

FRANCHISE DISCLOSURE DOCUMENT



TRUE REST FRANCHISING, LLC
an Arizona limited liability company
1001 B Avenue, Suite 102
Coronado, California 92118
(619) 365-4268
www.truerest.com
www.truerestfranchising.com

True Rest Franchising, LLC offers for sale a franchise to establish and operate a business offering floatation therapy that allows the mind and body to rest while floating on a special solution of salinated water at Float Spas identified by the “True REST” trade name and marks.

The total estimated investment necessary to begin operations of a True REST® Float Spa franchise ranges from \$387,537 to \$671,912. This amount includes \$139,750 to \$189,650 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a True REST® Float Spa franchise pursuant to a multi-unit development agreement, which requires development of a minimum of two (2) Float Spas, ranges from \$411,507 to \$731,837. This includes \$163,720 to \$249,575 that must be paid to the franchisor or its affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 James Rowe or Amanda Rowe at True Rest Franchising, LLC, 1001 B Avenue, Suite 102, Coronado, California 92118, and at (619) 365-4268 for James and (619) 709-0300 for Amanda.

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 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS OCTOBER 1, 2017.

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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed on **Exhibit B** for information about the franchisor, or about franchising in your state. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the state administrators listed on **Exhibit B**.

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 THE MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY, FIRST, A FACE-TO-FACE MEETING; SECOND, NON-BINDING MEDIATION; AND THIRD, BINDING ARBITRATION, IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED, WHICH IS CURRENTLY SAN DIEGO COUNTY, CALIFORNIA. AN OUT-OF-STATE FACE-TO-FACE MEETING, MEDIATION AND/OR ARBITRATION MAY FORCE YOU TO ACCEPT LESS FAVORABLE SETTLEMENT DISPUTES. IT MAY ALSO COST YOU MORE TO ATTEND A FACE-TO-FACE MEETING, MEDIATE AND/OR ARBITRATE WITH US IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED THAN IN YOUR STATE. YOU AND WE WILL GENERALLY BEAR EACH OF OUR OWN COSTS IN ANY DISPUTE, BUT THE ARBITRATOR CAN ASSESS COSTS AGAINST A LOSING PARTY.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT PROVIDE THAT THE LAWS OF THE STATE OF CALIFORNIA GOVERN THE AGREEMENTS AND THAT LAW MAY NOT PROVIDE YOU WITH THE SAME RIGHTS AND PROTECTIONS AS YOUR LOCAL LAW. YOU MAY WANT TO CONSULT AN ATTORNEY REGARDING COMPARISON OF THESE LAWS.
3. IF YOU ARE A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, WE WILL REQUIRE EACH OWNER OF A 10% OR MORE INTEREST IN YOU AND HIS/HER SPOUSE TO SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS OF YOUR OBLIGATIONS CAUSING EACH OWNER (AND THE OWNERS' SPOUSE) TO BECOME JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT (IF APPLICABLE). THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF OWNERS AND SPOUSES AT RISK.
4. THE FRANCHISE AGREEMENT PROVIDES US THE RIGHT TO TERMINATE THE FRANCHISE AGREEMENT IF YOU FAIL TO SELECT A SITE FOR THE FLOAT SPA THAT IS ACCEPTABLE TO US, WITHIN 9 MONTHS OF THE SIGNING OF THE FRANCHISE AGREEMENT.
5. COMMENCING AFTER THE FIRST 24 MONTHS OF OPERATION OF THE FLOAT SPA, IF YOU FAIL TO ACHIEVE \$50,000 IN SALES, PER FLOAT POD, PER YEAR, FRANCHISOR MAY INSTITUTE A CORRECTIVE TRAINING PROGRAM AND/OR REQUIRE YOU TO PERFORM ADDITIONAL LOCAL MARKETING. IF YOU FAIL TO MEET THE MINIMUM SALES QUOTA FOR 36 CONSECUTIVE MONTHS AT ANY TIME DURING THE TERM OF THE FRANCHISE AGREEMENT, FRANCHISOR MAY INSTITUTE A

MANDATORY CORRECTIVE TRAINING PROGRAM OR TERMINATE THE FRANCHISE AGREEMENT AT ITS SOLE DISCRETION.

6. FRANCHISOR MAY REDUCE THE NUMBER OF FLOAT SPAS TO BE DEVELOPED BY AN AREA DEVELOPER IF YOU FAIL TO (I) MEET THE DEVELOPMENT SCHEDULE UNDER YOUR MULTI-UNIT DEVELOPMENT AGREEMENT, (II) FAIL TO COMPLY WITH ANY OTHER TERM OR CONDITION OF YOUR MULTI-UNIT DEVELOPMENT AGREEMENT, OR (III) FAIL TO COMPLY WITH ANY INDIVIDUAL FRANCHISE AGREEMENTS SIGNED BY YOU.

7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

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