

FRANCHISE DISCLOSURE DOCUMENT

Built Franchise Systems, LLC d/b/a Built Custom Burgers
(a California limited liability company)

9311 E Via De Ventura, Scottsdale, Arizona 85258

Telephone: (480) 362-4800

www.kahalamgmt.com



Franchise Business: Built Custom Burgers is a fast casual restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, salads, desserts, ice-cream shakes, non-alcoholic beverages and certain alcoholic beverages, including, at a minimum, beer and wine.

Initial Fees: The Initial Franchise Fee for a Built Custom Burgers restaurant is \$40,000. In addition to the Initial Franchise Fee, if you propose more than one site for our acceptance and we make more than one site visit in connection with the site review process, you will reimburse us for our travel expenses, including, without limitation, expenses for air and group transportation, lodging, meals, and miscellaneous travel-related personal charges, which shall be payable within 15 days of invoice. See **Items 5-7** of the Disclosure Document for additional disclosures.

Initial Investment: The total investment necessary to begin operation of a Built Custom Burgers restaurant franchise is \$368,000 to \$982,000. This includes \$40,000 that must be paid to the franchisor and/or its affiliate, as appropriate. Please see **Items 5** and **7** for additional details.

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 the 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 government 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 John Wuycheck at 9311 E Via De Ventura, Scottsdale, Arizona 85258 and (480)362-4800.

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 "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, DC 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.

Issuance Date: April 1, 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 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US (WITH LIMITED EXCEPTIONS) BY NON-BINDING MEDIATION, AND IF THAT PROCESS DOES NOT RESULT IN RESOLUTION, BY LITIGATION, ONLY IN CALIFORNIA. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA 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 ARE FINANCIAL AND LEGAL RISKS TO MOST BUSINESS EFFORTS, INCLUDING THIS FRANCHISE. TAKE YOUR TIME TO DECIDE. YOU MAY FIND IT USEFUL TO REVIEW THIS DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT AND OTHER EXHIBITS WITH YOUR OWN ACCOUNTING, FINANCIAL AND LEGAL ADVISORS.

4. WE HAVE THE OPTION OF REPURCHASING EACH BUILT CUSTOM BURGERS RESTAURANT OWNED AND OPERATED BY YOU DURING THE TERM OF THE FRANCHISE AGREEMENT AT ANY TIME.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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