2018

FRANCHISE

DISCLOSURE DOCUMENT

FOR

yoga pod®

FRANCHISE DISCLOSURE DOCUMENT

THE YOGA POD, INC.
A Colorado Corporation
3701 Arapahoe Avenue, #C117
Boulder, Colorado 80303
Phone: (215) 384-3382
www.yogapod.com
partners@yogapod.com

The Yoga Pod, Inc. ("Yoga Pod") offers a franchised yoga business, which provides yoga classes, workshops and training to individuals via a membership program, as well as teacher training for yoga instructors, yoga apparel, and yoga supplies, through a unique business model, brand, and culture developed by Yoga Pod under the trade name The Yoga Pod.

The total investment necessary to begin operation of a The Yoga Pod single unit franchised business is between $560,220 and $781,550. This includes between $46,800 and $52,600 that must be paid to the franchisor or its affiliate(s).

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 the 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 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 Alex Jarboe at 3710 Arapahoe Avenue, #C117, Boulder CO 80303, and (215) 384-3382.

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 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: September 26, 2018

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 D 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 RISKS FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION THAN ARBITRATION ONLY IN COLORADO. OUT-OF-STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND/OR ARBITRATE WITH US IN COLORADO THAN IN YOUR OWN STATE
2. THE FRANCHISE AGREEMENT STATES THAT COLORADO 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. THE FRANCHISEE MUST MAKE A MINIMUM MONTHLY ROYALTY PAYMENT, EVEN IF NO REVENUE WAS DERIVED. FAILURE TO MAKE THE PAYMENT COULD RESULT IN TERMINATION OF THE FRANCHISE AGREEMENT AND LOSS OF YOUR INVESTMENT
4. THE FRANCHISOR REQUIRES THAT SPOUSES OF THE FRANCHISEE, WHO MAY NOT BE INVOLVED IN THE FRANCHISE BUSINESS, MUST BE BOUND TO THE FRANCHISE AGREEMENT AND PERSONAL GUARANTEE, PLACING THE SPOUSES MARITAL AND PERSONAL ASSETS AT RISK.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$560,220 to \$781,550. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017, WHICH IS (\$18,351).
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

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, Connecticut, Florida, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Minnesota, New York, North Carolina, North Dakota, Rhode Island, South Carolina, South Dakota, Texas, Utah, 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:

STATE	EFFECTIVE DATE	AMENDMENT DATE
California	Pending	
Louisiana	September 6, 2016	
North Carolina	Exempt	
South Carolina	Exempt	
Texas	Exempt – July 14, 2014	

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of September 26, 2018

TABLE OF CONTENTS

THE YOGA POD, INC
FRANCHISE DISCLOSURE DOCUMENT
SINGLE FRANCHISE UNIT

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "we", "us", "our", "The Yoga Pod, or Yoga Pod" means The Yoga Pod, Inc., the Franchisor. "You" means the person who buys the franchise, the franchisee. If the initial franchisee is an individual(s) that subsequently assigns his, her or their interest to a corporation, limited liability Company, partnership or other entity, then "You" will include the entity's owners by virtue of our requirement that all of the entity owners must personally guarantee, and be personally bound by, your obligations under the Franchise Agreement and the other agreements described in this Disclosure Document. To fully understand all of your and our respective rights and obligations, you must still carefully review the actual agreements you must execute. These agreements will control if there is any dispute between us.

The Franchisor, any Parents, Predecessors and Affiliates:

The Yoga Pod, Inc. was incorporated under the laws of Colorado on January 30, 2012. The Yoga Pod does not do business under any other name. Our principal business address is 3701 Arapahoe Avenue, #C117, Boulder, Colorado, 80303. Yoga Pod's agent for service of process is disclosed in Exhibit D to this Franchise Disclosure Document. The Yoga Pod has never sold any other franchise. We do not currently own or operate any locations. We have never offered Fraanchises in this or any other line of business.

The Yoga Pod, Inc. has no parent companies, however, the following information is relevant: Nourish Enterprises, LLC was a Colorado Limited Liability Company that was formed under the laws of Colorado in 2009. In 2010, Nourish Enterprises, LLC purchased all of the assets of Yoga Pod, LLC, from a third-party. In 2012, the name of Nourish Enterprises, LLC was changed to Yoga Pod Boulder, Inc. Neither Yoga Pod, LLC, Nourish Enterprises, LLC nor Yoga Pod Boulder, Inc. has ever offered franchises in this or any other line of business. Yoga Pod Boulder, Inc. operates a business which was the model for our franchise system. Yoga Pod Boulder, Inc. was a former affiliate of ours. It is no longer listed as an affiliate in this Franchise Disclosure Document, as it does not currently meet the statutory definition required for this Disclosure Document.

The Yoga Pod, Inc. has no predecessors but we do have one affiliate: Chomp, Swamp, & Sweat LLC, d/b/a Yoga Pod Gainesville, Florida (opened Spring 2018), which is owned and operated by Alexander Jarboe, Rachel Jarboe and Daniel Carbonell, principals of our company. This affiliate has not offered franchises in this or any other line of business.

Description of the Franchise

If we approve you as a franchisee, you will sign a Franchise Agreement, in the form attached as Exhibit B to operate a single Yoga Pod Outlet.

All Founding Teaching staff members are required to complete Yoga Pod's Pre-Opening Studio Intensive in order to work at Yoga Pod. You are required after opening to offer the Yoga Pod 200 Hour Teacher Training program, as well as our 60 Hour podFIT training and our 60 Hour podHOT training for any students who wish to become yoga teachers at your studio. Class requirements for teaching at your studio will be based on which class your teachers wish to teach. Non-teaching staff will go through standard on boarding procedures per the operations manual.

We offer franchises for the operation of a business providing yoga and fitness instruction by trained teachers in a vibrant yoga community where each student can transform their body, elevate their mind, and open their heart. You will offer memberships to your Yoga Pod Studio that include class instruction and training to students who wish to learn and/or enhance their knowledge of the practice of Yoga. You will be considered the Home Studio for memberships signed and paid at your location. We have in place a reciprocal program, or the Cross Regional Revenue Distribution Program, whereby Home Members are permitted to visit another Yoga Pod Studio at no cost to them, however, the cost of the Member's visit will be collected from the home (where the member originally joined) studio and dispersed to the visited (a studio other than the home studio attended by the member) studio quarterly.

A typical Yoga Pod Studio occupies approximately 3,000 to 3,500 square feet of space that may be either owned or leased from a third party. All Studios are constructed to our specifications as to size, layout, décor, and the like. Yoga Pod Studios are typically located in a metropolitan area or surrounding suburbs, and proximity to high traffic areas is desirable. A Studio may be located either in a freestanding building or in an in-line retail plaza space, but, in any event, ample parking, good visibility and availability of prominent signage are a necessity. Preferred locations for Studios are strip shopping centers with a mixture of residences and commercial facilities (offices and businesses) nearby.

You will operate under the Yoga Pod trademarks, trade names, service marks, and logos ("Marks"). The franchise is operated under a business format in accordance with a unique system, including our valuable know how, information, trade secrets, methods, manuals, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic and other communications, methods of internet usage, marketing programs, and research and development connected with the operation and promotion of the Business (collectively, the "System") owned and developed by us and known as The Yoga Pod ("Business"). We are designed to support you in your ongoing business efforts. We reserve the right to change or otherwise modify the System and add, modify, or delete any of our designs, processes, or services at any time in our sole discretion.

You may be required to participate in marketing programs in which we may promote our services.

You must operate your Outlet in agreement with our standard business operating practices and sign our standard Franchise Agreement ("Franchise Agreement"), which is attached to this Disclosure Document as Exhibit B.

We have been offering franchises since May 2012. Neither we nor any affiliate(s) have conducted business in any other line of business. Neither we nor any predecessor or affiliate(s) has offered franchises in any other line of business.

The Market and Competition

The franchise targets its services to the general public. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar services to customers. The number of American yoga practitioners has increased to over 36 million in 2016, and the percentage of people that practice Yoga increases an average of 22-25% every year. The market for a centralized Yoga Instruction business is developed and highly competitive. You will also face other normal business risks that could have an adverse effect on your Franchise. These may include industry developments, such as pricing policies of competitors, and supply and demand.

Regulations

Some state consumer protection laws and regulations cover the rescission of consumer contracts, including within the weight management industry. These laws and regulations may require you to include rescission language in contracts with your clients. Some laws let clients withdraw from the program and receive a refund within periods ranging from three to ten days. Even when not required, we encourage you to make a pro-rata refund on a client's request.

Some state consumer protection laws and regulations restrict the duration of prepaid contracts for certain types of services, including for weight loss and weight management services. These laws and regulations may require you to limit the duration of prepaid contracts and when and how prepaid contracts may be renewed.

In some state health club and related laws also require businesses such as Fitness Centers, Weight Loss and Weight Management Centers to post bonds for the protection of their customers. These bonds may be in an amount equal to any prepaid amounts paid to you by customers of the Fitness Center, Weight Loss and Weight Management Centers.

As a franchisee, you may be subject to general business, employment and other laws and regulations. You should consult with your attorney and local, state and federal government agencies before buying your Yoga Pod franchise to determine all legal requirements and consider their effects on you and cost of compliance. It is your sole responsibility, to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time.

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your business. Your Outlet may also be required to comply with various health standards and regulations. You must also comply with laws that apply generally to all businesses. You should investigate these laws.

You are required to comply with your state's statutes or regulations regulating Health Spas, Health Clubs and Health Studios, if these laws exist in your state.

ITEM 2
BUSINESS EXPERIENCE

Alexander Jarboe, Chief Executive Officer

Mr. Jarboe now serves as our Chief Executive Officer and a member of our Board of Directors. Prior to this service, he was our Director of Business Development & Franchise Opportunities from September 2015 to July 2017, located in Boulder CO. Mr. Jarboe also served as Yoga Instructor for us since March 2012, and Managing Partner for Yoga Pod LoDo from December 2013 to September 2015. Previously, Alex was an underwriter for Lloyds of London and worked for the Department of Homeland Security.

Daniel Carbonell, Chief Operating Officer

Mr. Carbonell has been with us since April 2014, in various capacities, and now serves as our COO, based out of our corporate headquarters in Boulder Colorado and a member of our Board of Directors. Prior to this service, he was employed at CorePower Yoga as Programming Assistant from January 2015 to December 2015 and yoga teacher from January 2015 to January 2017, located in Boulder, Colorado. Previously, he was an Economist from June 2009 to February 2013 for the Federal Regulatory Commission located in Washington DC.

Gerry J. Wienholt, Member of the Board of Directors

Mr. Wienholt co-founded The Yoga Pod Inc in January 2012, and is located at our corporate headquarters in Boulder Colorado. From August 2010 to present, Mr. Wienholt has been a yoga instructor at Yoga Pod Boulder, Inc. Prior to that time, since 1996, and to date, Mr. Wienholt is the owner of PEP. Inc., an organizational development firm located in Boulder, Colorado. He is presently a Board member of the company.

Nicole Wienholt, Member of the Board of Directors

Ms. Wienholt co-founded The Yoga Pod in January 2012, and is located at our corporate headquarters in Boulder Colorado. From December 2008 to present, Ms. Wienholt has been a yoga instructor at Yoga Pod Boulder, Inc. Prior to that time, since 2005, Ms. Wienholt was the owner of PEP. Inc., an organizational development firm located in Boulder, Colorado. She is presently a Board member of the company.

Rachel Jarboe, Chief Sales Officer

Ms. Jarboe has worked with the business team at The Yoga Pod since December 2013, first as a Franchise Owner of Yoga Pod LoDo location, and currently as the Chief Sales Officer. Prior to this service, she was an instructor for us since 2013. Prior to that time, she was a Manager for CorePower Yoga from 2009 to 2013. and Director of Sales for Hanuman Festival, in Boulder, CO from 2011-2013.

Megan Allen – Franchise Consultant and Board Member

Megan Allen has served as our Franchise Consultant since March of 2018, and operates from her office in Denver, Colorado. She has also served as the owner of FranPromise, LLC, a franchise consulting firm located in Denver, Colorado, since April 2014. Ms. Allen was the Chief Operating Officer for D.O.G. Development (dba Camp Bow Wow), located in Broomfield, Colorado, from September 2011 to April 2014, after serving as D.O.G. Development's Director of Strategic Development and Real Estate from January 2006 to September 2011.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The Initial Franchise Fee is $45,000. The Initial Franchise Fee is due when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned upon payment, and there are no refunds under any circumstances. We offer a 5% discount on the franchise fee for honorably discharged military veterans.

You must pay to us a fee of $1,200 for the initial set up of your website. You must also pay to us a monthly software support fee of $200 beginning prior to your first month of operation.

We must approve the location for your franchise. We will travel to your territory, to assist in selection and provide our approval of the location. We provide this at no charge for one visit. If we cannot agree on a location during this visit, or any other circumstance arises, and additional visits are necessary, you are required to pay to us a fee of $1,800 per each additional visit for our assistance in your site selection and our approval of the site location.

We will provide corporate assistance to you, at no charge, up to 3 days of Grand Opening Support at your location. Should you require or request additional support beyond the 3 days, you will be charged $1,500 per day plus travel and lodging for one support person that we will send.

Yoga Pod Teacher Training Pre-Opening Studio Intensives: You and 100% of your founding teaching staff must complete this training, in addition to the Initial Operations Training. Cost for the intensive is $2,500 per Corporate Trainer sent. We we will send up to 2 corporate trainers to your location to train your staff on our unique class offerings. You are also responsible for any travel and living expenses for our staff to travel to your location to teach this training.

Initial Operations Training for two persons is included in the Initial Franchise Fee. Should you wish to train more than 2 persons, you will pay to us a fee of $500 per person, per day. You will also be responsible for any travel and living expenses of those who attend training.

You pay us or our affiliates no other fees or payments for services or goods before your business opens.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	2.5% of Gross Revenuefor the first full 12 months of operation after public opening date and 5% beginning with month 13 and continuing until the end of the FA, with a minimum of $1,000 per month (whichever is greater) (Note 2)	Due not later than the 7th of each month	Required of all Franchisees.
National Marketing Fund	Not currently in effect (Note 2)	Due not later than the 7th of each month	In the future, We may require participation in a National Marketing Fund (NMF) or Multi Area Marketing Program (MAM). The contribution will be no more than 1% of Gross Revenues per month and will be required of all Franchisees. All franchises, as well as Company and affiliate owned locations contribute equally.
Initial Operations Training for Additional Persons	$500 per person per day (Note 3)	As incurred	Initial Operations Training for two persons is included in the Initial Franchise Fee and is covered in our weeklong Franchise Training.
Yoga Pod Teacher Training Pre-Opening Studio Intensives	$2,500 per Corporate Trainer sent plus travel and living expenses. (Note 4)	As incurred	This is a required training for all staff. You must have 100% of your founding teachers and all staff in place to trigger this training. We will send up to 2 corporate representatives to your locaction for this training. In addition, Teachers on boarded after the studio is open are required to take our 200hr Yoga Pod Teacher Training, 60hr podFIT training, or 60hr podHOT training, depending on the courses they will teach. You and your staff will conduct this Training at your location. Non teaching staff will go through standard on boarding procedures per the operations manual

Type of Fee	Amount	Due Date	Remarks
Additional Training or refresher courses	Up to $2,500 per person, depending on offering. (note 5)	As incurred	We periodically may require you or your studio at our option to attend and complete to our satisfaction any supplemental or refresher training programs we choose to provide.
Grand Opening or Soft Opening Support	No charge for the first 3 days. $1,500 per day plus travel and living expenses for each day beyond the initial 3 days	Prior to opening	We will send a company representative to provide 3 days of Grand Opening or Soft Opening support for the first 3 days of opening of your Franchise at no cost to you. Should you require support in excess of 3 days, you will be charged $1,500 per day plus travel and living expenses.
Initial Website set up and ongoing monthly support fee	$1,200 plus $200 monthly	Due not later than the 7th of each month	You will be required to pay $1,200 for the initial set-up of your website and a monthly support fee of $200. Support begins when website goes live. You will pay this fee directly to us in the same manner and form as the Royalty Fee
Cross Regional Revenue Distribution	Varies	Quarterly	Revenue distribution for clients' visits at a studio other than the "Home Studio" (where the students' membership or services are processed) is calculated quarterly, one month after the previous quarter, and automatically debited from the studios account 10 days after invoiced. We do not distribute revenue for any additional fees beyond memberships or services, such as merchant transaction fees.
Site Selection Approval Fee	$1,800	As incurred	We will make one visit to your territory to assist in site selection and approve the site selection at no cost to you. If we cannot agree on a location during this visit or any other circumstance arises, and additional visits are necessary, you are required to pay to us a fee of $1,800 per additional visit for our assistance in your site selection and our approval of the site location.
Relocation Site Selection Fee	$1,800 per visit	As incurred	We must also approve your new location should you decide to relocate, and as such, you will be requied to pay to us our Site Selection Fee of $1,800 per visit.
Transfer Fee	$0 to 12,500 (Note 6)	Prior to acceptance of transfer	Payable before you sell your interest

Type of Fee	Amount	Due Date	Remarks
PodScore Audit	$500 per day which does not include travel and living expenses	As incurred,	We will perform an audit generally within 30 days of opening and in total up to 4 times per year, to determine the quality of the teaching and student satisfaction. We estimate this audit will take approximately 2 days. If we deem the PodScore % to fall below our standards, we offer suggestions / recommendations to improve, in order to meet our standards. The suggestions are sent via email as a "Performance Action Plan." You are responsible for travel and living expenses of the auditor along with the per day expense of $500.
Conference Fees	Up to $1,000 per person attending plus travel and living expenses	As inurred	When we hold mandatory conferences, you will be required to pay a conference fee which we estimate to be approximately $1,000, and you must pay all of the travel and living expenses for you and any other employees who attend. These conferences will be held at our corporate headquarters or at a conference center chosen by us. We estimate the cost of the travel and living expenses to attend the conferences to be between $1,500 and $2,500
Management Fee	5% of gross revenue plus our reasonable costs and expenses	On demand	If you are in default of the franchise agreement or fail to maintain the studio in accordance with our standards, we may send in our personnel to manage the studio until the default is cured or you are able to meet our standards.
Indemnification	Will vary under circumstances	On Demand	You must idemnify us when certain of your actions result in loss to us under the agreement.
Audit	Cost of audit plus 1% interest per month on understatement	30 days after billing	We pay all audit costs unless the audit shows an understatement of at least 2% of Gross Revenue for any month. Also payable for failure to submit required reports, such as required monthly financial statements.
Fees for Lost Manual	Actual replacement cost	Upon ordering	You must replace any Manual that is lost, stolen or destroyed. The Manual remains our property.
Interest	1% per month	30 days after due date	Franchisees must pay interest on late payments in the amount of 1% per month, or the maximum interest rate allowed by applicable law, whichever is less.
Franchise Renewal Fee	Currently $5,000	30 days prior to renewal	Initial franchise term is 10 years. The renewal term is 10 years.
Computer and Communications Equipment Upgrades and Maintenance	Varies, but usually no more than $1,000 per year	As incurred or as agreed	You must purchase upgrades and pay for maintenance for your computer and communications equipment, including upgrades for any required proprietary software, when we require you to do so

Notes:

1) We or our affiliates impose all the fees in this table, you pay them to us or our affiliate, and we or our affiliate(s) do not refund them. The fees and costs in this Item 6 are uniformly imposed.
2) "Gross Revenues" means the total of all receipts derived from gross revenue receipts, including all retail sales of apparel and yoga supplies, and any other form of revenue within the Yoga Pod leased space including rent collected or other services rendered, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. Gross Revenue excludes only sales tax receipts that you must by law collect from customers and that you actually pay to the government; promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.
3) Initial Operations Training for you and your Manager is included in the Initial Franchise Fee. Additional charges are only applied if you choose that we train more than two people. Training fees can be increased or decreased by us at any time in our discretion. The Initial Operations Training is during our weeklong Franchise Training in Boulder CO.
4) Yoga Pod Pre-Opening Studio Intensives: We require all founding teachers to complete the Pre-Opening Studio Intensives prior to the studio opening. You must have all your founding teachers in place to trigger this training, which costs $2,500 per Corporate Trainer sent, as well as travel and living expenses for the trainers. We will send up to 2 corporate trainers to your location to provide this training. Teachers on-boarded after the studio is open are required to take our 200hr Yoga Pod Teacher Training, 60hr podFIT, or 60hr podHOT training depending on what style they will teach. Training for these Teachers will be conducted by you and your staff at your location.. Non teaching staff will go through standard on-boarding procedures per the operations manual.
5) Ongoing assistance by telephone is included. We will charge you the Additional Assistance fee only if you require additional assistance at your franchise. Fees for additional assistance can be increased or decreasedby us at any time in our discretion.
6) No Transfer Fee is required if you transfer your Outlet to a corporation or limited liability company in which you are the majority stockholder or member, or if you transfer the Outlet to your child, parent, sibling, or spouse. You must pay a Transfer Fee of $5,000 if you transfer your interest in the Franchise Agreement to another Franchisee of ours. In all other cases, you must pay a Transfer Fee of $12,500 to transfer your interest in your Franchise Agreement.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	3,000 sq ft Amount (Low to High)	3,500 sq ft Amount (Low to High)	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (Note 1)	$45,000	$45,000	Lump sum	Upon signing of a Franchise Agreement	Us
Leasehold, Contractor Improvements; Construction Costs (Note 2)	$360,000 to $525,000	$385,000 to $560,000	As determined by Contractor	Prior to opening and as arranged	Approved Contractors /Architect

Type of Expenditure	3,000 sq ft Amount (Low to High)	3,500 sq ft Amount (Low to High)	Method of payment	When due	To whom payment is to be made
Architectural Fees (Note 3)	$18,000	$20,000	As determined by Contractor	Prior to opening	Approved Contractors /Architect
Construction Managment Fees (Note 4)	$800 to $9,600	$800 to $11,200	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendor
Audio Package (Note 5)	$7,000 to $8,000	$7,000 to $8,000	As determined by Vendors	Prior to opening or as arranged with Vendors	Audio Vendor
Furniture & Fixtures (Note 6)	$16,000 to $19,500	$16,000 to $19,500	As determined by Vendors	Prior to opening or as arranged with Vendors	Approved Contractors /Architect
Exterior Signage	$8,000 to $10,000	$8,000 to $10,000	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Interior Signage: Front Desk Signage, Interior Logo Signage, Window Graphics	$7,500 to $10,000	$7,500 to $10,000	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Computer, Initial Software cost and POS Equipment (Note 7)	$6,720 to $8,500	$7,920 to $8,500	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors/Approved Vendors
Yoga Equipment (Note 8)	$4,450 to $6,300	$4,450 to $6,300	As determined by Vendors	Prior to opening	Approved Suppliers
Start-Up Retail Merchandise (Note 9)	$8,000 to $10,000	$15,000 to $18,000	As determined by Vendors	Prior to opening	Suppliers
Retail Fixtures	$1,000 to $3,000	$1,000 to $3,000	As determined by Vendors	Prior to opening	Approved Suppliers
Initial Website set-up (Note 10)	$1,200	$1,200	As determined by Us	Prior to opening	Us
Rent or Real Estate (Note 11)	$1.50 to $5.00 per square foot per month	$1.50 to $5.00 per square foot per month	As determined by Lessor	Prior to opening	Lessor
Pre-Sales Grand Opening Marketing (Note 12)	$40,000 to $50,000	$40,000 to $50,000	As determined by Vendors	Prior to opening	Suppliers
Post Opening Local Marketing and Lead Generation (1 month) (Note 12)	$3,000	$3,000	As determined by Vendors	Monthly	Suppliers

Type of Expenditure	3,000 sq ft Amount (Low to High)	3,500 sq ft Amount (Low to High)	Method of payment	When due	To whom payment is to be made
Legal & Professional Fees (Note 13)	$3,500 to $7,000	$3,500 to $7,000	As determined by Vendors	Prior to opening or as arranged	Your attorney, state and local jurisdictions, required consulting firm, etc.
PodScore Audit (Note 14)	$500 to $1,500	$500 to $1,500	As incurred	After 30 days of operation	Us
Miscellaneous Opening Costs (Note 15)	$3,000 to $5,000	$3,000 to $5,000	As determined by Vendors	Prior to opening	Suppliers, Utilities, etc.
Travel and Living Expenses for Initial Operations Training (Note 16)	$2,000 to $2,500	$2,000 to $2,500	As determined by Vendors	During training	Airlines, Hotels, Restaurants, etc.
Yoga Pod Pre-Opening Studio Intensives 200hr (Note 17)	$2,500 to $5,000	$2,500 to $5,000	As incurred	Prior to opening	Us
Yoga Alliance Teacher Training Certificate	$50	$50	As incurred	Prior to opening	Yoga Alliance (Industry Governing body)
Insurance (Yearly basis) (Note 18)	$2,000 to $7,000	$2,000 to $7,000	As determined by Insurance Company	Prior to opening or as arranged with Insurance Company/Agent	Insurance Company /Agent
Additional Grand Opening Support (Note 19)	$0 to $3,000	$0 to $3,000	As incurred	During your Grand Opening	Us
Site Selection Approval Fee (Note 20)	$0 to $1,800	$0 to $1,800	As incurred	Prior to opening	Us
Landlord Provided Tenant Improvement	($75,000 to $150,000)	($87,500 to $175,000)	As negotiated by You and Landlord	As arranged	Deduction from Improvement Cost and or reimbursement to You (Average 90 days post final payment to GC)
Additional Funds for Initial three (3) Months (Note 21)	$95,000 to $150,000	$95,000 to $150,000	As determined by Vendors	During Initial 3 months of operation	Suppliers, Utilities, Employees, etc.

