

FRANCHISE DISCLOSURE DOCUMENT
TASTEА FRANCHISING, LLC
A California Limited Liability Company
11612 Knott Street #G5
Garden Grove, California 92841
Telephone (714) 894-0285
Email: ted@tastea.net
URL: www.gotastea.com



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:

Single Bar Program. 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 \$427,000 to \$678,500. This includes \$46,000 to \$49,000 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 \$449,000 to \$722,000 per Tastea Tea Bar. This includes \$60,000 to \$120,000 that must be paid to us or our affiliate.

Purchase Program. 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 \$443,000 to \$1,126,000. This includes \$401,000 to \$1,061,000 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 us or our affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this Disclosure Document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of receiving this Disclosure Document in a different format, contact our Managing Member, Theodore Vu, 11612 Knott Street #G5, Garden Grove, California 92841, (714) 894-0285.

The terms of your written contracts with us will govern your franchise relationship. Don’t rely on this Disclosure Document alone to understand your contract. Read all of your contracts carefully. Show your contracts and this Disclosure Document to an advisor, like a lawyer or accountant. If there is any conflict or inconsistency between this Disclosure Document and your contracts, your contracts control and you should rely on your contracts.

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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS _____, 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 franchise administrator listed in **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, 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 TASTE A 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 TASTE A FRANCHISING, LLC IN CALIFORNIA THAN IN YOUR HOME STATE.
2. 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.
4. YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS

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