FRANCHISE DISCLOSURE DOCUMENT

Zooga Yoga Enterprises, Inc.
A ~~ZOOGA YOGA ENTERPRISES, INC.~~
~~a~~ California corporation
11054 Washington Boulevard
Culver City, ~~California~~CA 90232
(310) 839-6642
~~www.zoogayoga.com~~
franchise@zoogayoga.com
www.zoogayoga.com

~~The franchise described in this Disclosure Document is to operate a Zooga® yoga studio ("Zooga Studio"). Zooga Yoga is a children's and family yoga franchise. It is a bright, fun, creative, yoga and play studio, dedicated to introducing children and families to a one-of-a-kind, branded yoga experience called "Zooga Yoga." Zooga Yoga combines the most current mind and body wellness techniques with traditional yoga poses, dance, props, original children's music, and laugh-out-loud games to create interactive animal adventures. Guided by yoga principles and designed for entertainment, Zooga Yoga classes are developed to enhance one's strength, awareness, mind-body connection, self-control and focus as well as encouraging parental and family bonding and togetherness. In addition to classes for children and adults of all ages, Zooga Yoga also offers a substantial retail component, including many Zooga brand products, such as Zooga brand mats, yoga cards, cd's, dvd's, books, apparel, tote bags, eye pillows and water bottles.~~

~~We offer 2 franchise programs:~~

~~**Single Zooga Studio Program**. Under this program, you will sign a Franchise Agreement to operate one Zooga Studio.~~

As a Zooga Yoga franchisee, you will operate a yoga studio dedicated to children and their families, offering a full range of yoga classes for all ages.

The total investment necessary to begin operation of a ~~single~~ Zooga Yoga franchise is $~~88,370~~121,570 to $~~282,335~~342,435. This includes ~~between~~ $33,500 to $34,300 that must be paid to the franchisor ~~and/~~or ~~its~~ affiliate~~, as appropriate.~~

~~**Area Development Program**. Under this program, we will assign you a defined area within which you must develop and operate a minimum of two Zooga Studios within a specified period of time.~~. The total investment necessary to begin operation ~~of two Zooga Studios ranges from approximately $99,920 to $295,335.~~under a three- to five-unit Multi-Unit Development Agreement (including the first unit) is $142,570 to $387,435. This includes ~~between $43~~$53,500 ~~and $44~~to $74,300 that must be paid to the franchisor~~and/or its affiliate, as appropriate.~~. There is no minimum number of Zooga Yoga units that you are required to develop under the Multi-Unit Development Agreement.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive ~~the~~this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no ~~government~~governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Antonia King~~, text or call (310) 839-6642 or email at franchise@zoogayoga.com and~~ at 11054 Washington Boulevard, Culver City, ~~California~~ CA 90232 and (310) 839-6642.

The terms of your contract will govern your franchise relationship. ~~Do not~~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, ~~DC~~D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance ~~**Date: April 9, 2019**~~date: July 23, 2021

~~STATE COVER PAGE~~

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Zooga Yoga business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Zooga Yoga franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires ~~a franchisor~~franchisors to register ~~or file with a state franchise administrator~~ before offering or selling ~~in your~~ franchises in the state. Registration does not mean that the 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~~ recommends the franchise or has verified the information in this document. To find out if your state ~~franchise administrator listed in **Exhibit A** for information about the franchisor or about franchising in your~~ has a registration requirement, or to contact your state, use the agency information in Exhibit A.

~~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~~

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following ~~RISK FACTORS before you buy this franchise:~~risk(s) be highlighted:

1. ~~THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN LOS ANGELES COUNTY, CALIFORNIA. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.~~

~~2. THE~~ **Out-**~~**FRANCHISE AGREEMENT** AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.~~

~~3. THE FRANCHISOR IS AT AN EARLY STATE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.~~

~~4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.~~

~~**We currently do not use the services**~~ **of** ~~**any FRANCHISE BROKERS or referral sources to assist us in selling our**~~ **-State Dispute Resolution.** The franchise~~**. A franchise broker or referral source represents us, not**~~ agreement requires you~~**. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.**~~

~~Effective date: See the next page for state effective dates~~

~~STATE EFFECTIVE DATES~~

~~The following states require that this Disclosure Document be registered or filed~~ to resolve disputes with the ~~state, or be exempt from registration:~~ franchisor by arbitration or litigation only in California~~, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.~~

~~This Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws,~~. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the ~~following effective dates:~~

franchisor in California ~~May 23, 2019~~ than in your own state.

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

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee 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.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is 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 the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor 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.

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor 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 the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor 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 the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

TABLE OF CONTENTS

Exhibits

Item 1
THE FRANCHISOR~~,~~ AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

~~**The Franchisor**~~

~~The Franchisor is~~ In~~Zooga Yoga Enterprises, Inc. For ease of reference Zooga Yoga Enterprises, Inc., will be referred to as "we" or "us" in~~ this ~~Disclosure Document. We will refer to~~ disclosure document, "we", "us," or "our" refers to Zooga Yoga Enterprises, Inc.. "You" means the person ~~or entity who signs the Franchise Agreement as "you" throughout this Disclosure Document.~~ to whom we grant a franchise. If you are a corporation, limited liability company, or other ~~legal~~entity, each owner of the franchise entity~~, certain~~ must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions ~~of the Franchise Agreement applies~~also will apply to your ~~"Owners" and "Principal Owners" (defined below)~~owners.

Us, Any Parents, and ~~will be noted.~~Certain Affiliates

~~We are a California corporation formed on January 25, 2016. We do business under our corporate name and under the names "Zooga" and "Zooga Yoga."~~ Our name is Zooga Yoga Enterprises, Inc.. Our principal business address is 11054 Washington Boulevard, Culver City, ~~California~~CA 90232. ~~We are engaged in the business of granting and supporting franchises to franchisees under the "Zooga" trademark and trade names "Zooga" and "Zooga Yoga," and "Napercise." We do not operate a business of the type being franchised. We~~ We do not have ~~no other business activities. We began offering franchises in May 2016. We have never offered franchises in~~ any ~~other~~ parent entities. We do not have any affiliates that offer franchises in any line of business.

