

## FRANCHISE DISCLOSURE DOCUMENT

AR WORKSHOP FRANCHISING, LLC  
746 Bannerman Lane  
Fort Mill, SC 29715  
(919) 824-8609  
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[www.arworkshop.com](http://www.arworkshop.com)



The Franchisee will own and operate a boutique DIY creative workshop offering hands-on classes to create customizable home décor pieces using creative art techniques, in a lounge-style, inspiring environment, as well as offering for sale on-trend curated home décor accessories, jewelry and other items. Wine and beer may be sold or brought on a “BYOB” basis by customers of your workshop. Franchisor, AR WORKSHOP FRANCHISING, LLC, provides services to Franchisees including assistance with training, operations, staffing, advertising and marketing, purchasing and promotional techniques.

The total investment necessary to begin operation of an AR WORKSHOP franchise is between \$59,630 and \$99,150. This includes \$20,000 and \$25,000 that must be paid to the franchisor or affiliate.

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, 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. To discuss availability of disclosures in different formats, contact the Franchise Administration Department of AR WORKSHOP FRANCHISING, LLC at 746 Bannerman Lane, Fort Mill, SC 29715 and (919) 824-8609.

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](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.

Issuance Date: May 17, 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 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 STATES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION IN NORTH CAROLINA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN NORTH CAROLINA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA 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. THE FRANCHISE AGREEMENT REQUIRES BOTH YOU AND YOUR SPOUSE TO SIGN A PERSONAL GUARANTY MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF THE SPOUSE IS NOT INVOLVED IN THE FRANCHISED BUSINESS. THE PERSONAL GUARANTY PLACES BOTH YOUR AND YOUR SPOUSE'S PERSONAL ASSETS AT RISK.

4. WE WERE FORMED ON MAY 2, 2017 AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

5. THE FRANCHISE AGREEMENT REQUIRES YOU TO PLEDGE CERTAIN ASSETS TO US AS COLLATERAL FOR PERFORMANCE OF YOUR OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THE SECURITY AGREEMENT MAY MAKE OBTAINING FINANCING MORE DIFFICULT.

6. STATE ALCOHOL CONTROL LAWS MAY PLACE RESTRICTIONS ON THE SALE OF ALCOHOL OR PROHIBIT BRING-YOUR-OWN-BEVERAGE ("BYOB") EVENTS. YOU SHOULD INVESTIGATE THESE LAWS PRIOR TO PURCHASING THIS FRANCHISE.

7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See attached effective date list.

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### EXHIBITS

Exhibit A AR WORKSHOP FRANCHISE AGREEMENT with Attachment 1 (Franchise Fees), Attachment 2 (Site Selection Addendum/Lease Rider/Territory Identification), Attachment 3 (Security Agreement), Attachment 4 (Personal Guaranty), Attachment 5 (Nondisclosure and Noncompetition Agreement), Attachment 6 (Telephone Listing and Internet Authorization Agreement), Attachment 7 (Internet, Social Media, and Telephone Assignment)

Exhibit B LISTING OF CURRENT FRANCHISEES/LICENSEES and CERTAIN PAST FRANCHISEES

Exhibit C FINANCIAL STATEMENTS

Exhibit D STATE SPECIFIC INFORMATION

Exhibit E FEDERAL AND STATE REGULATORS/AGENTS FOR SERVICE OF PROCESS

Exhibit F SAMPLE GENERAL RELEASE AGREEMENT

Exhibit G ACH/EFT TRANSFER AGREEMENT

Exhibit H AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER

Exhibit I FIRST ADDENDUM TO RENEWAL FRANCHISE AGREEMENT

Exhibit J ACCOUNTANT AUTHORIZATION

Exhibit K STATEMENT OF PROSPECTIVE FRANCHISEES

Exhibit L RECEIPT

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