

## FRANCHISE DISCLOSURE DOCUMENT VITAL RESTORATION FRANCHISING, INC.

A California Corporation  
6 South Linden Ave., Suite 9  
South San Francisco, California 94080  
(650) 333-4008  
www.vitalrestoration.com



Vital Restoration Franchising, Inc. offers a franchise for the establishment and operation of a Restoration Business providing residential and commercial water, fire, smoke, and mold restoration services with additional services such as cleaning, drying, and repair of damaged structural areas.

The estimated total investment necessary to begin operations of a Vital Restoration franchise is \$138,750 to \$305,567. This includes \$35,000 that must be paid to the franchisor or affiliate. We also offer area development opportunities for multiple Vital Restoration Businesses after a franchisee has executed a franchise agreement for the first location. The total investment necessary under the area development agreement equals the initial franchise fee, divided by two, multiplied by the number of Vital Restoration Businesses scheduled to open for operations under the area development agreement (other than the first Vital Restoration Business which must be paid in full). The initial franchise fees for franchises developed under an area development agreement vary from \$35,000 to \$25,000 depending on the number of units to be opened. For example, the initial investment for six units is \$122,500, and the initial investment to open twenty-six units is \$347,500. All of this amount is payable to us or our affiliates.

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 or grant. **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 Mr. Sal Vitalie, 6 South Linden Ave, Suite 9, South San Francisco, California 94080, (650) 333-4008.

The terms of your contract will govern your franchise relationship. Don't rely on this 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](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.

Date of Issuance: March 29, 2019

## 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 THE DISCLOSURE DOCUMENT.

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 AND AREA DEVELOPMENT AGREEMENT REQUIRE THAT MOST DISPUTES BE SUBMITTED TO ARBITRATION IN SAN MATEO COUNTY, CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THE LAW OF THE STATE WHERE THE FRANCHISED UNIT IS LOCATED GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS WHICH MAY LIMIT FRANCHISEE'S RIGHTS INCLUDING BUT NOT LIMITED TO: A JURY TRIAL WAIVER, A LIMITATION OF ACTIONS, AND A LIMITATION OF DAMAGES.
4. YOUR SPOUSE MAY BE REQUIRED TO 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.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

### STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed before we can make offers or sell franchises there: 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 where the order of effectiveness is effective on the date set forth below:

<u>State</u>	<u>Effective Date of Order</u>
California	_____

This Franchise Disclosure Document is not registered, on file or exempt from registration in Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin, and your receipt of this disclosure document shall not be deemed an offer of a franchise in those states.

In all other states, this Franchise Disclosure Document's effective date is the issuance date of March 29, 2019.

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