



FRANCHISE DISCLOSURE DOCUMENT

Black Rock Coffee Bar, Inc.
(an Oregon corporation)
616 NW Arizona Avenue
Bend, OR 97703
(503) 860-6775
www.BlackRockCoffeeBar.com

Black Rock Coffee Bar, Inc. ("**BRCB**") offers this franchise for the operation of a drive-thru, sit-down or combination retail coffee bar ("**Coffee Bar**") selling specialized coffee-based beverages, specialty food items and related products under the brand "Black Rock Coffee Bar." The total investment necessary to begin operation of a Coffee Bar franchise ranges from \$202,690-\$421,920 (not including possible costs for the purchase of real estate or property improvements). This amount includes up to \$27,500 that must be paid to BRCB as the initial franchise fee, as well as a \$27,500 - \$38,500 Grand Opening deposit. See Items 5-7 for more details about the financial requirements.

This Disclosure Document summarizes certain provisions of your Franchise Agreement (see **Exhibit A**) and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this 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 to you. To discuss the availability of disclosures in different formats, contact Jeff Hernandez at 616 NW Arizona Avenue, Bend, OR 97703 and (503) 860-6775.

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 contracts 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 September 30, 2018.

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 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 E** 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 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 TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT STATES THAT OREGON LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
2. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN PORTLAND, OREGON. 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 OREGON THAN IN YOUR OWN STATE.
3. WE HAVE LIMITED FINANCIAL RESOURCES WHICH MAY NOT BE SUFFICIENT TO FUND OUR PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OUR OPERATING EXPENSES.
4. AS OF DECEMBER 31, 2017, WE HAD \$134,977 IN CURRENT ASSETS AND \$150 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, WE HAD \$899.85 IN CURRENT ASSETS. FROM INCEPTION THROUGH DECEMBER 31, 2017, WE EARNED \$223,456 AND AS OF THAT DATE, WE HAD A NET WORTH OF \$226,456.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$202,690 TO \$421,920. THIS AMOUNT MAY EXCEED THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017, WHICH IS \$226,456.

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