

## FRANCHISE DISCLOSURE DOCUMENT



Avari Beauty Franchise, LLC  
A Minnesota Limited Liability Company  
4501 Allendale Drive, White Bear Lake, MN  
55127  
715-352-0268  
theavaribeauty@gmail.com  
<https://avaribeauty.com/>

As an Avari Beauty franchisee, you will operate a business offering esthetician salon services and products both to customers. The Avari Beauty Franchise is a Indigenous Owned esthetician salon using eco-friendly supplies and products in the operation. We created produce our own products which are sustainable, safe and eco-friendly. We are committed to using eco-friendly supplies in the salon, our space is quiet, calm, and relaxing and we use the best high-quality products in the beauty services industry. Franchisees will operate under the brand “Avari Beauty.”

The total investment necessary to begin operation of an Avari Beauty franchise is ~~\$135,700-20,700~~ to ~~\$232,000-190,000~~. This includes \$44,000 to \$47,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation under a two to five-unit Multi-Unit Development Agreement (including the first unit) is \$159,200 to \$327,000. This includes \$66,500 to \$137,000 that must be paid to the franchisor. There is no minimum number of Avari Beauty units that you are required to develop under the Multi-Unit 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, please contact Kari Frances Tribble at 4501 Allendale Drive, White Bear Lake, MN 55127 and 715-352-0268.

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

## Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Minnesota. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Minnesota than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Supplier control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes in advance of the opening of the franchisee's location, doing so remotely, at a corporate location, and at the franchisee's location once sufficient build-out has been completed and close to being open, as elaborated on in the additional questions below. This may change as we start to bring on more franchisees.

The instruction materials consist primarily of our Onboarding Checklist which contains links organized by section for all applicable written procedures, training videos and a shadowing/coaching checklist and approval process all required to successfully and fully complete the necessary training. Additional instructional material will be provided consisting of additional similar training (additional procedures, additional video training, additional checklists, etc.) for "higher-level" functions required of the franchisee and/or the individual acting as the owner/operator and/or manager of the franchisee.

Training classes will be led by the franchisor(s) and/or its delegate(s), such as a Affiliate Owned-employed, tenured individual who has been delegated to lead some or all aspects of training (i.e. a manager / assistant manager / senior employee who works at a Affiliate Owned (franchisor) location). The primary lead for training classes will be Ms. Kari Tribble, who has 8 years of experience working in the industry and 8 years working with our Affiliate Company. Some aspects of training classes will be self-directed and led by the franchisee themselves as they follow the training structure in place which would include video training and the aforementioned instructional materials created by the franchisor/Affiliate Owned (so in that sense, it is still being led by the franchisor/Affiliate Owned/its delegate(s), just done remotely and/or by pre-recorded materials listed in the Onboarding/Training structure).

The instructor, of the franchisor(s) have experience dating back to the establishment of Affiliate Owned. Franchisor/Affiliate Owned delegate(s) may have various lengths of experience depending on the individual delegate, but they would typically have minimally one year of experience, if not more, and have had successfully completed both their own training and facilitation of others' training in the past; the delegate(s) would typically be in a management role at a Affiliate Owned location or be a "senior," tenured employee if not in a formal management position.

There is no fee for up to 2 people to attend training. You must pay the travel and living expenses of your employees or managers attending training.

You must attend training. You may send any additional persons to training that you want (up to the maximum described above). You must complete training to our satisfaction at least four weeks before opening your business. You will be required to pass a test which evaluates your understanding for the content and franchise operating content as covered in the training program. Should you fail to pass the test or complete the initial training, we have the right to terminate the franchise agreement with no refund of the initial franchise fee.

Your business must at all times be under your on-site supervision or under the on-site supervision of a general manager who has completed our training program. If you need to send a new general manager to our training program, we will charge a fee, which is currently \$450 per

### Territory Protection

In your franchise agreement, we grant you a ~~exclusive~~ protected territory. In your territory, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as an Avari Beauty outlet. The continuation of your territorial protection does not depend on achieving a certain sales volume, market penetration, or other contingency. There are no circumstances that permit us to modify your territorial rights.

