

FRANCHISE DISCLOSURE DOCUMENT
HONOR YOGA MANAGEMENT, LLC
A New Jersey limited liability company

59 Lawrence Drive
Lawrenceville, NJ 08648
(609) 332-5689

www.honorvoga.com
Maria@honorvoga.com



As a franchisee, you will operate an Honor Yoga studio which will offer yoga classes to students of all ages and at all stages of their practice in an eco-friendly environment. Class, workshops and series offerings include beginner yoga, intermediate yoga, advanced yoga, family yoga, teen/tween yoga, senior yoga, restorative yoga, heated yoga, pre/post-natal yoga, aerial yoga, yoga barre and various styles of meditation. The total estimated investment necessary to begin the operation of an Honor Yoga studio ranges from \$146,608- \$270,608. This includes between \$49,608 -\$74,108 that must be paid to the Franchisor.

We may also offer to certain qualified people the right to develop multiple Honor Yoga studios under a Multi-Unit Development Agreement. The total investment for the first location under a Multi-Unit Development Agreement for the development of three Honor Yoga studios is between \$214,824 - \$303,824. This includes \$137,824 - \$147,324 that must be paid to the franchisor. The total investment for the first location under a Multi-Unit Development Agreement for the development of five Honor Yoga Studios is between \$283,040-\$372,040. This includes \$206,040- \$215,540 that must be paid to the franchisor.

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 this Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchisor, Attn: Franchise Department, 59 Lawrence Drive, Lawrenceville, NJ 08648, (609) 332-5689.

The terms of your contract will govern your franchise relationship. Don't rely on this 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: April 20, 2018 *as amended* September 4, 2018.

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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 AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION IN THE STATE OF NEW JERSEY OR, IN SOME INSTANCES, BY LITIGATION IN THE COURTS OF NEW JERSEY, OR THE UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN NEW JERSEY THAN IT MAY COST IN YOUR OWN STATE OR AREA.

2. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT STATES THAT NEW JERSEY LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS (PERHAPS INCLUDING YOUR HOUSE) AT RISK IF YOUR FRANCHISE FAILS.

4. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A SYSTEM WITH A LONGER OPERATING HISTORY.

5. THE FRANCHISEE OR MULTI-UNIT OPERATOR WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$146,608 TO \$372,040. THESE AMOUNTS EXCEED THE FRANCHISOR'S STOCKHOLDER'S EQUITY AS OF DECEMBER 31, 2017, WHICH IS \$39,278.

6. YOU MUST MAKE MINIMUM ROYALTY, ADVERTISING, AND OTHER PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY

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