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Department of

Business Oversight

FRANCHISE DISCLOSURE DOCUMENT



BGR Franchising, LLC 19309 Winmeade Drive, # 333 Leesburg, VA 20176 (888) 830-0801 fi anchise@bgrtheburgerjoint com www.bgi theburgerjoint com

Franchisor franchises the right to operate a unique fast casual restaurant featuring gourmet burgers, sandwiches, salads fries, milkshakes and other food and beverages under the 'BGR The Burger Joint®" mark (Restaurant") The total initial investment necessary to begin operation of a Restaurant ranges from \$202,800 to \$599,800, which includes the \$40,300 you must pay to franchisor

Franchisor offers qualified parties the right to own and operate multiple Restaurants within a designated geographical area where you will have the exclusive right to develop Restaurants until your development schedule expires. The total investment necessary to begin operation of your development business will depend on the number of Restaurants we grant you the right to open within your development area. The total initial investment necessary to own and operate three (3) Restaurants within a development area ranges from \$232,800 to \$629,800. This includes an Alea Exclusivity Fee' amounting to \$20,000 per Restaurant we grant you the right to open in your development area that is payable to us immediately upon execution of your development agreement, as well as the estimated initial investment to open your initial Restaurant as required under your development agreement.

Franchisoi also offers qualified franchisees the right to enter into its form of multi-unit agreement to operate multiple Restaurants without the granting of any territorial rights within a development area. The total investment to begin operations under this multi-unit agreement will also vary based on the number of Restaurants we grant you the right to open. The total initial investment to own and operate three (3) Restaurants pursuant to our multi-unit agreement will be between \$232,800 to \$629,800. This includes a multi-unit fee amounting to \$100,000 that is due to us immediately upon execution of your multi-unit agreement, as well as the estimated initial investment to open and commence operations of the initial Restaurant as required under your multi-unit agreement.

This disclosure document summarizes certain provisions of your Franchise Agreement, Development Agreement and Multi-Unit 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 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 our corporate office at 19309 Winmeade Drive # 333, Leesburg, Virginia 20176, (888) 830 0801

The terms of your Franchise Agreement, Development Agreement and Multi-Unit Agreement, as applicable will govern your franchise relationship. Don't rely on the disclosure document alone to

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understand your contracts Read all of your contracts carefully Show your contracts 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 Fianchise," 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 Virginia Avenue, NW. Washington, D.C. 20580. You can also visit the FTC's home page at www fite 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 Issue Date of this Franchise Disclosure Document ('FDD") is April 22, 2016, as amended June 2, 2016

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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 1 to this Franchise Disclosure Document for information about the franchisor, about other franchisors, 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

- AT OUR OPTION, THE FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT AND MULTI-UNIT AGREEMENT REQUIRE YOU TO FIRST RESOLVE ALL DISPUTES WITH US BY MEDIATION ONLY IN LOUDON COUNTY VIRGINIA OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN COMMONWEALTH OF VIRGINIA THAN IN YOUR OWN STATE
- 2 ANY DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION ONLY IN LOUDON COUNTY VIRGINIA IT MAY COST YOU MORE TO LITIGATE WITH US IN COMMONWEALTH OF VIRGINIA THAN IN YOUR OWN STATE
- THE FRANCHISE AGREEMENT DEVELOPMENT AGREEMENT AND MULTI-UNIT AGREEMENT STATE THAT THEY ARE GOVERNED BY VIRGINIA LAW THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- 4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We 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 is <u>our</u> agent and 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 the State Effective Dates page after this State Cover Page for information on effectiveness in the registration states

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