If you sign a MUDA, you do not receive an exclusive territory as an area developer. Therefore, with respect to a MUDA, we make the following disclosure: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

### Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from consumers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

### Soliciting by You Outside Your Territory

There are no restrictions on you from soliciting or accepting orders from consumers outside of your territory, except that all marketing and advertising is subject to our approval.

### Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

## Item 13 TRADEMARKS

### Principal Trademark

The following is the principal trademark that we license to you. This trademark is owned by our affiliate, Kari Tribble Enterprises, LLC. It is registered on the Principal Register of the United States Patent and Trademark Office.

<b>Trademark</b>	<b>Registration Date</b>	<b>Registration Number</b>
Avari Beauty	August 18, 2020	6127590

Totals	0	1	0
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### Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

### Former Franchisees

Exhibit H contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

### Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

### Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

## Item 21 FINANCIAL STATEMENTS

**We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission.** Exhibit F contains our audited opening balance sheet dated as of January 20<sup>th</sup>, 2024 and our most recent unaudited financial statements as of 11/30/2024. Our fiscal year end is December 31.

## Item 22 CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

## EXHIBIT F

### FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

11/30/2024

Balance Sheet

Avari Beauty Franchise, LLC

Current Assets:

<u>Cash</u>	<u>\$2,000</u>
<u>Due from Affiliate</u>	<u>-</u>

Total Current Assets                      \$2,000

Fixed Assets

<u>Equipment</u>	<u>-</u>
<u>Accum Depreciation</u>	<u>-</u>

Total Fixed Assets                      -

Other Assets

<u>Intangible Assets</u>	<u>-</u>
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Total Assets                                      \$2,000

Current Liabilities

<u>Accounts Payable</u>	<u>-</u>
<u>Due to Affiliates</u>	<u>\$2,000</u>

Total Liabilities                                \$2,000

Member's Equity

<u>Member's Equity</u>	<u>-</u>
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Total Equity                                      -

**TOTAL LIABILITIES AND EQUITY      \$2,000**

11/30/2024

Profit and Loss

Avari Beauty Franchise, LLC

<u>Revenues</u>	-
<u>Franchise Revenue</u>	-
<u>Other Revenue</u>	-
<u>    Total Revenue</u>	<u>\$0</u>

<u>Expenses</u>	
<u>Bank Charges</u>	-
<u>Commissions</u>	-
<u>Telephone</u>	-
<u>Advertising</u>	-
<u>Professional Fees</u>	-
<u>    Total Expenses</u>	<u>\$0</u>

<u>Operating Income</u>	<u>\$0</u>
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## MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."
- 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) 1. 7. 1. 2. 3. waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

## MINNESOTA RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Unit Development Agreement dated \_\_\_\_\_ (the “Agreement”), between Avari Beauty Franchise, LLC, a Minnesota Limited Liability Company (“Avari Beauty Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

**2. Amendments.** The Agreement is amended to comply with the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

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) 1. 7. 1. 2. 3. waiving any claims under any applicable state franchise law, including, fraud in the

inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

AVARI BEAUTY FRANCHISE, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Item 3  
LITIGATION**

No litigation is required to be disclosed in this Item.

**Item 4  
BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**Item 5  
INITIAL FEES**

Franchise Fee

When you sign your franchise agreement, you must pay us \$30,000 as the initial franchise fee. This fee is uniform and is not refundable.

Opening Inventory Purchase

When you purchase the franchised business, you will be required to purchase opening inventory of products and supplies from our Affiliate, Kari Tribble Enterprises, LLC. The total investment for this opening inventory order is \$14,000 to \$17,000. This cost is uniform and non-refundable.

Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will sign our Multi-Unit Development Agreement (“MUDA”) in the form of Exhibit C to this disclosure document. Your franchise fees will be reduced to \$22,500 for each additional franchise after the first franchise. You will pay all franchise fees upon signing the MUDA. They are uniform and not refundable.

All Franchise Fees are deferred until Franchisor has delivered all pre-opening obligations and Franchisee is open for business.

**Item 6  
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your gross sales	Monthly, by the 15th of the following month	See Note 1 and Note 2.