Type of Expenditure	3,000 sq ft Amount (Low to High)	3,500 sq ft Amount (Low to High)	Method of payment	When due	To whom payment is to be made
TOTALS (Note 22)	$560,220 to $759,950	$582,920 to $781,550			

The above Chart describes the estimated initial investment for a single Yoga Pod Outlet. The foregoing expenses are merely estimates. You are encouraged to make an independent investigation and analysis of the potential expenses which may be incurred in order to start your Outlet.

Notes:

1. The Yoga Pod will approve or decline your application within 45 days of our receipt of your completed application. Your Franchise Fee will be due upon signing the Franchise Agreement and is fully earned upon payment. We will not refund the Initial Franchise Fee under any circumstances. Neither The Yoga Pod, nor any agent or affiliate finances any part of the initial investment. All other fees in this Item 7 are generally non-refundable.
2. Leasehold, Contractor Improvements, Construction Costs: You will be required to conform to our construction and build-out specifications and use our approved architect and General Contractors (See Item 8). We have provided estimates of the cost based on a 3,000 and 3,500 sq ft space. Space is typically leased, though some franchisees own their premises. The costs will vary widely and may be significantly higher than projected in this table depending on such factors as property location, population density, economic climate, prevailing interest rates and other financing costs, conditions of the property and extent of alterations required for the property, as well as Landlord provided Tenant Improvement Fund, if any. The tenant improvement credit is included so that in full transparency the prospect knows the total cost to build out the studio and then accordingly the 'net' cost of the build out to the prospect after tenant improvement funds. Our trade dress and sophisticated heat and humidity system are unique to our concept and incur significant costs to our franchisees. Due to this relatively high cost, and the quality and quantity of customers the Yoga Pod brand brings to retail centers, Yoga Pod requires landlords to provide a sufficient amount of tenant improvement funds to franchisees before Yoga Pod Inc approves site locations. Without these tenant improvements funds our site selection team, national real estate agent and corporate team would not approve such a location. The tenant improvement funds are essential to our concept and are not up for negotiating when working with landlords. Actual tenant improvement funds may be different in your area. You should investigate all of these costs in the area where you wish to establish a Franchise.
3. Architectural Fees: You will be required to use our approved Architect (See Item 8).
4. Construction Management Fees: You must contract an approved construction consultant for an estimated minimum of 10 hours at a rate of $100/hour in addition to 1 site visit which is cost of travel and lodging to your location for review. The construction consultant will do a site visit before you sign your lease, to identify any location specific deficiencies that must be addressed in the lease. Our recommended Consultant is listed in Item 8.
5. Audio Package: You will be required to purchase an audio system including speakers, receiver, and amplifier, for use in your franchise. We do not currently require you to use any specific vendor, however your audio system must conform to our standards.
6. Furniture and Fixtures: You will be required to purchase décor items and furniture for use in your franchise, including shelving, rugs, office furniture and appliances. We will provide the specifications to you at no additional cost. We do not currently require you to use any specific vendor, however, your furniture and fixtures must conform to our standards
7. We require that you use a minimum of two iMac desktop computers in the operation of your franchise. We estimate the cost for two computers to be approximately $2,800 to $3,000. You must also have access to the Internet, and communications equipment. We require that you meet certain minimum standards established periodically in the Manual. You will be required to purchase or lease MindBody Online (MBO) third party software for the operation of your franchise. There is a $420 initial set-up fee that must be paid prior to opening in addition to the $275 monthly licensing fee. You are also required to utilize software

packages from iKizmet at the cost of $45 per month, and Buxton at a cost of $400 annually. We require you to have your social and digital advertising handled by a professional organization. We recommend, but do not require that you utilize Marketing 360 for this service. You will also have fees pertaining to utilizing marketing services such as Emma email marketing, Listen 360 reviews, plus any additional platforms you choose to engage in. We estimate these fees to be approximately $149 to $549 per month You will be required to purchase two desktop scanners, two card swipers, two omnidirectional barcode scanners, a retail Bar Code Pricing Printer, and a supply of 2,000 scan cards from our approved vendor at a cost of approximately $2,850 to $3,000.

8. Yoga Equipment: You must purchase an initial inventory of operating supplies such as rental towels, rental mats, hangers, blankets, blocks and straps for use in the operation of your franchise. We do not currently require you to use any specific vendor, however, your Equipment must conform to our standards.

9. You must purchase retail merchandise for the start-up of your outlet. The purchase should include T-shirts, towels and mats, water bottles and yoga attire for retail sale in your outlet. You may carry any combination of Yoga Pod Branded merchanise and non-branded merchandise. The cost of the opening retail merchandise is approximately $8,000 to $18,000. We do not currently require you to use any specific vendor, however, these retail supplies must conform to our standards.

10. You will be required to pay $1,200 for the initial set-up of your website. You will pay this fee to Yoga Pod Inc. Additional fees for software during the first 3 months of operation are included in "Other Fees" and explained in Note 20.

11. Rent/Real Estate: If you do not own adequate space, you must lease the space for your Business. Generally, this will include first month's rent, plus a security deposit. Rental amounts can vary and we are unable to estimate with any precision the costs of leasing or purchasing real estate because of the wide variation from region to region. Costs will depend upon the area in which the studio is located, its size, the condition of the premises, the landlord's contribution to your leasehold improvements and other factors. You may want to contact a commercial real estate broker to discuss the costs associated with acquiring real estate. Typical franchises are commercial centers, strip centers or buildings on commercial streets with heavy traffic, malls and office buildings with a minimum square footage of 3,000. The terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated solely by you; however, we require you to include certain lease provisions, including a pre-opening temporary workspace 90 days prior to grand opening in which to conduct your Pre-Sales Marketing. The purchase of real estate may have additional legal expenses.

12. Pre-Sales Grand Opening Marketing Requirements: Franchisees will be required to invest a minimum of $40,000 to $50,000 on Pre-Sales Grand Opening Marketing prior to the Grand Opening, as defined in the marketing and pre-sales manuals found on-line in the Partner Portal. You are responsible for executing this pre-opening marketing. During the pre-opening timeline, you will invest a minimum of $10,000 to $12,500 per month (based on a 4 month period) on digital, print and grassroots marketing utilizing the campaigns and strategy set forth in The Yoga Pod Inc marketing and pre-sales manuals, and used in conjunction with an outside agency hired by you and approved by Yoga Pod, to conduct your Social/Digital marketing. Following your Grand Opening, you will be required to invest a minimum of $3,000 per month on digital, print and grassroots marketing utilizing the same campaigns and strategy, as well as hire an outside agency, as required in the Pre-Sales Grand Opening Program. All Franchisees are required to use a 3rd party vendor for Social/Digital Advertising & Management as defined in the above requirements in Note 7. The local monthly marketing expenditure for months 2 and 3 are included in Other Fees and described in Note 20 on this table.

13. Includes costs for legal assistance, incorporation fees, licensing, permits and accounting.

14. PodScore Audit: We will perform an audit generally within 30 days of opening and in total up to 4 times per year, to determine the quality of the teaching and student satisfaction. We estimate this audit will take approximately 2 days. If we deem the PodScore % to fall below our standards, we offer suggestions / recommendations to improve, in order to meet our standards. The suggestions are sent via email as a "Performance Action Plan." You are responsible for travel and living expenses of the auditor along with the per day expense of $500.

15. Includes other deposits, utility costs, telephone, internet and communications costs.

16. We require that you attend Initial Operations Training during the weeklong Franchise Training. You will be required to pay for all travel and living expenses for you and any employees who attend. Training for two people is included in the franchise fee. Each additional person is $500/day, plus all travel and living expenses.
17. Yoga Pod Pre-Opening Studio Intensives: We require all founding teachers to complete the Pre-Opening Studio Intensives prior to the studio opening. You must have all your founding teachers in place to trigger this training. Our 200hr Teacher Training costs $2,500 per Corporate Trainer sent as well as travel and living expenses for the trainers. We will send up to 2 corporate trainers to your location to provide this training. Teachers on boarded after the studio is open are required to take our 200hr Yoga Pod Teacher Training, depending on what style they will teach.This Teacher Training will be conducted by you and your staff at your location. Non teaching staff will go through standard on boarding procedures per the operations manual
18. You must maintain insurance policies in amounts as specified by us periodically in the Manual. Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, and all other occurrences against claims of any person, employee, customer, agent, or otherwise.
19. Grand Opening/Soft Opening Support: We will provide to you, at no charge, up to 3 days of Grand Opening/Soft Opening Support at your location. Should you require or request additional support beyond the 3 days, you will be charged $1,500 per day plus travel and living expenses of our support personel.
20. We must approve the location for your franchise. We will travel to your territory, to assist in selection and provide our approval of the site selection. We provide this at no charge for 1 visit. If we cannot agree on a location during this visit, or any other circumstance arises, and additional visits are necessary, you are required to pay to us a fee of $1,800 per additional visit for our assistance in your site selection and our approval of the site location.
21. This estimates your initial start-up expenses for an initial three-month period, including payroll costs (i.e. 3-month Studio Manager Salary), monthly rent for months one, two and three, monthly advertising for months one, two and three (Franchisees will be required to spend a minimum of $3,000 per month on local marketing), $200 monthly website support fee which is paid directly to us, a monthly license fee of $275 per month for the MBO software as well as approximately $395 per month for marketing management services, $45 per month for iKizmet software and between $149 and $549 per month for additional software requirements. This Estimate does not include any revenue generated by the operation of your Business. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Business. Your expenses will depend on factors such as: how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions (e.g., the local market for Yoga instruction), the prevailing wage rate, competition and the sales level reached during the initial period. These figures also include the estimated cost of principal and interest, principal reduction if you have chosen to finance a portion of your start-up expenses.
22. We relied on over 30 years of combined experience in the Yoga instruction business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We require that you establish and operate your franchised Franchise in compliance with your Franchise Agreement. You must strictly follow our specifications as described in the operations manual we provide to you or other written materials from us (collectively, the "Manual"), which we may modify from time to time, and which may be in print or electronic format. We reserve the right to require you to use an electronic version of the Manual and to require you to access the document using the Internet or an intranet created and supported by us. Our standards and specifications have been prescribed in order to maintain a uniform standard of high quality, value, advertising support and availability to be furnished to the public in connection with our Marks. In operating the Franchise, all equipment, supplies and Outlet designs must conform to our standards and specifications, which have been established through years of experience. In the future, we may modify our Outlet equipment, supplies and Outlet design specifications.

You must purchase office/studio furnishings, rental towels and mats, hangers, blankets, blocks and straps for use in the operation of your franchise as well as your start-up retail merchandise, using a Social/Digital Advertising & Management vendor, from a vendor of your choice, which must be approved by Us. Currently, we are not an approved supplier of any of these items.

You will be required to purchase, lease or license software, utilize services of specific contractors, architect firms, consulting firms and purchase equipment only from specified vendors as listed below. In addition, we have listed recommended vendors for services and/or products required by Us for the operation of your franchise. Currently, we are not an approved supplier of any of these items.

You are required to utilize our proprietary web service, which includes our Partner Portal, and pay to us a set-up fee and monthly service fee for this item. We are the only approved supplier for this item.

Required Vendors: In the future, we may derive income or other material benefit from required purchases from designated and/or approved vendors/suppliers. In the fiscal year ended December 31, 2017, we did not receive any income from required purchases.

Software:

MINDBODY, Inc. 4051 Broad Street, Suite #220 San Luis Obispo, California 93401 USA and phone: 1-877-755-4279 and web: www.mindbodyonline.com

Buxton 2651 S Polaris Dr, Fort Worth, TX 76137, 1-888-228-9866 | buxton@buxtonco.com

iKizmet 265 South St h, San Luis Obispo, CA 93401, (805) 548-1100, https://ikizmet.com/

POS Equipment: POSWorld, 2100 Powers Ferry Rd, Ste 110, Atlanta, GA 30339 and phone: 1.888.801.7282, and web: www.posworld.com

Architect / Interior Design: Michael Fries AIA Principal | FM Group Inc. 15974 N 77th Street, Suite 100 Scottsdale, Arizona 85260; Phone: 602.277.7877 cell 480.397.0046, mtfries@fmgroup.net

HVAC: RuppAir Heating Cooling Ventilation, Kyle Burns District Sales Manager | Region 113, P.O. Box 17489, Reno, NV 89511 p: 1.800.291.2452 x5013 | m: 775.420.9071 | f: 919.516.8720, kyle.burns@ruppams.com

Humidifier System: Nortec Humidification – Long & Associates, 5001 South Zuni Street, Littleton, CO 80120 Phone: 303.975.2100; Fax: 303.936.2755.

Recommended Vendors for required expenses:

<u>Accounting:</u> Eric R Killian CPA, LLC 6093 Eldora Street, Golden CO 80403 and phone 720.608.4608, eric@killiancpa.com

<u>General Contractor Consultant:</u> TKR Conctruction LLC, Michaella Tucker, President, 1755 Rock Haven Dr., Reno, NV 89511, mt@tkrconstructionllc.com, phone 401-480-1205.

<u>Digital and Social Advertising:</u> Marketing 360, 3420 Building 3rd Floor 5 Technology Parkway, Fort Collins, CO 80525; phone 1.800.705.0177, Contact: jenny.breyer@marketing360.com

Yoga Pod estimates that the cost of the iMac computers, scanner equipment, Accounting Serivces, proprietary software, office supplies, general operating supplies, Yoga Pod Tees, Towels & Mats, water bottles and yoga attire that must be purchased from us or designated or approved suppliers or in accordance with Yoga Pod's specifications will represent approximately between 4% and 5% of your total purchases in connection with the establishment of your business, and will represent from 2% and 3% of your ongoing expenses.

In the future, we expect to derive some income from Franchisees' required purchases from designated and approved suppliers (maximum 2% to 5%) through a program of rebates from some of our designated or approved suppliers. These rebates serve to partially reimburse us for our costs in the initial sourcing, approval and ongoing monitoring of compliance with our quality standards by our suppliers but we may receive rebates in excess of our cost to source, approve and monitor suppliers. In the fiscal year ended December 31, 2017, neither we nor our affiliates derived revenue from purchases or leases made by our Franchisees.

If we establish approved suppliers and if you would like to purchase these items from another supplier, you may request our "Supplier Approval Criteria and Request Form." Based on the information and samples you supply to us, we will test the items supplied and review the proposed supplier's business reputation, delivery performance, credit rating and other information. There is no cost to you for this review. We expect to complete our review and advise you of our decision within 30 days after you submit the required information. The specifications and standards for these required purchases are in the Manual. We reserve the right to disapprove any previously approved vendor whose performance falls below our standards. We will make any approvals of new vendors or revoke approval of vendors in writing based on the vendor's credit worthiness, delivery standards, and cost and will incorporate our decision in the Manual. The specifications and standards for these required purchases are in the Manual.

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document. We may negotiate purchase arrangements with other suppliers and distributors for the benefit of our Franchisees in the future and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you. We do not provide material benefits, such as renewing or granting additional franchises, to Franchisees based on their use of designated or approved suppliers.

Leases

You must obtain Yoga Pod's prior written approval of your proposed business site. We require you to include certain lease provisions, including a pre-opening temporary workspace 90 days prior to grand opening.

Insurance

You must, at all times, maintain insurance as follows:

A. If you have employees, workers' compensation insurance in amounts prescribed by law in your territory;

B. Fire and lightening, extended coverage, theft, vandalism and malicious mischief, flood (if the Franchise is in a Designated Flood Hazard Area), and sprinkler leakage insurance on the Franchise and all fixtures, equipment, supplies and other property used in the operation of the Franchise, for not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted;

C. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a Yoga instruction business located in your Territory, but not less than $1,000,000, insuring both you and Yoga Pod against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the Franchise; and

D. Such additional insurance as may be required by the terms of any lease or mortgage for the Franchise.

Computer Requirements

You will be required to purchase at least two iMac desktop computers to establish or operate the Business as well as purchase two desktop scanners, two card swipers, two omnidirectional barcode scanners, a retail Bar Code Pricing Printer, and a supply of 2,000 scan cards. We also specify the standards for computer and communication equipment and Internet access. You will be required to purchase or lease software to use in the operation of your Franchise. We reserve the right to specify computer hardware or software, and other communications equipment, and to specify other computer-related and communications standards in the future.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

	Obligation	Section in Agreements	ITEM in Disclosure Document
A	Site selection and acquisition/lease if any	Sections 5, 8 & 10 of the Franchise Agreement	ITEMS 11 & 12
B	Pre-opening purchases/leases	Sections 5, 8, 10 & 12 of the Franchise Agreement	ITEM 11
C	Site development and other pre-opening requirements	Sections 5, 8, 10 & 12 of the Franchise Agreement	ITEM 11
D	Initial and ongoing training	Section 8 of the Franchise Agreement	ITEM 11
E	Opening	Sections 8 & 10 and Attachment I of the Franchise Agreement	ITEMS 11 & 12
F	Fees	Section 5 of the Franchise Agreement	ITEM 5, 6, & 7
G	Compliance with standards and policies/Manual	Sections 11 & 12 of the Franchise Agreement	ITEM 11
H	Trademarks and proprietary information	Sections 7 and 12 of the Franchise Agreement	ITEM 13 & 14
I	Restrictions on and services offered	Section 6 & 7 of the Franchise Agreement	ITEM 8 & 16
J	Warranty and customer service requirements	Sections 8 and 12 of the Franchise Agreement	ITEM 6 & 7
K	Territorial development and sales quotas	Section 4 and Attachment I of the Franchise Agreement	ITEM 11 & 12
L	Ongoing Product and service purchases	Section 4 and Attachment I of the Franchise Agreement	ITEM 8 & 16
M	Maintenance, appearance and remodeling requirements	Section 10 and 11 of the Franchise Agreement	ITEM 8
N	Insurance	Section 12 of the Franchise Agreement	ITEM 8
O	Advertising	Sections 9 and 12 of the Franchise Agreement	ITEM 11
P	Indemnification	Section 12 of the Franchise Agreement	Not Applicable
Q	Owner's participation/management staffing	Section 9 of the Franchise Agreement	ITEM 15
R	Records and reports	Section 12 of the Franchise Agreement	Not Applicable
S	Inspection and audits	Sections 8 & 11 of the Franchise Agreement	ITEMS 6 & 7
T	Transfer	Section 14 of the Franchise Agreement	ITEM 17
U	Terms & Renewal	Section 3 of the Franchise Agreement	ITEM 17
V	Post-termination obligations	Section 13 of the Franchise Agreement	ITEM 17
W	Non-competition covenants	Sections 7 and, 15 & Attachment VI of the Franchise Agreement	ITEM 17
X	Dispute resolution	Section 16 of the Franchise Agreement	ITEM 17
Y	Other	Section 3 of the Franchise Agreement	Not Applicable

ITEM 10
FINANCING

Neither we nor any agent or affiliate(s) of ours offers direct or indirect financing. Neither we, nor any agent or affiliate(s) guarantee your note, lease, or obligation

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations

Before you begin your Business, We will:

1. Within 30 days of signing the Franchise Agreement, designate your Protected Territory in writing and approve, if it meets our standards and specifications for approval, the franchise selected solely by you to be used for the operation of the Franchise. (See Sections 4 and 10 of the Franchise Agreement).

