

FRANCHISE DISCLOSURE DOCUMENT

BRIXX FRANCHISE SYSTEMS, LLC

a North Carolina Limited Liability Company 1942 8th Street, Charlotte, NC 28204 Telephone: (704) 825-4349 Fax: (704) 825-4336 Web Page: <u>http://www.brixxpizza.com</u>

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DEPARTMENT OF CORPORTIONS RECEIVED LOS ANGELES OFFICE

MAY 2 3 2012





The franchisee will operate a retail restaurant which serves hand-crafted brick oven wood fired pizzas, as well as pastas, salads and sandwiches in a casual sit-down format and operating system under the name of "Brixx®," "Brixx Wood Fired Pizza" and other service names Our restaurants also offer full bar service of alcoholic and non-alcoholic beverages

The total investment necessary to begin operation of a Brixx Wood Fired Pizza restaurant is from \$610,300 to \$877,200 This includes from \$45,000 to \$85,000 that must be paid to the franchisor or affiliates

Entering into an area development agreement will grant you the right to develop all Brixx franchises within a defined area If you enter into an area development agreement, the initial franchise fee for each Restaurant is \$40,000 If you enter into an area development

agreement, you must also pay a \$20,000 area development fee for each Restaurant you plan on franchising under the area development agreement

The total initial investment necessary to purchase an Area Development Agreement for 3 units with the cost of opening the initial unit ranges from \$600,300 to \$877,200, per unit, which includes between \$60,000 and \$45,000 per unit that must be paid to the franchisor or affiliates Additionally, for each additional unit, you will incur the expense associated with the additional unit

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 **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 availability of disclosures in different formats, contact the Franchise Administration Department at 1942 8th Street, Charlotte, NC 28204 (704) 825-4349



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 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 "<u>A Consumer's</u> <u>Guide to Buying a Franchise</u>," 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 <u>www ftc gov</u> for additional information Call your state agency or visit your public library for other sources of information on franchising

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There may also be laws on franchising in your state Ask your state agencies about them Issuance Date May 18, 2012





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 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 ALL DISAGREEMENTS BE SETTLED BY ARBITRATION IN NORTH CAROLINA 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 NORTH CAROLINA THAN IN YOUR HOME STATE
- 2 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT NORTH CAROLINA LAW GOVERNS THE

AGREEMENT STATE THAT NORTH CAROLINA 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

Effective Date See effective date list immediately following this page



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