



FRANCHISE DISCLOSURE DOCUMENT

INCLUDING

FRANCHISE AGREEMENT

AND

AREA DEVELOPMENT AGREEMENT

PINOT'S PALETTE FRANCHISE LLC

FRANCHISE DISCLOSURE DOCUMENT



FRANCHISOR
 PINOT'S PALETTE FRANCHISE LLC
 A TEXAS LIMITED LIABILITY COMPANY
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 HOUSTON, TEXAS 77056
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 FRANCHISE@PINOTSPALETTE.COM
 PINOTSPALETTE.COM

AS A FRANCHISEE, YOU WILL OPERATE A STUDIO OFFERING CUSTOMERS ARTISTIC CLASSES, INCLUDING OPPORTUNITY TO ENJOY FOOD, WINE OR OTHER BEVERAGES UNDER THE NAME "PINOT'S PALETTE."

THE TOTAL INVESTMENT NECESSARY TO BEGIN OPERATION OF A PINOT'S PALETTE FRANCHISE IS FROM \$... INCLUDES THE INITIAL FRANCHISE FEE OF \$25,000, PLUS AN INITIAL ARTIST TRAINING FEE OF \$500 PER DAY. COSTS AND EXPENSES FOR A MINIMUM OF TWO DAYS, PLUS APPROXIMATELY \$2,000 TO \$5,000 FOR COLORED PRINTED MATERIALS AND CERTAIN PROPRIETARY MARKETING AND PROMOTIONAL MATERIALS AND SUPPLIES AS THE FRANCHISOR. PLEASE SEE ITEMS 5 AND 7 FOR ADDITIONAL DETAILS.

WE MAY OFFER TO ENTER INTO AN AREA DEVELOPMENT AGREEMENT TO ESTABLISH AND OPERATE A PINOT'S PALETTE FRANCHISE SPECIFIC LOCATIONS PURSUANT TO INDIVIDUAL FRANCHISE AGREEMENTS. THE AREA DEVELOPMENT FEE WILL BE EQUAL TO \$12,500 MULTIPLIED BY THE NUMBER OF PINOT'S PALETTE FRANCHISES TO BE DEVELOPED UNDER THE AGREEMENT. THE AREA DEVELOPMENT FEE WILL THEN BE CREDITED, IN INCREMENTS OF \$12,500, AGAINST THE FRANCHISE FEE OWED FOR EACH PINOT'S PALETTE FRANCHISE DEVELOPED. YOUR ESTIMATED INITIAL INVESTMENT WILL VARY DEPENDING ON THE NUMBER OF STUDIOS TO BE DEVELOPED.

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF YOUR FRANCHISE AGREEMENT AND OTHER DOCUMENTS IN PLAIN ENGLISH. READ THIS DISCLOSURE DOCUMENT AND ALL ACCOMPANYING AGREEMENTS CAREFULLY. YOU SHOULD READ THIS DISCLOSURE DOCUMENT AT LEAST 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE AGREEMENT. **FRANCHISE PANDA, INC. HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

YOU MAY WISH TO RECEIVE YOUR DISCLOSURE DOCUMENT IN ANOTHER FORMAT THAT IS MORE CONVENIENT. REGARDING THE AVAILABILITY OF DISCLOSURES IN DIFFERENT FORMATS, CONTACT CRAIG CECCANTI, PINOT'S PALETTE, 5539 RICHMOND AVENUE, HOUSTON, TEXAS 77056, (713) 975-7867, CRAIG.CECCANTI@GMAIL.COM.

THE TERMS OF YOUR CONTRACT WILL GOVERN YOUR FRANCHISE RELATIONSHIP. DON'T RELY ON THE INFORMATION IN THIS DOCUMENT TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. SHOW YOUR CONTRACT TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT.

BUYING A FRANCHISE IS A COMPLEX INVESTMENT. THE INFORMATION IN THIS DISCLOSURE DOCUMENT IS INTENDED TO INFORM YOUR MIND. MORE INFORMATION ON FRANCHISING SUCH AS "HOW TO BUY 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, N.W., WASHINGTON, DC 20580. YOU CAN ALSO VISIT THE FTC'S HOME PAGE FOR ADDITIONAL INFORMATION. CONTACT 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 AN ADMINISTRATOR BEFORE OFFERING OR SELLING IN YOUR STATE. REGISTRATION OF A FRANCHISE IN YOUR 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 1 FOR INFORMATION ABOUT THE FRANCHISORS, 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE THE FRANCHISEE TO ARBITRATE OR LITIGATE ONLY IN TEXAS. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH THE FRANCHISOR IN TEXAS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THE LAW OF TEXAS 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.

WE MAY USE THE SERVICES OF ONE OR MORE FRANCHISE BROKERS OR REFERRAL SOURCES TO 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 INVESTIGATION OF THE FRANCHISE.

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