2. Loan you a copy of our confidential operating Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules. The Manual is confidential and remains our property. You will be required to sign a Confidentiality Agreement (See Attachment V). We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.04 of the Franchise Agreement). We have included a copy of the Table of Contents of our Manual as Exhibit F to this Franchise Disclosure Document. The Operating Manual consists of 315 pages

3. Provide advice about selecting and analyzing a site for your Franchise. Your Franchise model will be based on approximately 3,000-3,500 square foot. Site selection is your responsibility but we will assist you in the site selection process by considering population density, traffic patterns, and proximity of the proposed site to other The Yoga Pod or any other reasonable criteria. We will send a representative to your Territory to assist in the site selection process as well as provide approval of the site location. We provide one visit to your territory at no charge. We provide this at no charge for one (1) visit. If we cannot agree on a location during this visit, or any other circumstance arises, and additional visits are necessary, you are required to pay to us a fee of $1,800 per additional visit for our assistance in your site selection and our approval of the site location. The Franchise Agreement cannot be terminated due to failure to agree on site selection; however, the Franchise Agreement may be terminated for failure to designate a location within 3 months of signing the Franchise Agreement. In addition, failure to begin operations of your Yoga Pod franchise within twelve (12) months of signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received. Our assistance in no way constitutes a representation or warranty with respect to the property. (See Sections 8.02 and 10.02 of the Franchise Agreement)

4. Provide you advice about the negotiation of the lease or purchase of a site for your Business, which will be leased or purchased by you from independent third parties. Our assistance in no way constitutes a representation or warranty with respect to the lease or purchase. (See Sections 8.02, 10.02 and 10.03 of the Franchise Agreement).

5. Approve, if it meets our standards and specifications for approval, plans submitted for the design of your Franchise. Construction or remodeling, if needed, should begin as soon as possible after signing the Franchise Agreement, but, in any case, will not begin later than five months after signing the Franchise Agreement. Upon request, we will assist in the development

and planning of any construction or remodeling with respect to sign specification and colors and Franchise layout and design. You must pay for construction or remodeling and all other costs associated with compliance and permits. Our approval means that the site and plans meet minimum specifications and is not a warranty for their appropriateness. (See Section 10 of the Franchise Agreement).

6. Provide assistance with equipment, signs, fixtures, opening inventory and supplies. We will provide you a list of the names of approved suppliers. Upon request, we will provide written specifications for these items. We do not deliver or install any of the items. (See Section 8.03 of the Franchise Agreement.

7. We will send a company representative to provide 3 days of Grand Opening support for the first 3 days of opening of your Franchise at no cost to you. Should you require support in excess of 3 days, you will be charged $1,500 per day plus travel and living expenses. (See Section 8.06 of the Franchise Agreement)

8. You should be able to open your Business within nine to twelve months after you sign a Franchise Agreement. The factors that affect this time are the ability to obtain a building or lease, obtain general business permits, training, financing or building permits, zoning and local ordinances, weather conditions, shortages, and installation of equipment, fixtures and signs. If you do not open your franchise within twelve (12) months after signing the Franchise Agreement, we may terminate the Franchise Agreement and retain all monies received. (See Sections 8.02 and 10.01 of the Franchise Agreement)

During the operation of the franchised business: we will: 1. Research new equipment, supplies, services and methods of doing business and provide you with information concerning developments of this research. (See Section 8.09 of the Franchise Agreement). We will offer new equipment and supplies to you on reasonable terms in our discretion. (See Section 8.12 of the Franchise Agreement)

2. Offer you continuing advisory services by telephone, email or other types of communication during normal business hours not to exceed 5 hours in a 30-day period. Any additional advisory services you request may incur a fee. We may also provide to you visits by our field representative, but any on-site consultation you request may incur a fee. (See Section 8.08 of the Franchise Agreement).

3. Include information about your Franchise on our Web site. (See Section 8.15 of the Franchise Agreement).

4. We may provide to you a toll free support line. While we currently do not charge a fee, we reserve the right to charge an additional fee for this service. (See Section 8.08 of the Franchise Agreement).

5. We may implement a purchasing system for you and negotiate prices and terms with suppliers. We may receive rebates from the suppliers for these purchases. We reserve the right to use these funds in our sole discretion. (See Section 8.14 of the Franchise Agreement).

6. Perform an Audit, called a PodScore Audit, generally within 30 days of opening, to ensure quality standards in classes offered and client satisfaction. The cost for this Audit is $500

per day as well as travel and living expenses for our representative. This Audit generally lasts approximately 2 days. If we deem the PodScore % to fall below our standards, we offer suggestions / recommendations to improve, in order to meet our standards. The suggestions are sent via email as a "Performance Action Plan. (See Sections 5.08 and 8.09 of the Franchise Agreement)

7. Cross Regional Revenue Distribution. Currently we track and monitor the visits of Studio Members who visit a studio other than the "Home Studio" (where the students' membership is processed) A percentage of the monthly membership fee paid by the Member will be calculated quarterly one month following the previous quarter, and automatically debited from the studios account 10 days after invoice . The revenue per visit is calculated by dividing the full membership charge by the total number of visits on that membership series, multiplied by the total visits at that location, during the time frame the membership series was valid. (See Sections 5.09 and 8.10 of the Franchise Agreement)

For example, if a membership is $100 for the month processed at Studio A, and they had 5 visits at Studio A and 4 visits at Studio B and 1 Visit at Studio C during that month, $50 would remain at Studio A, $40 would be allocated from Studio A to Studio B, and $10 allocated from Studio A to Studio C. We do not distribute revenue for any additional fees beyond membership, such as merchant transaction fees.

8. We may hold mandadory periodic regional or national conferences to discuss on-going changes in the industry, operational techniques, developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures. You are required to attend these conferences. When we hold mandatory conferences, you will be required to pay a conference fee which we estimate to be approximately $1,000, and you must pay all of the travel and living expenses for you and any other employees who attend. These conferences will be held at our corporate headquarters or at a conference center chosen by us. We estimate the cost of the travel and living expenses to attend the conferences to be between $1,500 and $2,500. We may provide other conferences, training or refresher courses from time to time, and you may be required to pay a fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference, but we estimate this cost to be no more than $2,500 per year. You must pay all of the travel and living expenses for you and any other employees who attend. We will not receive any net income from these conferences. (See Section 8.07 of the Franchise Agreement).

9. We will provide marketing, promotional materials, and services to you via the sales and marketing manuals in the Partner Portal. Materials provided may include video, copy-ready print marketing materials, posters, banners and miscellaneous items. You will receive one sample of each at no charge. If you want additional copies you must pay duplication costs. We may use both outside advertising and marketing agencies and internal staff to create advertising. You may develop marketing materials for your own use, at your own cost, however, you must submit these materials to Us andWe must approve the marketing materials in advance and in writing. We expect to complete our review within fifteen days from receipt. We reserve the right to utilize marketing developed by you for the use of all Franchisees without any payment or other compensation to you. (See Section 9.02 of the Franchise Agreement).

10. We do not restrict the amount, type, frequency or where you may advertise; except that you may not outside your territory by any method or means. All of your advertising must be pre-

approved by us and you must utilize the campaigns and strategy set forth by the Yoga Pod Inc in the Partner PortalYou are also required to utilize the services of an outside agency for Social/Digital Advertising & Management. We recommend, but do not require that you use the vendor disclosed in Item 8. We must approve your vendor selection prior to your usage. (See Section 9 of the Franchise Agreement.)

Training Programs

Within 60 days after you sign the Franchise Agreement, or any other time as may be mutually agreed upon, we will provide the Initial Operations Training for you and your designated Manager.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Orientation	1 hour	None	Boulder, Colorado
Leadership	5 hours	None	Boulder, Colorado
Operations	15 hours	None	Boulder, Colorado
Management	10 hours	None	Boulder, Colorado
Marketing and Promotion	10 hours	None	Boulder, Colorado
TOTALS	**41 hours**	**None**	

Our training staff consists of Rachel Jarboe, Alex Jarboe, Dan Carbonell, Gerry Weinholt, and Nicole Weinholt, who have had more than 15 years combined experience and individually at least 1 year experience in the operation of a The Yoga Pod Studio. They have 30 years combined experience in the Yoga Training business. Training materials will consist of The Manual, handouts, webinars, flyers and live instruction. The training program will be conducted as often as necessary to enable each franchisee to complete training prior to opening for business.

You or your designated Manager must attend the initial operations training, but we do not charge an additional fee for this training or service unless more than two persons are attending. You will, however, be required to pay the travel and living expenses for you, your designated Manager, and your employee(s). All Initial Operations Training, except any on-site training, will be held at our training location in Boulder, Colorado, or at another designated location. You must complete this initial operations training to our satisfaction, or repeat this training, at no cost prior to commencing operation of your franchise. (See Section 8.04 of the Franchise Agreement).

Yoga Pod Pre-Opening Studio Intensives: We require all founding teachers to complete the Pre-Opening Studio Intensives prior to the studio opening. You must have all your founding teachers in place to trigger this training. Our 200hr Teacher Training costs $2,500 per Corporate Trainer sent as well as travel and living expenses for the trainers. We will send up to 2 corporate trainers to your location to provide this training. Teachers on boarded after the studio is open are required to take our 200hr Yoga Pod Teacher Training, 60hr podFIT training or 60hr podHOT training depending on what style they will teach. This training will be conducted by you and your staff at your location. Non-teaching staff will go through standard on boarding procedures per the operations manual. (See Section 8.05 of the Franchise Agreement).

Marketing Programs

Local

Pre-Sales & Grand Opening Marketing Requirements: Franchisees will be required to invest a minimum of $40,000 to $50,000 on Pre-Sales advertising prior to the Grand Opening as outlined in the marketing and pre-sales manuals found on-line in the Partner Portal, which will be made available to you electronically. You, are solely responsible for executing this pre-opening marketing and Yoga Pod Inc will have no involvement other than answering questions and training. You are also required to utilize the services of an outside agency for Social/Digital Advertising & Management. We recommend, but do not require that you use the vendor disclosed in Item 8. We must approve your vendor selection prior to your usage. During the pre-opening timeline, you will invest a minimum of $10,000 to $12,500 per month (based on 4 months) on digital, print and grassroots marketing utilizing the campaigns and strategy set forth in the marketing and pre-sales manuals, and used in conjunction with an outside agency hired by you, and approved by Yoga Pod, to conduct your Social/Digital marketing Funds are paid directly to advertisers and we do not collect or disperse these funds. (See Section 9.01 of the Franchise Agreement).

Following you Pre-Sales Grand Opening and for the duration of your Franchise Agreement, you are also required to market on a local basis as an individual Franchise You are required to spend a minimum of $3,000 per month on marketing and promotion on a monthly basis in your Territory.You must also follow the same specifications described above relating to marketing collateral and usage of an outside agency. (See Section 9.04 of the Franchise Agreement).

National Marketing Fund / Multi Area Marketing Programs

In the future, you will be required to participate in national advertising and/or multi-area marketing programs. Once implemented, all Franchisees may be required to pay to us a contribution to the National Marketing Fund ("Fund") or a Multi-Area Marketing Program(s) (MAM Programs) in a combined amount not to exceed 1% of your Gross Revenue at the same time and manner as the Royalty Fee. We will hold contributions to the Fund or MAM Program(s) in a separate bank account. The Fund and/or MAM Programs will be administered by Yoga Pod's marketing and accounting staff. All company-owned and affiliate-owned The Yoga Pod will be required to contribute to the Fund and MAM Programs on the same basis as Franchisees. We will use the Fund or MAM Programs for local, regional, national, or international advertising or marketing, development, and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs. Yoga Pod will not derive income from the funds, but we may reimburse our administrative expenses incurred in administering the Fund or MAM Programs. We may also use the funds to offset or partially rebate the franchisee local media and printing expenses. Advertising expenditures may or may not be proportionate to your contributions or provide direct benefit to you or any other Franchisee. We are not required to spend any amount on advertising in your particular territory.

We will spend the contributions to the Fund or MAM Programs in our discretion, and we have no fiduciary duty to you regarding the contributions. We may accumulate these funds, and the balance may be carried over to subsequent years. If the Fund or MAM Program(s) operate(s) at a deficit or require additional funds at any time, we reserve the right to loan such funds to the Fund or MAM Program(s) on any terms we determine. An unaudited annual financial statement of the Fund and MAM Programs will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request. (See Section 9.03 of the Franchise Agreement).

Any advertising funds not spent in the fiscal year in which they accrue will be carried over to the next year. The fund will not be used to solicit the sale of franchises.

In the last fiscal year ending December 31, 2017, the Advertising Fund was not in effect; therefore, no funds have been spent on production, media placement, administrative expenses or other uses.

Regional Advertising Cooperative

There are no Regional Advertising Cooperatives in effect at this time,

Other Advertising Information

We have the power to require a Franchisee Advisory Council to be formed, changed, dissolved or merged. We formed a FAC in January of 2018 We will periodically meet with a council of Yoga Pod franchisees ("Franchisee Advisory Council") to provide input to us. Members of the Franchisee Advisory Council will be selected by us from existing Franchisee's. We will give due consideration to all input from the council(s) but we retain the ultimate decision-making authority and responsibility for all of these matters. If we submit a matter for approval to the Franchisee Advisory Council, and that matter is approved by a majority vote of the Franchisee Advisory Council, that approval will be fully binding on you.

Schedule for Opening

It is estimated that the length of time between the signing of the Franchise Agreement and the opening of your Business will usually be about nine to twelve months. Factors affecting this length of time include financing arrangements, property lease terms, construction or conversion requirements, and scheduling and completion of the training program. Failure to begin operations of your Yoga Pod franchise within twelve (12) months of signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received. (See Sections 8.02 and 10.01 of the Franchise Agreement).

Computer Systems, Proprietary Software, and Internet Access

You are required to purchase a minimum of two iMac desktop computers. This hardware may be obtained from apple or an iMac authorized dealer and will cost approximately $2,800 to $3,000. We reserve the right to specify computer hardware or software and to specify other computer-related standards in the future. You must have access to the Internet, thorough a provider of your choosing, have an electronic mail address and periodically check your electronic mailbox and the portion of our Web site devoted to franchise owners.

You must also purchase two desktop scanners, two card swipers, two omnidirectional barcode scanners, a retail Bar Code Pricing Printer, and a supply of 2,000 scan cards from our approved vendor at a cost of approximately $2,850 to $3,000.

You will be required to have a website designed by our website design specialist. You will pay an initial set up fee of $1,200, and an ongoing support fee of $200 per month.

You will be required to purchase or lease MindBody Online (MBO) third party software for the operation of your franchise. There is a $420 initial set-up fee that must be paid prior to opening in addition to the $275 monthly licensing fee. You are also required to utilize software packages from iKizmet at the cost of $45 per month, and Buxton at a cost of $400 annually. We require you to have your social and digital advertising handled by a professional organization. We recommend, but do not require that you utilize Marketing 360 for this service. There is a monthly fee of $395 for their services, in addition to the cost of advertising. If you choose a different provider, your fees may vary. You will also have fees pertaining to utilizing marketing services such as Emma email marketing, Listen 360 reviews, plus any additional platforms you choose to engage in. We estimate these fees to be approximately $149 to $549 per month

The software will generate information and Yoga Pod will use such information to collect revenue and other operating data. We will have access to this information over the internet. However, we will be restricted to the information relating to your franchise. Yoga Pod has the contractual right to poll the necessary data from your computer, but as a practical matter would be unable to do so without your cooperation. Yoga Pod will not have the right to access other types of data on your computer and does not have the ability to access it independently.

You will also be required to purchase two Card Readers, two Omnidirectional Bar Code Projection Scanner Kit, two Retail Bar Code Pricing Printer, and a supply of 2,000 scan cards from our approved vendor. We estimate this cost to be approximately $2,850 to $3,000. (See Section 12.14 of the Franchise Agreement)

You may be required to upgrade your hardware and/or software in order to utilize the computerized system as technological advances require. You will be responsible for the cost of such upgrades. You will not be required to upgrade your hardware or software more often than once a year, at a maximum cost of $1,000. (See Section 12.14 of the Franchise Agreement)

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems. You must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected. This may include establishing firewalls, access code protection, anti-virus systems, and use of backup systems. (See Section 12.15 of the Franchise Agreement)

ITEM 12
TERRITORY

Franchise Agreement

You will not receive an exclusive territory. You will receive a Protected Territory. This Territory will be bounded by streets, highways, political jurisdictions, natural features or zip codes being approximately two miles distant from your premises. You and we will determine the exact boundaries of your Territory once your location is approved. You will operate from one location approved by us and must receive our permission before relocating. We must also approve your new location, and as such, you will be requied to pay to Us our Site Selection Fee of $1,800 per visit. Provided you are in compliance with your Franchise Agreement, permission to relocate will not be unreasonably withheld. The Franchise Agreement cannot be terminated due to failure to agree on site selection; however, the Franchise Agreement may be terminated for failure to designate a site for your Studio within three (3) months of signing the Franchise Agreement. Provided you are in compliance with your Franchise Agreement, Yoga Pod will not operate, through our current trademarks or different trademarks, any Yoga Pod permanent-based Yoga Pod Franchises or grant franchises for a similar or competitive business within your Protected Territory, but it has the right to do so anywhere outside your Territory. Once established and unless otherwise agreed to in writing, the boundaries of your Protected Territory will not be adjusted regardless of whether the population of your Protected Territory increases or decreases over time.

We will maintain the official Yoga Pod Web pages which will include information regarding your Franchise. You may also advertise your Franchise on the Internet or World Wide Web with our prior written approval.

There is no minimum sales quota however; there is a minimum Royalty fee to encourage development of business in your territory. The minimum monthly Royalty fee is 2.5% of Gross Revenue per month for the first full 12 months of operation and 5% of Gross Revenue per month beginning with the 13th full month of operation and until the end of the completion of the Agreement , or $1,000 per month, whichever is greater, is required. Failure to pay the royalties or minimum royalty is a material breach of the Franchise Agreement and may result in termination.

You do not receive the right to acquire additional franchises within your area or any contiguous area by this agreement alone. Each Franchise Agreement is a separate and distinct transaction between you and us. We intend to develop a strong system of multi-unit owners. You are encouraged to purchase franchise rights to operate additional franchises within or outside your local trade area. You do not receive any rights to use any other channel of distribution for our products or services without our written consent.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and we receive orders for any System products or services calling for service or performance in your Territory, then we will offer the order to you at the price we establish. If you choose not to fulfill the order or are unable to do so, then we, one of our affiliates or a third party we designate (including another franchisee) may fulfill the order, and you will be entitled to no compensation in connection with this.

We reserve the right, among others:

1. to own, franchise, or operate Franchises at any location outside of the Protected Territory, regardless of the proximity to your Franchise;

2. to use the Marks and the System to sell any equipment or services, or supplies similar to those which you will sell, through any alternative channels of distribution within or outside of the Protected Territory. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet;

3. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Franchise, wherever located; and

4. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere and you will be entitled to no compensation in connection with this. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

ITEM 13
TRADEMARKS

We grant you the right to operate a business under our Marks, including the name "The Yoga Pod." You may also use our other current or future Marks as we may designate to operate your Business. You must indicate, as required in the Franchise Agreement and specified in the Manual, that you are an independent operator of the Franchise and shall use the appropriate trademark and copyright marks as indicated by us.

The following is a description of the principal Trademarks, which we will license to you:

Description of Mark	Registration Date	Registration Number	Principal or Supplemental Register of the United States Patent and Trademark Office
Yoga Pod (design mark)	October 23, 2012	4229318	Principal

You must follow our rules when you use any of the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as we license to you. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing. Guidelines regarding proper trademark use and notices are set forth in the Manual and will be updated from time to time in our discretion.

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the Marks, which are relevant to your use of these Marks.

No currently effective litigation affects our use or ownership rights in a trademark. There are no currently effective agreements that significantly limit our rights to use or license the use of the Trademarks listed in this section in a manner material to the franchise. All required affidavits have been filed.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. You must notify us within three days of when you learn about an infringement of or challenge to your use of our Marks. We will take the action necessary, in our sole and absolute discretion, to protect the unauthorized use of our Marks, which may include payment of reasonable costs associated with the action. We will indemnify you for any claims of infringement or challenges from use of Marks, and will be solely for the defense and the cost thereof.

You must modify or discontinue the use of a Mark if we modify or discontinue use. The use of a new or modified trademark may be required, and you may be required to remove existing signs. If this happens, we will reimburse you for your tangible cost of compliance (for example, changing signs). You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of our Marks. You should understand that there could be other local businesses using trademarks, trade names, or other commercial symbols similar to our Marks. These businesses may have a superior rights to use the marks, names or symbols in your local area. Before starting your Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change the use of our Marks and your Franchise name.

You may not use any Yoga Pod Mark or any words or designations similar to the Marks (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, search engine keyword, social media account, or otherwise in connection with any website or other electronic medium without our consent, or (v) in any other manner we have not expressly authorized in writing.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no pending patent applications that are material to the franchise. We hold no patents. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Yoga Pod's Confidential Operating Manual.

There are no agreements currently in effect, which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights, which could materially affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document.

Proprietary Information:

You may never - during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated - reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. All persons affiliated with you must sign our Confidentiality/Non-Competition Agreement (Attachment V).

Our confidential information will include services, technologies and procedures relating to the operation of a The Yoga Pod; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the Yoga Pod System; the Manual: methods of advertising and promotion: instructional materials; and other matters.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You or a fully trained and qualified manager ("Manager"), both of whom have completed our training program, must directly supervise and participate in the actual day-to-day operation the Franchise on a full-time basis. Additionally, you need to hire no less than 2 membership consultants to assist the manager. At times, you will also need to hire a "lead teacher" who will assist with programing and training of teachers during the operations of our business. Neither you nor your Manager may have an interest or business relationship with any of our business competitors. If you are an entity, we do not require that your designated Manager own an equity interest in such entity. However, your designated Manager and each of your officers, directors, partners, shareholders or members, as applicable must execute our standard Confidentiality and Covenant not To Compete Agreement, a copy of which is attached to the Franchise Agreement as Attachment V. Other than the above, we make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees..