~~Our agents for service of process are listed in **Exhibit A**.~~

~~**Our Parent, Predecessors and Affiliates**~~

~~We have no parent or predecessor.~~

Our affiliate ~~is~~ Zooga Yoga, LLC~~, a California limited liability company headquartered at our address ("Operating Affiliate"). Our Operating Affiliate owns and operates one Zooga Studio in Culver City, California at our address. From July 24, 2012 to November 28, 2016, our Operating Affiliate operated its Zooga Studio at 4311 Overland Avenue, Culver City, California 90230. Our affiliate owns the Proprietary Marks (described below) which it has licensed to us so that we may sublicense them~~ sells certain products to our franchisees. ~~Our Operating Affiliate is an approved supplier of items you must purchase or lease. Our Operating Affiliate has never offered franchises in this or any other line of business~~It has the same business address as us.

~~**The Franchised**~~Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names "Zooga~~®~~ Yoga Enterprises, Inc." and "Zooga Yoga". We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in California is Antonia King, and the agent's principal business address is 11054 Washington Boulevard, Culver City, CA 90232. Our agents for service of process in other states are disclosed in Exhibit A.

Business Organization

We are a ~~yoga~~ California corporation. We were formed on January 25, 2016.

Information About Our Business and the Franchises Offered

We do not operate businesses of the type being franchised.

We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will develop and operate a Zooga Yoga studio ~~in the greater Los Angeles area dedicated to~~ for children and their families~~. Zooga® offers~~, providing community edutainment classes for all ages. Zooga combines fun yoga poses with colorful themes and uses Zooga branded music and props to create a specialized brand of "YogaPlay®", all under the trade name Zooga Yoga®. We offer a full range of yoga classes for all ages, including~~:~~ Pre/Postnatal, Mommy & Baby, Infant, Toddler, Kids, Teen~~,~~ and Adults, as well as specialty classes such as Dance, Music, Baby Sign ~~and a series of parenting workshops,~~ , Kickin Ninjas, Messy Art and other popular classes. In additional to classes, we have studio and in-home private sessions, school programs, camps, parenting workshops, and special events including birthday parties and "Kids' Nite Out." Guided by yoga principles and designed for entertainment, Zooga Yoga classes are developed to enhance one's strength, awareness, mind-body connection, self-control and focus as well as encouraging parental and family bonding and togetherness. ~~("Zooga Yoga" or "Franchised Business"). Kids' Nite Out is one example of Zooga® innovation. This unique program offers parents and kids a night out. Parents drop their~~ In addition to classes for children ~~off from 5:00 p.m. until 10:00 p.m. for a night of friends, arts and crafts, yoga and games, ending with a movie to relax. Dinner and snacks are provided to create a fun, easy night for everyone.~~

~~Zooga Yoga offers a variety of pricing programs: discounted one-month introductory memberships, per session, multiple class packages and individual or family memberships. A typical Zooga Studio is located in an inline or strip shopping center or mixed use development and has 1,000 to 1,600 square feet of space. Zooga Yoga is open seven days a week. Monday through Friday classes are typically offered beginning at 9:00 a.m. and ending between 8:00 p.m. and 9:00 p.m. (depending on registration). On the weekend, classes also start at 9:00 a.m. and typically end by 1:00 p.m. This allows for the scheduling of birthday parties and the Kids' Night Out event that takes place two or more weekend nights each month.~~ and adults of all ages, Zooga Yoga also offers a retail component ~~which includes a variety of products~~

~~for retail sale~~, including ~~but not limited to: yoga mats, music cd's, dvd's, yoga cards, apparel, books, bracelets, eye pillows, tote bags, water bottles and other items. We produce our own original branded content in the form of cds, dvd's and books.~~

~~The Zooga Studio is decorated with colorful, proprietary characters, an interactive mural and our signature Chinese lanterns. It has a bright, playful atmosphere and provides a fun, welcoming and comfortable environment for kids and parents alike to enjoy healthy and happy activities. Zooga teachers are not all certified yoga instructors. We offer a wide variety of classes and instructors and our system teaches the right people how to be successful Zooga Yoga teachers.~~

~~Zooga Studios are established and operated under a comprehensive and unique system (the "System"). The System includes distinctive signage, interior and exterior design, décor and color scheme; uniform standards, specifications, and procedures for operations; quality and uniformity of~~many Zooga brand products~~ and services offered; inventory and management; training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and in the "Manual," which you should expect to evolve over time, which is loaned to you as our franchisee.~~

~~Zooga Studios use certain trademarks, service marks, and commercial symbols, including the mark "Zooga," "YogaPlay" "Napercise" and the trade name "Zooga Yoga," all of which we may modify periodically. We may also modify a certain store design, décor and images developed for Zooga Studios and certain associated logos (collectively the "Marks" or "Proprietary Marks"). The Marks are owned by our Operating Affiliate which has licensed them to us so that we may sub-license them to our franchisees.~~

~~Since a Zooga Studio requires franchisees and their employees to work directly with children, you must pass our background check, and you must make sure that all of your employees also pass a background check. You may not employ anyone who has been convicted of a sex crime or a crime against a child, or who does not otherwise meet our requirements. You should review your state's requirements related to childcare licensing before you purchase the franchise.~~

~~**Zooga Yoga Franchise Programs**~~

~~We offer two separate franchise programs in this Disclosure Document, although we may not necessarily grant you the opportunity to purchase under either of these programs:~~

~~**Single Zooga Studio Program**.~~

~~Under this program, you will sign our Franchise Agreement (**Exhibit B**) to operate a Zooga Studio at a location that you choose and that we accept (the "**Franchised Location**").~~

~~**Area Development Program**~~

~~Under this program, we will assign you a defined geographic area (the "**Development Area**") within which you,~~, such as ~~an area developer ("**Area Developer**"), must develop and operate a minimum of 2 Zooga Studios within a specified period of time. The Development Area may be one or more cities, one or more zip codes or counties, or other defined geographic areas. You will sign an Area Development Agreement (**Exhibit C**) that will describe your Development Area, your development schedule and your development obligations. You and we will determine the Development Area and the number of Zooga Studios that you will develop and operate on a case-by-case basis before you sign your Area Development Agreement. You must sign a separate Franchise Agreement for each Zooga Studio that you will open under the Area Development Agreement. The Franchise Agreement for your first Zooga Studio will be in the form attached as **Exhibit B** to this Disclosure Document and must be signed when you sign your Area Development Agreement. The Franchise Agreements for your additional Zooga Studios will be signed after you select and we accept a Franchised Location for those Zooga Studios and will be our then-current form of Franchise Agreement that we are then offering to new franchisees, which may contain terms and conditions that are materially different from the form of Franchise Agreement attached to this Disclosure Document as **Exhibit B**~~Zooga brand mats, yoga cards, CDs, DVDs, books, apparel, tote bags, eye pillows and more.

