

TK FRANCHISE OPERATIONS, LP
FRANCHISE DISCLOSURE DOCUMENT



vomFASS®



Look · Taste · Enjoy

FRANCHISE DISCLOSURE DOCUMENT
TK FRANCHISE OPERATIONS, LP,
A Delaware limited partnership
316 W. Washington Ave., Suite 675,
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608-209-1671

We offer franchises for operation of vomFASS® retail stores for stand-alone retail stores and shop-in-shops. vomFASS® retail stores sell liqueurs, wines, spirits, spices, vinegars and oils from bulk casks and amphora that allow customers to sample the products prior to purchase. Where local or state alcoholic beverage regulations restrict alcohol sales or make it impracticable, we offer stores featuring oils, vinegars and spices without the alcohol products or side-by-side stores which offer liqueurs, wines and spirits in one space and oils, vinegars and spices in an adjacent or nearby space. We are not currently offering stand-alone vomFASS oils, vinegars and spices stores. The total investment necessary to begin operation of a vomFASS® retail store franchise is between \$269,000 and \$749,500 (not including real estate and liquor license). This includes between \$134,500 and \$237,000 that must be paid to the franchisor or its affiliate, directly from you or through your lender, in the case you receive financing. Shop-in-shop stores feature oils, vinegars and spices without the alcohol products. The total investment necessary to begin operation of a vomFASS® shop-in-shop franchise is between \$96,750 and \$264,750 (not including real estate). This includes between \$70,250 and \$153,250 that must be paid to the franchisor or its affiliate, directly from you or through your lender, in the case you receive financing.

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 or grant. **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. To discuss the availability of disclosures in different formats, contact TK Franchise Operations, LP at 316 W. Washington Avenue, Suite #675, Madison, WI 53703 (608) 209-1671.

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 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, D.C. 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.

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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 E 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR ARBITRATION ONLY IN MADISON, WISCONSIN. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR ARBITRATE WITH US IN MADISON, WISCONSIN, THAN IN YOUR OWN STATE.**
2. **DUE TO OUR CURRENT FINANCIAL CONDITION, CERTAIN STATES MAY REQUIRE AN IMPOUND OR POSTPONEMENT OF THE INITIAL FRANCHISE FEE.**
3. **THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.**
4. **IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER LEGAL ENTITY, EACH "PRINCIPAL" AND EACH PF THEIR RESPECTIVE SPOUSES OWNING A 10% OR GREATER INTEREST MUST SIGN A PERSONAL GUARANTEE TO BE BOUND BY AND PERSONALLY LIABLE FOR THE BREACH OF EVERY PROVISION OF THE FRANCHISE AGREEMENT INCLUDING WITHOUT LIMITATION THOSE RELATING TO PAYMENT, CONFIDENTIALITY, NON-COMPETITION, POST-TERMINATION AND INDEMNIFICATION. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK.**
5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We may 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 be sure to do your own investigation of this franchise.

Effective Date: See the next page for state effective dates

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