If your interest is subsequently assigned to a business entity, each of the entity's officers, directors, shareholders, partners, and members, plus any individual who owns, directly or indirectly, a 5% or greater interest in the entity must also assume and agree to discharge all of your obligations and comply with all restrictions under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only products, classes and services, which are part of The Yoga Pod system. You must offer and sell all products, classes and services that we designate as required for all Franchisees within your market area as well as all products, classes and services we incorporate into The Yoga Pod system in the future. Yoga Pod reserves the right, in our sole discretion, to change the types of authorized services upon reasonable notice to you. There are no contractual limits on Yoga Pod's right to make changes, but Yoga Pod will not make changes lightly. We also reserve the right to set maximum prices for use with multi-area marketing and special price promotions.

Currently, you must purchase Yoga Pod Tees, Jade Towels & Mats, Manduka Mats, and yoga attire from us or our approved suppliers. We reserve the right in the future to designate alternate vendors from whom you will purchase Yoga Pod Tees, Jade Towels & Mats, Manduka Mats and yoga attire. You are not restricted as to individuals to whom you may offer services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements. You should read the full provisions in the Franchise Agreement attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
A	Length of the franchise term	Section 3 of the Franchise Agreement	10 years from signing the Franchise Agreement.
B	Renewal or extension of term	Section 3 of the Franchise Agreement	If you are in good standing you can additional terms of 10 years.

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
C	Requirements for Franchisee to renew or extend	Section 3 of the Franchise Agreement.	Sign new agreement, be current in payments, and pay the Renewal Fee. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original contract, but the boundaries of the territory will remain the same, and the Continuing Royalty on renewal will be no greater than Royalties that we impose on similarly-situated renewing franchisees.
D	Termination by Franchisee	Section 13.01 of the Franchise Agreement	Default by us.
E	Termination by Franchisor without cause	Not Applicable	Not Applicable
F	Termination by Franchisor with cause	Section 13 of the Franchise Agreement	We can terminate if you commit any one of several violations with a written 90 day notice.
G	"Cause" defined - curable defaults	Section 13.01(a) of the Franchise Agreement.	You have 30 days to cure, including failure to comply with the System, non-payment of fees and other obligations, failure to comply with federal, state or local laws or regulations.
H	"Cause" defined - non-curable defaults	Section 13.01(b) of the Franchise Agreement	Non-curable defaults include misrepresentation by you, failure to complete initial training, bankruptcy, insolvency, or appointment of receiver, abandonment, trademark misuses and unapproved transfers. (Termination upon bankruptcy may not be enforceable under U.S. Bankruptcy Law.)
I	Franchisee's obligations on termination/nonrenewal	Sections 13.03, 13.04	Obligations include complete de-identification, non-competition and payment of amounts due.
J	Assignment of contract by Franchisor	Section 14 of the Franchise Agreement.	No restriction on our right to assign.
K	"Transfer" by franchisee - definition	Section 14.03 of the Franchise Agreement.	Includes transfer of contract or assets or ownership change.
L	Franchisor approval of transfer by Franchisee	Section 14.04-14.06 of the Franchise Agreement	We have the right to approve all transfers but will not unreasonably withhold approval.

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
M	Conditions of approval of transfer	Section 14.04 of the Franchise Agreement.	New Franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you, and current agreement signed by new Franchisee. Transferee qualifies, you pay all amounts owed to us or our affiliates, transfer fee paid, release signed, training of transferee, economically reasonable sale terms.
N	Franchisor's right of first refusal to acquire Franchisee's Business.	Section 14.07 of the Franchise Agreement	We can match any offer for your Business.
O	Franchisor's option to purchase franchisee's Business	Section 14.07 of the Franchise Agreement	We may purchase Franchisee's Business if Franchise is terminated for any reason by Right of First Refusal.
P	Death or disability of Franchisee	Section 14.06 of the Franchise Agreement	Franchise must be assigned by estate to approved transferee within 120 days.
Q	Non-competition covenants during the term of franchise	Section 15.01 and Attachment VI of the Franchise Agreement	No involvement in competing business anywhere in U.S.
R	Non-competition covenants after the franchise is terminated or expires	Section 15.01 & Attachment VI of the Franchise Agreement	No competing business for 2 years within 50 miles from the boundary of your Protected Territory or from another The Yoga Pod franchise, company-owned Franchise, or on the Internet (including after assignment).
S	Modification of agreement	Sections 7.04, 8.09 and 18.02 of the Franchise Agreement	No modifications generally but Manual subject to change.
T	Integration/merger clause	Section 18.01 of the Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). All representations and promises made outside the disclosure document and Franchise Agreement may not be enforceable. Nothing in this agreement or in any related agreement is intended to disclaim any of the representations made in the disclosure document.
U	Dispute resolution by arbitration or mediation	Section 16 of the Franchise Agreement	Except for certain claims, all disputes must be arbitrated. Subject to State Law
V	Choice of forum	Section 16.06 of the Franchise Agreement	Arbitration and actions for injunctive relief, claims based on the Marks, or on covenants not to compete must be in the State of Colorado.
W	Choice of law	Section 16.06 of the Franchise Agreement	Colorado law applies, subject to State Law

The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

See the state addenda attached as Exhibit E to the Franchise Agreement and franchise disclosure document for special state disclosures.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchisee and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying: or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The gross revenue, the number of Prema Members (members that pay a monthly membership fee via auto-debit from their credit card), and the number of new students below represent the average historical operating figures for 10 out of 10 franchisee-owned Units during the calendar years 2013-2017.

Of a total of 5 Franchisee owned locations in existence as of August 31, 2017, 4 Franchisee owned locations have achieved these figures. Some Outlets have achieved these figures, but should not be considered as potential revenues, expenses or conversation ratios that may be realized by you. There is no assurance you'll do as well. If you rely upon our figures, you must accept the risk of not doing as well.

The earnings claim figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenues or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Yoga Pod franchised business. Franchisees or former franchisees, listed in the disclosure document may be one source of information.

We have based these representations upon the business records and financial information submitted by our franchisees and have compiled these estimates to the extent possible in a manner consistent with generally accepted accounting principles consistently applied. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

The products and services offered by each franchisee, although essentially the same, may vary slightly based on market conditions, demand for specific services, the requirements of customers, and the sales skills utilized by the owners and employees of each individual Unit. The gross revenue attained by each Unit will depend on a wide range of factors including, but not limited to, geographic differences, competition within the immediate market area, the quality of the service provided to customers by the franchisee and its employees, consumer demand for our services, and the marketing skills and sales efforts employed by each franchisee. The profitability of individual franchisees will depend on a number of factors which may vary due to the individual characteristics of each territory. Factors affecting the net profits may include, but are not limited to, the costs of labor, insurance, supplies, and compliance with state and local laws regulating the provision of yoga instruction, including any state- specific licensing requirements. The figures below represent the revenues, sources of revenues and new student numbers of all franchises that were in existence at August 31, 2017. Out of a total of 10 franchises, 5 were operational for the entire 12 months and 4 out of 10 franchises (or 40%), have attained the figures listed on the following page.

The chart on the following page represents a mean average of 10 Yoga Pod franchise locations as of August 31, 2017:

16 Month Studio Average	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	
Prema Membership Sales	$14,556	$16,260	$18,177	$19,726	$21,310	$18,856	$15,007	$24,099	$23,464	$ 24,871	$ 25,667	$ 23,631	$ 31,736	$ 29,217	$ 29,165	$ 30,770	
Punch Card Sales	$ 2,105	$ 1,822	$ 2,249	$ 2,254	$ 2,005	$ 1,886	$ 6,626	$ 2,271	$ 2,879	$ 2,604	$ 2,632	$ 2,662	$ 2,932	$ 2,840	$ 3,030	$ 2,837	
Drop In Sales	$ 685	$ 825	$ 875	$ 928	$ 902	$ 901	$ 954	$ 934	$ 1,125	$ 1,255	$ 1,195	$ 1,300	$ 1,625	$ 1,456	$ 1,863	$ 1,986	
Subtotal Class Sales	$17,345	$18,906	$21,301	$22,909	$24,216	$21,643	$22,586	$27,304	$27,468	$ 28,730	$ 29,493	$ 27,593	$ 36,293	$ 33,513	$ 34,058	$ 35,593	
																	Average
Teacher Training Sales	$ 1,499	$ 544	$ 381	$ 1,119	$ 1,966	$ 2,554	$ 1,707	$ 2,172	$ 1,698	$ 3,326	$ 2,114	$ 3,710	$ 4,456	$ 2,241	$ 1,821	$ 3,009	2,145
Workshop Sales	$ 300	$ 232	$ 222	$ 217	$ 446	$ 278	$ 473	$ 447	$ 203	$ 403	$ 282	$ 289	$ 551	$ 98	$ 347	$ 400	324
Retail Sales	$ 2,674	$ 2,373	$ 2,628	$ 3,634	$ 2,369	$ 2,395	$ 2,385	$ 2,610	$ 5,380	$ 2,650	$ 4,774	$ 3,079	$ 4,118	$ 4,189	$ 4,548	$ 3,783	3,349
Gift Card / Fees	$ 723	$ 525	$ 32	$ 768	$ 2,649	$ 1,892	$ 2,200	$ 635	$ 566	$ 1,138	$ 827	$ 2,219	$ 1,287	$ 489	$ 778	$ 926	1,103
Total Revenue	$22,541	$22,580	$24,564	$28,647	$31,645	$28,762	$29,350	$33,169	$35,315	$ 36,246	$ 37,490	$ 36,890	$ 46,705	$ 40,530	$ 41,551	$ 43,711	
																	Average
Number of Prema Members Sold	155	180	197	207	213	209	221	252	269	278	273	260	317	320	329	355	252
Number of Punch Cards Sold	14	13	16	16	13	13	16	22	22	20	20	21	24	32	24	21	19
Number of Drop Ins Sold	46	55	58	60	60	58	57	57	62	70	67	76	88	80	121	137	72
Number of New Students	342	207	204	188	211	180	172	239	194	206	183	192	289	259	248	249	223

* Prema Members are members that pay their monthly membership fee via auto-debit from their credit or debit card.
* New Students are students who are completely new to Yoga Pod. They have never stepped inside, nor have they tried a class with one of our studios.
* The above chart represents a mean average of all ten (10) Yoga Pod franchise locations in existence as of August 31, 2017. No franchises were excluded from the figures below. The 10 studios represented here opened at different months between December 2013 and August 2017. In order to fairly present the mean averages we have matched up the first full month a studio was open as "month 1". The second month each studio was open is listed as month 2.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Alex Jarboe at 3701 Arapahoe Avenue, #C117, Boulder, Colorado 80303; and (215) 384-3382 and the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System Wide Outlet Summary
For years 2015 to 2017 (As of December 31 of each year)

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2015	5	4	-1
	2016	4	9	+5
	2017	9	15	+6
Company or Affiliate-Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	2015	5	4	-1
	2016	4	9	+5
	2017	9	15	+6

Table No. 2
Transfers of outlets from Franchisees to New Owners (other than the Franchisor)
For years 2015 to 2017, (As of December 31 of each year)

STATE	YEAR	NUMBER OF TRANSFERS
Colorado	2015	**0**
	2016	**1**
	2017	**0**
Total Outlets	2015	**0**
	2016	**1**
	2017	**0**

Table No. 3
Status of Franchised Outlets
For years 2015 to 2017, (As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
Colorado	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	0	4
	2017	4	5	0	0	0	0	9
Oregon	2015	1	0	0	0	0	1	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
Minnesota	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	1	0
Nevada	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Texas	2015	1	0	0	0	0	0	1
	2016	1	2	0	0	0	0	3
	2017	3	2	0	0	0	0	5
Total Outlets	2015	5	0	0	0	0	1	4
	2016	4	5	0	0	0	0	9
	2017	9	7	0	0	0	1	15

Table No. 4
Status of Company-Owned Outlets
For years 2015 to 2017 (As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
Total Outlets	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0

Table No. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2017

State	Franchise Agreements Signed but Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the next Fiscal Year
Arizona	3	0	0
California	1	1	0
Colorado	6	3	0
Florida	1	0	1
Texas	2	2	0
TOTALS	**13**	**6**	**1**

Lists of Current Franchisees:

Below lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2017.

Franchisee	Address	City, Zip Code	State	Phone Number
TJ Maxfield Yoga Pod SouthGlenn	6870 South University Blvd	Centennial, 80122	CO	303-396-2006
Paul Quinn & Carter Kennedy Yoga Pod LoDo	1956 Lawrence St., Ste 100	Denver, 80202	CO	303-593-0018
Laura & Bob Aicklen Yoga Pod Cherry Creek	2780 E. 6th Ave	Denver, 80206	CO	214-914-3325
Shannon Scott & Christy Oberg Yoga Pod Denver Tech Center	4930 S Yosemite	Greenwood Village, 80111	CO	303-241-6148
Perrin Kringel Yoga Pod Denver West	14500 W Colfax Ave	Lakewood, 80401	CO	303-246-6792
Stacey Goddard & Bob Kehr Yoga Pod Littleton	8501 W Bowles Ave	Littleton, 80123	CO	303-941-3081
Kori Norberg Yoga Pod Park Meadows	7824 Park Meadows Dr #200	Lone Tree, 80124	CO	303-284-8314
Adrian Dalmy & Kodi Younghein Yoga Pod Longmont	1350 Ken Pratt Blvd	Longmont, 80501	CO	303-881-5907
Maj-Lis Goecke & Joey Delgado Yoga Pod Fort Collins	632 Sundance Dr	Windsor, 80550	CO	970-310-8407

Franchisee	Address	City, Zip Code	State	Phone Number
Joanna O'Neal & John Reynolds Yoga Pod Reno	13935 S Virginia St	Reno, 89511	NV	480-332-2225
Cliff Latham Yoga Pod College Station	3995 Highway 6 South, Suite 100	College Station, 77845	TX	979-693-3837
Michelle Weaver Yoga Pod Dallas	3707 Miles St #9	Dallas, 75209	TX	214-435-1240
Diana & Guido Bressani Yoga Pod West Houston	10455 Briar Forest Dr #200b	Houston, 77042	TX	713-497-5397
Melony Bergeron Yoga Pod The Woodlands	10807 Kuykendahl Rd	The Woodlands, 77382	TX	936-443-0971
Amy Tarter Yoga Pod Waco	5100 Franklin Ave	Waco, 76710	TX	254-339-4545

Below list the names addresses and telephone numbers of all franchises who have signed a Franchise Agreement, but were not open for business as of December 31, 2017.

Franchisee	Address	City, Zip Code	State	Phone Number
Lisa Cutts (3 Units) Yoga Pod Tucson	6360 E Via Amable	Tucson, 85750	AZ	415-547-9567
Robin McDonald, Yoga Pod Cupertino	1060 Continentals Way #409	Belmont, 94002	CA	650-279-8479
Jeanne & Tarek Reslan Yoga Pod Castle Rock	3980 Limelight Ave #D	Castle Rock, 80109	CO	720-387-857
Andi Oliveira (2 Units) Yoga Pod Lowry	101 S Ulster St	Denver, 80320	CO	720-443-1855
Keith Siggins Yoga Pod Highlands	401 Pheasant Run	Louisville, 80027	CO	720-469-1704
Scott & Kristina Stutler Yoga Pod Westminster	5480 E117th Ave	Thornton, 80233	CO	760-212-0913
Maj-Lis Goecke & Joey Delgado Yoga Pod Greeley	632 Sundance Dr	Windsor, 80550	CO	970-310-8407
Rob Cassata Yoga Pod Florida	106 Southwest 1st Ave	Delray Beach, 33444	FL	917-751-1964
Jennifer Haley Yoga Pod Austin	1817 Chalk Rock Cove	Austin, 78735	TX	512-791-3229

Franchisee	Address	City, Zip Code	State	Phone Number
Lisa Wescott Yoga Pod San Antonio	307 Joliet Ave	San Antonio,	TX	210-849-4619

There are no company-owned or affiliate outlets as of December 31, 2017. The following information is for our affiliate-owned unit that was purchased in 2017, but not yet open as of December 31, 2017:

Name	Address	City, State, Zip Code	Phone Number
Yoga Pod Gainesville	3045 SW 34th Street #22	Gainesville, FL, 32608	352-507-5547

Below lists the Franchisees who had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchisee	Address	City, Zip Code	State	Phone Number
Paul Grangaard Yoga Pod Minnetonka	12993 Ridgedale Dr #103	Minnetonka, 55305	MN	952-595-5915

Confidentiality Agreements:

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system

Associations and/or Organizations:

There are no trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached to the Disclosure Document as Exhibit A is our audited financial statement as of December 31, 2015, December 31, 2016 and December 31, 2017. Attached as Exhibit A-1 is our unaudited financial statement for the period January 1, 2018 through July 31, 2018. These financial statements are prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to the content or form.

ITEM 22
CONTRACTS

Attached to this Disclosure Document are the following contracts:

Exhibit B	Franchise Agreement		
	Attachment	I	Addendum
	Attachment	II	Authorization for Debit and Credit Electronic Funds Transfer
	Attachment	III	Collateral Assignment of Numbers
	Attachment	IV	Statement of Ownership
	Attachment	V	Guaranty of Franchisee's Obligations
	Attachment	VI	General Release

ITEM 23
RECEIPT

Included as the last document of this Disclosure Document is a detachable Receipt to be signed by you.

EXHIBIT B
FRANCHISE AGREEMENT

The Yoga Pod, Inc.

FRANCHISE AGREEMENT

Franchisee: ______________________________
Date: ______________________________
Territory: ______________________________

TABLE OF CONTENTS

FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is entered into and effective this ____ day of ____________, 20__, between The Yoga Pod, Inc., a Colorado Corporation, located at 3701 Arapahoe Avenue, #C117, Boulder, Colorado 80303 ("Franchisor"), and ____, ("Franchisee"), residing at ____.

In consideration of the mutual promises in this Agreement, the parties agree as follows:

1. DEFINITIONS

1.01 "Assets" means the franchised Business, including all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements, and other tangible items.

1.02 "Business" means the right, which is granted to Franchisee to operate a Franchise as set forth in this Agreement.

1.03 "Business Records" means evidence of each business transaction, and all financial, marketing, and other operating aspects of the Business, and all evidence and records with respect to customers, clients, employees, and other service professionals relating the Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer/client records, and all other records contained in the database, and all other records created and maintained by Franchisee in operation of the Business.

1.04 "Confidential Information" means all methods for establishing, operating and promoting the Business pursuant to the Franchisor's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Franchisor and such other information as may be further developed periodically by the Franchisor.

1.05 "Designated Marketing Area" means that area included in a Regional Marketing Co-Operative.

1.06 "Gross Revenue" means the total of all receipts derived from gross revenue receipts, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. "Gross Revenue" shall exclude only sales tax receipts that Franchisee must by law collect from customers and that Franchisee pays to the government, promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.

1.07 "Franchise" means the Yoga Pod licensed business which Franchisee is granted the right to operate in conformity with the requirements of this Agreement.

1.08 "Manual" means Franchisor's operations manual and other written materials, including information posted on Franchisor's Web site and information sent to or accessed by Franchisee in print or electronic form, manuals, written procedures, memoranda and their supplements loaned to Franchisee by Franchisor.

1.09 "National Marketing Fund" means the separate bank account used by Franchisor for the purposes specified in this Franchise Agreement. The Marketing Fund is not a trust or escrow account, and is managed by Franchisor in its sole discretion.

1.10 "Marks" means Franchisor's trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future associated with Franchisor, the System or the franchised Business, whether or not they are registered, including, but not limited to, "The Yoga Pod."

1.11 "Multi-Area Marketing Program" (MAM Programs) means a regional, national, or international program designed to increase business, such as marketing to multi-area customers, Internet, shows, events, yellow pages, directories, affinity marketing, vendor programs, and co-branding programs. Such programs may require Franchisee's cooperation and participation, including refraining from certain channels of marketing and distribution, and payment of commissions or referral fees. Franchisee must also adhere to maximum pricing to the extent permitted by law. All such programs are Trade Secrets of Franchisor.

1.12 "Premises" means the one Franchise within the Protected Territory and as described in Attachment I at which Franchisee may operate the franchised Business using the System.

1.13 "Protected Territory" means the territory described in Attachment I to this Agreement, subject to any reservations or exceptions contained in this Agreement.

1.14 "Regional Advertising Cooperative" means an advertising cooperative made up of franchisees who are located in or near Designated Marketing Areas, as determined by Franchisor, and managed by franchisees elected by the group. The cooperative, if established, may adopt its own written governing regulations, which you must follow but these regulations are subject to consent by us. These regulations will be made available to the Franchisee upon written request.

1.15 "System" means, collectively, Franchisor's valuable know how, information, trade secrets, methods, Manuals, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the franchised Business, as modified by Franchisor at any time.

1.16 "Trade Secret" is the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures, and improvements regarding the System that is valuable and secret in the sense that it is not generally known to competitors of Franchisor.

1.17 "Transfer" means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the franchised Business, substantial assets of the franchised Business, or of this Agreement.

2. GRANT OF FRANCHISE

2.01 Grant of License. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee an exclusive license to operate a Franchise as designated in Attachment I to this Agreement and described in Section 4, using the System and the Marks for the term of this Agreement. Franchisee may use the Marks and System only in accordance with the terms and conditions of this Agreement.

2.02 Modification of System. Franchisor reserves the right to periodically change, improve, or further develop the System, or any part of the System. Franchisee must promptly accept and comply with any change to the System and make any reasonable expenditure as necessary to comply. Franchisor will not alter these basic rights and obligations of the parties arising under this Agreement through changes in the Manual.

2.03 Ownership and Principal Contact of Franchisee. If Franchisee assigns this Agreement to a business entity, each of the officers, directors, and/or members of the entity, plus any individual who owns, directly or indirectly, a 5% or greater interest in the entity must also sign the Confidentiality and Covenant Not to Compete Agreement (Attachment V).

Franchisee shall also provide to Franchisor a resolution signed by all members, directors or partners, as appropriate, designating the principal contact for the Business. This principal contact must be a managing member, general partner or controlling shareholder. Such representative shall have the sole authority to speak for and bind Franchisee in all matters pertaining to this Agreement, and all matters relating to the Business.

3. TERM AND RENEWALS

3.01 Term of Agreement. This Agreement begins on the date executed by both parties, and will continue for a period of ten (10) years, unless earlier terminated as provided under this Agreement.

3.02 Rights Upon Expiration. At the end of the term of this Agreement, Franchisee may renew its license for one successive period of ten (10) years, provided Franchisor does not exercise its rights of refusal as set forth below.

