

FRANCHISE DISCLOSURE DOCUMENT



MR BREWS TAPHOUSE INTERNATIONAL, LLC Wisconsin limited liability company 309 West Johnson Street, Suite 203 Madison, WI 53703 (608) 819-6842 www.mrbrewstaphouse.com

Mr Brews Taphouse® Restaurants are restaurants featuring a variety of craft beer selections and high-quality hamburgers served on bakery fresh buns along with other food and beverage products in a distinctive, casual and family-friendly atmosphere.

The total investment necessary to begin operation of a franchised Mr Brews Taphouse® Restaurant is \$341,500 to \$674,000. This includes an Initial Fee of \$30,000 that must be paid to the franchisor. If you enter into an Area Development Agreement, you must also pay a Development Fee to the franchisor equal to 25% of the Initial Fees for the Mr Brews Taphouse® Restaurants that you are required to develop under the Area Development Agreement.

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 Disclosure 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 Mr. Steven Day at 309 West Johnson Street, Suite 203, Madison, WI 53703; (608) 819-6842.

The terms of your contract will govern your franchise relationship. Do not 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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 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.

Issuance Date: April 30, 2016



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 franchises 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 the State Agency Exhibit (Exhibit E) 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR BY MEDIATION OR LITIGATION ONLY IN WISCONSIN. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATION WITH THE FRANCHISOR IN WISCONSIN THAN IN YOUR OWN STATE.
- 2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The Franchisor may use the services of one or more FRANCHISE BROKERS or referral sources to assist it in selling its franchises. A franchise broker or referral source represents the Franchisor, not you. The Franchisor pays this person a fee for selling its franchise and referring you to the Franchisor. You should be sure to do your own investigation of the franchise.

Effective Date: See next page for state effective dates



STATE EFFECTIVE DATES

The following states require that the Franchise 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 Franchise 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:

California:	Not Registered	Nebraska:	Not Registered
Connecticut	Not Registered	New York:	Not Registered
Florida:	October 15, 2015	North Dakota:	Not Registered
Hawaii:	Not Registered	Rhode Island:	Not Registered
Illinois:		South Dakota:	Not Registered
Indiana:	Not Registered	Texas:	Not Registered
Kentucky:	Not Registered	Utah:	Not Registered
Maryland:	Not Registered	Virginia:	Not Registered
Michigan:	Not Registered	Washington:	Not Registered
Minnesota:	Not Registered	Wisconsin:	-

Issuance Date in the States Listed Below: April 30, 2016

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