroom that offers for sale name brand superior quality “Sleep Systems” (Item 1) and accessories (Showroom).

The total investment necessary to begin operation of an Urban Franchise Systems, LLC franchise is \$271,985 to \$602,485. This includes between \$73,485 and \$108,485 that must be paid to franchisor and its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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: Billy Williams, President at 2830 Arapahoe Avenue, Boulder, Colorado, 80303, (303) 440-0288 or at willwilliams9@gmail.com.

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.

The issuance date of this disclosure document is: April 18, 2017

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.

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 YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN A LOCATION THAT IS WITHIN 5 MILES OF OUR THEN-CURRENT HEADQUARTERS (CURRENTLY, BOULDER, COLORADO). OUT-OF-STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN OUR THEN-CURRENT HEADQUARTERS' STATE THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT REQUIRES THAT THE LAW OF THE STATE WHERE THE FRANCHISOR'S CORPORATE HEADQUARTERS IS THEN LOCATED (CURRENTLY COLORADO) 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. BOTH FRANCHISOR AND FRANCHISEE AGREE TO WAIVE THE RIGHT TO A JURY TRIAL AND WAIVE THE RIGHT TO BE AWARDED EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES.

4. FRANCHISOR AND FRANCHISEE ARE LIMITED TO BRINGING ANY LEGAL CLAIM AGAINST THE OTHER WITHIN ONE YEAR OF THE DATE FACTS WHICH GIVE RISE TO THE CLAIM ARE DISCOVERED OR SHOULD REASONABLY HAVE BEEN DISCOVERED.

5. FRANCHISEE WILL INDEMNIFY FRANCHISOR AGAINST CERTAIN CLAIMS.

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use in the future 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 Date: See the next page for state effective dates

STATE 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.

The 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:

California

Pending

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