3.03 Right of Refusal to Renew. Franchisor may refuse, in Franchisor's sole discretion, to renew Franchisee's license if Franchisee:

(i) fails to remedy, in the time frame set forth in this Agreement, any breach of this Agreement specified by Franchisor in a written notice;

(ii) has committed two (2) or more material breaches of this Agreement in the preceding twenty four (24) months prior to expiration;

(iii) fails to give notice of Franchisee's intent to renew at least six (6) months, but no more than twelve (12) months, prior to the expiration of this Agreement. Failure to give timely notice will be considered an election not to renew this Agreement; or

(iv) is not current in payment obligations to Franchisor or its subsidiaries and affiliates and to trade creditors, landlords, or mortgage holders at the time Franchisee delivers its notice of renewal or on the date this Agreement is scheduled to expire.

If Franchisor intends not to renew Franchisee's license, Franchisor shall give Franchisee at least one-hundred fifty (150) day notice of non-renewal prior to expiration of the term.

3.04 Renewal Agreement. Franchisee must execute a renewal Franchise Agreement and all other legal agreements in Franchisor's then-current form for new franchisees. These agreements may vary in material aspects from this Agreement, including, but not limited to, higher royalty and advertising fees. Franchisee must also make capital expenditures that are reasonably required for the renovation and modernization of the Franchise, signs, or any other required equipment to reflect the then-current image of Franchisor.

3.05 Renewal Fee. Upon signing a renewal Franchise Agreement, Franchisee will not be required to pay another Initial Franchise Fee, but will be required to pay a renewal fee of $5,000.

4. TERRITORY

4.01 Franchise. Franchisee may operate the franchised Business only at the Premises as designated in Attachment I to this Agreement. Franchisee may not relocate the Premises without Franchisor's prior written approval, such consent not unreasonably withheld for any reason. Franchisee will also be required to pay to Franchisor the Site Selection Fee as described in Section 5.07.

4.02 Protected Territory. During the term of this Agreement and any extensions, Franchisor will not own, operate or franchise a fixed franchise for the operation of any other Franchise within your Protected Territory as designated in Attachment I to this Agreement. Once established, and unless otherwise agreed in writing, the boundaries of Franchisee's Protected Territory will not be adjusted without Franchisor's written consent regardless of whether the population of Franchisee's Protected Territory increases or decreases over time.

4.03 Soliciting Outside the Protected Territory. Subject to the requirements of Sections 9.01 and 9.02, Franchisee is not restricted in regard to soliciting or advertising to individuals who reside outside the Protected Territory without the express written permission of Franchisor.

4.04 Reservation of Rights. Franchisor reserves the rights, among others:

(i) to own, franchise, or operate Franchises at any franchise outside of the Protected Territory, regardless of the proximity to the Premises;

(ii) to use the Marks and System to sell any equipment and supplies, similar to those which Franchisee will sell through alternative channels of distribution within or outside of the Protected Territory, other than through the Franchise at the Premises. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet. The Internet is a channel of distribution reserved exclusively to Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce;

(iii) to purchase or be purchased by, or merge or combine with, any business wherever located, including a business that competes directly with Franchisee's Franchise; and

(iv) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere, as set forth in Section 9. Franchisee will still have the option of servicing any customer within its Protected Territory. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

5. FEES AND ROYALTIES

5.01 Payment of Fees and Royalties. All payments required under this Section are imposed by and payable to Franchisor, and are non-refundable except as expressly provided below. All payments must be made by any method Franchisor reasonably specifies, including check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or payment in advance. Franchisee must sign an Authorization for Debit and Credit Electronic Funds Transfer, set forth as Attachment II, and Franchisor may require Franchisee to submit any payments electronically. All payments to Franchisor and dollar amounts stated in this Agreement are in U.S. dollars unless otherwise expressed. Franchisor will not require Franchisee to deposit all Franchisee's revenue into an account that Franchisor controls, or from which withdrawals may be made only with Franchisor's consent, except to secure a loan or financing arrangement by Franchisor.

5.02 Initial Franchise Fee. Franchisee must pay an initial franchise fee ("Initial Franchise Fee") upon the signing of this Agreement as set forth in Attachment I. The Initial Franchise Fee for a single outlet is $45,000. A separate Franchise Agreement must be signed for each outlet Franchisee agrees to open. The Initial Franchise Fee is fully earned upon payment, and is non-refundable under any circumstances.

5.03 Royalties. Franchise must pay to Franchisor a monthly royalty in the amount of 2.5% of Gross Revenues for the first 12 full months of operation; then 5% of Gross Revenue per month beginning with the 13th full month of operation and thereafter for the preceding calendar month with a minimum of $1,000 per month ("Royalty Fee"). The Royalty Fee is due to Franchisor, without notice from Franchisor, on the 10th day of each month. Royalties must be reported in a form specified by Franchisor.

5.04 Initial Operations Training. Franchisee and its designated manager are required to attend and complete the Initial Operations Training that is completed during our weeklong Franchise Training before your studio opens. The cost of the Initial Operations Training for you and one manager is included in your Initial Franchise Fee. The cost of Initial Operations Training for additional persons is $500 per person. Travel and living expenses for this Training are your responsibility. Franchisee must successfully complete the Initial Operations training program to our satisfaction, or repeat the training at a cost of $1,000 per person plus travel and living expenses.

5.05 Pre-Opening Training Intensives: Yoga Pod Pre-Opening Studio Intensives: We require all founding teachers to complete the Pre-Opening Studio Intensives prior to the studio opening. You must have all your founding teachers in place to trigger this training. Our 200hr Teacher Training costs $2,500 per

Corporate Trainer sent as well as travel and living expenses for the trainers. We will send up to 2 corporate trainers to your location to provide this training. Teachers on boarded after the studio is open are required to take our 200hr Yoga Pod Teacher Training, 60hr podFIT training or 60hr podHOT training depending on what style they will teach. Training for these Teachers will be conducted by you and your staff at your location. Non teaching staff will go through standard on boarding procedures per the operations manual

5.06 Grand Opening Support. Franchisor will provide to you, at no charge, up to 3 days of Grand Opening Support at your location. Gerry and/or Nicole Wienholt may attend this Support at no additional charge. Should you require or request additional support beyond the 3 days, you will be charged $1,500 per day plus travel and living expenses.

5.07 Site Selection Approval Fee. . Franchisor must approve the location for the Studio. Franchisor will be allowed one visit by Franchisor to assist in site selection at no cost to Franchisee. If an acceptable site is not located during that visit or if other circumstances arise which necessitate additional visits, Franchisee will be required to pay to Franchisor a fee of $1,800 per additional visit for Franchisor's assistance in site selection and approval of the site location. In addition, should the Franchisee request to relocate the location of the Studio , Franchisor must approve the relocation and the relocation site. Franchisee will pay Franchisor $1,800 Site Selection Approval Fee for each visit required to select and approve the new location.

5.08 PodScore Audit Fee. Franchisee shall pay to Franchisor a fee of $500 per day as well as travel and living expenses for the representative sent. Franchisor will perform an audit at the Franchisee's Studio, generally within the first 30 days of operation and up to 4 times per year. The Audit will review quality standards for teaching method and student satisfaction. The Audit will generally last approximately 2 days, but may be more or less depending on findings. If Franchisor deems the PodScore percentage to be below standards, Franchisor will offer suggestions / recommendations for improve to the Franchisee, The suggestions are generally sent via email as a "Performance Action Plan.

5.09 Membership Fee Revenue Distribution. Currently we track and monitor the visits of Studio Members who visit a studio other than the "Home Studio" (where the students' membership is processed) A percentage of the monthly membership fee paid by the Member will be calculated annually after February 1 for the previous calendar year, and automatically debited from the studios account by March 1.The revenue per visit is calculated by dividing the full membership charge by the total number of visits on that membership series, multiplied by the total visits at that Studio, during the time frame the membership series was valid. For example, if a membership is $100 for the month processed at Studio A, and they had 5 visits at Studio A and 4 Visits at Studio B and 1 Visit at Studio C during that month, $50 would remain at Studio A, $40 from Studio A to Studio B, and $10 from Studio A to Studio C.

5.10 Late Charges and Other Fees. Unless otherwise stated, Franchisee must pay interest at the rate of one percent (1%) per month for any late payments due under this Agreement, or the maximum interest rate allowed by applicable law, whichever is less. Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees Franchisor incurs in connection with Franchisee's failure to make any required payments.

5.11 Taxes and Debts. Franchisee will promptly pay when due all taxes, fees, debts, expenses, and assessments of the franchised Business, including payroll taxes. Franchisee will not permit a tax sale, seizure, levy, execution, bankruptcy, assignment of assets for or by creditors, or similar action to occur.

6. MARKS

6.01 Marks. Franchisee must only use the Marks in the conduct of the Business as specified in this Agreement. Any unauthorized use of the Marks by Franchisee will constitute a breach of this Agreement and an infringement on Franchisor's rights in and to the Marks. As between Franchisor and Franchisee, Franchisor has a prior and superior claim to the Marks, and Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement.

6.02 Authorized Marks. Franchisee shall use no trademarks other than "The Yoga Pod" or any other Marks that Franchisor may specify for use in the identification, marketing, promotion, or operation of the Business. If Franchisee cannot lawfully use the Marks in the Protected Territory, Franchisee must obtain Franchisor's written approval to use other marks. Franchisee must also follow the copyright guidelines as specified by Franchisor in the Manual and which approval may not be unreasonably withheld, conditioned or delayed. Franchisor will indemnify Franchisee for any claims against misuse or infringement of Marks.

6.03 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time of receiving written notification of any change, Franchisee must comply with the change, at Franchisee's sole expense unless Franchisor does not control the Marks in which case Franchisor shall bear cost of the Franchisee changing of the Marks.

6.04 Limitations on Franchisee's Use of the Marks. Franchisee must use the Marks as the sole identification of the Business, but must also identify itself as the independent owner of the Business in the manner prescribed by Franchisor. All Marks must be displayed in the manner prescribed by the Franchisor. Franchisee may not use the Marks, or any words or symbols similar to the Marks, alone or with any prefix, suffix, modifying words, terms, designs, or symbols:

(i) as part of any entity or business name;

(ii) in conjunction with any documents, contracts, licenses, permits and other official documents. Any reference to the Marks in any document must state that Franchisee's use of the Marks is limited by this Agreement;

(iii) in any form on the Internet, including, but not limited to, addresses, domain names, links, metatags, locators, and search techniques;

(iv) in connection with the performance or sale of any unauthorized services or products; or

(v) in any other manner not expressly authorized by Franchisor in writing.

6.05 Marks on the Internet. Other than as specified herein, Franchisor retains the sole right to use the Marks and market on the Internet, including all use of Web sites, domain names, URL's, linking, advertising, and co-branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify, and only with our prior written consent. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must sign the Internet and intranet usage agreements when developed by Franchisor. Franchisor retains the right to approve any linking to or other use of Yoga Pod's Web site.

6.06 Marks in Advertising. Subject to Section 9.03, Franchisee must obtain Franchisor's prior written approval for any use of any item of printed, audio, visual, Internet, electronic media, or multimedia material of any kind bearing any of the Marks, unless supplied by Franchisor. Franchisee must indicate that it is "independently owned and operated."

6.07 Goodwill. All usage of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through Franchisee's operation of the Business or other activities will inure to the exclusive benefit of Franchisor.

6.08 Infringement. Franchisee must notify Franchisor in writing within three (3) days of obtaining knowledge of any possible infringement or illegal use by others of a trademark which is the same as or confusingly similar to the Marks. Franchisor may, in its sole discretion, commence or join any claim against the infringing party, and bear the reasonable costs associated with the action.

6.09 Signage. As specified by Franchisor, Franchisee must display signage bearing the Marks and identifying the Premises as a Franchise, and signage indicating that the Business is independently owned and operated as a franchised

Business. All signage must remain current with the System's standards as Franchisor may modify periodically.

7. MANUAL AND CONFIDENTIAL INFORMATION

7.01 Confidential Information. The System, the Manual, and other Confidential Information are proprietary, involve Trade Secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree to:

(i) fully and strictly adhere to all security procedures prescribed by Franchisor, in its sole discretion, for maintaining the Confidential Information as confidential;

(ii) disclose such information to its employees only to the extent necessary to market and for the operation of the Business in accordance with this Agreement;

(iii) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor; and

(iv) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security procedures, which include the execution of approved nondisclosure agreements, and intranet, extranet and Internet usage agreements when developed by Franchisor, by Franchisee and any employee or agent who is allowed access.

7.02 Standards and Authorized Use. Franchisee must maintain strict compliance with the Manual as presently set forth and as subsequently amended and revised.

7.03 Unauthorized Use. Franchisee must not copy or otherwise reproduce any Confidential Information, and must establish procedures to prevent unauthorized use by any other person. Unauthorized use of the Manual or the System will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and copyrights. You must promptly report any unauthorized use of the Manual or other Confidential Information.

7.04 Manual. Franchisor will loan to Franchisee during the term of the franchise one (1) copy of Franchisor's confidential operating Manual, which may be in print, on an access code-protected company intranet or extranet, or through other media. Franchisor reserves the right to require Franchisee to use the Manual in only an electronic format. The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. Franchisor may periodically update and revise the Manual. Franchisee acknowledges that its entire knowledge of the operation of the System is and shall be derived from information disclosed to Franchisee by Franchisor and that certain of such information is Confidential Information of Franchisor. Franchisee shall maintain the absolute confidentiality of all such Trade Secrets during and after the term of this Agreement, and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee is bound by the standards for maintaining the privacy of the Manual in the same manner as all other Confidential Information as provided in this Agreement.

7.05 Confidentiality and Covenant Not to Compete Agreement. Franchisee and, in the event of a subsequent transfer to an entity, the entity, its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, and principal employees, as applicable shall execute Franchisor's standard Confidentiality and Non-competition Agreement (Attachment V) before performing any work at the Business or otherwise having access to Franchisor's Confidential Information. A copy of all such signed agreements shall be delivered to Franchisor within one week of their execution.

7.06 Ownership of Business Records. Franchisee acknowledges and agrees that the Franchisor has access to all Business Records with respect to customers, clients, employees, and other service professionals of, and related to, the franchised Franchise including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, phone numbers, e-mail addresses, customer records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee for evaluation and research purposes only. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion. This will in no way cause harm to Franchisee's business.

8. FRANCHISOR'S DUTIES

8.01 Services Provided by Franchisor. Franchisor will provide initial and continuing services as it deems necessary or advisable in furthering Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Provision of services by Franchisor, either initial or continuing, is independent from the payment the Initial Franchise Fee or the continuing Royalty Fees. Notwithstanding the foregoing, Franchisor will provide the services listed below on a continuing basis.

8.02 Site Selection. Franchisor will provide assistance to Franchisee in analyzing a site and in negotiating a lease. Franchisor will analyze a site by examining population density, traffic patterns, and proximity of the proposed franchise to any other Yoga Pod, or any other reasonable criteria, as set forth in Section 10.02. Franchisee agrees that the site of the Franchise is a factor in the potential for success of the Business and Franchisor may reject any site in its sole discretion, but consent will not be unreasonably withheld. However, Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease. Franchisor must approve the location for the Studio. Franchisor will travel to the territory, to assist in selection and provide approval of the site selection. Franchisee will be allowed one visit by Franchisor to assist in site selection at no cost to Franchisee. If an acceptable site is not located during that visit or if other circumstance arises which necessitate additional visits, Franchisee will be required to pay to Franchisor a fee of $1,800 per additional visit for Franchisor's assistance in site selection and approval of the site location. The Franchise Agreement may be terminated for failure to designate a location within 3 months of signing the Franchise Agreement. In Addition, the Franchise Agreement can be terminated for failure to begin operations within 12 months of signing the Franchise Agreement. We will retain all monies received.

8.03 Equipment, Inventory, Advertising and Services. Franchisor will specify or approve certain equipment, service firms and supplies used in the Business, as provided elsewhere in this Agreement. Franchisor may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so, and may utilize such allowances or rebates in any manner in which Franchisor elects, in its sole discretion.

8.04 Initial Operations Training. Franchisor will provide initial and ongoing training and assistance, as Franchisor may reasonably determine to be appropriate, within sixty (60) days of signing this Agreement. Franchisor will provide the initial training program at its corporate headquarters, or at another franchise designated by Franchisor, to Franchisee and one designated Manager or other employee. Franchisee and a designated manager must attend and satisfactorily complete the initial training program. The training program lasts for approximately 40 hours, and consists of a discussion of the System, techniques, procedures, and methods of operation, ordering, accounting, support procedures and instructions on quality standards and practical experience in the operation of the Franchise Franchisee is responsible for personal travel, accommodation, and other costs of its employees while attending training. Franchisee will be charged Franchisor's current training fee for any additional persons attending training.

8.05 "Pre-Opening Training Intensives": We require all founding teachers to complete the Pre-Opening Studio Intensives prior to the studio opening. You must have all your founding teachers in place to trigger this training. Our Pre-Opening Training Intensives costs $2,500 per Corporate Trainer sent as well as travel and living expenses for the trainers. We will send up to 2 corporate trainers to your location to provide this training. Teachers on boarded after the studio is open are required to take our 200hr Yoga Pod Teacher Training conducted by you and your staffat your location, 60hr podFIT training or 60hr podHOT training depending on what style they will teach. Non teaching staff will go through standard on boarding procedures per the operations manual

8.06 Grand Opening Support: will provide to you, at no charge, up to 3 days of Grand Opening Support at your location. Should you require or request additional support beyond the 3 days, you will be charged $1,500 per day plus travel and living expenses

8.07 Ongoing Training. Franchisor reserves the right to hold and require Franchisee to attend annual conferences to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. If the conference is mandatory, Franchisee will be required to pay a conference fee of up to $1,000 per person attending and must pay all personal travel and living expenses for all of its employees attending the conference. Conferences will be held at Franchisor's corporate headquarters or at an alternate location chosen by Franchisor. Franchisor may provide other conferences, training or refresher courses from time to time, and Franchisee may be required to pay a fee for these additional conferences based upon the direct costs to of retaining speakers and other direct expenses associated with the conference, but Franchisor estimates this cost to be no more than $2,500 per year. Franchisee must pay all of the travel and living expenses for any who attend. Franchisor will not receive any net income from these conferences.

8.08 Continuing Assistance. Franchisor will provide ongoing assistance by telephone, email, or other form of communication for up to 5 hours per month to Franchisee during normal business hours. If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative.

8.09 PodScore Audit. Approximately 30 days after the Franchise is opened for business, Franchisor will perform an Audit at the Franchisee's Location. This Audit will assess the quality of the courses taught as well as client satisfaction. The cost for this Audit is $500 per day and cost of travel and living expenses for company representative(s) who performs the Audit. It is estimated this Audit generally takes 2 days to complete. If Franchisor deems the PodScore percentage below standards, Franchisor will offer suggestions / recommendations for improve to the Franchisee, The suggestions are generally sent via email as a "Performance Action Plan. Franchisor may perform this Audit up to 4 times per year.

8.10 Membership Fee Revenue Distribution: Franchisor will track and distribute revenue of visits of Studio Members who visit a studio other than the

"Home Studio" (where the students' membership is processed) in accordance with Section 5.09 of this Franchise Agreement.

8.11 Advertising and Promotional Programs. Franchisor will provide advertising and promotional programs as set forth in Section 9.

8.12 Development of Programs. Franchisor may develop new designs and service methods, as Franchisor deems beneficial to the System. Franchisor will offer such new design and service methods to Franchisee on terms reasonably determined by Franchisor.

8.13 Modification of System. Franchisor will periodically continue to improve, modify, and revise the Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2.02 and 7.04.

8.14 Central Purchasing. Franchisor reserves the right to implement a purchasing system for franchisees and negotiate prices and terms with suppliers and to receive rebates from such purchases by Franchisees. Franchisor may utilize such rebated funds in any manner it chooses in Franchisor's sole discretion.

8.15 Web Site. Franchisor will provide information regarding Franchisee's Business on its Web site, as set forth in Section 9.02.

9. SOLICITATION AND ADVERTISING

9.01 Franchisee Advertising.

(i) Local Advertising: Beginning after the Pre-Sales Grand Opening Expenditure, Franchisee is required to spend a minimum of $3,000 per month of Franchisee's Gross Monthly Revenue on local advertising and promotion.

(ii) Pre-Sales & Grand Opening Advertising: Franchisee is required to spend a minimum of $40,000 to $50,000 on Pre-Sales Grand Opening Advertising program you may spend this on digital, print and grassroots advertising campaigns utilizing the advertising campaigns set forth by the marketing and pre-sales manuals in the Partner Portal. Franchisee is also required to hire an outside agency, which must be approved by Franchisor, for all Social/Digital Advertising. Funds are paid directly to advertisers and we do not collect or disperse these funds.

(iii) Franchisee may also be required to participate, at Franchisee's expense, in any National Advertising Fund (Fund), Multi-Area Marketing Programs (MAM Programs) or Regional Advertising Cooperative (Co-Op), as determined by Franchisor. Once implemented, Franchisee's requirement to contribute to such Fund or Programs (combined) will not exceed one 1% per month of Franchisee's Gross Revenues. Contributions to a Co-Op will be determined by the Franchisees within the Designated Marketing Area. All expenditures will be reported to Franchisor at such times and in such manner as Franchisor specifies, including by electronic means. Subject to this Section, Franchisee may not advertise in any media with a primary circulation outside Franchisee's Protected Territory, except with Franchisor's written consent and with the reasonable consent of any franchisee whose territory is reached by the media. However, Franchisee may advertise in media whose circulation is primarily inside Franchisee's Protected Territory, even if it also reaches outside Franchisee's Protected Territory. You may market independently on the Internet, with our prior approval, but you may not acquire an independent Internet domain name or Web site. Franchisor will include Franchisee's Franchise on its Web site.

9.02 Advertising and Marketing Materials. Franchisor will provide Franchisee with with access to templates via the marketing and pre-sales manauls in the Partner Portal. Franchisee is responsible for all costs associated with print and distribution of any marketing collateral. Collateral may include, but are not limited to, multimedia, DVD, print-ready advertising materials, posters, flyers, banners, and other items.. Franchisee may develop and produce additional advertising and marketing materials howeveer, any new marketing collateral must be approved by Yoga Pod Inc. Updates to existing templates must be in line with Yoga Pod Brand Identity & Logo Guidelines, at Franchisee's own expense, and any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials. Franchisor will approve or disapprove of materials submitted by Franchisee within fifteen (15) days of receipt. Franchisor also reserves the option of utilizing the advertising, without cost, developed by Franchisee and providing the advertising to other franchisees.

