

## FRANCHISE DISCLOSURE DOCUMENT TASTEA FRANCHISING LLC A California limited liability company 11552 Knott Street #C1 Garden Grove California 92841 Telephone (714) 894-0285 Email ted@tastea.net

URL www tastea net

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Tastea Franchising, LLC a California limited liability company offers franchises for the operation of Tastea tea bars ( **Tastea Tea Bars** ) that offer freshly brewed flavored ice teas smoothies slushies shaved ice and other specialty beverages and hand battered popcorn chicken french fries fish balls and other specialty food items

We offer the rights for 3 different franchises in this Disclosure Document

<u>Single Bar Program</u> Under the Single Tastea Tea Bar Program you will sign a Franchise Agreement to operate a single Tastea Tea Bar The total investment necessary to begin operations of a single Tastea Tea Bar ranges from approximately \$331 000 to \$564 500 This includes \$40 000 to \$43 000 that must be paid to us or our affiliate

Area Development Program Under the Area Development Program we assign a defined area within which you must develop and operate a minimum of 2 Tastea Tea Bars within a specified period of time. The total investment necessary to begin operations of 2 to 4 Tastea Tea Bars under an Area Development Agreement ranges from approximately \$353 000 to \$608 000 per Tastea Tea Bar. This includes \$50 000 to \$76 000 that must be paid to us or our affiliate

<u>Purchase Program</u> Under the Purchase Program you will purchase an existing and operating company owned Tastea Tea Bar (an **Operating Tastea Tea Bar**') from our affiliate. The total investment necessary to begin operations of an Operating Tastea Tea Bar ranges from approximately \$433 000 to \$1 144 000 This includes \$395 000 to \$1 084 000 that must be paid to us or our affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English Read the 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 payments 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 disclosures in different formats contact our Managing Member Theodore Vu 11552 Knott Street #C1 Garden Grove California 92841 (714) 894-0285

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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 <a href="https://www.ttc.gov">www.ttc.gov</a> 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

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS JUNE 13 2014



## 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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed on  $\underline{\text{Exhibit } K}$  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 THIS FRANCHISE 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 AREA DEVELOPMENT AGREEMENT AND ASSET PURCHASE AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH TASTEA FRANCHISING LLC BY MEDIATION ONLY IN ORANGE COUNTY CALIFORNIA OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO PARTICIPATE IN MEDIATION WITH TASTEA FRANCHISING LLC IN CALIFORNIA THAN IN YOUR HOME STATE
- THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
  - 3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

See the Next Page for State Effective Dates

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