



PIZZA • WINGS • BAR

FRANCHISE DISCLOSURE DOCUMENT

FRANCHISOR IN FRETTA Franchising, LLC A Texas Limited Liability Company 5588 SH 121 Suite 300 Plano, TX 75204 Phone: 844-Infretta Email: <u>info@in-fretta.com</u> Website: www.in-fretta.com

The franchise offered by IN FRETTA Franchising, LLC ("IN FRETTA") in this offering is the right and license to own and operate an IN FRETTA restaurant at a location approved by us. IN FRETTA restaurants are a fast-casual build-your-own pizza, with signature pasta, salad and made-to-order chicken wings with a full bar, as applicable. You will be required to execute a separate Franchise Agreement for each IN FRETTA Restaurant you open and operate.

The total investment necessary to begin operation of an IN FRETTA franchise is \$530,000-\$650,000. These sums include the initial franchise fee of \$30,000.

We may offer to enter into an area development agreement to establish and operate a certain number of IN FRETTA franchises at specific locations under individual franchise agreements. The area development fee will be equal to \$30,000 for each number of IN FRETTA franchises to be developed under the area development agreement up to three franchises, for five IN FRETTA Franchises the amount is \$20,000 per franchise, and for six or more franchises the amount in \$10,000 per franchise. The area development fee will be credited, in applicable increments of \$30,000, \$20,000, and \$10,000 towards the franchise fee owed for each IN FRETTA franchise developed. Your estimated initial investment will vary based on the number of Restaurants to be developed.

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: Sang W. Han, IN FRETTA Franchising, LLC, 5588 SH 121 Suite 300 Plano, TX 75204, (844) IN-FRETTA.



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 "<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. You can contact the FTC at 1-877-FTCHELP 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 <u>www.ftc.gov</u> 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.

Date of Issuance: (v.1)

January 1, 2017



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 1 for information about the franchisor, about other franchisors, 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE THE FRANCHISEE TO MEDIATE OR LITIGATE ONLY IN TEXAS. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH THE FRANCHISOR IN TEXAS THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THE LAW OF TEXAS GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT CONTAIN PROVISIONS THAT LIMIT YOUR RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA, INCLUDING, BUT NOT LIMITED TO, A TIME LIMIT TO RAISE CLAIMS AGAINST US AND A LIMITATION OF DAMAGES.
- 4. BY SIGNING THE GUARANTEES, YOU EXPRESSLY AGREE TO MAKE YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT. THE GUARANTEES WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 is <u>our</u> agent and 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 next page for state effective dates.

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