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Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT
FAZOLI'S FRANCHISING SYSTEMS, LLC

A Delaware limited liability company
2470 Palumbo Drive
Lexington, Kentucky 40509
(859) 268-1668
sam.nelson@fazolis.com
www.fazolis.com

With this Franchise Disclosure Document (this "Disclosure Document"), Fazoli's Franchising Systems, LLC is offering a franchise to operate a Fazoli's restaurant. This offer covers three types of Fazoli's restaurants: a freestanding restaurant typically located on shopping center out parcels, a smaller in-line unit (designed for in-line or "end cap" locations in shopping centers), and a "G & C Location".

The total investment necessary to begin operation of a freestanding Fazoli's restaurant, excluding the cost to purchase or lease your real estate and improvements, ranges from \$558,000 to \$1,339,000. This includes the \$30,000 initial franchise fee and the \$5,000 pre-opening and opening advertising fee that you must pay to us or our affiliates. The total investment necessary to begin operation of an in-line Fazoli's restaurant, excluding the cost to purchase or lease your real estate and improvements, ranges from \$636,200 to \$828,000. This includes the \$30,000 initial franchise fee and the \$5,000 pre-opening and opening advertising fee that you must pay to us or our affiliates.

Franchisees in G & C locations operate a Fazoli's restaurant in and from dedicated space within or forming a part of a gas and convenience store facility (a "G&C Location"). For information related to a G&C Location please see the Addendum to Fazoli's Franchising Systems, LLC's Franchise Disclosure Document For Gas and Convenience Store Location, located at the end of this Disclosure Document.

In some cases, we may offer a Franchise Agreement for a specific location being developed by us, or an affiliate, or formerly operated by an affiliate. The terms of those offers vary on a transaction basis.

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 this Disclosure Document in another format that is more convenient for you. To discuss this availability of disclosures in different formats, please contact the Franchise Department at 2470 Palumbo Drive, Lexington, Kentucky 40509, 859-268-1668.

The terms of your contract will govern your franchise relationship. Don't rely on this 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 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, N W , Washington, D C 20580. You also can 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.

Your state also may have other laws on franchising. Ask your state agencies about them.

The issuance date of this Disclosure Document is July 1, 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 A for information about the franchisor, or about franchising in your state.

Please consider the following RISK FACTORS before you buy this franchise.

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.

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US IN KENTUCKY. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN KENTUCKY THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT KENTUCKY 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.

FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY -- EXPRESS OR IMPLIED -- AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF ITS PROPRIETARY TRADEMARKS.

YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this Disclosure Document in the states in which it is registered, in which we have filed an exemption notice or similar filing, or in which this Document is otherwise effective are set forth on the following page.

If any state in which we are offering this franchise requires additional or different disclosures than those in the body of this Disclosure Document, or if any state requires amendments to the Franchise Agreement, those disclosures and amendments are contained in Exhibit I.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/fazolis>