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7/12/07

FRANCHISE OFFERING CIRCULAR

(Area Director Rights)



Hurricane Brand Holdings, LLC 2550 Southeast Willoughby Blvd. Stuart, Florida 34994 (772) 219-0749 www.hurricanewings.com

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INFORMATION FOR PROSPECTIVE AREA DIRECTORS REQUIRED BY THE FEDERAL TRADE COMMISSION

TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE <u>HAVEN'T CHECKED IT, AND DON'T KNOW IF IT'S CORRECT.</u> IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT.

IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT'S BEEN LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

FEDERAL TRADE COMMISSION Washington, D.C. 20580

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As an Area Director, you will solicit and qualify new Hurricane Grill and Wings multiple-unit or single-unit franchisee prospects and develop and service Hurricane Grill and Wings Franchised Restaurants located in your geographic area in exchange for the payment of a fee and the right to receive continuing commissions paid by the franchisees to us.

The initial Area Director Fee is computed by up to $10 \notin$ multiplied by the number of persons located in the Territory grant to you. The Area Director Fee will not be less than \$100,000 and may be up to \$2,000,000 depending on the size of the Territory. The estimated initial investment required to establish an Area Director business, including the Area Director Fee, ranges from \$190,100 to \$2,242,500. The initial investment estimate is only approximate and all initial fees are described in ITEMS 5, 7 and 8.

RISK FACTORS:

I. THE AREA DIRECTOR AGREEMENT REQUIRES THAT ALL DISAGREEMENTS, EXCLUDING ANY CLAIM BY US CONCERNING AN INFRINGEMENT OF THE MARKS. THE UNAUTHORIZED DISCLOSURE OF CONFIDENTIAL INFORMATION OR TRADE SECRETS OR A VIOLATION OF A COVENANT AGAINST COMPETITION, BE SETTLED BY MEDIATION IN MARTIN COUNTY, FLORIDA. IN ADDITION, THE AREA DIRECTOR AGREEMENT PERMITS YOU TO TAKE LEGAL ACTION AGAINST US ONLY IN MARTIN COUNTY, FLORIDA. 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 FLORIDA THAN IN YOUR HOME STATE.

2. THE AREA DIRECTOR AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. YOU MIGHT WANT TO INVESTIGATE WHETHER YOUR STATE HAS FRANCHISE LAWS THAT PROTECT YOU.

3. AS AN AREA DIRECTOR, YOU ARE REQUIRED TO ACHIEVE AN ANNUAL QUOTA FOR THE DEVELOPMENT OF INDIVIDUAL FRANCHISEES ["DEVELOPMENT SCHEDULE"). IF YOU FAIL TO ACHIEVE AND MAINTAIN THIS DEVELOPMENT SCHEDULE, WE MAY TERMINATE THE AREA DIRECTOR AGREEMENT.

4. THE AREA DIRECTOR AGREEMENT PROHIBITS YOU FROM TRANSFERRING OR SELLING YOUR RIGHTS AS AREA DIRECTOR DURING YOUR FIRST 3 YEARS IN BUSINESS. YOU SHOULD CONSIDER THESE RESTRAINTS ON TRANSFERABILITY IN YOUR DECISION TO PURCHASE AREA DIRECTOR RIGHTS.

5. WE RECENTLY BEGAN OFFERING FRANCHISES AND AREA DIRECTOR FRANCHISES. WE HAVE A LIMITED HISTORY OF FRANCHISE OPERATIONS. AS A RESULT, YOU MAY FACE GREATER RISKS. This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: https://franchisepanda.com/franchises/hurricane-grill-wings