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FRANCHISE DISCLOSURE DOCUMENT SEVA BEAUTY, LLC

An Illinois Limited Liability Company 295 Palmas Inn Way Suite #104, PMB#220 Humacao, Puerto Rico 00791 877-SEVA-BEAUTY www SevaBeauty com franchising@sevabeauty com



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DEPARTHENT OF BUSINESS OVERSIGHT SAN FRANCISCO

We grant qualified franchisees the right to own and operate our fast-casual spa business that provides various esthetic services and retail products, using the trade name SEVA BEAUTY[®] as well as our business model and systems The total estimated investment to begin operation of a SEVA® Studio is \$114,650 to \$301,000 This includes \$49,000 - \$64,000 that must be paid to us or our affiliates

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 or grant 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 SEVA Beauty LLC, Director of Franchise Development, 295 Palmas Inn Way, Suite #104, PMB#220 Humacao, Puerto Rico 00791, telephone 877-SEVA-BEAUTY

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 "<u>A Consumer's Guide to Buying a Franchise</u>", 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, Washington, DC 20580 You can also visit the FTC's home page at <u>http://www.ftc.gov.for.additional.information</u> 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 March 28, 2017, as amended May 17, 2017

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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 A 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN ILLINOIS OUT-OF-STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE AND LITIGATE WITH US IN ILLINOIS THAN IN YOUR OWN STATE

2 ALL OWNERS AND EACH SPOUSE AND DOMESTIC PARTNER OF EVERY OWNER OF THE FRANCHISE MUST GUARANTEE THE OBLIGATIONS OF THE FRANCHISE AGREEMENT, THEREBY PLACING MARITAL AND PERSONAL ASSETS AT RISK IF THE BUSINESS FAILS

3 IF YOU BUY THIS FRANCHISE, EACH YEAR YOU MUST ACHIEVE A MINIMUM GROSS SALES AMOUNT SET BY US IF YOU FAIL TO ACHIEVE THE MINIMUM GROSS SALES AMOUNT, YOU WILL PAY THE SAME ROYALTY AS THOSE WHO MET THE MINIMUM, AND WE MAY TERMINATE YOUR FRANCHISE AGREEMENT

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We may 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 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 Dates See next page for state effective dates

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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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California	April 6, 2017, as amended
Hawaii	
Illinois	March 29, 2017, as amended May 26, 2017
Indiana	March 28, 2017, as amended May 17, 2017
Maryland	April 3, 2017, as amended
Michigan	March 29, 2017, as amended May 17, 2017
Minnesota	
New York	April 17, 2017, as amended
North Dakota	March 30, 2017, as amended
Rhode Island	March 29, 2017, as amended
South Dakota	March 29, 2017, as amended May 17, 2017
Virginia	April 10, 2017, as amended
Washington	
Wisconsin	March 28, 2017, as amended May 25, 2017

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of March 28, 2017, as amended May 17, 2017

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