~~**Market and Competition**~~

~~Zooga Studios offer their products and services to the~~ If you sign a Multi-Unit Development Agreement (attached as Exhibit C to this disclosure document), you will develop multiple Zooga Yoga outlets, on an agreed-upon schedule. For each future unit franchise, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document.

The general ~~public, but your primary target will be~~ market for yoga and exercise studios is well developed, but the market for child-focused yoga is relatively undeveloped. Our customers are primarily children (newborn to twelve years old), their parents, and expectant mothers. -Sales are not seasonal.

There are many studios~~, both independent and franchised,~~ offering yoga services, but Zooga is primarily ~~and uniquely~~ focused on yoga for children. You will compete against national chains, regional chains, and independent owners of yoga studios and of other business offering child-focused activities. Some of these competitors are franchised.

~~**Industry Specific**~~ Laws and Regulations

If your state, city or county have laws that specifically apply to health clubs and fitness centers, and if your Zooga Studio is covered by these laws, you may be subject to some of the following types of requirements or prohibitions: (i) required annual registration of the Zooga Studio; (ii) required posting of a performance bond; (iii) required escrow of any fees collected before opening; (iv) required disclosure of all available membership levels, prices, sales, discounts, etc., (v) required membership contracts; (vi) limitations on length of membership term; (vii) limitations on frequency of dues increases; (viii) limitations on financing any initiation fee; (ix) required cancellation rights by members without penalty in certain situations; (x) restrictions on marketing and promotional claims; (xi) required annual licensing; (xii) specific requirement for restrooms and lockers; and (xiii) requirements for trained personnel (including CPR training).

If your state has laws that specifically apply to child care centers, and if your Zooga Studio falls within the scope of these laws, then you may be subject to some of the following types of requirements or prohibitions: (i) required annual registration of the Zooga Studio; (ii) required posting of a performance bond; (iii) required safety training; (iv) required teacher-to-child ratios; (v) limitations on hours of operation; (vi) instructor licensing and/or accreditation; and (vii) required background checks on instructors.

State and local laws vary from area to area. You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with ~~an attorney or business~~a legal advisor about ~~the laws, regulations and ordinances~~legal requirements that may ~~affect the operation of~~apply to your ~~Zooga Studio~~business.

Prior Business Experience

We have offered franchises since 2018.

Our affiliate Zooga Yoga, LLC, a California limited liability company, opened the first Zooga Yoga studio in Culver City, California in July 2012. The studio relocated in November, 2016 to our current address.

Item 2
BUSINESS EXPERIENCE

~~**Founder/CEO –**~~ **Antonia King**~~.~~ ~~Mrs.~~ **– Founder/CEO.** Antonia King has been our Founder and Chief Executive Officer in Culver City, California since our inception in January 2016. Since July 2012 she has been ~~our~~ Founder and Chief Executive Officer of Zooga Yoga, LLC~~, our Operating Affiliate~~.

Item 3
LITIGATION

No litigation is required to be disclosed in this ~~Disclosure Document.~~Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

~~**Single Zooga Studio Program**~~

~~**Initial Franchise Fee**: You must pay us an initial franchise fee (the "**Initial Franchise Fee**") of $32,500 when you sign your Franchise Agreement (**Exhibit B**). If you are purchasing an additional Zooga Studio we will reduce then current initial franchise fee by 25%. The initial franchise fee is imposed uniformly on all franchisees. The initial franchise fee is not refundable under any circumstances. The Initial Franchise Fee is used in part for working capital and in part for profit.~~

Franchise Fee

When you sign your franchise agreement, you must pay us $32,500 as the initial franchise fee. This fee is uniform and is not refundable.

If you are a qualified United States Military Veteran who has been honorably discharged (you must provide a copy of your DD214), we will discount the initial franchise fee for your first Zooga Studio by 10~~% and cannot be combined with any other discount. No other discounts are available.~~%.

Branded Items~~:~~

You must purchase your initial and continuing supply of required items that bear our logo (such as mats, instructor uniforms, t-shirts and other apparel, eye pillows, and yoga blocks) from our ~~Operating Affiliate.~~affiliate, Zooga Yoga LLC. The estimated cost of such items before you open is $1,000 to $1,800. You pay for such items upon ordering. These costs are not refundable.

~~Area~~Multi-Unit Development ~~Program~~

If you and we agree that you will develop multiple franchises, then you will sign our Multi-Unit Development Agreement ("MUDA") in the form of Exhibit C to this disclosure document. You must pay us a development fee ~~(the "~~of $10,000 ("Development Fee") ~~of $10,000~~ for each Zooga Studio you will develop under ~~an Area Development Agreement~~the MUDA, other than your first Zooga Studio. You must also pay us a $32,500 ~~Initial Franchise Fee~~initial franchise fee for your first Zooga Studio when you sign the ~~Area Development Agreement.~~MUDA When you sign a Franchise Agreement for each subsequent Zooga Studio you will develop, you must pay us a $32,500 ~~Initial Franchise Fee~~initial franchise fee for each subsequent Zooga Studio; however, we will credit your Development Fee against the Initial Franchise Fee for each subsequent Zooga Studio ~~(not to exceed a credit of $10,000 for any single Zooga Studio),~~, so you will only have to pay us $~~32~~22,500 when you sign a Franchise Agreement for each subsequent Zooga Studio. ~~You must sign our then-current Franchise Agreement and pay the Initial Franchise Fee for each Zooga Studio after you select and we approve the Franchised Location for each Zooga Studio~~Fees are not refundable.

