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Dept of Business Oversight

FRANCHISE DISCLOSURE DOCUMENT

Passion Foods, Inc
a California Corporation
780 Lakefield Road, Suite C
Westlake Village, CA 91361
(805) 496-8489
www.sharkys.com

The franchises described in this disclosure document are for the operation of a SHARKY'S WOODFIRED MEXICAN GRILL® or Express Restaurant ("Restaurant") The total investment necessary to begin operation of a franchised Restaurant is \$309,000 to \$930,050 This includes \$40,000 that must be paid to the franchisor 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 and 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 disclosure document in another format that is more convenient for you To discuss the availability of disclosure in different formats, contact Steven Paperno at the above address and telephone number

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 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

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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 C** 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

Special Risk Factors

1 THE FRANCHISE AGREEMENT REQUIRES THAT MOST DISAGREEMENTS MAY BE SETTLED BY ARBITRATION IN THE COUNTY WHERE THE FRANCHISOR'S CORPORATE HEADQUARTERS ARE LOCATED ("HOME COUNTY"), CURRENTLY VENTURA COUNTY, CALIFORNIA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE

2 ARBITRATION WILL NOT BE USED FOR ANY ACTION FILED BY US WHICH INVOLVES A FRANCHISEE'S CONTINUED USAGE OF ANY OF THE MARKS, OR THE SYSTEM OR ANY ISSUE INVOLVING INJUNCTIVE RELIEF AGAINST FRANCHISEE, ALL OF THESE ISSUES WILL BE SUBMITTED TO A STATE OR FEDERAL COURT HAVING JURISDICTION OVER THE ISSUE INVOLVED THE PARTIES CONSENT TO PERSONAL JURISDICTION IN CALIFORNIA OVER ANY SUCH ISSUES NOT SUBJECT TO ARBITRATION

3 THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE WHERE THE RESTAURANT IS LOCATED GOVERNS THE AGREEMENT

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Dates

_____ (California)

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EXHIBITS

- A Franchise Agreement with Personal Guaranty and State Addendum
- B Area Development Agreement
- C State Agents and State Administrators
- D List of Current Franchisees
- E List of Certain Former Franchisees
- F Sales to Cost Analysis
- G Financial Statements
- H Receipt

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/sharkys-woodfired-mexican-grill>