

DICKEY'S BARBECUE RESTAURANTS, INC.

FRANCHISE DISCLOSURE DOCUMENT – AREA REPRESENTATIVE





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 to area representatives to facilitate the sale, development and operation of fast casual restaurant franchises to franchisees operating under the name and mark "Dickey's Barbecue Pit" within a defined geographic area. If you acquire a Dickey's area representative business, you must also acquire and operate a Dickey's Barbeque Pit restaurant that we offer under a separate disclosure document.

The total investment necessary to begin operation of a Dickey's Barbecue Pit area representative franchised business ranges from \$315,600 to \$356,500. This includes \$300,000 that must be paid to us.

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 "<u>A Consumer's Guide to Buying a Franchise</u>", 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: August 11, 2015.



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 AREA REPRESENTATIVE AGREEMENT REQUIRES YOU TO RESOLVE MOST DISPUTES WITH DICKEY'S BY NON-BINDING MEDIATION IN TEXAS. IF MEDIATION FAILS, YOU ARE BE REQUIRED TO SUBMIT TO BINDING ARBITRATION IN THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO OUR HOME OFFICE IN PLANO, TEXAS, OR LITIGATE IN THE JUDICIAL DISTRICT WHERE OUR HOME OFFICE IS LOCATED, WHICH IS CURRENTLY IN COLLIN COUNTY, TEXAS. OUT OF STATE ARBITRATION 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 AREA REPRESENTATIVE AGREEMENT REQUIRES THAT TEXAS LAW GOVERN THE AGREEMENT (UNLESS AN ADDENDUM ATTACHED TO YOUR AGREEMENT PROVIDES OTHERWISE), AND TEXAS 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.

LOCAL LAW MAY SUPERSEDE THESE AREA REPRESENTATIVE 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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