

FRANCHISE DISCLOSURE DOCUMENT

CHAPS PIT BEEF FRANCHISING LLC

A Maryland Limited Liability Company

5801 Pulaski Highway

Baltimore, MD 21205

Phone: 443-873-0017

<http://www.chapspitbeef.com>

<https://www.facebook.com/ChapsPitBeef/>

<https://twitter.com/ChapsPitBeef>

<https://www.instagram.com/chapspitbeef/>

https://www.youtube.com/results?search_query=chaps+pit+beef&aq=f

bdcreager@chapspitbeef.com



You will sell fast, casual fare featuring charcoal pit cooked meats, BBQ and fish, in a variety of sandwiches and platters, other related products, and may sell beer and wine, from a CHAPS PIT BEEF® restaurant.

The total investment necessary to begin operation of a CHAPS PIT BEEF® franchised business is \$332,800 to \$782,000, or if you offer beer and wine, \$353,100 to \$1,817,000. This includes \$25,000 to \$29,000 that must be paid to the franchisor or its affiliate(s).

We also offer a multi-unit development opportunity. The total investment necessary under the multi-unit development agreement for development of a minimum of three CHAPS PIT BEEF® restaurants is \$42,500. This includes \$42,500 that must be paid to the franchisor or affiliate. There is a development fee that must be paid to us of \$25,000 for the first restaurant plus \$8,750 multiplied by the number of additional CHAPS PIT BEEF® restaurants that you must open under the multi-unit development agreement, after the first. We will credit the development fee paid for a particular restaurant as a deposit against the initial franchise fee for the restaurant.

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 the availability of disclosures in different formats, contact Donna Creager at Chaps Pit Beef Franchising LLC, 5801 Pulaski Highway, Baltimore, Maryland 21205 and 443-873-0017.

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, 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.

ISSUED: March 16, 2018

2018 EDD CHAPS PIT BEEF

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 THE MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN MARYLAND. OUT-OF-STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN MARYLAND THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND THE MULTI-UNIT DEVELOPMENT AGREEMENT STATE THAT MARYLAND 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. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
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 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.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

Maryland	Pending
Virginia	Pending

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of March 16, 2018.

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