9.03 National Marketing Fund / Multi-Area Marketing Programs / Regional Advertising Co-Op. In the future, Franchisee may be required to pay a fee into the National Marketing Fund (Fund) or to a Multi-Area Marketing Program (MAM Program) or Regional Advertising Co-Op to advertise the System on a regional, national, or international level. Contributions shall be made at the same time and in the same manner as the Royalty Fee. Franchisor will hold contributions to the Fund or Program in a separate bank account. Franchisor will use the contributions to the Fund or Program for local, regional, national, Internet, or international advertising or marketing, development and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs or to attend franchise trade shows and other events. Franchisor may also use contributions to the Fund or MAM Program to offset or partially rebate the franchisee's local media and printing expenses. Franchisee acknowledges and agrees that expenditures from the Fund or MAM Program may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee. The National Marketing Fund will be spent for the purposes set forth above at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Fund or MAM Program(s). Franchisor may accumulate these contributions, and the balance may be carried over to subsequent years and used for the purposes stated in this Agreement. If the National Marketing Fund operates at a deficit or requires additional funds at any time, Franchisor reserves the right to loan such funds to the National Marketing Fund on any terms Franchisor determines. Franchisor may also utilize the National Marketing Fund to reimburse itself for administrative expenses incurred in administering the National Marketing Fund. An unaudited annual financial statement of the National Marketing Fund will be prepared within one hundred twenty (120) days of the close of Franchisor's fiscal year and will be available to Franchisee upon request.

9.04 Advertising and Marketing Materials. All marketing collateral and materials will be provided to the Franchisee via the sales and marketing manuals in Partner Portal Franchisee may develop and produce additional advertising and marketing materials, at Franchisee's own expense, but any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials. Franchisor will approve or disapprove of materials submitted by Franchisee within fifteen (15) days of receipt. Franchisor also reserves the option of utilizing the advertising, without cost, developed by Franchisee and providing the advertising to other franchisees. Edits to Yoga Pod marketing collateral templates must be in alignment with Yoga Pod Brand Identity & Logo Guidelines.

10. CONSTRUCTION AND MAINTENANCE OF FRANCHISE

10.01 Franchise Construction. Franchisee must construct or convert a building and equip the site, at Franchisee's expense, in a good and workmanlike manner as specified by Franchisor. All interior designs, construction or conversion work must be completed in accordance with the standards and specifications of Franchisor, and must conform to all applicable zoning and other requirements of local authorities. Construction or conversion must begin by three (3) months from the date of execution of the Franchise's lease, and be able to open within nine (9) months from the date of this Agreement. Franchisor will approve or disapprove the plans within thirty (30) days of submission. The factors that affect this time are the ability to obtain a building or lease, obtain general business permits, training, financing or building permits, zoning and local ordinances, weather conditions, shortages, and installation of equipment, fixtures and signs. If Franchisee does not make reasonable efforts to open the franchise by the end of twelve months, Franchisor may terminate this Agreement and retain all monies received.

10.02 Property. Franchisee may purchase or lease the required real property and improvements from any source upon terms approved by Franchisor in writing. Franchisor will provide assistance to Franchisee in analyzing a site and in negotiating a lease. Franchisor must approve the location for the franchise. Franchisor will travel to the territory, to assist in selection and provide approval of the site selection. Franchisee will be allowed one visit by Franchisor to assist in site selection at no cost to Franchisee. If an acceptable site is not located during that visit or if other circumstance arises which necessitate additional visits, Franchisee will be required to pay to Franchisor a fee of $1,800 per additional visit for Franchisor's assistance in site selection and approval of the site location. The Franchise Agreement may be terminated for failure to designate a location within three (3) months of signing the Franchise Agreement.

10.03 Landlord Tenant Improvement Fund: Franchisee will be required to conform to Franchisor's construction and build-out specifications and use Franchisor's approved architect and General Contractors. Space is typically leased, though Franchisee may own the location. Franchisor requires landlords to provide a sufficient amount of tenant improvement funds to franchisees before Franchisor approves site locations. The tenant improvement funds are essential to Franchisor's concept and are not up for negotiating when working with landlords, unless the site chosen already conforms to Franchisor's Standards.

10.04 Maintenance and Upgrades. Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Franchise's physical facilities, including the layout of furnishings and fixtures. Franchisee must maintain the Franchise and any parking areas in good and safe condition, as specified in the Manual. Franchisee must remodel or upgrade the Franchise at its own cost in accordance with Franchisor's reasonable standards and requests.

11. RECORDS AND REPORTS

11.01 Records. Franchisee must keep and transmit complete and accurate Business Records on a current basis relating to the Business in the form, time, and manner that Franchisor prescribes. Franchisee must provide Franchisor with all hard copies, and access to electronic reports, as reasonably prescribed. Franchisee must maintain an accounting system, which accurately reflects all operational aspects of the Franchise including uniform reports as may be required by Franchisor. Franchisee must submit to Franchisor current financial statements, including monthly profit and loss statements on a monthly basis (no later than 3 weeks after the 1st of each month), and such other reports as Franchisor may reasonably request to evaluate or compile research data on any operational aspect of the Franchise. Franchisor reserves the right to require that Franchisee make available its sales records and files by way of an Internet connection. Business Records will specifically also include:

(i) tax returns;

(ii) daily reports;

(iii) statements of Gross Revenues and expenses, to be prepared each month for the preceding month;

(iv) profit and loss statements, to be prepared at least quarterly and by a Certified Public Accountant annually; and

(v) balance sheets, to be prepared at least annually by a Certified Public Accountant;

(vi) Franchisee must keep accurate records relating to the franchised Business for a period of six (6) years after the termination or expiration of this Agreement.

(vii) The Business Records, financial statements, and any other reports or financial information subject to disclosure and production under this Franchise Disclosure Document shall be submitted to the Franchisor by the Franchisee's accountant or financial preparer.

11.02 Records Standards. Franchisee must prepare all financial reports in accordance with generally accepted accounting principles or other tax return basis of accounting, consistently applied, in a form approved by Franchisor. Franchisee must periodically deliver to Franchisor copies of accounting, tax and other documents and information, within ten (10) business days of Franchisor's requests. Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures. Franchisee must provide Franchisor with a copy of its monthly Profit & Loss statements including any financial notes created. Such statements must be compiled by aCertified Public Accountant, and be delivered to Franchisor within ninety (90) days after Franchisee's fiscal year end.

11.03 Audits. Franchisee must provide Franchisor or its agent's access to Franchisee's Business and computer systems to examine or audit Franchisee's Business, at any reasonable time without notice. Franchisor will bear the cost of the audit, unless Franchisee fails to report as required or understates Gross Revenue by two percent (2%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on understated costs of one percent (1%) per month. Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law.

12. FRANCHISEE'S DUTIES

12.01 Compliance with Applicable Laws. Franchisee agrees to (i) comply with all applicable laws, ordinances and regulations or rulings, or licensing requirements, of every nature whatsoever which in any way regulate or affect the operation of its Business, (ii) pay promptly all taxes and business expenses, and (iii) comply with all laws covering occupational hazards, accommodations for the disabled, including without limitation, the Americans with Disabilities Act, if applicable, health, workers' compensation insurance and unemployment insurance. Franchisee agrees, at its expense, to modify its Franchise, if necessary, to comply with any such applicable laws or regulations. Franchisee shall not engage in any activity or practice that result, or may reasonably be anticipated to result, in any public criticism of the System or any part thereof.

12.02 System Compliance. Franchisee must comply with the System, the Manual, and all systems, procedures and forms, as in effect from time to time. All mandatory specifications, standards, and operating procedures prescribed by Franchisor in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. Accordingly, all references in this Agreement to Franchisee's obligations under this Agreement, including to the Franchise, equipment, procedures shall include such mandatory specifications, standards, and operating procedures. Franchisor may require Franchisee to add additional concepts to the Business in the future; however, these concepts will be complementary.

12.03 Uniformity and Image. In order to maintain uniform standards of quality, appearance, and marketing, it is essential that Franchisee conform to Franchisor's standards and specifications set forth in the Manual and the System. While Franchisee will manage its own operations and employees, Franchisee must agree and conform to all the requirements of this Section.

12.04 Operations. Franchisee must operate the Business in accordance with the System and Manual, as amended by us in our discretion. Franchisee or a fully trained and qualified manager ("Manager") approved by Franchisor must participate personally and full-time in the Business.

12.05 Right of Entry and Inspection. Franchisee must permit Franchisor or its authorized agent or representative to enter the Premises during normal business hours and to reasonably inspect the operations of the franchised Business. Without any liability to Franchisee, Franchisor may confiscate any materials which Franchisor, in its reasonable judgment, determines to be either illegal or in violation of this Agreement. Franchisor shall have the right to observe Franchisee and its customers/clients rendering services, to confer with Franchisee's employees and customers/clients and to generally review the Business operations for compliance with the standards and procedures set forth in the Manual.

12.06 Restrictions on Services and Products. Franchisee is prohibited from offering for sale any products and services not authorized by Franchisor as being a part of the System. Franchisee shall make all purchases and provide all serivces in accordance with the Manual Franchisor will provide a list of approved, designated and/or recommended vendors. However, if Franchisee proposes to offer, conduct or utilize any services, products, materials, forms, items, supplies or services for use in connection with the Business, which are not previously approved by Franchisor as meeting its specifications, Franchisee shall first request approval in writing from Franchisor. Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, Franchisor may require submission of outlet design specifications, information of such equipment and supplies. Franchisor will advise Franchisee within a reasonable time whether such equipment and supplies meet its specifications. Approved equipment descriptions and supplier contact information are prescribed in the Manual. If there is no designated or approved supplier for particular items, Franchisee may purchase from suppliers approved in advance by Franchisor who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Business.

12.07 Limitations on Supply Obligations. Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular product, nor shall any provision herein imply or establish an obligation on the part of Franchisor to sell equipment and supplies to Franchisee if Franchisee is in arrears on any payment to Franchisor or otherwise in default under this Agreement. If Franchisee fails to pay in advance in full for each shipment of equipment and supplies purchased, Franchisor shall not be obligated to sell equipment and supplies to Franchisee. In addition, Franchisor may impose interest on any late payments on the terms described in Section 5.04.

12.08 Insurance. Franchisee must keep in force insurance policies as prescribed by Franchisor in the Manual by an insurance company acceptable to Franchisor at all times during the term of this Agreement and any renewals. Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, products liability and all other occurrences against claims of any person, employee, customer, and agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by Franchisor from time to time. Insurance policies must insure both Franchisee and Franchisor, its officers and directors, as additional named insured against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the Business. The policies must also stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to Franchisor shall be furnished to Franchisor together with proof of payment within thirty (30) days of issuance thereof. In the event Franchisee fails to obtain the required insurance and keep the same in full force and effect, Franchisee shall pay Franchisor upon demand the premium cost thereof, which Franchisor shall then forward to the insurance carrier. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement pursuant to the provisions of this Agreement. Franchisee will also procure and pay for all other insurance required by state or federal law, including, without limitation, workers' compensation and unemployment insurance.

12.09 Appearance and Customer Service. Franchisee and its employees shall (i) maintain a clean and attractive appearance, (ii) give prompt, courteous and efficient service to the public, and (iii) otherwise operate the Business in strict compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of the System. Franchisee may not alter, change, or modify the System, including the Franchise, in any way without the prior written consent and approval of Franchisor.

12.10 Signs. All signs to be used on or in connection with the Business must be approved in writing by Franchisor prior to their use by Franchisee.

12.11 Training. Franchisee or its designated Manager must complete Franchisor's initial operations training program described in Section 8.04 above prior to opening the franchise, and Franchisor's Yoga Pod Studio Pre-opening Intensive program, prior to offering the 200hr Yoga Pod Teacher Training, 60hr podFIT, and 60hrpodHOT Training Intensives at the franchise, described in Section 8.05 above. Franchisee shall train its employees according to standards and procedures established by Franchisor.

12.12 Correction of Defects. Should Franchisor notify Franchisee at any time of defects, deficiencies or unsatisfactory conditions in the appearance or conduct of the Business, Franchisee shall correct within a reasonable time, any such items. Franchisee shall establish and maintain an image and reputation for the Business consistent with the standards set forth in this Agreement, the Manual, or as otherwise specified by Franchisor. Franchisee shall keep its Franchise clean and in good order and repair at all times.

12.13 Indemnification. Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parent corporation, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Business or arising out of the use of the Marks and System in any manner not in accordance with this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee shall not however, be liable for claims arising as a result of Franchisor's intentional or fraudulent acts, omissions or negligence.

12.14 Computer Systems. Franchisee must acquire, maintain, and upgrade computer, information processing and communication systems, including all applicable hardware, software, and Internet and other network access providers, and Web site vendors, as prescribed in the Manual. Franchisee must comply with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services.

12.15 Computer Problems, Viruses, and Attacks. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor has taken reasonable steps so that these problems will not materially affect the System. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

12.16 Hazardous Materials. Franchisee must not cause or permit any toxic or hazardous waste, substances, or materials, as defined under applicable government laws and regulations to be used, generated, stored or disposed of near, on, under, about or transported to or from the Premises or any of Franchisee's vehicles except as necessary for Franchisee's operation of the franchised Business and in accordance with the Manual. Franchisee shall conduct such permissible hazardous materials activities in strict compliance, and at Franchisee's expense, with all applicable federal, state, and local laws, rules and regulations now or hereafter in effect and using all necessary and appropriate precautions. Franchisor will not be liable for any of these activities. Franchisee must provide Franchisor with a copy of all hazardous materials inventory statements and updates filed by any governmental agency or regulation and must immediately notify Franchisor both by telephone and in writing of any spill or unauthorized discharge of hazardous materials or of any conditions constituting an imminent hazard.

12.17 Cooperation among Franchisees. Franchisee will cooperate, not only with Franchisor in regard to mutually productive ideals and goals, but Franchisee will also cooperate with other franchisees in the System to achieve the same ideals and goals. In this regard, Franchisee will allow the founders of the Franchisor, as well as the owners of other franchisees in the System, access during normal business hours and without any cost, to Yoga classes and Yoga mats.

12.18 Cross Studio Access: We have a unique policy defined as "Cross-Studio Access", whereby a student from one Yoga Pod studio can visit a different Yoga Pod studio to access similar privileges. In order to make this fair to both the student's home studio and the visited studio, we will generate a monthly accounting to determine the number of times that students may be participating at visited studios; we will then calculate a "cost per class" and distribute revenue to the visited studio that is accepting the visiting student. This is a system-wide program and all Yoga Pod franchisees must participate in the program.

13. DEFAULT AND TERMINATION

13.01 Termination by Franchisee. Franchisee may terminate this Agreement if Franchisor violates a material provision of this Agreement and fails to remedy or to make substantial progress toward curing the violation within ninety (90) days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective ten (10) days after Franchisor receives written notice of termination. If Franchisee terminates this Agreement under this provision, Franchisee must follow the termination procedures as set forth in Section 13.03.

13.02 Termination by Franchisor. Subject to applicable law to the contrary, Franchisor may, at its option, terminate this Agreement before its expiration as set forth below:

With Notice of 30 Days. This Agreement will terminate thirty (30) days after Franchisor gives written notice to Franchisee and Franchisee fails to cure the defect within the 30-day period, in the event that:

(i) Franchisee fails or refuses to maintain and operate the Business in compliance with this Agreement, the System, or the Manual;

(ii) Franchisee fails to pay Franchisor or suppliers for obligations under this Agreement;

(iii) Franchisee fails to comply with any material federal, state, or local law or regulation applicable to the operation of the Business; or

(iv) Franchisee is in breach of any other term, condition, or provision of this Agreement.

Without Notice. This Agreement and license will immediately terminate without notice in the event that:

(i) Franchisee misrepresented or omitted material facts which induced Franchisor to enter into this Agreement;

(ii) Franchisee fails to complete the required initial training or has failed to designate an acceptable site pursuant to Section 10;

(iii) A permanent or temporary receiver or trustee for the Franchise or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is consented to or not opposed through legal action by Franchisee, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made on the license, or an attachment or lien remains on the Franchise for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee and Franchisor is advised in writing;

(iv) Franchisee loses possession or the right of possession of all or a significant part of the Franchise through condemnation, casualty, lease termination or mortgage default/foreclosure and the Franchise is not relocated or reopened;

(v) Franchisee contests the validity of, or Franchisor's ownership of, any of the Marks in any court or proceeding;

(vi) Franchisee makes an unauthorized Transfer;

(vii) Franchisee is a business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate the entity without Franchisor's prior written consent.

(viii) Franchisee voluntarily abandons or ceases operation of the Business for more than five (5) consecutive days; or

(ix) The Franchisee or any owner of greater than five percent (5%) of the Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the Yoga Pod System, Marks, goodwill or reputation.

13.03 Effect of Termination. Upon any termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must immediately:

(i) promptly pay all amounts owed to Franchisor based on the operation of the Franchise through the effective date of termination;

(ii) return to Franchisor all copies of the Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items;

(iii) cancel or assign within five (5) days all registrations relating to its use of any of the Marks, in Franchisor's sole and absolute discretion. Franchisee must notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of the Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and must authorize their transfer to the Franchisor or any new franchisee as may be directed by the Franchisor. The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in, all numbers, addresses, domain names, locators, directories and listings used by Franchisee to promote the System. The Franchisee hereby irrevocably appoints the Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Such appointment is evidenced by Attachments V and VI;

(iv) cease doing business under any of the Marks, cancel any assumed name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to Franchisor, and refrain from identifying itself as a Yoga Pod franchisee;

(v) allow Franchisor or representatives access to the Business and the computer systems to verify and secure Franchisee's compliance with the obligations under this Agreement;

(vi) allow Franchisor to make a final inspection and audit of your computer system, books, records and accounts; and

(vii) abide by the terms of the required noncompetition covenant.

In the event that Franchisee terminates this Agreement for cause as set forth in Section 13.01, Franchisee is not required to abide by the noncompetition covenants.

13.04 Failure to Cease or Remove Identification. If, within thirty (30) days after termination of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Franchise, which are identified or associated with the System, Franchisor may enter the Franchise to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials. If, within thirty (30) days after termination Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any fictitious name or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, for the purpose of amending or terminating all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

13.05 Other Claims. Termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination.

14. TRANSFER.

14.01 Prohibited Acts. Any unauthorized Transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void, a breach of this Agreement, and grounds for termination of this Agreement by Franchisor.

14.02 Transfer by Franchisor. Franchisor's obligations under this Agreement are not personal, and Franchisor can unconditionally assign and transfer, in its sole and absolute discretion, this Agreement to another person or business entity at any time. Franchisor does not need permission of Franchisee for the transfer, and may transfer free of any responsibility or liability whatsoever to the Franchisee, provided the transferee assumes the Franchisor's material obligations. Franchisor may also:

(i) sell or issue its stock, other ownership interests, or assets, whether privately or publicly;

(ii) merge with, acquire, or be acquired by another entity, including an entity that competes directly with Franchisee; or

(iii) undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

14.03 Transfer by Franchisee. Franchisee's obligations under this Agreement are personal and may not be voluntarily or involuntarily sold, pledged, assigned, transferred, shared, subdivided, sub franchised, encumbered or transferred in any way without the prior express written approval of Franchisor. Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee, which requires Franchisor's consent under Section 14.03 of the Franchise Agreement.

14.04 Conditions for Transfer or Assignment. No Transfer of this Agreement will be approved by Franchisor or be effective unless and until:

(i) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment;

(ii) Franchisee has settled all outstanding accounts with Franchisor, and Franchisee, and every principal of Franchisee's entity, have executed a general release of Franchisor and all principals of Franchisor from all claims that may be brought by you or any principal; the proposed transferee pays Franchisor a fee to transfer the Business (the "Transfer Fee") in the amount of $12,500.00 unless the transferee is:

(a) a corporation or limited liability company of which Franchisee is the majority stockholder or majority member, or a child, parent, sibling or spouse of Franchisee, in which case no Transfer Fee will be required, or

(b) another franchisee of Yoga Pod, in which case the Transfer Fee will be $5,000.00;

(iii) the proposed transferee executes a separate Franchise Agreement with Franchisor, using the then-current form of Franchise Agreement;

(iv) he proposed transferee pays for, attends, and satisfactorily completes the training program for new franchisees unless:

(a) the transferee is a current franchisee in good standing in the System, or

(b) the transferee is and has been a Manager for a period of one year or more of a Franchise in good standing;

(v) the individual proposed transferee, or the stockholders, partners, members, or trustees and beneficiaries of a proposed entity transferee, each execute a personal guarantee, jointly and severally guaranteeing the performance of the proposed transferee's obligations; and,

(vi) the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the franchised Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require. Because of the confidential information available to a franchisee, no assignment to a competitor of the System will be permitted.

14.05 Transfer to an Entity. Notwithstanding the preceding sub-section, if the initial Franchisee(s) is comprised of one or more individuals and after obtaining Franchisor's written consent, the franchise granted hereunder may be assigned by the initial franchisee(s) without charge, once only, to a newly formed corporate entity (such as a corporation, limited partnership or limited liability company) which shall conduct no business other than the franchise granted hereunder, which is actively managed by the initial franchisee(s) and in which all of the principal individuals shall own and control the same percentage ownership interests as they held as individual franchisees. Franchisor shall be provided with a copy of the entity's organizational documents, and the initial franchise(s) and the entity shall execute an "Assignment of Agreement to an Entity" in our standard form, wherein each of the principals shall execute guarantees in our favor.

14.06 In the event of such an assignment by you of the franchise granted hereunder to a corporate entity which you control, you agree, as a condition of being permitted to make such assignment, forthwith to cause the entity and its directors/managers and owners to acknowledge this Agreement and to agree in writing to be bound by the provisions hereof, cause the entity in its articles of organization to provide in effect that its object or business is confined exclusively to the operation of The Yoga Pod Business as provided in this Agreement, and cause the entity to restrict the issue of, and its directors/managers and owners to restrict the transfer of, ownership interests of the entity.

14.07 Death of Franchisee. Upon the death of an individual Franchisee, the rights granted by this Agreement may pass (without payment of any Transfer Fee) to the next of kin or legatees, provided that Franchisee's legal representatives will within one hundred twenty (120) calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee's rights under this Agreement. Franchisor will not unreasonably withhold permission so long as the proposed transferees meet each of the then-current requirements of franchisees.

