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**FRANCHISE DISCLOSURE DOCUMENT**

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**KF FRANCHISING, LTD**  
 a Texas limited partnership  
 23240 Westheimer Parkway, Suite A  
 Katy, Texas 77494  
 Telephone (281) 829-6188  
[www.kolachefactory.com](http://www.kolachefactory.com)  
[vicki@kolfac.com](mailto:vicki@kolfac.com)

The franchised business is a retail bakery cafe that sells an assortment of kolaches and complementary menu items under the Kolache Factory® trade name

The total investment necessary to begin operation of a single new Kolache Factory franchise ranges from \$397,330 to \$677,000 exclusive of real estate acquisition or lease costs (see Item 7) This includes \$25,000 that must be paid to us or an affiliate (see Item 5) The total investment necessary to operate under a development agreement that requires you to develop open and operate more than one Kolache Factory Store ranges from \$407,830 to \$712,500 This includes \$7,000 to \$28,000 that must be paid to us or an affiliate (see Item 5)

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**

You may wish to receive your Disclosure Document in another format that is more convenient for you including an electronic version of your Disclosure Document If so, you may wish to print or download the Disclosure Document for future reference To obtain a paper copy or the availability of disclosures in different formats, contact Vicki Kozel at (281) 829-6188

The terms of your contract will govern your franchise relationship Do not 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 '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](http://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 Date of Issuance of this Disclosure Document is May 31 2017

## 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 H 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 PERMITS YOU TO ARBITRATE WITH US ONLY IN HOUSTON, TEXAS. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN TEXAS THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT STATES THAT THE LAWS OF THE STATE OF TEXAS GOVERN THE AGREEMENT. AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS

3 YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS, AND FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS. FRANCHISOR CONTROLS

4 YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENTS. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS

5 THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE

See the State Registrations Page for effective dates

**KF FRANCHISING, LTD**  
**STATE REGISTRATIONS**

This Disclosure Document is registered, on file or exempt from registration in the following states with franchise registration and disclosure laws

<b>State</b>	<b>Effective Date</b>
California	
Illinois	
Indiana	
Maryland	
New York	
Utah	
Virginia	

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