

FRANCHISE DISCLOSURE DOCUMENT

CP COFFEE, INC. A Washington Corporation d.b.a. CP[®] Cutters Point Coffee 6521 43rd Avenue Court NW, Suite C Gig Harbor, Washington 98335 253-851-4977 www.cutterspoint.com



As a Franchisee, you will offer and sell a limited menu of specialty espresso and coffee based beverages, baked goods, whole bean and ground coffee and other complementary items, operating under our Marks and following our System.

The total investment necessary to begin operation of a CP[®] Cutters Point Coffee franchise is from \$192,850.00 to \$478,500.00. This includes \$25,000.00 that you must pay to us as your Initial Fee and approximately \$5,250.00 to \$24,000.00 you must pay to the franchisor or affiliate for your initial inventory of CP[®] Cutters Point coffees, paper goods, additional training and other items.

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.

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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.

Issue Date: May 31, 2016

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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 Attachment F 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 BY ARBITRATION ONLY IN PIERCE COUNTY, WASHINGTON. 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 WASHINGTON THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT WASHINGTON STATE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE YOU THE SAME PROTECTIONS AND BENEFITS AS YOU LOCAL LAW. ACCORDINGLY, YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

LOCAL LAW MAY SUPERSEDE THESE AD OTHER FRANCHISE AGREEMNT PROVISIONS. CERTAIN STATES REQUIRE THE SUPERSEDING PROVISIONS TO APPEAR IN AN ADDENDUM IN THIS FRANCHISE DISCLOSURE DOCUMENT, WHICH IF APPLICABLE IS ATTACHED AS **EXHIBIT G** TO THIS FRANCHISE DISCLOSURE DOCUMENT.

Effective Date: See the next page for state effective dates.

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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:

State	Effective Dates or Status
California	August 26, 2010 - April 20, 2011
Washington	May, 2016 – May, 2017

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date on the coverage page.

The states listed above may require specific disclosures and revisions to the Franchise Agreement. Those disclosures and revisions, if required, are set forth in **Exhibit G** to this Franchise Disclosure Document.

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