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Department of Business Oversight

## FRANCHISE DISCLOSURE DOCUMENT

Inchins Bamboo Garden Franchising LLC a Georgia limited liability company 11105 State Bridge Road, Suite 200 Alpharetta, Georgia 30022 (404) 271-4493 (t) www bamboo-gardens com

INCHIN'S BAMBOO GARDEN®

The franchisee will operate a full service, casual dining restaurant offering Pan Asian cuisine, soft drinks, alcoholic beverages (optional) and related services under the composite service mark INCHIN'S BAMBOO GARDEN and design®

The total investment necessary to begin operation of an Inchins Bamboo Garden Franchising LLC franchise is from \$595,000 to \$895,000 This includes \$110,300 to \$134,300 that must be paid to us

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 us 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 disclosures in different formats, contact Kaushik Patel at 11105 State Bridge Road, Suite 200, Alpharetta, Georgia 30022 and (404) 271-4493

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 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, DC 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. June 30, 2016



## 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 A-1** 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

THE FRANCHISE AGREEMENT PERMITS YOU TO SUE US ONLY IN GEORGIA OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO SUE US IN GEORGIA THAN IN YOUR OWN STATE

THE FRANCHISE AGREEMENT STATES THAT GEORGIA 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

THE FRANCHISE AGREEMENT REQUIRES THE SPOUSES OF FRANCHISE OWNERS, SHAREHOLDERS, PARTNERS AND MEMBERS WHO ARE NOT OWNERS OF THE FRANCHISED BUSINESS THEMSELVES, WHETHER OR NOT THEY ARE INVOLVED IN THE FRANCHISED BUSINESS, TO SIGN THE PERSONAL GUARANTY AND CONSENT AND AGREE THAT ALL ASSETS AND PROPERTY THAT IS HELD JOINTLY WITH THEIR SPOUSE WHO IS AN OWNER, WHETHER AS JOINT TENANTS OR TENANTS BY THE ENTIRETIES, WILL BE SUBJECT TO CLAIMS UNDER THE FRANCHISE AGREEMENT THE GUARANTY PLACES ALL OF THE PERSONAL ASSETS OF THE OWNERS, SHAREHOLDERS, PARTNERS AND MEMBER AND THEIR SPOUSES AT RISK

THERE IS A ROYALTY FEE OF 8% ON GROSS SALES PAYABLE MONTHLY

IN CERTAIN CIRCUMSTANCES DESCRIBED IN SECTION 18 8 OF THE FRANCHISE AGREEMENT, WE HAVE THE RIGHT (BUT NOT THE OBLIGATION) TO ASSUME MANAGEMENT OF THE RESTAURANT IN SUCH EVENT, YOU WILL BE OGLIBATED TO PAY US A MANAGEMENT FEE OF 12% OF GROSS SALES UP TO A MAXIMUM OF \$5,000 PER MONTH AND ALL OF OUR DIRECT OUT-OF-POCKET COSTS AND EXPENSES DURING THE MANAGEMENT PERIOD



IN THE EVENT THE FRANCHISE AGREEMENT IS TERMINATED DUE TO YOUR DEFAULT IN COMPLYING WITH THE FRANCHISE AGREEMENT, YOU MUST PAY US, AS LIGUIDATED DAMAGES, AN AMOUNT EQUAL TO 60% OF THE ESTIMATED AMOUNT OF ALL FEES PAYABLE TO US FOR THE UNEXPIRED TERM OF THE FRANCHISE AGREEMENT

THE SENIOR EXECUTIVE (FOOD PRODUCTION) IS AN EMPLOYEE OF OURS WHO WE MAKE AVAILABLE TO YOU TO WORK IN THE FRANCHISED RESTAURANT OUR LEVEL OF CONTROL OVER THE SENIOR EXECUTIVE (FOOD PRODUCTION) MAY SUBJECT US TO JOINT EMPLOYER LIABILITY

YOU ARE REQUIRED TO ALLOW US TO PLACE THE SENIOR EXECUTIVE (FOOD PRODUCTION) AT THE FRANCHISED RESTAURANT AND ALLOW THE SENIOR EXECUTIVE (FOOD PRODUCTION) TO OVERSEE COMPLIANCE WITH EFFICIENT KITCHEN OPERATION AND TO MANAGE AND SUPERVISE ALL OPERATIONS OF THE KITCHEN

YOU WILL BE REQUIRED TO REIMBURSE US FOR THE ANNUAL COMPENSATION OF THE SENIOR EXECUTIVE (FOOD PRODUCTION) IN AN AMOUNT EQUAL TO \$54,000 PLUS COST OF LIVING ADJUSTMENTS

YOU ARE REQUIRED TO PAY US CERTAIN FEES IN CONNECTION WITH THE SENIOR EXECUTIVE (FOOD PRODUCTION) AS FOLLOWS \$10,000 FOR THE COST OF RECRUITING, PROCESSING AND TRAINING AND \$2,250 PER WEEK FOR THE TWO WEEK PERIOD PRIOR TO THE OPENING OF THE RESTAURANT WHEN THE SENIOR EXECUTIVE (FOOD PRODUCTION) WILL BE STATIONED AT THE RESTAURANT

## 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 represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

Effective Date See the next page for state effective dates

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