

FRANCHISE DISCLOSURE DOCUMENT

ROSATI'S FRANCHISE & DEVELOPMENT, LLC

(An Illinois Limited Liability
Company) 28381 Davis Parkway
Warrenville, Illinois 60555
(630)393-2280

www.rosatispizza.com

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The Franchisee will own and operate a Rosati's Pizza restaurant which offers for sale to the general public a variety of pizza, pasta, sandwiches and other approved menu items for carry-out, delivery and sit-down restaurant using the service marks and trade secrets owned by or licensed to Rosati's Franchise & Development, LLC.

The total investment necessary to begin operation of a Rosati's Pizza restaurant franchise is from \$264,700 to \$1,482,000. This includes \$35,000 that must be paid to the Franchisor.

If you enter into a Multi-Unit Development Agreement to develop multiple Rosati's Pizza restaurants, when you sign the Multi-Unit Development Agreement you will pay the full Initial Franchise Fee of \$35,000 for your first Rosati's Pizza restaurant and a development fee of \$17,500 for each additional Rosati's Pizza restaurant you agree to develop under the Multi-Unit Development Agreement. You must open a minimum of two (2) Rosati's Pizza restaurants under the Multi-Unit Development Agreement.

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 government agency has verified the information contained in this document.

You may wish to receive your Franchise Disclosure Document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Dan Perillo at (630) 393-2280 or at 28381 Davis Parkway, Warrenville, Illinois 60555.

The terms of your contract will govern your franchise relationship. Don't rely on the Franchise Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or 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. 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 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.

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(See Exhibit A for State Specific Addenda and State Specific Effective Dates)

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 FRANCHISE DISCLOSURE DOCUMENT.

Call the State 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.

THE FRANCHISEE OR ALL THE OWNERS OF THE FRANCHISE MUST SIGN A PERSONAL GUARANTEE. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND MULTI UNIT DEVELOPMENT AGREEMENT REQUIRES THAT CERTAIN DISAGREEMENTS BE SETTLED BY ARBITRATION IN ILLINOIS. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN ILLINIOS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ILLINOIS 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.
3. WE DO NOT OWN THE TRADEMARKS YOU ARE LICENSED TO USE.
4. EACH OF THE SHAREHOLDERS OF ROSATI'S FRANCHISE SYSTEMS, INC. (THE COMPANY THAT OWNS TWO OF THE MARKS) MAY OPERATE AND FRANCHISE OTHERS TO OPERATE ROSATI'S PIZZA RESTAURANTS, INCLUDING CLOSE PROXIMITY TO YOUR ROSATI'S PIZZA RESTAURANT, ALTHOUGH NOT WITHIN YOUR TERRITORY. THESE RESTAURANTS MAY BE OPERATED IN A MANNER DIFFERENT FROM OUR SYSTEM, AND THEY MAY OFFER DIFFERENT MENU ITEMS PROMOTIONS AND A DIFFERENT OVERALL DINING EXPERIENCE. WE DO NOT HAVE THE ABILITY, AND ARE UNDER NO OBLIGATION, TO CONTROL THESE OPERATIONS.

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