

Chatime USA, LLC
2F, No. 239 Ziqiang 5th Rd.
Zhubei City, Hsinchu County 30264
Taiwan
886-988-050-818
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A franchisee will operate a Chatime food service establishment offering gourmet coffees and teas, coffee or tea-based beverages, bubble tea, compatible food products, coffee and tea makers and related supplies, accessories and gifts.

The total investment necessary to begin operation of a Chatime franchised business is between \$170,100 and \$490,200 (plus point-of-sale costs and professional fees). This includes \$78,000 that must be paid to the franchisor or its affiliates.

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 fourteen (14) days before you sign a binding agreement with, or making 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 for you. To discuss the availability of disclosures in different format, contact the Franchise Department at Chatime USA, LLC, 2F, No. 239 Ziqiang 5th Rd., Zhubei City, Hsinchu County 30264, Taiwan, 886-988-050-818, ichatime.sales@lakaffa.com.tw.

The term 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 contracts 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. 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: October 31, 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 FRANCHISE DISCLOSURE DOCUMENT.**

Call the state franchise administrators 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.

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

1. **THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US THAT CANNOT BE RESOLVED BY GOOD FAITH NEGOTIATION BY LITIGATION ONLY IN THE TAIWAN HSINCHU DISTRICT COURTS. OUT-OF-STATE AND OUT-OF-COUNTRY LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN A HSINCHU TAIWAN THAN IN YOUR OWN STATE OR COUNTRY.**
2. **IF YOU HAVE A DISPUTE THAT MUST BE RESOLVED IN TAIWAN, YOU MAY NEED TO RETAIN COUNSEL WHO IS LICENSED TO PRACTICE LAW IN THAT COUNTRY, REQUIRING ADDITIONAL EXPENDITURES OF TIME AND MONEY.**
3. **THE FRANCHISE AGREEMENT STATES THAT TAIWAN LAW GOVERNS THAT AGREEMENT. THESE LAWS MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW OR LOCAL LAW MAY APPLY REGARDLESS OF THIS STATEMENT. YOU MAY WANT TO COMPARE THESE LAWS.**
4. **THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.**
5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

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EXHIBITS

- Exhibit A - Financial Statements
- Exhibit B - Franchise Agreement
- Exhibit C - List of State Administrative Agencies
- Exhibit D - Addenda Required by State(s)
- Exhibit E - General Release
- Exhibit F - Acknowledgment Addendum to Franchise Agreement
- Exhibit G - List of Franchisees
- Exhibit H - Operations Manual Table of Contents
- Exhibit I - Receipt

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