

## FRANCHISE DISCLOSURE DOCUMENT



Golden Franchising Corporation  
a Delaware corporation  
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The franchisee will operate a quick service chicken restaurant under the trade name and business system associated with the mark GOLDEN CHICK®.

The total investment necessary to develop a single, prototypical Golden Chick Restaurant ranges from \$237,950 to \$488,000 (excluding any real estate, improvements and soft costs). This range includes the \$30,000 franchise fee (or \$45,000 within our Houston, Texas developer's assigned area ("Houston Area")) that must be paid to the franchisor or affiliate.

If you sign a Development Agreement to operate multiple Golden Chick Restaurants in a designated area, you must pay a development fee of \$9,000 for each Golden Chick Restaurant to be developed, sign a Franchise Agreement and pay an initial franchise fee of \$30,000 (or \$45,000 within Houston Area) for the first restaurant to be developed. You will pay an initial franchise fee equal to 60% of our then-current initial franchise fee (or \$45,000 within Houston Area) upon signing a Franchise Agreement for each additional restaurant to be developed. The initial franchise fee for the Franchise Agreement of each restaurant (whether it is the first or an additional restaurant) will be reduced by \$9,000 if you are in compliance with the terms and conditions of the Development Agreement at the time any such Franchise Agreement is executed.

We have agreements with third parties to operate as area representatives in the Houston, Texas and San Antonio, Texas areas ("Area Representatives"). Area Representatives have no authority, express or implied, to act as an agent of ours or any of our affiliates for any purpose. Area Representatives are independent contractors responsible for all obligations and liabilities of, and for all loss or damage to, or resulting from their operations.

This Franchise Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise 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.**

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise Disclosure Document, is available from the Federal Trade Commission ("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 [www.ftc.gov](http://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.

Date of Issuance: May 9, 2018.

## STATE COVERAGE 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 FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Attachment A 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 DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN TEXAS. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN TEXAS RATHER THAN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT TEXAS LAW 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. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

Effective Date: See State Effective Dates Page

We do not use independent FRANCHISE BROKERS for the offer and sale of franchises. If we did use the services of FRANCHISE BROKERS or referral sources to assist us in selling our franchise, they would represent us, not you. We would 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.

### 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:

<u>State</u>	<u>Effective Date</u>
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In all other states, the effective date of this Franchise Disclosure Document is the issuance date of May 9, 2018.

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