

FRANCHISE DISCLOSURE DOCUMENT

WINE AND DESIGN FRANCHISE LLC
A North Carolina Limited Liability Company
1520 Glenwood Avenue, Suite 200A
Raleigh, NC 27608
(919) 803-3343
corporate@wineanddesign.com
www.wineanddesign.com



The Franchisee will own and operate an art studio offering art classes where patrons bring their food and beverages of choice to their class and enjoy a relaxing and a pressure free creative environment. Franchisor, WINE AND DESIGN FRANCHISE LLC, provides services to Franchisees including assistance with training, operations, and staffing, advertising and marketing, purchasing and promotional techniques.

The total investment necessary to begin operation of a Wine & Design franchise is between \$52,800 and \$105,000. This includes \$25,000 that must be paid to the franchisor or its affiliate. From time-to-time we may offer discounts to first time franchisees who are qualified veterans, and existing franchisees that wish to purchase an additional Wine & Design franchise. See Item 5 of this Franchise Disclosure Document. We also offer to our franchisees from time to time Area Development agreements whereby they will receive the exclusive rights to develop a specific area in exchange for paying us a development fee. See items 1, 5, 11, 12, 17, and 20 of this Franchise Disclosure Document. The total investment necessary to enter into an Area Development Agreement, with the development rights of between 2 and 3 Wine and Design Studios is between \$65,300 and \$117,500, which includes between \$12,500 and \$25,000 that must be paid to the franchisor and/or its affiliates for the development rights for studios 2 and 3 at the time that you enter into the Area Development Agreement. See Items 5 and 7.

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 WINE AND DESIGN FRANCHISE LLC at 1520 Glenwood Avenue, Suite 200A, Raleigh, North Carolina 27608, Tel # (919) 803-3343, and email corporate@wineanddesign.com.

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.

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. IF YOU AND YOUR SPOUSE JOINTLY OWN YOUR FRANCHISE AS A CORPORATION OR LIMITED LIABILITY COMPANY, 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. THE PERSONAL GUARANTY PLACES BOTH YOUR AND YOUR SPOUSE'S PERSONAL ASSETS AT RISK.
4. STATE ALCOHOL CONTROL LAWS MAY PLACE RESTRICTIONS ON OR PROHIBIT BRING-YOUR-OWN-BEVERAGE ("BYOB") EVENTS. YOU SHOULD INVESTIGATE THESE LAWS PRIOR TO PURCHASING THIS FRANCHISE.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See attached effective date list.

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