

DICKEY'S BARBECUE RESTAURANTS, INC. FRANCHISE DISCLOSURE DOCUMENT





FRANCHISE DISCLOSURE DOCUMENT DICKEY'S BARBECUE RESTAURANTS, INC., A TEXAS CORPORATION 801 E. Plano Parkway, #135 PLANO, TEXAS 75074 (972) 423-2201 WWW.DICKEYS.COM



Dickey's Barbecue Restaurants, Inc. sells franchises in which the franchisee will operate, under the name and mark "Dickey's Barbecue Pit", one or more fast casual restaurants specializing in freshly prepared barbecue style meats and other food products. You may operate a restaurant facility or retail space. We also offer a Development Agreement under which you must develop a specified number of restaurants within a defined geographic area according to a development schedule.

The estimated initial investment to begin operation of a single Dickey's Barbecue Pit restaurant ranges from \$114,555 to \$401,555. This includes a non-refundable initial fee of \$15,000 that must be paid to us. A Development Agreement requires payment to us of a non-refundable development fee of \$15,000 for the first restaurant plus a \$10,000 deposit for each additional restaurant you agree to develop. The amount due at signing depends on the number of restaurants you agree to develop. The minimum development fee for a Development Agreement is \$25,000.

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 fourteen (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.

The terms of your contract will govern your franchise relationship. Do not 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 ("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 a 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: September 24, 2013.

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 D** 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 DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE MOST DISPUTES WITH DICKEY'S BY NONBINDING MEDIATION IN TEXAS. IF MEDIATION FAILS, YOU MAY BE REQUIRED TO LITIGATE IN THE JUDICIAL DISTRICT WHERE OUR HOME OFFICE IS LOCATED, WHICH IS CURRENTLY IN COLLIN COUNTY, TEXAS. 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 TEXAS THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE THAT TEXAS LAW GOVERN EACH AGREEMENT (UNLESS AN ADDENDUM IS ATTACHED TO YOUR AGREEMENT WHICH PROVIDES OTHERWISE), AND TEXAS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THE FRANCHISEE'S OWNER/OPERATOR AND INVESTORS, AS THE CASE MAY BE, ARE REQUIRED TO SIGN A PERSONAL GUARANTY OF THE FRANCHISE OBLIGATIONS. SUCH PARTIES ARE JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS OF THE FRANCHISE, WHETHER OR NOT INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNERS AT RISK.
- 4. UNLESS WAIVED BY DICKEY'S IN WRITING, IN COMMUNITY PROPERTY STATES, THE SPOUSE OF A DEVELOPER, AND EACH GUARANTOR OF THE FRANCHISEE, IS REQUIRED TO SIGN THE DEVELOPMENT AGREEMENT OR PERSONAL GUARANTY, AS APPLICABLE, MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS AND DEBTS OF THE FRANCHISE WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS OR DEVELOPER. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF YOUR SPOUSE AT RISK.
- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

LOCAL LAW MAY SUPERSEDE THESE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT PROVISIONS. SEE THE STATE SPECIFIC ADDENDA IN THIS FRANCHISE DISCLOSURE DOCUMENT ABOUT ANY ADDITIONAL INFORMATION FOR YOUR STATE.

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 following page for individual state-specific effective dates.

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