~~**Different Fees**~~

~~The Initial Franchise Fee and Development Fee are not refundable. The Initial Franchise Fee and Development Fee are uniform to all parties applying to purchase a Zooga Studio. We may reduce, defer or waive the Initial Franchise Fee or Development Fee if and when we determine it is warranted by a unique or compelling situation.~~

Item 6
OTHER FEES

~~Fees (1)~~**Type of Fee**	**Amount**	**Due Date**	**Remarks**
Royalty ~~Fee (2)~~	5% of ~~Gross Sales~~ your gross sales	~~Payable~~Monthly, on the 5th day of ~~each~~the following month ~~(or the next business day if the 5th day of the month is not a business day)~~	~~Royalty Fees are calculated based on Gross Sales for the previous month. Amounts due will be withdrawn by EFT from your designated bank account.~~See Notes 1, 2 and 3.
Brand Development ~~Fee (3)~~Fund Contribution	Up to 1% of ~~Gross Sales~~your gross sales; currently, none.	~~Payable~~Monthly, on the 5th day of ~~each~~the following month ~~(or the next business day if the 5th day of the month is not a business day)~~	~~The~~We do not currently have a Brand Development Fund ~~is described in Item 11~~, but we reserve the right to start one and to require you to contribute to it.
Market Cooperative Contribution	As determined by co-op. Currently, none.	Monthly, on the 5th day of the following month	We have the right to establish local or regional advertising cooperatives. The maximum contribution that a co-op may require is 5% of gross sales.

~~Fees (1)~~**Type of Fee**	**Amount**	**Due Date**	**Remarks**
Technology Fee ~~(4)~~	~~Up to $200 per month.~~ Currently, $25 per month	Monthly, on the 5th day of the following month	~~For technology services provided by us, an affiliate or designated third party, including website hosting, updates and maintenance.~~We have the right to charge a commercially-reasonable fee for software and other technology products and services we provide, and for our efforts to research, develop, and support software and technology for the system. We may add, remove, or alter the software or technology products or services that we provide. We may change the technology fee.
~~Local Marketing~~	~~$300~~	~~Must be spent monthly~~	~~You will spend this money directly with your local marketing vendors. All marketing must be approved by us before you use it.~~
~~Cooperative Marketing (5)~~	~~As determined by Cooperative members, but not more than 50% of local marketing requirement, unless a majority votes to increase it.~~	~~As determined by Cooperative~~	~~If a marketing cooperative is formed for your area, you must join the cooperative. Any money you contribute to a cooperative will count toward your local marketing requirement.~~
~~Initial~~Additional Manager or Teacher Training ~~(For New or Replacement Employees)~~fee	~~Our then-current per person training fee, plus expenses~~ ~~Current per person training fee =~~Currently, $200 to $350 per day	~~When billed~~Prior to attending training	Training for ~~the first 3 supervisorial~~you and ~~managerial personnel~~up to two other managers and teachers attending the same training session is provided at no additional charge.~~-~~ If you request that we provide our initial training program to any other supervisorial or managerial personnel, or ~~to new or replacement supervisorial or managerial employees during the term of your Franchise Agreement, (minimum 3)~~our yoga teacher training to your employees you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages.

~~Additional On-Site Training~~Third party vendors	~~Our then-current per diem rate per trainer, plus expenses~~ ~~Current per diem rate = $350~~Pass-through of costs, plus reasonable administrative charge. Currently, none.	~~When billed~~Varies	~~If you request that we provide additional training at your Zooga Studio or if we determine you need additional training, you must pay our daily fee for each trainer we send to your Zooga Studio, and you must reimburse each trainer's expenses, including travel, lodging and meals.~~We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program.
Software subscription	Approximately, $400 per month, depending on features chosen	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.
~~Interest~~Non-compliance fee	~~1.5% per month or the highest rate allowed by applicable law, whichever is less~~$500	On demand	~~Interest may be charged on all overdue amounts. Interest accrues from the original due date until the amount is paid in full.~~We may charge you $500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you $250 per week until you correct such non-compliance.
Reimbursement~~Audit Fee~~	~~Cost of audit (estimated to be between $2,500 and $7,500)~~Amount that we spend on your behalf, plus 10%	Within 15 days of invoice~~When billed~~	~~Payable only if~~If we ~~find, after an audit, that you have understated~~ pay any amount that you owe or are required to ~~us or Gross Sales by 2% or more. You~~ pay to a third party, you must ~~also pay the understated amount plus interest~~reimburse us.
Late fee	Interest on the unpaid amount at a rate equal to 10% per year	On demand	We may charge a late fee if you fail to make a required payment when due.

Insufficient ~~Funds Fee~~funds fee	~~$200~~$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand~~, if incurred~~	~~Payable~~We may charge an insufficient funds fee if ~~there are~~a payment made by you is returned because of insufficient funds in your account~~ to pay fees due to us. If you incur three insufficient funds fees in any 12 month period, we have the right to terminate your Franchise Agreement~~.
~~Prohibited Product or Service Fine~~Costs of collection	~~$250 per day of use of unauthorized products or services~~Our actual costs	As~~On demand, if~~ incurred	~~In addition to other remedies available to us.~~Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
~~Non-Compliance Fee~~	~~$200 per incident~~	~~On demand, if incurred~~	~~If you are not in compliance with the terms of your Franchise Agreement.~~
~~Inventory Purchases~~	~~Will vary depending on circumstances~~	~~As incurred~~	~~You must purchase your continuing supply of required retail items, décor items, yoga teaching supplies and equipment from us, our affiliate or approved supplier.~~

~~Transfer Fee~~ Special support fee	~~Franchise Agreement: 33% of our then-current initial franchise fee for a single unit franchise, if the transfer is to an existing franchisee in the System~~ ~~50% of our then-current initial franchise fee for a single unit franchise if the transfer is to a new franchisee entering the System~~ Our then-current fee, plus our expenses. Currently, $600 per day. ~~$1,500 for a single unit franchise, if the transfer is between existing owners that have already been approved or if you are adding a new shareholder that does not change the majority ownership in the franchisee entity~~ ~~Area Development Agreement: $5,000~~	~~On transfer of Franchise Agreement or Area Development Agreement, as applicable~~On demand	~~Payable when you transfer your Franchise Agreement or Area Development Agreement, as applicable.~~ ~~No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.~~If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
~~Renewal~~	~~$2,000~~	~~On renewal of Franchise Agreement or Area Development Agreement, as applicable~~	
~~Relocation Fee~~Customer complaint resolution	~~15% of our then-current initial franchise fee for a single unit franchise~~Our expenses	~~Submitted with request for approval of relocation~~	~~If you wish to relocate your Franchised Business and we approve the request.~~We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
~~Liquidated Damages~~	~~See footnote 6~~		

