

2019
Franchise
Disclosure
Document



FRANCHISE DISCLOSURE DOCUMENT

Tastea Franchising, LLC

A California Limited Liability Company

11612 Knott Street #G5

Garden Grove, California 92841

Telephone (714) 894-0285

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www.gotastea.com

The franchises offered in this Franchise Disclosure Document (the “Disclosure Document”) is for the operation of Tastea tea bars (“Tastea Tea Bars”) serving handcrafted fresh smoothies, teas, and other specialty beverages and fried food items in a quick-service restaurant environment under the “Tastea” trade name and trademarks.

Under the Single Tastea Tea Bar Program, you will sign a Franchise Agreement to operate a single Tastea Tea Bar. We estimate your total initial investment to begin operations of a single Tastea Tea Bar will range from approximately \$368,300 to \$654,500. Included in the estimate is \$74,500 to \$80,500 that must be paid to us or our affiliate which is comprised of the Initial Franchise Fee of \$40,000 and \$34,500 to \$40,500 in fees and expenditures.

Under the Area Development Program, we assign a defined area within which you must develop and operate a minimum of three (3) Tastea Tea Bars within a specified period of time. If you sign an Area Development Agreement, we estimate your total initial investment will range from \$428,300 to \$804,500. Included in the estimate is \$134,500 to \$230,500 that you must pay to us or our affiliate which is comprised of the Development Fee of \$100,000 (for 3 units) to \$190,000 (for 6 units) and \$34,500 to \$40,500 in fees and expenditures for your first Tastea Tea Bar unit.

Under the Purchase Program, you will purchase an existing and operating company-owned Tastea Tea Bar (an “Operating Tastea Tea Bar”) from our affiliate. We estimate your total initial investment to begin operations of an Operating Tastea Tea Bar will range from approximately \$450,000 to \$1,392,000. Included in the estimate is \$422,000 to \$1,330,000 that must be paid to us or our affiliate which is comprised of the purchase price of the Operating Tastea Tea Bar ranging from \$375,000 to \$1,250,000, the Initial Franchise Fee of \$40,000 and \$7,000 to \$40,000 in prepaid rent and security deposits.

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 fourteen (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 OCTOBER 25, 2019.

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