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FRANCHISE DISCLOSURE DOCUMENT 2016 AUG 14 AM 10 52

Straw Hat Restaurants, Inc. (a California Corporation)
18 Crow Canyon Court, Suite 130
San Ramon, California 94583 (925) 837-3400

WEBSITE WWW STRAWHATPIZZA COM



The name of the franchisor is Straw Hat Restaurants, Inc ("Straw Hat") The franchise is for casual dining restaurant serving, among other items, pizza, operating under the name Straw Hat Pizza®, and under Straw Hat's system of opening and operating restaurants Straw Hat grants to qualified persons the right to own, develop and operate a pizza restaurant, referred to in this document as Straw Hat Pizza restaurant, according to the terms of its standard franchise agreement as described in this Disclosure Document

The investment necessary to develop and begin operation of the restaurant ranges from \$346,500 to \$825,000 This includes the initial franchise fees of \$30,000 for a standard Straw Hat Pizza restaurant

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 Sal Listek, Acting President, Straw Hat Restaurants, Inc, 18 Crow Canyon Court, Suite 130, San Ramon, California 94583, telephone number (925) 837-3400

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

Issuance Date April 6, 2018, as amended July 25, 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 administrators listed in Exhibit 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

Risk Factors

THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY MEDIATION OR BY LITIGATION IF YOU SUE THE FRANCHISOR YOU MUST DO SO IN THE STATE OF CALIFORNIA OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO SUE IN CALIFORNIA THAN IN YOUR HOME STATE

EXCEPT AS OTHERWISE PROVIDED IN THE FRANCHISE AGREEMENT, THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE AND BOUND BY ALL THE PROVISIONS OF THE FRANCHISE AGREEMENT WHETHER OR NOT FRANCHISEE'S SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER AND THEIR SPOUSE AT RISK

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 is our agent and 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 the franchise

Effective Date See the next page for state effective dates

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