



FRANCHISE DISCLOSURE DOCUMENT

Hero Systems, Inc.
An Oregon Corporation

700 N. Hayden Island Drive Suite 290-297
Portland, OR USA 97217
(503) 776-8216

www.BigTownHero.com

We are **Hero Systems, Inc.**, an Oregon corporation. We offer franchises to qualified individuals to own and operate a submarine sandwich restaurant under the "**Big Town Hero**®" name, logos, and service marks. Our franchisees offer specialized sandwiches and related menu items to the public under these service marks (the "Method of Operation"). You may purchase the right to establish a Big Town Hero franchise at a selected location to use our service marks, trade names, programs and systems.

The Initial Franchise Fee is **\$18,000**. In consideration for the reduced costs for sales and training, if you purchase additional franchises, the Initial Franchise Fee is reduced to **\$10,000**. The total estimated initial investment necessary to begin operation of a **Big Town Hero** franchise ranges from **\$124,150 to 383,700**. This includes the Initial Franchise Fee that must be paid to the franchisor or its affiliates. Refer to Items 5, 6 and 7 of this Disclosure Document for a full explanation regarding the Initial Franchise Fee, other Fees and the Total Investment.

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 Jack Chu at 700 N. Hayden Island Drive Suite 290-297, Portland, Oregon 97217, (503)776-8216.

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, NW, 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.

Effective Date: September 1, 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 Exhibit B 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN OREGON. OUT-OF-STATE LITIGATION AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE OR MEDIATE WITH US IN OREGON THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT OREGON LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT OREGON LAW APPLIES, YOUR STATE LAW MAY SUPERSEDE THIS PROVISION AND IT MAY NOT BE ENFORCEABLE IN YOUR STATE. SEE SPECIAL STATE DISCLOSURES IN THE STATE ADDENDA TO THE FRANCHISE AGREEMENT AND DISCLOSURE DOCUMENT.
3. YOU AND ALL OF YOUR PARTNERS, MEMBERS, SHAREHOLDERS, OR OWNERS MUST PERSONALLY SIGN THE FRANCHISE AGREEMENT OR JOINTLY SEVERALLY, IRREVOCABLY, AND UNCONDITIONALLY GUARANTEE TO US THE DUE AND PUNCTUAL OBSERVANCE AND PERFORMANCE BY YOU OF ALL OF YOUR OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND ANY OTHER AGREEMENT TO WHICH YOU AND WE ARE PARTIES.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 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 this franchise.

Effective Date: See the next page

This Franchise Disclosure Document is effective as of:

General FTC (for states not requiring registration) – **September 1, 2018**

States Requiring Registration (registration not approved if blank):

California
Florida
Hawaii
Illinois
Indiana
Kentucky
Maryland
Michigan
Minnesota
Nebraska
New York
North Dakota
Rhode Island
South Dakota
Texas
Utah
Virginia
Washington
Wisconsin

September 12, 2018 (10983055-BSOE)

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