~~Music Subscription Fee~~	~~Currently, $33~~	~~Payable monthly~~	~~Payable to approved supplier.~~
~~Costs and Attorneys' Fees~~Records audit	~~Will vary under circumstances~~Our actual cost (estimated to be between $2,500 and $7,500)	On demand	~~If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement.~~Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.
~~Indemnification~~Special inspection fee	~~Will vary under circumstances~~Currently $600, plus our out-of-pocket costs	On demand	~~You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the Proprietary Marks in an unauthorized manner.~~Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
~~Repair, Maintenance, and Remodeling/ Redecorating~~Non-compliance cure costs and fee	~~Will vary under circumstances~~Our out-of-pocket costs and internal cost allocation, plus 10%	When billed~~As incurred~~	~~Payable to suppliers. You must regularly clean and maintain your Zooga Studio and its equipment according to our requirements. We may require you to remodel or redecorate your Zooga Studio to meet our then-current image for all Zooga locations. We will not require you to remodel or redecorate your Zooga Studio more frequently than every five years. If you do not maintain your Zooga according to our standards, we may arrange for the necessary maintenance and you must reimburse our costs on demand.~~We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.

Renewal fee	$2,000	Upon renewal	Payable if you enter into a successor franchise agreement at the end of your agreement term.
~~Management Fee~~Transfer fee	~~Our~~50% of our then-current ~~management~~franchise fee~~, currently $425 per person per day~~ (but not less than $16,250) plus ~~expenses~~any broker fees and other out-of-pocket costs we incur	~~If incurred~~When transfer occurs	~~We have the right to step in and manage your Franchised Business in certain situations, such as your death, disability or prolonged absence. The management fee is payable for each representative we send to manage your Franchised Business.~~Payable if you sell your business.
~~Refresher Training / Franchisee Meeting~~Liquidated damages	~~Up to $400 to $500 per person, plus expenses~~An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand~~Before training or meeting~~	~~We may hold refresher training, annual teacher training workshops and/or a meeting of our franchisees, and we may designate that attendance is mandatory. The expenses you must pay for include travel, lodging, meals and applicable wages for your attendees.~~Payable within 15 days after the effective date of termination, if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
~~Insurance Premiums~~Indemnity	Our costs and losses from any legal action related to the operation of your franchise~~Reimbursement of our costs, plus 10% administrative fee~~	On demand	~~If you do not maintain the required insurance coverages, we have the right (but not the obligation) to obtain insurance on your behalf and you will reimburse us.~~You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
~~Customer Loyalty Program~~	~~Will vary under the circumstances~~	~~As incurred~~	~~If we develop a customer loyalty program, you must participate in it.~~
~~Gift Card Program~~	~~Will vary under the circumstances~~	~~As incurred~~	~~If we develop a gift card program, you must participate in it.~~

~~Site Assistance Fee~~Prevailing party's legal costs	~~Up to $300 per day plus expenses~~Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	~~When billed~~On demand	~~If we require an on-site evaluation of a potential Zooga Studio location or you request it.~~In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.
~~Marketing and Promotional Materials~~	~~Up to $1,000~~	~~If incurred~~	~~We may periodically provide you with marketing and promotional materials for your use in local and in-store marketing.~~

~~Unless otherwise noted above, all fees are uniformly imposed and payable to us.~~

~~1. These are estimates only in Item 6. It is extremely difficult to predict future changes in these costs because they are under the control of third parties. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may vary due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase payments over which we have control.~~

~~2. For the purposes of determining the fees to be paid under the Franchise Agreement,~~ All fees are payable only to us (other than software subscription charges). All fees are imposed by us and collected by us (other than software subscription charges). All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. "Gross Sales" ~~means~~ is defined in our franchise agreement as the total ~~selling price of all services and~~dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products ~~and all income of every other kind and nature related to the Franchised Business~~sold by you, whether for cash or credit. Gross Sales ~~expressly excludes~~does not include (i) bona fide refunds to customers, (ii) sales taxes collected ~~from your customers and paid to the appropriate taxing authority and customer refunds or adjustments. Gross Sales excludes~~, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales). ~~We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us.~~

~~The Royalty Fee and Brand Development Fund contribution will be withdrawn from your designated bank account by electronic funds transfer ("EFT") on the fifth day of each month based on Gross~~

~~Sales for the preceding month. You must report your Gross Sales to us on the fifth day of each month. If you do not report Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fund contribution that we debited. If the Royalty Fee and Brand Development Fund contribution we debit are less than the Royalty Fee and Brand Development Fund contribution you actually owe us, once we have been able to determine the true and correct Gross Sales for your Franchised Business, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fund contribution we debit are greater than the Royalty Fee and Brand Development Fund contribution you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.~~

~~If any state imposes a sales or other tax on the royalty fees, then we have the right to collect this tax from you.~~

~~3. We administer the Brand Development Fund on behalf of the System (see Item 11) to provide national or regional creative materials for the benefit of the System.~~

~~4. The technology fee is currently \$25 and we may gradually increase the fee until it is \$200 per month. Once the technology fee is at \$200 per month, we have the right to increase the technology fee annually by 5% per year. Currently, a \$25 per month fee is payable immediately.~~

~~5. Cooperatives will include all Zooga Studios located in a specific geographic area, whether owned by us, our affiliates or our franchisees. Each Zooga Studio franchisee has one vote in the cooperative, regardless of the number of Zooga Studios owned. No Cooperatives have been established as of the date of this Disclosure Document.~~

~~6. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.~~

2. You must report your gross sales to us each week. If you fail to report your gross sales, we will withdraw estimated royalty fees and marketing fund contributions based on 125% of the most recent gross sales you reported. We will true-up the actual fees after you report gross sales.

3. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

~~SINGLE ZOOGA STUDIO~~

Type of ~~Expenditure~~expenditure	Amount			Method of ~~Payment~~payment	When ~~Due~~due	To ~~Whom~~ ~~Payment~~whom payment is to be ~~Made~~made
Initial ~~Franchise Fee~~ ~~(1)~~franchise fee	$32,500	-	$32,500	~~Lump Sum~~Check or wire transfer	~~On~~Upon signing ~~Franchise Agreement~~the franchise agreement	Us
~~-~~Lease Security Deposit~~(2~~ (see Note 1)	$1,250	-	$9,400	~~As arranged~~Check	~~As arranged~~Upon signing lease	Landlord
Rent (3 months (see Note 1)	$3,750	-	$28,000	Check	Upon signing lease	Landlord
Utility Security ~~Deposits~~ ~~(3)~~Deposit	$0	-	$500	~~As arranged~~Check, debit, and/or credit	~~As arranged~~Upon ordering service	~~Landlord,~~ Utility ~~Companies~~providers
~~Rent – 3 Months (4)~~	~~$3,750~~	~~-~~	~~$28,000~~	~~As arranged~~	~~As arranged~~	~~Landlord~~
Leasehold Improvements (~~5~~see Note 2)	$~~10~~40,000	-	$~~130~~180,000	~~As arranged~~Check	As ~~arranged~~incurred or when billed	~~Contractor~~Contractors
Signage (~~6~~see Note 3)	$2,000	-	$8,000	~~As arranged~~Check, debit, and/or credit	~~As arranged~~Upon ordering	~~Approved Suppliers~~Vendor
Furniture, Fixtures ~~&~~and Décor (~~7~~see Note 4)	$~~4~~5,000	-	$~~8~~10,000	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	~~Approved Suppliers~~Vendors and suppliers
Yoga Teaching Equipment (~~8~~see Note 5)	$~~2,500~~3,000	-	$~~3,500~~4,000	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	~~Approved Suppliers~~Vendors and suppliers
Miscellaneous Equipment~~-(8)~~	$2,750	-	$3,700	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	Our ~~Affiliate~~affiliate; vendors and ~~Approved Suppliers~~suppliers

Computer ~~Equipment~~ ~~(9)~~Systems	$3,500 - $5,000	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	~~Approved Suppliers~~ Vendors and suppliers
Office ~~Equipment & Supplies~~ ~~(10)~~Expenses	$200 - $600	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	~~Approved Suppliers~~Vendors
Initial Inventory (~~11~~see Note 6)	$1,750 - $2,500	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	~~Our Affiliate~~Vendors and ~~Approved Suppliers~~suppliers
Initial Retail Inventory (~~12~~see Note 7)	$2,500 - $3,000	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	Our ~~Affiliate~~affiliate; vendors and ~~Approved Suppliers~~suppliers
Spotify Music Subscription (or similar music company)~~—3 Months~~	$20 - $35	~~As arranged~~Debit or credit	As ~~arranged~~incurred	~~Approved~~ Supplier
Uniforms~~(13)~~	$300 - $600	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	Our ~~Affiliate~~affiliate
~~Permits and~~ Business Licenses ~~(14)~~and Permits	$125 - $500	~~As arranged~~Check	~~As arranged~~Upon application	Government~~ Agencies~~
Professional Fees (~~15~~lawyer, accountant, etc.)	$1,550 - $3,000	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred or when billed	~~Attorney, Accountant~~Professional service firms
Insurance (~~16~~3 months)	$325 - $400	~~As arranged~~Check	~~As arranged~~Upon ordering	Insurance ~~Companies~~company
~~Training Expenses (17)~~	~~$500~~ - ~~$7,500~~	~~As arranged~~	~~As incurred~~	~~Airlines, Hotels, Restaurants, Employees, Third Parties~~
~~Initial Marketing Expenditures (18)~~	~~$1,000~~ - ~~$2,000~~	~~As arranged~~	~~As arranged~~	~~Approved Suppliers or Us~~

~~Equipment & Décor~~ ~~[19]~~	~~$2,500 - $4,000~~	~~As arranged~~	~~As arranged~~	~~Our Affiliate, Third Parties~~
Third Party Training Expense~~[20]~~ (See Note 8)	$300 - $800	~~As arranged~~ Check, debit, and/or credit	As ~~arranged~~incurred	~~Third Parties~~Vendors
Maintenance Equipment	$500 - $600	~~As arranged~~Check, debit, and/or credit	As ~~Arranged~~incurred	~~Third Parties~~Vendors
~~Tools~~~~[21]~~	~~$300 - $400~~	~~As arranged~~	~~As incurred~~	~~Third Parties~~
Software license Expense~~[22]~~	$1,500 - $1,800	~~As arranged~~Debit or credit	~~As arranged~~When ordered	~~Third Parties~~Vendors
Stationery & Initial Marketing Material Package~~[23]~~ (See Note 9)	$750 - $1,000	~~As arranged~~Check, debit, and/or credit	As ~~arranged~~incurred	~~Third Parties/~~Vendors
Website (See Note 10)	$1,500 - $2,000	Credit or electronic transfer	When ordered	Vendor
Market Introduction Program	$1,000 - $2,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Travel and wages for initial training (see Note 11)	$500 - $7,500	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional ~~Funds & Capital~~ funds (for first 3 ~~Months~~ ~~[24][25]~~months) (see Note 12)	$~~12~~15,000 - $~~25~~35,000	~~As arranged~~Varies	~~As incurred~~Varies	~~Various~~Employees, ICs, suppliers, utilities
Total~~[25]~~	$~~88,370~~121,570 - $~~282,335~~342,435			

~~AREA~~YOUR ESTIMATED INITIAL INVESTMENT - MULTI UNIT DEVELOPMENT AGREEMENT

~~**(FOR 2 ZOOGA STUDIOS)**~~

Type of ~~Expenditure~~expenditure	Amount	Method of ~~Payment~~payment	When ~~Due~~due	To ~~Whom Payment~~whon payment is to ~~Made~~made
~~Initial Investment 1st Zooga Studio[26]~~First franchise (see table above)	$~~88,370~~121,570 - $~~282,335~~342,435	~~See Above~~	~~See Above~~	~~See Above~~
~~Development Fee[1]~~Additional initial franchise fees (see Note 13)	$~~10~~20,000 - $~~10~~40,000	~~As arranged~~Check or wire transfer	~~When you signed your Area Development Agreement~~Upon signing the MUDA	Us
~~Professional Fees [15]~~Business planning and miscellaneous expenses	$1,~~500~~000 - $~~3~~5,000	~~As arranged~~Check	As ~~arranged~~incurred	~~Attorney, Accountant~~Vend and suppliers
Total ~~[25]~~	$~~99,920~~142,570 - $~~295,335~~387,435			

