

FRANCHISE DISCLOSURE DOCUMENT



WOODCRAFT FRANCHISE, LLC
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(304) 422-5412
www.woodcraft.com
woodcraftfranchise@woodcraft.com

As a franchisee, you will operate a retail store under the name WOODCRAFT® (“Woodcraft Retail Store”) dedicated to the sale of woodworking products and services including tools, supplies, books, seminars, classes, demonstrations and other educational programs along with related products and services.

The total investment necessary to begin operation of a Woodcraft Retail Store ranges from \$573,789 to \$752,692. This includes \$55,~~277~~289 to \$55,450 that must be paid to the franchisor or an 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, 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. To discuss the availability of disclosures in different formats, contact Woodcraft Franchise, LLC, Andrew V. Bondi, 1177 Rosemar Road, Parkersburg, West Virginia 26105, (304) 422-5412.

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.

Issuance date of this Franchise Disclosure Document: March 6, 2024



Except as stated above, we reserve all rights not specifically granted to you, for ourselves and our affiliates, on any terms we deem advisable, and without granting any rights to you, including the right to:

1. Own, acquire, establish, and/or operate, and license others to establish and operate, Woodcraft Retail Stores outside the Territory regardless of their proximity to your Woodcraft Retail Store or their impact on your Woodcraft Retail Store;
2. Own, acquire, establish, and/or operate, businesses under other proprietary marks or other systems including businesses which provide products and services similar to those provided by a Woodcraft Retail Store at any location outside the Territory regardless of their proximity to your Woodcraft Retail Store or their impact on your Woodcraft Retail Store;
3. Sell or distribute through any other distribution channel including, but not limited to, the Internet, direct mail, and mail order catalogues, at retail or wholesale, directly or indirectly, or license others to sell or distribute, any products, including Branded Products, under the Marks or other marks, whether within or outside the Territory and regardless of the impact on your Woodcraft Retail Store. There are no restrictions on our right to solicit or accept orders from customers inside your Territory and we are not required to compensate you for soliciting or accepting orders within the Territory.
4. Be acquired (whether through acquisition of assets, membership or other ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Woodcraft Retail Stores, or by another business, even if such business operates franchises and/or licenses competitive businesses in the Territory.

There is no minimum sales quota. Continuation of your Territory does not depend on the achievement of a certain sales volume, market penetration or other contingency. We may not alter your Territory without your written consent. You do not have any options or right of first refusal or similar rights to acquire additional franchises, although you may apply for the right to operate additional Woodcraft Retail Stores under separate Franchise Agreements.

ITEM 13 TRADEMARKS

Under the Franchise Agreement we grant you the right to operate your Woodcraft Retail Store under certain Marks that we authorize you to use. Woodcraft Supply has registered and filed all required affidavits for the following principal Marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
THE FIRST AMERICAN WOODMAKER and Design 	1,127,711	March 21, 1978*
	1,367,546	October 29, 1985*

MARK	REGISTRATION NUMBER	REGISTRATION DATE
HELPING YOU MAKE <u>MAKE</u> WOOD WORK	2,173,162	July 14, 1998*

[*Registration has been renewed at the USPTO.](#)

Under the terms of a Trademark License Agreement dated September 8, 2006, Woodcraft Supply has licensed us the rights to use the principal Marks and to sublicense our franchisees to use the principal Marks in the operation of Woodcraft Retail Stores. The License Agreement is for a term of 30 years and may be terminated by Woodcraft Supply if we fail to cure within 30 days, after having received written notice, any violation of the terms of the License Agreement, including improper use of the Marks or in a manner not expressly permitted under the terms of the Trademark License Agreement. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the principal Marks.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal mark, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. We are not aware of any infringing uses that could materially affect your use of the Marks. There are no agreements that limit our rights to use or license the use of the Marks and we are not aware of any superior rights that could affect your use of the Marks.

You will not receive any interest in the Marks. You may not at any time contest the validity or ownership of the Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Marks. We will take whatever action we deem appropriate. We will indemnify you against any third party claim, suit or demand arising out of your use of the Marks, provided you have used the Marks in accordance with the Franchise Agreement. You must modify or discontinue using any Mark upon direction to do so from us. Under the terms of the Franchise Agreement, we are not required to reimburse you for the costs of any modifications or your discontinuance of the use of any of the Marks.

You must not use any Mark or part of any Mark as part of any corporate or entity name, in any modified form with the sale of any unauthorized product or service, or in any other manner not authorized in writing by us. You must give notices of trademark and service mark registration as we specify and obtain fictitious or assumed name registrations as may be required.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or copyrights are material to the franchise. You must operate your Woodcraft Retail Store in accordance with our standards, specifications, policies, and procedures as stated in the Manual or otherwise communicated to you.