14.08 Right of First Refusal. Franchisee grants Franchisor the right to purchase the Business on the same terms and conditions specified in a bona fide written offer from a qualified third party. Within seven (7) days after receipt of the bona fide offer acceptable to Franchisee to transfer all or part of the Business, Franchisee must forward a signed copy of the written offer to Franchisor. Franchisor will then have access to all Franchisee's Business Records in order to evaluate the offer, and may purchase the Business upon notification to Franchisee within thirty (30) days and 60 additional days to close the transaction.

14.09 Election of Right / Set Offs. If Franchisor elects to exercise its option to purchase under this Agreement, Franchisor will have the right to set off against any payment all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any.

14.10 Rights After Refusal. If Franchisor does not exercise its right to purchase within the required timeframe, Franchisee may transfer the Business to the third party, but not at a lower price or on more favorable terms than disclosed to

Franchisor in writing. Such transfer remains subject to Franchisor's prior written approval and other conditions specified in this Agreement. If Franchisor does not transfer the franchised Business to the transferee on the same terms offered to Franchisor, then Franchisee must again extend the right of first refusal to Franchisor in the manner described above, before another desired transfer.

15. GENERAL PROVISIONS

15.01 Covenants Not to Compete. During the term of this Agreement and for two (2) years after termination, transfer, or expiration of this Agreement for any reason, neither Franchisee, nor persons associated with Franchisee, including owners, managers, employees or agents, may participate directly or indirectly or serve in any capacity in any business engaged in the Yoga instruction the same as, similar to, or competitive with the System. This covenant not to compete applies: (i) during the term of the Agreement, within any state in which Franchisor, or franchisees do business; and after termination within a fifty (50) mile radius from the boundary of Franchisee's Protected Territory, and from any franchised, Franchisor-owned or affiliated company-owned premises; (ii) on the Internet; and (iii) on any other Multi-Area Marketing channels used by Franchisor.

This covenant not to compete is given in part in consideration for training and access to Franchisor's Trade Secrets, and which, if used in a competitive business without paying royalties and other payments, would give Franchisee an unfair advantage over Franchisor and Franchisor's franchisees. The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement.

15.02 Stock Ownership. Nothing in this Section will prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of Sections 11 or Subsection 14(d) of the Securities and Exchange Act of 1934.

16. DISPUTE RESOLUTION

For purposes of this Section 16, "you" includes all of your owners, Affiliates and their respective employees, and "we" includes all of the "Franchisor-Related Persons/Entities."

16.01 Negotiation. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation. Franchisor will provide a procedure for internal dispute resolution as set forth in the Manual, and this procedure may be revised periodically in Franchisor's discretion.

16.02 Right to Relief. To protect from violations that would cause immediate loss and damages, Franchisor and Franchisee each have the right to seek from a court of competent jurisdiction:

(i) injunctive relief and any related incidental damages;

(ii) an action for disputes or claims related to or based on the Marks; and

(iii) enforcement of a covenant not to compete.

16.03 Arbitration. Except as specifically provided under this Agreement, any dispute or claim relating to or arising out of this Agreement must be resolved exclusively by mandatory arbitration by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") or another arbitration service agreed to by the parties. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration involving Franchisor will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. A single arbitrator shall be selected in accordance with standard AAA procedure, and the proceedings will be conducted at its Boulder, Colorado, office. Each party shall bear all of its own costs and attorneys' fees and one-half of the arbitrator's expenses. The decision of the arbitrator shall be final and binding.

16.04 Applicability. This dispute resolution section applies to claims by and against all parties and their successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, except as stated above. This dispute resolution clause shall survive the termination or expiration of this Agreement.

16.05 Governing Arbitration Law. Notwithstanding any choice of law provision of this Agreement, all issues relating to arbitration or the enforcement of the agreement to arbitrate contained in this Agreement are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. This federal act preempts any state rules on arbitration, including those relating to the site of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

16.06 Governing Law/Consent to Venue and Jurisdiction. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other federal law, this Agreement shall be interpreted under the laws of the state of Colorado and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Colorado, which laws shall prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes, which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers or partners (collectively, "Franchisee Affiliates") and Franchisor, its parent, subsidiaries or affiliates and their respective officers, directors and sales employees (collectively, "Franchisor Affiliates") the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado or the Boulder, Colorado office of the AAA and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Colorado or the Boulder, Colorado office of the AAA. Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury.

16.07 Limitations on Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

17. RELATIONSHIP OF THE PARTIES

17.01 Independent Contractor. Franchisee is an independent contractor and is not an agent, partner, joint venturer, or beneficiary of Franchisor, nor is Franchisor a fiduciary of Franchisee. Neither party will be bound or obligated by the other, except as set forth in this Agreement. Franchisee may not act as an agent in the Franchisor's name or on behalf of the Franchisor for any purpose whatsoever.

17.02 Operations and Identification. Franchisee must conspicuously identify itself in all dealings with the public as "independently owned and operated" separate from Franchisor. Franchisee's employees are employees of the Franchisee alone and are not, for any purpose, considered employees under the control of Franchisor. Franchisor and Franchisee must file separate tax, regulatory, and payroll reports for each party's own operations, and must indemnify the other for any liability arising from the other's reports.

18. MISCELLANEOUS

18.01 Entire Agreement. This Agreement, together with all written related agreements, exhibits and attachments, constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

18.02 Modification. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Franchisor and Franchisee. However, the Manual may be periodically modified by Franchisor and shall be fully enforceable against Franchisee.

18.03 Waiver. Franchisor's waiver of any particular right by Franchisee will not affect or impair Franchisor's rights as to any subsequent exercise of that right of the same or a different kind; nor will any delay, forbearance or omission by Franchisor to execute any rights affect or impair Franchisor's rights as to any future exercise of those rights.

18.04 Severability. If any part of this Agreement, for any reason, is declared invalid by an arbitrator or court, the declaration will not affect the validity of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed. All partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

18.05 Conflict with Local Law. If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then applicable laws referred to in the addendum remain validly in effect.

18.06 Section Headings. Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

18.07 Legal Costs. If either party institutes a legal proceeding, including court proceeding and arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law.

18.08 Obligations. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.09 Continuation of Agreement. The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties.

18.10 Delivery. All notices and other communications required by this Agreement must be in writing and must be delivered in person, sent by Federal Express or U.S. Mail overnight delivery, or by registered or certified mail, return receipt requested, or in any other manner Franchisor may designate. Communications sent to Franchisor must be sent to the attention of the Chief Executive Officer at Franchisor's address or at any other address Franchisor designates in writing. Communications to Franchisee will be sent to Franchisee at Franchisee's last known business address, or at any other address Franchisee designates in writing. Any notice is considered given and received, when delivered in person, or on the third business day following the mailing, if mailed.

18.11 Joint and Several Liability. If two or more persons or entities or any combination sign this Agreement, each will have joint and several liability. All owners and controllers of an entity or association which comprise the Franchisee are jointly and severally liable for the obligations of the Franchisee under this Agreement.

18.12 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.13 Set Off. Franchisee may not set off any amounts owed to Franchisor under this Agreement nor may Franchisee withhold any amounts owed to Franchisor due to any alleged non-performance by Franchisor under this Agreement. Franchisee waives any right to set off.

18.14 Completion of Agreement. The parties agree to acknowledge, execute and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement.

19. ACKNOWLEDGEMENT

BY SIGNING THIS AGREEMENT, FRANCHISEE ACKNOWLEDGES THAT:

19.01 **FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE YOGA POD SYSTEM AND RECOGNIZES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL LARGELY DEPEND UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON; AND**

19.02 **FRANCHISOR HAS NOT GIVEN AND FRANCHISEE HAS NOT RECEIVED ANY EXPRESS OR IMPLIED WARRANTY OR GUARANTY REGARDING POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT; AND**

19.03 **FRANCHISEE IS NOT A PARTY TO OR SUBJECT TO AGREEMENTS THAT MIGHT CONFLICT WITH THE TERMS OF THIS**

AGREEMENT AND AGREES NOT TO ENTER INTO ANY CONFLICTING AGREEMENTS DURING THE TERM OR ANY RENEWAL TERMS;

19.04 **FRANCHISEE HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION WITH APPLICABLE EXHIBITS AT LEAST FOURTEEN (14) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED, AND HAS RECEIVED A COPY OF THE COMPLETE YOGA POD FRANCHISE AGREEMENT AT LEAST SEVEN (7) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.**

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in two (2) or more counterparts on the day and year first above written.

FRANCHISOR:
The Yoga Pod, Inc.

By:

____
Alex Jarboe, CEO

Date Signed: ____________________

FRANCHISEE:

____
Signature

____
Printed Name
Date Signed: ________________

____
Signature

____
Printed Name
Date Signed: ________________

ATTACHMENT I
TO FRANCHISE AGREEMENT
TERRITORY ADDENDUM

THIS ADDENDUM to The Yoga Pod, Inc. Franchise Agreement ("Agreement") dated _____________, 20___ between The Yoga Pod, Inc. ("Franchisor") and __________________________________ ("Franchisee"), is made effective as of the date of the Franchise Agreement.

1. **Principal Business Address.** Franchisee's Principal Business Address is:

____

2. **Initial Franchise Fee.** The Franchisee shall pay $______________ as an Initial Franchise Fee pursuant to Section 5.02 of the Agreement.

3. **Premises.** Franchisee's Studio will be located at: _________________________________

____

4. **Protected Territory.** Once the location of your Studio in Item 3 above, is selected by you and approved by us, you and we will insert the boundaries of your approximate two mile Protected Territory below: Franchisor will not own, operate, license a business for the operation of another The Yoga Pod Franchise within the area described as:

____
____
____
____

Executed this _____ day of _________________, 20___.

The Yoga Pod, Inc.

By:_________________________________
Alex Jarboe, CEO

____
Date signed

FRANCHISEE:

____
Signature

____
[Printed name]

____
Date Signed

____
Signature

____
[Printed name]

____
Date Signed

ATTACHMENT II
TO FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT
FOR PREAUTHORIZED PAYMENT SERVICE

Intercept EFT
accomplish more. stressless.

Employer and/or Third Party		INTERCEPT CORPORATION
Name:		1700 42nd St. S, Suite 2000
Street Address:		Fargo, ND 58103
City, State, Zip:		
Telephone:		
Fax Number:		

Authorization for Debit and Credit
Electronic Funds Transfers

I hereby authorize on this_____ day of ____________, _____ my employer and/or third party as referred to here within, and their agents including Intercept Corporation (IC), to initiate electronic withdrawals and/or deposits to the bank account shown below. I understand that adjustment and/or reversing entries may be made to this account to insure an accurate and balanced accounting of all transactions. This authorization will remain in effect until;

a) **I notify my Bank and IC in writing to terminate this agreement and give the Bank and IC reasonable time to terminate this agreement,**
b) **The Bank, third party/employer, and/or IC have sent me five (5) business days advance written notice of the Bank's and/or IC's termination of this Agreement**

I understand that any cancellation in writing will become effective no earlier than five (5) business days after the day the last transaction has cleared and there are no outstanding balances to the account.

I UNDERSTAND THAT INTERCEPT CORPORATION PROVIDES ELECTRONIC FUND TRANSFER SERVICES TO THIRD PARTIES AND/OR MY EMPLOYER. THE FUNDS TO BE TRANSFERRED MUST BE COLLATERALLY FUNDED AND ARE FULLY GUARANTEED BY MY EMPLOYER AND/OR MYSELF. IN THE EVENT THE FUNDING FOR A TRANSFER IS RETURNED FOR ANY REASON OR INTERCEPT HAS BEEN PROVIDED INCORRECT INFORMATION AND/OR HAS ERRONEOUSLY TRANSFERRED FUNDS TO MY ACCOUNT, I AUTHORIZE INTERCEPT CORPORATION TO WITHDRAW/REVERSE FROM MY ACCOUNT THE AMOUNT OF FUNDS TRANSFERRED IN ERROR. I ALSO UNDERSTAND THAT IC MAY WITHDRAW AND/OR DEPOSIT TO MY ACCOUNT VARIOUS FUNDS REGARDING MY PARTICIPATION IN A FLEXIBLE BENEFIT/CAFETERIA PLAN/ERISA PLAN. I HEREBY HOLD INTERCEPTEFT HARMLESS FOR TRANSFERRING ANY FUNDS DESIGNATED FOR FLEX BENEFITS UPON THE DIRECTION OF MY EMPLOYER OR PROCESSOR, AND THAT MY REMEDY FOR ANY ERRONEOUS TRANSFERS IS SOLELY AGAINST THE PROCESSOR AND/OR MY EMPLOYER AND THAT I WILL HOLD HARMLESS INTERCEPTEFT FROM ANY LIABILITY AND DAMAGES RESULTING THEREFROM. I UNDERSTAND, AGREE, AND ACKNOWLEDGE THAT AS PART OF THE ACH PROCESS, ONCE FUNDS ARE DEBITED FROM THE BANK ACCOUNT SHOWN BELOW PURSUANT TO THIS AGREEMENT, SUCH FUNDS SHALL BE PLACED IN ONE OR MORE IC ACCOUNTS AT IC'S BANK AND THAT IC SHALL BE THE ONLY ENTITY AUTHORIZED ON SUCH ACCOUNTS. I FURTHER ACKNOWLEDGE THAT SUCH IC ACCOUNTS SHALL BE SUBJECT TO SETOFF BY IC'S BANK.

Intercept EFT

Electronic Funds Transfer (15 U.S.C. § 1693): I hereby acknowledge receipt of notice by the financial institution described here within of: (i) the undersigned's liability for an unauthorized electronic fund transfer, (ii) the undersigned's duty to promptly report such unauthorized transfers, (iii) the undersigned's liability for charges for electronic fund transfers, (iv) the undersigned's right to stop payment of pre-authorized electronic fund transfers, (v) the procedure to initiate such stop payment orders, (vi) the right to receive documentation of electronic fund transfers, and (vii) the Bank's liability pursuant to the Electronic Funds Transfer Act found at 15 U.S.C. § 1693, et al.

Limitation of Action: I acknowledge that I have 60 days from the date of a withdrawal from or deposit to the account shown below to dispute the withdrawal or deposit by contacting my employer and Intercept Corporation by telephone and later supplemented in writing, or in writing of any discrepancies, errors or disputes concerning any transfer of funds to or from any account processed by Intercept. This will include but not limited to, errors in amounts, erroneous transactions, or other transactions processed. All written notices must include the following information:

a) The name of the company with whom the undersigned authorized the transaction, i.e., employer and/or third party;
b) Federal Taxpayer ID number of the company authorized to make the transaction;
c) Federal Taxpayer ID number of the undersigned;
d) The name of the undersigned;
e) The name, account number and ABA number on the transaction in question;
f) The dollar amount of the transaction in question; and
g) Description of the error and explanation of the error.

I understand and agree that my employer, its agent, or IC will inform me of the results of their investigation within ten (10) days of the receipt of the complaint and will correct any error promptly. I understand and agree that if my employer, and/or its agent, or IC need more time, IC may take up to 45 days to investigate the undersigned's complaint. For transfers initiated outside the United States or transfers resulting from point of sale or debit/access cards, the time periods for resolving errors will be 45 days and 90 days respectively.

Undersigned's Name ____________ Date ____________

Financial Institution ____________ Branch ____________

City ____________ Phone Number ____________

Routing (ABA) Number ☐☐☐☐☐☐☐☐☐ Account Number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Account Type: Checking ☐ Savings ☐

Routing (ABA) Number ☐☐☐☐☐☐☐☐☐ Account Number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Account Type: Checking ☐ Savings ☐

Undersigned's Signature ____________ Social Security Number ____________

Please attach to this authorization a voided personal check for verification of all checking account information.

phone 800.378.3328 · fax 701.499.5340 · www.interceptefl.com · 1700 42nd Street S. Ste. 2000, Fargo, ND 58103

ATTACHMENT III
TO FRANCHISE AGREEMENT

PROPOSED TRADE NAME and DELEGATION OF AUTHORITY

1. Franchisee may not commence operation of the franchise, unless and until the Franchisor approves the trade name / assumed name under which Franchisee will operate the business.

Franchisee's Proposed Trade Name: ______________________________

The above Proposed Trade Name is approved by the Franchisor:

The Yoga Pod, Inc.

By: ______________________
Alex Jarboe, CEO

____
Date approved

2. If the franchisee is comprised of more than one individual, please provide the name of the *one individual* that has final and ultimate authority to represent and make binding decisions on behalf of the franchisee:

We hereby designate ______________________ as the sole individual who has authority to act on our behalf

____
Date

____
Signature

____
[Print Name]

____
Signature

____
[Print Name]

ATTACHMENT IV
TO FRANCHISE AGREEMENT

ASSIGNMENT OF AGREEMENT TO AN ENTITY

The Franchisee(s), named below, as Assignor, hereby assigns that certain Franchise Agreement, dated _________, 20___ between The Yoga Pod, Inc ("Franchisor") to the entity named below (Assignee). This assignment shall be effective as of the dated executed by the Franchisor, below.

WHEREAS, the Franchise Agreement was executed by Franchisee (whether comprised of one or more individuals); and, *WHEREAS*, Franchisee desires to assign all of Franchisee's rights under the Agreement(s) to a corporation or limited liability company, wholly owned and/or controlled by said Franchisee, *NOW THEREFORE*, Franchisee (Assignor) and the officer(s), director(s), owner(s) or the member(s) of the respective entity (Assignee), who together with Franchisee constitute all of the shareholders of corporation, or the members of the limited liability company, and who, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the entity in accordance with the provisions of Article 14.03 of the Franchise Agreement, said individuals hereby agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement. All of the undersigned officers, directors and shareholders of the corporation, or the members of the limited liability company, intending to be fully legally bound hereby agree, jointly and severally, to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 15 of the Franchise Agreement thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they hereby jointly and severally personally guarantee all of the Franchisee's obligations set forth in said Franchise Agreement.

2. The undersigned officer(s), director(s) and owner(s) of a majority of the issued and outstanding voting stock of the corporation hereby agree not to transfer any stock in the corporation or, as appropriate, the member(s) of the limited liability company hereby agree not to transfer any interest in the company without the prior written approval of the Franchisor and further agree that all stock certificates representing shares in the corporation, or all certificates representing membership interests in the company shall bear the appropriate legend:

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated ____________, 20___ between Franchisee and The Yoga Pod, Inc".

Or

> "The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _________, 20___ between Franchisee and The Yoga Pod, Inc".

3.a. The initial Franchisee(s), whether one or more, hereby consent to the assignment:

______________________ _________________________ ___________

Signed in his, her, their individual capacity Date

3.b. The Assignee Entity (Corporation or Limited Liability Company): __________________ ______________, organized in the state of ________________, hereby consents to the Assignment.

______________________________ __________________

Signed by the entity's authorized representative Title

3.c. The following individuals, being all of the officers, directors and shareholders of the corporation or, as appropriate, the members of the limited liability company, hereby execute this Assignment, to be effective as of the dated signed by the Franchisor, below:

______________________________ ______________________________

Signed Date Signed Date

______________________________ ______________________________

Printed Name Printed Name

______________________________ ______________________________

Signed Date Signed Date

______________________________ ______________________________

Printed Name Printed Name

3.d. In consideration of the execution of the above Agreement by the named individuals and entity, The Yoga Pod, Inc. hereby consents to the above assignment on this __________day of ______________, 20___.

The Yoga Pod, inc.:
By: ________________________
Alex Jarboe, CEO

____
Printed name

____
Title

ATTACHMENT V
TO FRANCHISE AGREEMENT

CONFIDENTIALITY and COVENANT NOT TO COMPETE AGREEMENT

Instructions:

This "Confidentiality and Covenant Not to Compete Agreement" must be completed and signed by the spouse of the Franchisee, every manager of the Franchisee, each Guarantor of the Franchisee, and each key employee having access to the Franchisor's confidential information. This is an ongoing requirement that continues beyond the execution of the Franchise Agreement. The signed original(s) of this Agreement must be delivered to the Franchisor by the Franchise no later than 10 days following execution of the Franchise Agreement or no later than 10 days following the commencement of the relationship with the Affiliate.

This Agreement is made and entered into between ____________________ ("Franchisee"), and ______________________ ("Franchisee Affiliate") and is intended to benefit both the Franchisee and The Yoga Pod, Inc("Franchisor"),

Recitals

Whereas, Franchisor has developed a unique system (the "System") and is engaged in the business of offering, selling or granting franchises or licenses for the operation of a location to provide Yoga instruction to individuals ("Business"), known as The Yoga Pod, and,

Whereas, Franchisor has granted to Franchisee the limited right to develop an The Yoga Pod Business using the System, the Licensed Marks and the Trade Secrets, pursuant to a Franchise Agreement ("Franchise Agreement"), by and between Franchisor and Franchisee; and,

Whereas, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin ("Licensed Marks"), including, but not limited to, the Marks and other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service and distinctive marketing, uniform standards, specifications and procedures for performing services, merchandising, management and financial control; operations; quality and uniformity of services offered; training and assistance; and advertising, marketing and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in connection with the operation of the System ("Trade Secrets"); and,

Whereas, the Licensed Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by, Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and,

Whereas, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and, *Whereas*, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and,

Whereas, It will be necessary for employees, agents and independent contractors of Franchisee, or any entity having an interest in Franchisee ("Franchisee Affiliates") to have access to and to use some or all of the Trade Secrets in the management and operation of Franchisee's The Yoga Pod Business using the System;, and,

Whereas, Franchisee has agreed to obtain from those Franchisee Affiliates written agreements protecting the Trade Secrets and the System against unfair competition; and,

Whereas, Franchisee Affiliate desires or will become associated with or be employed by Franchisee;, to remain in such employment,, or is or will become involved with the Company in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of the person or entity that has acquired the right to operate a Business of the Company ("Franchisee"), or as an immediate family member of the Franchisee and will become privileged as to certain Confidential Information;, and,

Whereas, Franchisee Affiliate desires and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform the services for Franchisee;, and,

Whereas, Franchisee Affiliate acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Franchisee Affiliate herein;

Now Therefore, in consideration of the mutual covenant and obligations contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

CONFIDENTIALITY AGREEMENT

1. Franchisor and/or Franchisee may disclose to Franchisee Affiliate some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, manuals, drawings, marketing techniques, specifications, techniques and compilations of data that Franchisor provides to Franchisee and/or Franchisee Affiliate shall be deemed confidential Trade Secrets for the purposes of this Agreement.