Additional initial franchise fees (see Note 6)	\$22,500 - \$90,000	Check or wire transfer	Upon signing the MUDA	Us
Business planning and miscellaneous expenses	\$1,000 - \$5,000	Check	As incurred	Vendors and suppliers
Total	\$159,200 - \$327,000			This is the total estimated initial investment to enter into a Multi-Unit Development Agreement for the right to own a total of 2 or 5 locations.

### Notes

1. All Franchise Fees are deferred until Franchisor has delivered all pre-opening obligations and Franchisee is open for business. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

2. Our estimates in this table assume you pay one month rent plus a security deposit before you open for business. For this to occur, you would need to negotiate a “free rent” period for the time it takes to build out your business. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different.

3. Facial Treatment Machine - \$10,000 - \$43,000 is the range of investment, the higher end of the range assumes you will purchase a high-end machine from Hydrafacial or comparable brand and the lower end of the range assumes a lower-end brand, which could be purchased for \$8,000 to \$12,000.

4. You will purchase a portion of the opening inventory from our Affiliate. (60-70% of the total will be paid to affiliate). \$14,000 to \$17,000 of inventory and product will be purchased through our Affiliate, Kari Tribble Enterprises, LLC.

5. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of an Avari Beauty business by our affiliate, and our general knowledge of the industry.

**2.6 No Conflict.** Franchisee represents to Avari Beauty Franchise that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or “blocked” in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

## **ARTICLE 1. TERM**

**3.1 Term.** This Agreement commences on the Effective Date and continues for 10 years.

**3.2 Successor Agreement.** When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to 2 additional periods of 5 years each, subject to the following conditions prior to each expiration:

- (i) Franchisee notifies Avari Beauty Franchise of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Avari Beauty Franchise (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to Avari Beauty Franchise) renovations and changes to the Business as Avari Beauty Franchise requires (including a Remodel, if applicable) to conform to the then-current System Standards;
- (iv) Franchisee and its Owners execute Avari Beauty Franchise’s then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;
- (v) Franchisee and each Owner executes a general release (on Avari Beauty Franchise’s then-standard form) of any and all claims against Avari Beauty Franchise, its affiliates, and their respective owners, officers, directors, agents and employees.

## **ARTICLE 2. FEES**

**4.1 Initial Franchise Fee.** Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

All Franchise Fees are deferred until Franchisor has delivered all pre-opening obligations and Franchisee is open for business.

## EXHIBIT C

### MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this “MUDA”) is made between Avari Beauty Franchise, LLC, a Minnesota Limited Liability Company (“Avari Beauty Franchise”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”) on the Effective Date.

**Background Statement:** On the same day as they execute this MUDA, Avari Beauty Franchise and Franchisee have entered into a Franchise Agreement for the franchise of an Avari Beauty business (the “Franchise Agreement”; capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Avari Beauty Franchise and Franchisee desire that Franchisee develop multiple Avari Beauty businesses.

#### 1. Multi-Unit Commitment.

(a) Development Schedule; Fee. Franchisee shall develop and open Avari Beauty businesses on the following schedule:

Store #	Deadline for Opening	Total # of Stores to be Open and Operating on Deadline	Initial Franchise Fee
1		1	\$_____
2		2	\$_____
3		3	\$_____
4		4	\$_____
5		5	\$_____
Total Initial Franchise Fee:			

(b) Payment. Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fee to Avari Beauty Franchise. The Initial Franchise Fee is non-refundable.

All Franchise Fees are deferred until Franchisor has delivered all pre-opening obligations and Franchisee is open for business.

**2. Form of Agreement.** For Store #1, Franchisee and Avari Beauty Franchise have executed the Franchise Agreement simultaneously with this MUDA. For each additional Avari Beauty franchise, Franchisee shall execute Avari Beauty Franchise’s then-current standard form of franchise agreement no later than three business days after Franchisee leases or acquires a location. This MUDA does not give Franchisee the right to construct, open, or operate an Avari Beauty business, and Franchisee acknowledges that Franchisee may construct, open, and operate each

