

FRANCHISE DISCLOSURE DOCUMENT

PETRO'S FRANCHISING GROUP, LLC

A Georgia Limited Liability Company

180 Camden Hill Rd Suite C

Lawrenceville, Georgia 30046

(770) 513-7220

www.petros.com



The franchisee will operate either a Petro's Chili & Chips franchised restaurant, which is a unique southwestern style restaurant specializing in a menu centered around a "Petro" which consists of a blend of chili, chips and assorted toppings, and variations of a Petro involving pasta, nachos, salad, hot dogs and baked potatoes, as well as wraps, soups, desserts and beverages ("Restaurant"), or a Petro's mobile food truck unit, which consists of (a) a commissary where supplies, food products, equipment and other items required under the System may be held, and (b) a motor vehicle truck displaying a southwestern style decorum traveling on designated routes and offering southwestern style food centering around a Petro and variations of a Petro involving pasta, nachos, salad, hot dogs and baked potatoes, as well as wraps, soups, desserts and beverages ("Mobile Food Truck Unit").

The total investment necessary to begin operation of (i) a Petro's franchised restaurant is \$85,700 to \$344,950 and (ii) a Petro's Mobile Food Truck Unit is \$99,450 to \$185,400. This includes a \$15,000 initial franchise fee for a Petro's Restaurant or a \$7,500 initial franchise fee for a Petro's Mobile Food Truck Unit that must be paid to Petro's or an affiliate. The total investment to become an area developer is, in addition to the operational investment described above (less the applicable initial franchise fee), an area development fee equal to the product of: (i) \$15,000 multiplied by each Petro's Chili & Chips Restaurant and \$7,500 multiplied by each Petro's Chili & Chips Mobile Food Truck Unit to be developed under a Development Schedule of five or less Restaurants and/or Mobile Food Truck Units; (ii) \$12,500 multiplied by each Petro's Chili & Chips Restaurant and \$6,250 multiplied by each Petro's Chili & Chips Mobile Food Truck Unit to be developed under a Development Schedule of six to ten Restaurants and/or Mobile Food Truck Units; or (iii) \$10,000 multiplied by each Petro's Chili & Chips Restaurant and \$5,000 multiplied by each Petro's Chili & Chips Mobile Food Truck Unit to be developed under a Development Schedule of eleven or more Restaurants and/or Mobile Food Truck Units. The area development fee must be paid to Petro's or an affiliate. The total investment to become a master franchisee is, in addition to the operational investment described above, a master franchise fee equal to \$100,000 per one million people within the Trade Area we grant you which shall contain, at a minimum, one million people and, at your

election, \$5,000 for each existing location within the Trade Area we grant you. The master franchise fee must be paid to Petro's or an affiliate.

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 Petro's Corporate Office at 180 Camden Hill Rd Suite C, Lawrenceville, Georgia 30046 and 1-770-513-7220.

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 "[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 can also 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.

There may also be laws on franchising in your state. Ask your state agencies about them.

April 1, 2013

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 “M” 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 US BY ARBITRATION OR LITIGATION ONLY IN GEORGIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT STATES THAT GEORGIA 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.**

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

TO THE EXTENT LOCAL LAW REQUIRES, YOU MAY HAVE CERTAIN RIGHTS UNDER THIS LAW. PLEASE SEE EXHIBIT “O” FOR AN EXPLANATION OF ANY APPLICABLE LOCAL LAW.

Effective Date: See the next page for state effective dates.

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