2. Franchisee Affiliate shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with a Franchisee and then only in connection with the development and/or operation by Franchisee of an The Yoga Pod Business for so long as Franchisee is licensed by Franchisor to use the System.

3. Franchisee Affiliate shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.

4. Franchisee Affiliate shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of an The Yoga Pod Business.

5. Franchisee Affiliate shall surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Franchisee Affiliate.

6. Franchisee Affiliate shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Licensed Marks, the Trade Secrets or the System.

7. All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

COVENANTS NOT TO COMPETE

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Franchisee Affiliate of the Trade Secrets, Franchisee Affiliate further agrees and covenants that Franchisee Affiliate will not without the prior written consent of Franchisor:

a. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, except with Franchisor's approval;

b. Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business wherever operating except with Franchisor's approval;

c. Employ, or seek to employ, any person who is at the time or was within the preceding 180 days employed by Franchisor, any of its affiliates or any of its franchisees, or otherwise directly or indirectly induce such person to leave that person's employment; or

d. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the The Yoga Pod Business to any competitor;

e. Make any disparaging remarks, or otherwise take any action or do anything that could reasonably be anticipated to cause loss or damage to the business or business opportunities, affairs, reputation and goodwill of, or otherwise negatively reflect upon, Franchisor, the System or the Licensed Marks; and

The term "Competitive Business" as used in this Agreement means any business (other than an The Yoga Pod operated under a franchise agreement with Franchisor) the primary activity of which is providing Yoga instruction to individuals under the The Yoga Pod trademarks, trade names, service marks, and logos ("Marks") or the offering of any product or service offered by Franchisor or by Franchisor's approved vendors.

2. This Covenant Not to Compete shall apply:

(a) during the term of Franchisee Affiliate's relationship, association with or employment by Franchisee anywhere within the United States; and,

(b) for the two years following the termination of Franchisee Affiliate's association with or employment by Franchisee:

   (1) within Franchisee's Protected Territory or any area serviced by Franchisee;
   (2) within counties adjacent to Franchisee's Protected Territory or within a Territory then operated by or under development by Franchisor or another franchisee of Franchisor;
   (3) within a fifty mile radius from the boundary of Franchisees Protected Territory or from any other franchised or company-owned The Yoga Pod, Inc, or
   (4) on the Internet or on any other Multi-Area Marketing channels used by Franchisor.

The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. Franchisee Affiliate, Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

MISCELLANEOUS

1. Franchisee shall make all commercially reasonable efforts to ensure that Franchisee Affiliate acts as required by this Agreement.

2. Franchisee and Franchisee Affiliate agree that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and/or a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. Franchisee and Franchisee Affiliate agree that Franchisee's and/or Franchisee Affiliate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee and by Franchisee Affiliate.

3. Franchisee Affiliate agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

4. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Franchisee Affiliate shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Franchisee Affiliate.

5. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO. FRANCHISEE AFFILIATE HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF BOULDER COUNTY, COLORADO OR THE U. S. DISTRICT COURT FOR THE DISTRICT OF COLORADO. FRANCHISEE AFFILIATE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISEE AFFILIATE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY COLORADO OR FEDERAL LAW. FRANCHISEE AFFILIATE FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN BOULDER COUNTY, COLORADO; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

6. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Franchisee Affiliate expressly agrees to be bound by any lesser covenant embraced within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successor and assigns. The respective obligations of Franchisee and Franchisee Affiliate hereunder may not be assigned by Franchisee or Franchisee Affiliate without the prior written consent of Franchisor.

9. The waiver by Franchisor of any breach of any provision of this Agreement by Franchisee or Franchisee Affiliate shall not operate or be construed as a waiver of any subsequent breach thereof.

10. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

11. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

The Yoga Pod, INC
3701 Arapahoe Avenue, #C117
Boulder, Colorado 80303
Attention: Alex Jarboe, CEO
Email: Alex@yogapod.com

If directed to Franchisee, the notice shall be addressed to:

____
____
____

Attention: ________________
Email: ________________

If directed to Franchisee Affiliate, the notice shall be addressed to:

____
____
____

Attention: ________________
Email: ________________

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 15 days' written notice of such change to the other parties. A "business day" for the purpose of this Agreement excludes Saturday, Sunday and national holidays.

The effective date of Agreement shall be the ______ day of __________, 20 __.

FRANCHISEE: ______________________________

Signature

____

Printed Name

FRANCHISEE AFFILIATE: ______________________________

Signature

____

Printed Name

Relationship of Franchisee Affiliate to the Franchisee: ________________________________

ATTACHMENT VI
TO FRANCHISE AGREEMENT

(To be used at time of Transfer of Franchise and for other Designated Purposes)
(Should not be signed at time of award of Initial Franchise)

FULL AND FINAL MUTUAL RELEASE

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant as follows:

1. The undersigned The Yoga Pod, Inc. ("the Franchisor"), does hereby release and forever discharge ____________________ ("the Franchisee"), officers, directors, successors, shareholders, agents, assigns, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, arising out of, related to or in any way connected with the Franchise Agreement dated ____________and specifically including but not limited to, any and all claims or demands which may have been alleged or any other future claims related to the above Franchise Agreement.

2. The undersigned ________________ (the "Franchisee") and its shareholders, officers, and directors does hereby release and forever discharge The Yoga Pod, Inc. ("the Franchisor"), its, successors, agents, assigns, officers, directors, shareholders, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, breach of contract, defamation, and any claims whatsoever. This Full, Final and Absolute Mutual Release (the "Release") shall apply to all agreements or contracts existing or entered into by and between ______________ ("the Franchisee") and The Yoga Pod, Inc..

3. It is understood and agreed that the settlement evidenced by this Release is a compromise of all claims herein specified, whether past, present or future, that such claims are doubtful and disputed, and that execution of this Release is not to be construed as an admission of liability on the part of any party. Rather, liability is expressly denied.

4. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. No representations as to damages or liability have been made. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

5. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all prior negotiations or proposed agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital. Since the purpose of this Release is to end this matter forever, should it develop that there are any errors, mistakes or any omissions in this instrument, whether legal or factual and whether mutual or unilateral, which would cause the release of the parties herein released to be defective or less than complete, then the undersigned will sign any and all documents and do any and all things necessary to effectuate a full, final and absolute release of said party.

6. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

7. The terms of this Release arose from negotiations and discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.

8. This Release shall be governed by and construed pursuant to the laws of the State of Colorado.

9. This Release may be executed in two copies, each of which shall be deemed an original.

WITNESS OUR SIGNATURES, this the ____ day of __________, 20____.

The Yoga Pod, Inc.
By:

____
Alex Jarboe, CEO

Franchisee: ____________________
By:

____
___________________ (title)
(By our Signature above, we attest to this Agreement for stockholders, members, corporate and individually)

EXHIBIT C

The Yoga Pod, Inc.

COMPLIANCE QUESTIONNAIRE

EXHIBIT C
The Yoga Pod, Inc.

COMPLIANCE QUESTIONNAIRE

You, as a prospective Franchisee of The Yoga Pod, Inc., doing business as The Yoga Pod, are preparing to enter into a Franchise Agreement for the purchase and operation of a The Yoga Pod franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that The Yoga Pod, Inc. did not authorize or that may be untrue, inaccurate or misleading. In addition, this Questionnaire may be used to ensure and evidence compliance with applicable state laws and regulations which apply to and regulate the sale of franchises. Please review each of the following questions carefully and please print complete and honest responses to each question.

1. Full Name(s) of prospective Franchisee: ______________________________

2. Current Address: ______________________________
   (Street, City, State, Zip Code)

3. Please state the date that the The Yoga Pod's Franchise Disclosure Document was received and by whom?

   Date Received: ________________ Recipient: ________________

4. Have you received and carefully reviewed the The Yoga Pod's Franchise Disclosure Document and its exhibits, including the The Yoga Pod's Franchise Agreement and its attachments?
   ____Yes ____No

5. Do you understand all information contained in the The Yoga Pod's Franchise Disclosure Document and its exhibits, including the The Yoga Pod's Franchise Agreement and its attachments?
   ____Yes ____No

   * If you answered "No" to this question, please explain which sentences, paragraphs or sections of the The Yoga Pod's Franchise Disclosure Document and its exhibits you do not understand? (Attach additional pages, if necessary).

   ____

6. Have you discussed the benefits and risks of operating a The Yoga Pod's franchise with an attorney, accountant or any other professional advisor of your choice?
   ____Yes ____No

7. Do you understand the benefits and risks referred to in Question 6? ____Yes _____No

8. Please indicate the date and location of the first face-to-face meeting between you and a representative of The Yoga Pod, Inc..

   Date: ________________ Place: ________________

9. Have you asked any The Yoga Pod representative any question(s) concerning the The Yoga Pod's Franchise Disclosure Document that were not satisfactorily answered?

____Yes ____No

* If you answered "Yes" to Question 10, please explain. (Add additional pages, if necessary)

____

10. Do you understand that the success or failure of your business will depend in large part upon your skills, abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, as well as other economic and business factors? ____Yes ____No

11. Has any The Yoga Pod employee or any person speaking on its behalf made any statement or promise concerning a franchised business that is different from the information contained within the The Yoga Pod's Franchise Disclosure Document? ____Yes ____No

 * If you answered "Yes" to Question 11, please explain in detail. (Attach additional pages, if necessary)

____

____

12. Other than the information contained in Item 19 of the The Yoga Pod's Franchise Disclosure Document, has any The Yoga Pod employee or person speaking on behalf of The Yoga Pod made any statement regarding the potential sales, profits or earnings that could be anticipated at any future The Yoga Pod's location?

 _____Yes _____No

* If you answered "Yes" to Question 12, please explain in detail. (Attach additional pages, if necessary)

____

13. Has any The Yoga Pod employee or any person speaking on its behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance The Yoga Pod will furnish to you which is different from the information in the The Yoga Pod's Franchise Disclosure Document? ____Yes ____No

 * If you answered "Yes" to Question 14, please explain in detail. (Attach additional pages, if necessary)

____

14. Did you contact any The Yoga Pod franchisee(s) to discuss your possible purchase of a The Yoga Pod's franchise? _____Yes _____No

 * If you answered "Yes" to Question 15, please identify each Franchisee. (Attach additional pages, if necessary)

____

____

15. Do you fully understand the franchise fee is nonrefundable? _____Yes _____No

By signing this The Yoga Pod Franchise Disclosure and Compliance Questionnaire, I (or We) stipulate that I have answered truthfully all of the above questions. I understand that The Yoga Pod is acting in reliance upon the truthfulness and thoroughness of my responses to the questions above.

I (or We) acknowledge and agree that in the event that any legal dispute arises, this Questionnaire will be admissible evidence in any such dispute, including mediation or arbitration proceedings. Accordingly, I (or We) waive, to the fullest extent permissible under the law, any objections to this Questionnaire and my answers thereto.

____
Name of Franchisee/Applicant

Date: ________________, 20____

____
Name of Franchisee/Applicant

Date: ________________, 20____

EXHIBIT D

The Yoga Pod, Inc.

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT D
The Yoga Pod, Inc.

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94105 (415) 972-8559 www.dbo.ca.gov	Commissioner of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814 1-866-275-2677 www.dbo.ca.gov
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06106 (203) 240-8299	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700 (800) 435-7352	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P. O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant St., Room 205 Honolulu, HI 96810
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-5705	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 (502) 696-5300	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 (504) 342-7013 (gen. info.) (504) 342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 (207) 298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit PO Box 30213 Lansing, MI 48909 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101 (651) 296-4026	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 P.O. Box 95006 Lincoln, NE 68509-5006 (402) 471-3445	Director of the Department of Banking and Finance Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641	Same
NEW YORK	Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8222	Secretary of State of New York 99 Washington Street Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 (919) 733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital, 5th Floor, Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 15th Floor 30 East Broad Street Columbus, OH 43215 (614) 466-8831 or (800) 282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 (405) 521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 (503) 378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Same
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-4823	Director of South Dakota Division of Securities Same Address
TEXAS	Attorney General's Office Consumer Protection Division P.O. Box 12548 Austin, TX 78711 (512) 463-2070	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501
WISCONSIN	Commission of Securities P.O. Box 1768 Madison, WI 53701-1768 (608) 266-1365	Wisconsin Commissioner of Securities Same Address

EXHIBIT E

The Yoga Pod, Inc.

MULTI-STATE LAW ADDENDUM

EXHIBIT E
The Yoga Pod, Inc.

MULTI-STATE LAW ADDENDA TO
FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT

The following modifications are to The Yoga Pod, Inc. Franchise Disclosure Document and Franchise Agreement and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated dated ____________________, 20___.

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

2. Neither the franchisor, nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.)

5. The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. The Franchise Agreement requires binding arbitration. The arbitration will occur in Colorado with the costs being borne by both parties.

8. Prospective franchisees are encourage to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

9. The Franchise Agreement requires application of the laws of Colorado. This provision may not be enforceable under California law.

10. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

11. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

12. "The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales

figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information."

13. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE DIRECTOR, CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By:______________________________	______________________________ Signature
______________________________ [Printed name]	______________________________ [Printed name]
Title:______________________________	
	______________________________ Signature
	______________________________ [Printed Name]

ILLINOIS

Any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois will not be enforceable and is amended to the extent required by Illinois law.

The governing law or choice of law clause described in the Disclosure Document and contained in the Franchise Agreement will not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Law in all situations to which it is applicable.

Section 5(2) of the Illinois Franchise Disclosure Act requires 14 calendar days' disclosure prior to the signing of a binding agreement or the payment of any fees to us. Item 23 of the Disclosure Document is amended accordingly, to the extent required by Illinois law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By: ______________________	______________________ Signature
______________________ [Printed name]	______________________ [Printed name]
Title: ______________________	
	______________________ Signature
	______________________ [Printed Name]

INDIANA

It is unlawful for any Franchise Agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the Franchise Agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a Franchise Agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, both the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within a 50-mile radius of your Yoga Pod Studio.

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Indiana, with costs being borne by the non-prevailing party. The provision concerning the place where arbitration will occur is deleted from the Franchise Agreement.

The Franchise Agreement requires application of the laws of another state. This provision is deleted from the Indiana Franchise Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

The Franchise Agreement requires you to sign a general release of claims as a condition of renewing or reselling the franchise. Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void. The Franchise Agreement and Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana Franchisee sign a general release of claims as a condition of renewal or resale. This will not prevent Franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By:_____________________	_____________________ Signature
_____________________ [Printed name]	_____________________ [Printed name]
Title:_____________________	
	_____________________ Signature
	_____________________ [Printed Name]

MARYLAND

The following amends the Franchise Disclosure Document, Franchise Agreement, Multi-Unit Development Agreement and Exhibit C to the Franchise Disclosure Document, the Compliance Questionnaire:

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.). Item 17H of the Franchise Disclosure Document and Section 5.11 of the Franchise Agreement are amended to add this provision.

Item 17M of the Franchise Disclosure Document, Section 14.04(b) of the Franchise Agreement is amended to state that the general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 V of the Franchise Disclosure Document, Section 16.03 of the Franchise Agreement is amended to state; A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 17 V of the Franchise Disclosure Document. Section16.06 of the Franchise Agreement is amended to state; Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Section 19 of the Franchise Agreement, Exhibit C of the Franchise Disclosure Document, the Compliance Questionnaire is amended to state: All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By:____________________	____________________ Signature
____________________ [Printed name]	____________________ [Printed name]
Title:____________________	
	____________________ Signature
	____________________ [Printed Name]

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

A prohibition on your right to join an association of franchisees.

A requirement that you assent to a release, assignment, notation, waiver, or estoppel, which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.

A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a franchise outside this state.

A provision, which permits a us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ESCROW REQUIREMENTS (IF ANY): ______________________________

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.

By: ______________________________

____
[Printed name]

Title: ______________________________

FRANCHISEE:

____
Signature

____
[Printed name]

____
Signature

____
[Printed Name]

MINNESOTA

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the Disclosure Document and Franchise Agreement are modified so that we can not require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that we will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name.

Pursuant to Minn. Stat. Sec. 80C.17, Subd. 5, to the extend required by law, the Franchise Agreement and Item 17 of the Disclosure Document are amended to state that no action may be commenced pursuant to this section more than three years after the cause of action accrues.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By:______________________	______________________ Signature
______________________ [Printed name]	______________________ [Printed name]
Title:______________________	______________________ Signature
	______________________ [Printed Name]

NEW YORK

The cover page of the Disclosure Document will be supplemented with the following, inserted at the bottom of the cover page:

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS, WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

Add to Item 3 of the Franchise Disclosure Document as follows, as the last paragraph:

(A) Except as described above, neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations; or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

(B) Except as described above, neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

(C) Except as described above, neither we, our predecessor, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Add the following language to Item 4 of the Franchise Disclosure Document, the last paragraph:

A. Except as described above, neither we, our affiliates, predecessors nor officers during the ten-year period immediately before the date of the Disclosure

Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner held this position in the company or partnership.

Add at the end of the first paragraph of Item 5 of the Disclosure Document:

The purpose of the initial fee is to pay for our training, sales, legal compliance, salary, and general administrative expenses, and profit.

The first paragraph of Item 17 of the Disclosure Document is modified to read as follows:

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

Add in Item 17d of the Disclosure Document:

You may terminate the agreement on any grounds available by law.

Add at the end of the choice of law clause in the Franchise Agreement and in Item 17w of the Disclosure Document:

The foregoing choice of law should not be considered a waiver of any right conferred upon either you or us by the General Business Law of the State of New York, Article 33.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.

By:______________________________

____
[Printed name]

Title:______________________________

FRANCHISEE:

____
Signature

____
[Printed name]

____
Signature

____
[Printed Name]

NORTH DAKOTA

Item 17(c) Disclosure Document and Section 1.2 of the Franchise Agreement requiring you to sign a general release upon renewal of the franchise may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are thereby deleted in their entirety.

Item 17(i) of the Disclosure Document and Section 16.2 of the Franchise Agreement requiring you to consent to termination or liquidated damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the Disclosure Document and Section 16.2 of the Franchise Agreement restricting competition are generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(u) of the Franchise Disclosure Document and Section 18.06 of the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law. The site of arbitration or mediation must be agreeable to all parties.

Item 17(w) of the Franchise Disclosure Document and Section 18.06 of the Franchise Agreement relating to choice of law, may not be enforceable under Sections51-19-09 and 51-19-12 of the North Dakota Franchise Investment Law, and are amended accordingly to state that choice of law and jurisdiction will be in North Dakota.

Item 17 of the Franchise Disclosure Document and Section 18.16 of the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and is amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document, Sections 17 and 18.16 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are thereby deleted in their entirety.

Item 17 of the Franchise Disclosure Document, Section 18.16 of the Franchise Agreement and Section VIII of the Multi-Unit Development Agreement requiring the franchisee to consent to a limitation of claims within one year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the statute of limitations under North Dakota Law will apply..

Section 18.16 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement, which may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law. The prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees.

INWITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By:______________________________	______________________________ Signature
______________________________ [Printed name]	______________________________ [Printed name]
Title:______________________________	
	______________________________ Signature
	______________________________ [Printed Name]

RHODE ISLAND

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By:______________________	______________________ Signature
______________________ [Printed name]	______________________ [Printed name]
Title:______________________	
	______________________ Signature
	______________________ [Printed Name]

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Yoga Pod, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By:______________________________	______________________________ Signature
______________________________ [Printed name]	______________________________ [Printed name]
Title:______________________________	
	______________________________ Signature
	______________________________ [Printed Name]

WASHINGTON

The collection of the Initial Franchise Fees will be deferred until the franchisor has fulfilled it initial pre-openint obligations and the franchisee is open for business.

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions, which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington, in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator,.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those, which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectible to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

THE YOGA POD, INC.	**FRANCHISEE:**
By:______________________	______________________ Signature
______________________ [Printed name]	______________________ [Printed name]
Title:______________________	
	______________________ Signature
	______________________ [Printed Name]

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated ________________, 20__, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

DATED this ______ day of __________________, 20__.

FRANCHISOR:	**FRANCHISEE:**
The Yoga Pod	
By: ____________________________	____________________________
	Signature
____________________________	____________________________
[Printed name]	[Printed name]
Title: ____________________________	
	____________________________
	Signature
	____________________________
	[Printed Name]

EXHIBIT F

The Yoga Pod, Inc.

OPERATIONS MANUAL TABLE OF CONTENTS

EXHIBIT F

The Yoga Pod, Inc. Operations Manual Table Of Contents

As of January 1, 2018

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If The Yoga Pod, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island requires that The Yoga Pod, Inc. give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale. Michigan requires that The Yoga Pod, Inc. give you this Disclosure Document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

If The Yoga Pod, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commissioner, Washington. D.C. 20580 and the state agency listed on Exhibit D for your state.

Date of Issuance: September 26, 2018
The franchise seller for this offering is Alexander Jarboe, CEO, at The Yoga Pod, Inc., 3701 Arapahoe Avenue, #C117, Boulder, Colorado 80303; and Phone: (720) 468-2090.

See Exhibit D for our registered agents authorized to receive service of process.

I have received a disclosure document on _____________ dated JSeptember 26, 2018, that included the following Exhibits:

A	Financial Statements		
B	Franchise Agreement		
		Attachment I	Territory Addendum
		Attachment II	Authorization Agreement For Preauthorized Payment Service
		Attachment III	Proposed Trade Name and Delegation of Authority
		Attachment IV	Assignment to Entity
		Attachment V	Confidentiality And Covenant Not To Compete Agreement
		Attachment VI	Full and Final Mutual Release
C	Compliance Questionnaire		
D	State Administrators and Agents for Service of Process		
E	Multi-State Law Addenda to the Franchise Disclosure Document and Franchise Agreement		
F	Manual Table of Contents		

Receipt – Last Page

Dated: ________________ PROSPECTIVE FRANCHISEE:

____
(Print Name)

By:____________________

Please sign this copy of the receipt, date your signature, and retain it for your records.

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If The Yoga Pod, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

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Receipt – Last Page

Dated: __________________

PROSPECTIVE FRANCHISEE:

____

(Print Name)

By: ____________________

Please sign this copy of the receipt, date your signature, and return it to The Yoga Pod, Inc.