~~Unless otherwise noted above, all fees are uniformly imposed and payable to us. In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable.~~

Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

Notes~~:~~

~~1. ***Initial Franchise Fee and Development Fee***. The initial franchise fee and the Development Fee are discussed in Item 5. When you sign the Area Development Agreement for a minimum of 2 Zooga Studios, you must pay us a Development Fee of $10,000 for each Zooga Studio you will develop, other than your first Zooga Studio. You must also pay us the $32,500 Initial Franchise Fee for your first Zooga Studio when you sign the Area Development Agreement. When you sign a Franchise Agreement for each subsequent Zooga Studio you will develop, you must pay us a $32,500 Initial Franchise Fee for each of them; however, we will credit your Development Fee against the Initial Franchise Fee for each subsequent Zooga Studio (not to exceed a credit of $10,000 for any single Zooga Studio), so you will only have to pay us $22,500 when you sign a Franchise Agreement for each subsequent Zooga Studio. The estimates in these charts do not reflect the $10,000 credit we will grant you against the Initial Franchise Fee when you sign your second and subsequent Franchise Agreement under an Area Development Agreement.~~

~~2. *Lease Deposit*. Your landlord will normally require you to pay a security deposit equal to one or two months of rent.~~

~~3. *Utility Security Deposits*. We expect that you will need to pay deposits for your local utilities, such as telephone, electricity and gas. The amount of your deposits will depend, in part, on your credit rating and the policies of the individual utility companies.~~

~~4. *Rent*.~~ 1. Rent and Lease Security Deposit. If you do not own adequate property that we approve, you must lease the property for your business. The typical size for a Zooga Studio is 1,000 to 1,600 square feet and is located in an inline or strip shopping center or any facility that may be fit for a Zooga Studio. The low estimate is based on $1.25 per square foot for a space of 1,000 square feet. The high estimate is based on $5.83 per square foot for a space of 1,600 square feet. The costs will vary widely and may be significantly higher than projected in this table depending on factors such 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. ~~You should investigate all of these costs in the area where you wish to establish a Zooga Studio.~~

~~Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, the lease may require you to pay common area maintenance charges ("CAM Charges") your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the property, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region.~~

If you choose to purchase real property ~~on which to build your Zooga Studio, your initial investment will be higher than what we estimate above. If~~, if you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

~~5~~2. Leasehold Improvements. The cost of leasehold improvements will vary depending on numerous factors, including: (i) the size and configuration of the premises; (ii) pre-construction costs (such as demolition of existing walls and removal of existing improvements and fixtures); and (iii) cost of materials and labor, which may vary based on geography and location. These amounts are based on the cost of adapting our prototypical architectural and design plans to remodel and finish-out a Zooga Studio and the cost of leasehold improvements. The low estimate is based on $10 per square foot for 1,000 square feet and the high estimate is $81.25 per square foot for 1,600 square feet. These figures do not take into account any tenant improvement allowance and includes building and occupancy permits. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials and whether you must use union labor. These costs may also vary depending on whether certain of these costs will be incurred by the landlord.

~~6~~3. Signage. These amounts represent your cost for your interior and exterior signage, window graphics and installation. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.

~~7~~4. Furniture, Fixtures ~~&~~and Décor. You will need furniture including cubbies, chairs, filing cabinet, small refrigerator, retail merchandise shelving, bulletin board, reception desk, changing table, lobby area benches with shoe ~~bench inserts~~cubbies, lobby chairs or stools, shelving units~~, moving carts~~ for inventory and dispensers for toilet paper, paper towels, hand sanitizer, ~~diaper pail, trash cans, yoga mat baskets or holder, etc.~~ballet barres, Estimate also includes the animal graphics/wall murals (high estimate assumes two rooms, two sets of graphics).

~~8~~5. Yoga Teaching Equipment and Miscellaneous Equipment. ~~Our estimates include:~~ This estimate includes yoga blankets, blocks, straps, folding tables and chairs, projection screen, projector~~, props~~ and other items used during yoga classes and special events. ~~Items such as~~ Other prop items include music shakers, ~~scarves,~~ animal tails, tiaras, scarves, bubbles, breathing ball, chimes, butterfly~~,~~ wings, wrist ribbons, pom-poms, ~~etc., mats,~~gym mat, balance beam, small workout weights and bands, yoga mats and all storage containers. Electronics include a video surveillance system, sound system~~, phones,~~/speakers, phone, mini refrigerator, microwave, water cooler, ~~coffee system, various hand tools,~~ vacuum, ~~floor steamer~~plus cleaning items such as Swiffer mops, broom, dust pan and indoor entrance mats~~ and~~ /outdoor~~ scraper mats.~~

~~***9. Computer Equipment.*** You must purchase the computer system, including hardware components and certain software including credit card swiper, multi-function printer, wireless router, iMac, 2 iPods, 1 iPad, stand, extra cords~~, cleaning sprays and ~~generic cash drawer (Low). The high estimate includes the equipment for the low estimate but also includes 2 iPads (replacing the 2 iPods~~floor cleaners and ~~1 iPad for the low investment), stands~~cleaning cloths. Basic tool kit, cordless drill, small ladder and ~~extra cords and MindBody scanner/receipt handheld device and cash drawer (see Item 11).~~

~~***10. Office Equipment & Supplies.*** Our estimate includes~~ basic ~~office equipment and~~paint supplies are also recommended.

~~11~~6. Initial Inventory. Our estimate includes paper supplies, cleaning supplies, desk calendar, clip boards for waivers, sign-in book/sheets, gift cards, arts & crafts supplies, birthday party supplies and party extras, water cooler, 5-gallon water bottles and trash bags and other items for your studio.

~~12~~7. Initial Retail Inventory. ~~-~~Initial purchase of items from our ~~Operating Affiliate~~affiliate and from third parties to be sold at retail from your Zooga Studio.

