

## FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES

DUNN BROS COFFEE FRANCHISING, INC.  
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Minneapolis, MN 55401  
Telephone Number (612) 334-9746  
www.dunnbros.com  
franchiseinfo@dunnbros.com

**BLACKLINED COPY**

The franchise offered is for the operation of a DUNN BROS COFFEE® shop at an authorized location. A DUNN BROS COFFEE shop is a retail outlet in which you will use state of the art, on-site micro-roasting techniques to allow you to produce daily, fresh-roasted, high-quality coffee and sell this coffee at the peak of its aromatic freshness.

The total investment necessary to begin operation of a DUNN BROS COFFEE shop is from ~~\$240,000~~ \$211,000 to \$429,400. This includes \$32,000 that must be paid to us for your first franchise or \$25,250 that must be paid to us if you already operate a DUNN BROS COFFEE shop. The total investment necessary to begin operation of a DUNN BROS COFFEE Express shop is from ~~\$139,000~~ \$141,000 to ~~\$290,000~~ \$292,700. This includes \$24,000 that must be paid to us for your first franchise or \$19,500 that must be paid to us if you already operate a DUNN BROS COFFEE shop. ~~If you add the Provisions Program to your DUNN BROS COFFEE shop or DUNN BROS COFFEE Express shop, the total additional investment necessary to begin offering Provisions Products ranges from \$18,100 to \$29,000. This includes \$0 that must be paid to us or our affiliates.~~

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 ~~Scott Mason~~ Kim Plahn at 111 3<sup>rd</sup> Avenue South, Suite 220, Minneapolis, Minnesota 55401, (612) 334-9746.

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.

Issuance Date: April ~~30, 2012~~ 29, 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 G** 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 BY ARBITRATION ONLY IN MINNESOTA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN MINNESOTA THAN IN YOUR OWN STATE.**
2. **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 youour own investigation of this franchise.**

Effective Date: See the next page for state effective dates

### STATE EFFECTIVE DATES

The following states require that the 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:

State	Effective Date
Illinois	April 30, 2012 <del>2013</del>
Michigan	April 30, 2012 <del>2013</del>
Minnesota	May 24, 2012 <del>Pending</del>
North Dakota	July 2, 2012 <del>Pending</del>
South Dakota	April 30, 2012 <del>2013</del>
Wisconsin	May 23, 2012 <del>April 30, 2013</del>

In the states listed below, the effective date (issuance date) of this disclosure document is April 30, 2012~~29, 2013~~.

Alabama	Kentucky	North Carolina
Alaska	Louisiana	Ohio
Arizona	Maine	Oklahoma
Arkansas	Massachusetts	Oregon
Colorado	Mississippi	Pennsylvania
Connecticut	Missouri	South Carolina
Delaware	Montana	Tennessee
District of Columbia	Nebraska	Texas
Georgia	Nevada	Vermont
Idaho	New Hampshire	West Virginia
Iowa	New Jersey	Wyoming
Kansas	New Mexico	

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