

FRANCHISE DISCLOSURE DOCUMENT



Fuzzy's Taco Opportunities, LLC A Texas limited liability company 2501 Parkview Drive, Suite 500 Fort Worth, Texas 76102 (817) 624-8226 www.fuzzystacoshop.com fuzzy@fuzzystacoshop.com

The franchise being offered is for a Baja-style Mexican food fast-casual restaurant under the name FUZZY'S TACO SHOP® and featuring simple, made-from-scratch favorites like huevos rancheros and breakfast tacos, Baja-inspired tacos and burritos filled with tempura fish, garlic shredded beef, or grilled shrimp, generous salads, traditional Mexican dinners, sandwiches, sides, and signature sauces.

The total investment necessary to begin operation of a FUZZY'S TACO SHOP® Restaurant franchise ranges from \$858,500 to \$1,329,000. This includes \$30,000 to \$50,000 payable to us or our affiliates. If you wish to acquire the right to develop multiple FUZZY'S TACO SHOP® Restaurants with a multi-unit development franchise, you must pay us the entire initial franchise fee for 50-100% of the Restaurants you agree to develop. For a typical commitment of 5-10 Restaurants, the total investment necessary to begin operation of a FUZZY'S TACO SHOP® multi-unit development franchise ranges from \$92,000 to \$270,000. This includes \$90,000 to \$265,000 payable 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 Cordie Hatch, Director of Franchise Development, 2501 Parkview Drive, Suite 500, Fort Worth, Texas 76102 or (817) 624-8226.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 you 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.

Date of Issuance: April 16, 2018



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 <u>Exhibit B</u> for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS AND DEVELOPMENT 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 FRANCHISE DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN THE COUNTY OR DISTRICT IN WHICH WE MAINTAIN OUR PRINCIPAL BUSINESS OFFICES, (CURRENTLY, FORT WORTH, 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 ARBITRATION OR LITIGATE WITH US IN THE COUNTY OR DISTRICT IN WHICH WE MAINTAIN OUR PRINCIPAL BUSINESS OFFICES THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND FRANCHISE DEVELOPMENT AGREEMENT STATE THAT TEXAS 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. YOU MUST COMPLY WITH MINIMUM AND MAXIMUM PRICES SET BY THE FRANCHISOR FOR THE GOODS AND SERVICES YOU SELL. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.
- 4. YOUR SPOUSE MUST SIGN A DOCUMENT CONSENTING TO YOUR PERSONAL GUARANTY OF THE FRANCHISE AGREEMENT AND/OR FRANCHISE DEVELOPMENT AGREEMENT, EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE BUSINESS. THIS GUARANTY WILL PLACE YOUR AND YOUR SPOUSE'S MARITAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See State Effective Dates Page



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 23, 2018
Indiana	April 23, 2018
Maryland	, 2018
Michigan	April 20, 2018
Minnesota	, 2018
New York	, 2018
North Dakota	, 2018
Rhode Island	, 2018
South Dakota	April 23, 2018
Virginia	, 2018
Wisconsin	April 19, 2018

In all other states, the effective date of this disclosure document is the issuance date of April 16, 2018.

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