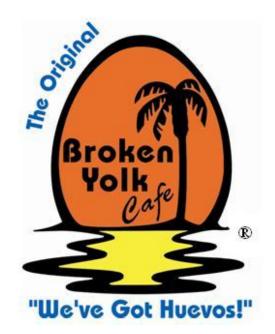


FRANCHISE DISCLOSURE DOCUMENT



BYC FRANCHISING, LLC

a California Limited Liability Company

1851 Garnet Avenue San Diego, CA 92109 Telephone: (858) 270-9655 <u>info@thebrokenyolkcafe.com</u> <u>www.brokenyolkfranchise.com</u> www.thebrokenyolkcafe.com

In connection with our trademarks, logos, recipes and other proprietary items that we license, we specialize in providing a large menu of home-style cooked meals in a comfortable and casual atmosphere. Broken Yolk Cafe® Restaurants are known for made-from-scratch cooking, fresh ingredients, ample, shareable portions and a large and varied menu. Most Broken Yolk Cafe® Restaurants are open from 6:00 am to 3:00 pm.

The total investment necessary to begin operation of a Broken Yolk Cafe® Restaurant ranges from \$454,900 - \$1,188,500. This includes the Initial Franchise Fee of \$35,000, initial logo merchandise costs of approximately \$3,000, and initial employee uniform costs of approximately \$5,500 that must be paid to us. The total investment necessary to begin operation of a Broken Yolk Cafe® Restaurant under an Area Development Agreement ranges from \$484,900 - \$1,218,500. This includes the Initial Franchise Fee of \$35,000, Area Development Fee, initial logo merchandise costs of approximately \$3,000, and initial employee uniform costs of approximately \$5,500 that must be paid to us.

Our standard franchise offering is an:



Area Development Agreement for Multiple Restaurants. As an area developer, you will develop more than one Broken Yolk Cafe® Restaurant within a defined geographical area. You must pay a Development Fee of \$10,000 multiplied by the number of Restaurants you agree to open under the Area Development Agreement. This Development Fee is credited toward the total Initial Franchise Fee for each new Restaurant.

On occasion and where warranted in our estimation by the population and geographic base, we may offer a:

<u>Single Restaurant Franchise Agreement</u>. As a single restaurant franchisee, you will operate a full-service, retail, family-style Restaurant that offers and serves a variety of breakfast and lunch menu items and related products and services under the trade name "Broken Yolk Cafe[®]."

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 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 Valerie McCartney c/o BYC Franchising, LLC at 1851 Garnet Avenue, San Diego, California 92109, Email: valeriem@thebrokenyolkcafe.com, Telephone: 858-740-9554.

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 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 your decision. 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 (FTC). 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.

Date of Issuance: April 14, 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 DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about this and 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:

Risk Factors:

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION. ANY ARBITRATION WILL BE HELD IN SAN DIEGO, 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 OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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.
- 3. 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 our 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.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: https://franchisepanda.com/franchises/broken-yolk-cafe