The Manual contains confidential information and you must maintain the confidentiality of this information. You will divulge confidential information only to employees who must know it to operate your Woodcraft Retail Store. All information, knowledge and know-how which we designates as confidential will be deemed confidential for purposes of the Franchise Agreement, except information which you can demonstrate lawfully came to your attention before disclosure of it by us; or which, at the

	Provision	Section in Franchise Agreement (FA), Renewal Franchise Agreement (RFA), Product Supply Agreement (PSA) and Retail System Support Agreement (RSSA)	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	FA and RFA: Section 14.E. PSA: Not applicable RSSA: Not applicable	We may match any offer for your Woodcraft Retail Store or its assets, or any ownership interest in you.
o.	Franchisor's option to purchase franchisee's business	FA and RFA: Section 16 PSA: Not applicable RSSA: Not applicable	We have the right to purchase any or all assets used in the operation of your Woodcraft Retail Store business for 30 days from the date of termination or expiration of the Franchise Agreement.
p.	Death or disability of franchisee	FA and RFA: Section 14.C. PSA: Not applicable RSSA: Not applicable	Upon death or permanent disability of the owner of more than 50% of the stock or membership interest of you, the executor, administrator, conservator or personal representative of such person must assign the Franchise Agreement or the ownership interest to a third party approved by us within six months.
q.	Non-competition covenants during the term of the franchise	FA and RFA: Section 17.B. PSA: Not applicable RSSA: Not applicable	No involvement in a competing business anywhere.
r.	Non-competition covenants after the franchise is terminated or expires	FA and RFA: Section 17.C. PSA: Not applicable RSSA: Not applicable	No involvement in a competing business for two years at the site of your Woodcraft Retail Store or within the Territory or within 10 miles of any other Woodcraft Retail Store.
s.	Modification of the agreement	FA and RFA: Section 18.G. PSA: Section 11 RSSA: Section 11	The Agreements can be modified only by written agreement signed by both parties.
t.	Integration/merger clause	FA and RFA: Section 18.G. PSA: Section 11 RSSA: Section 10	Only the terms of the Agreements are binding (subject to state law). Any representations or promises outside of this disclosure document and the Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	FA and RFA: Section 18.D. PSA: Section 15 RSSA: Section 12	Except for certain claims, all disputes must be mediated and if necessary arbitrated at a location within 10 miles of our principal business address (subject to state law as to Franchise Agreement).
v.	Choice of forum	FA and RFA: Section 18.E. PSA: Section 14 RSSA: Not applicable	Subject to state law, litigation must be brought in the district where we have our principal business address (currently, Wood County, West Virginia).
w.	Choice of law	FA and RFA: Section 18.E. PSA: Section 14 RSSA: Section 12	Except for Federal Arbitration Act and subject to state law, West Virginia law applies.

**ITEM 18
PUBLIC FIGURES**

We do not use any public figures to promote our franchises.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information about possible performance at a particular location or under particular circumstances.

The chart below contains an unaudited statement of average annual Gross Revenues, expenses and profit information for 63 franchisee-owned Woodcraft Retail Stores that were open for the entire 12-month period ended December 31, 2023. The information is derived from financial reports submitted to us by our franchisees as part of our reporting requirements. There were 63 Stores open as of December 31, ~~2024~~2023. We have not included the performance of one franchisee-owned Woodcraft Retail Store that opened in 2023 and one franchisee-owned Woodcraft Retail Store that closed in 2023. We have not included the performance of our affiliate-owned Woodcraft Stores.

In the following table, we have classified the franchisee-owned Woodcraft Retail Stores as being Low, Medium or High based on the Store’s annual Gross Revenues for 2023.

AVERAGE GROSS REVENUE, EXPENSE AND PROFIT OF 63 FRANCHISEE-OWNED WOODCRAFT RETAIL STORES¹			
For the Period January 1 - December 31, 2023			
Gross Revenue Category	Low <\$1.5 Mil	Medium \$1.5 - \$2.3 mil	High >\$2.3 mil
Number and Percentage of Stores	13 / 20.63%	34 / 53.97%	16 / 25.40%
Average Gross Revenues²	\$1,316,451	\$1,932,793	\$2,845,239
Range of Gross Revenues	\$965,255 - \$1,463,798	\$1,504,646 - \$2,299,413	\$2,330,068 - \$3,991,009
Median Gross Revenues	\$1,397,414	\$2,018,233	\$2,654,135
Average Cost of Goods Sold	\$800,779	\$1,196,634	\$1,760,128
Range of Costs Goods Sold	\$580,393 - \$908,225	\$936,729 - \$1,456,059	\$1,389,053 - \$2,534,300
Median Costs of Goods Sold	\$858,337	\$1,192,593	\$1,647,805
Average Gross Profit	\$515,672	\$736,159	\$1,085,111
Range of Gross Profit	\$384,862 - \$587,984	\$539,962 - \$965,867	\$799,595 - \$1,597,794
Median Gross Profit	\$528,687	\$720,704	\$997,102
Average Operating Expenses³	\$521,765	\$670,341	\$980,228
Range of Operating Expenses	\$383,849 - \$717,848	\$411,981 - \$1,064,460	\$692,286 - \$1,495,340
Median Operating Expenses	\$514,664	\$648,328	\$939,227
Average Store Profit	(\$6,093)	\$65,818	\$104,883
Range of Store Profit	(\$142,919) - \$106,077	(\$98,593) - \$311,716	(\$101,929) - \$280,743
Median Store Profit	\$1,013	\$61,200	\$104,529

respective party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of the State of West Virginia. This provision might not be enforceable under California law.

Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the federal Reserve Bank of San Francisco, whichever is higher.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by the franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.](#)

EXHIBIT K

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	PENDING
Hawaii	PENDING March 16, 2024
Illinois	March 7, 2024
Indiana	March 7, 2024
Maryland	PENDING
Michigan	March 6, 2024
Minnesota	PENDING
New York	PENDING March 22, 2024
North Dakota	PENDING March 14, 2024
Rhode Island	March 6, 2024
South Dakota	PENDING March 8, 2024
Virginia	March 11, 2024
Washington	PENDING March 15, 2024
Wisconsin	March 7, 2024

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.