

## FRANCHISE DISCLOSURE DOCUMENT

# BodyBrite

**SIMPLY HAIRFREE FRANCHISING II, LLC**

d/b/a **BODYBRITE**

A Minnesota Limited Liability Company

5108 West 74<sup>th</sup> St., PO Box 390425

Minneapolis, Minnesota 55439

612.888.9532

www.bodybriteusa.com

Franchisor franchises the right to operate hair removal, body rejuvenation, and other beauty services centers utilizing franchisor's proprietary operating system and marks, including the mark BodyBrite (each, a "Center"). The total investment necessary to begin operating a single Center ranges from \$105,033 to \$277,600, which includes between \$50,000 and \$148,000 that must be paid to franchisor before opening.

Franchisor also offers qualified individuals the right to operate multiple Centers under an Area Development Agreement. The total investment necessary to begin operating an Area Development Business will vary depending upon the number of Centers we agree you will open in your designated territory (the "Development Area"). You must pay the discounted franchise fees ("Initial Developer Franchise Fee") in full for each respective Center you agree to open upon signing our form of Area Development Agreement.

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 our corporate office at 5108 West 74<sup>th</sup> St. Minneapolis, MN 55439 or via telephone at 612.888.9532.

The terms of your single unit Franchise Agreement and Area Development Agreement, as applicable, will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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.

The Issuance Date of this Franchise Disclosure Document ("FDD") is: \_\_\_\_\_, 2017. (See page entitled "State Effective Dates—2017" for State-Specific Effective Dates).

## 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 A** to this Franchise Disclosure Document for information about the franchisor, about other 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. AT OUR OPTION, THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN MINNEAPOLIS, MINNESOTA. OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN MINNESOTA THAN IN YOUR OWN STATE.
2. ANY DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN MINNEAPOLIS, MINNESOTA. IT MAY COST YOU MORE TO LITIGATE WITH US IN MINNESOTA THAN IN YOUR OWN STATE.
3. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT MINNESOTA LAW GOVERNS THEM. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
4. THE FRANCHISEE AND THEIR SPOUSE MUST EXECUTE A PERSONAL GUARANTEE MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE, WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER AND THEIR SPOUSE AT RISK.
5. WE WERE FORMED ON MAY 26, 2016 AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 is *our* agent and 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 the franchise.

Effective Date: See page entitled “State Effective Dates—2017” for State Specific Effective Dates.

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