~~13. *Uniforms*. Staff t-shirts (estimated at $14 per shirt).~~

~~*14. Permits and Business Licenses.* Our estimate includes the cost of obtaining local business licenses which typically remain in effect for one year. The cost of these permits and licenses will vary substantially depending on the location of your Zooga Studio. You should consult the appropriate governmental authority concerning the availability of required licenses and the associated expenses for your Zooga Studio before you sign a Franchise Agreement.~~

~~*15. Professional Fees*. We strongly encourage you to retain an attorney and an accountant to assist you with evaluating this franchise offering. Your advisor may also assist you with negotiating your lease or purchase agreement for the approved location, and with forming a corporate entity to own the franchise, if you choose to do so. Professional Fees in the Area Development chart above reflects additional legal costs you may incur as a result of signing an Area Development Agreement.~~

~~*16. Insurance*. You must have the insurance that we specify for your Zooga Studio at all times during the term of your Franchise Agreement. Our insurance requirements are included in Item 8. The estimate accounts for the first quarterly premium with an estimated allocation for workman's compensation coverage.~~

~~*17. Training Expenses*. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages for the first three trainees. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. The lower end of our estimate assumes that the trainees live within driving distance of our training facility.~~

~~*18. Initial Marketing Expenditures*. You must conduct an initial marketing campaign to promote the opening of your Zooga Studio. Your initial marketing campaign includes a "coming soon" banner for your Franchised Business once you have obtained the approved location by lease or sublease, direct mail campaigns and similar promotional activities. We must approve of your initial marketing campaign, and your campaign must be conducted in the period that includes 2 weeks before and 4 weeks after opening of your Zooga Studio.~~

~~*19. Equipment & Décor*. Includes the animal graphics (high estimate assumes two rooms, two sets of graphics), rental mats, cd's and any other proprietary items to be used in teaching classes (i.e. egg shakers, yoga mats, play mats, bubbles, pose cards, etc.).~~

~~20~~8. Third Party Training~~*Expense.*~~. The low estimate only provides for CPR/First Aid training course for 3 persons. High estimate also includes cost for 2-day QuickBooks class (1 person). This estimate is for the classroom program and the franchisee incurs travel costs.

~~21. *Tools*. Includes basic tool kit, cordless drill, small ladder and basic paint supplies.~~

~~22. *Software License Expense*. Includes Mindbody software and branded application, Listen 360, Constant Contact mailing service and QuickBooks.~~

~~23~~9. Stationary & Initial Marketing Material Package. ~~Business~~Cost of business cards and initial inventory of promotional materials (flyers, postcards, etc.).

10. Website. Your studio will have its own location sub-website, which will be built from a template at your expense. You must maintain your location page with your current schedule, specials, staff, events, and other information.

11. Initial Training. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages for the first three trainees. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. The lower end of our estimate assumes that the trainees live within driving distance of our training facility

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

13. ~~24. *Additional Funds*. You must, at all times, maintain adequate reserves and working capital sufficient for you to fulfill all of your obligations under the Franchise Agreement and to cover the risks and contingencies of the Zooga Studio at least 3 months. The estimates provided above include 3 months of inventory (including initial retail inventory), facility expenses, opening cash, and other required expenses through the first three months of operations. These estimates do not take into account payroll costs, Royalty Fees, Brand Development Fees or other continuing fees payable to us, the finance charges, interest and related costs you may incur if any portion for the initial investment is financed or all other recurring monthly operating expenses, and does not include any revenue that your Zooga Studio may earn in the first three months of operation. These amounts are the minimum recommended levels to cover operating expenses. However, we cannot guarantee that those amounts will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. These amounts are estimates only 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 (such as the local market for our products or services), the prevailing wage rate, competition and the sales level reached during the initial period. Your~~

~~costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The disclosure laws require us to include this estimate of all costs and expenses to operate your Zooga Studio during the "initial phase" of your business, which is defined as a 3 month period or longer period if "reasonable for the industry." We are not aware of any established longer "reasonable period" for the children's yoga industry, so our disclosure covers a 3 month period.~~

~~*25.*~~ Additional Initial Franchise Fees. This estimate assumes you sign a Multi-Unit Development Agreement for three to five franchises. The franchise fee for your first unit is counted in the "Estimated Initial Investment – Franchise Agreement" table. You must pay us a development fee of $10,000 for each Zooga Studio you will develop under the MUDA, other than your first Zooga Studio. When you sign a Franchise Agreement for each subsequent Zooga Studio you will develop, you must pay us a $32,500 initial franchise fee for each subsequent Zooga Studio; however, we will credit your Development Fee against the Initial Franchise Fee for each subsequent Zooga Studio, so you will only have to pay us $22,500 when you sign a Franchise Agreement for each subsequent Zooga Studio.

~~***Totals***. We relied on our Operating Affiliate's experience in operating a Zooga Studio since 2012 to prepare these estimates, and on our franchisee's experience if and to the extent that it has shared this information with us. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.~~

~~***26. Initial Investment 1st Zooga Studio***. The Initial Investment for 2 Zooga Studios is taken from the first chart in Item 7, entitled Estimated Initial Investment, Single Zooga Studio.~~

~~None of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.~~

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

~~To ensure that the highest degree of quality and service is maintained, you must operate your Zooga Studio in strict conformity with our methods, standards and specifications, as set forth in the Confidential Operations Manual ("Manual") or otherwise in writing. You must refrain from deviating from these methods, standards and specifications without our prior written consent. We may revise the contents of the Manual, and you must comply with each new or changed standard and specification. You must at all times make sure that your copy of the Manual is kept current and up to date. We may provide the Manual in hard copy or electronically, such as by portable drive or google docs or by a password-protected website.~~

~~Franchisees are required to provide approved programs, classes and events at locations other than the Zooga Studio, provided the off-site location is within their territory. This will allow franchisees to provide private classes at a customer's residence, special events and programs at an appropriate facility or possibly at an off-site location to handle the demand for classes if necessary. You are prohibited from selling products through any means other than from your Zooga Studio location. You must maintain in sufficient supply (as we may prescribe in the Manual or otherwise in writing), and use at all times, only the products~~

~~and supplies purchased from suppliers designated or approved by us, and any other materials, paper goods, fixtures, furnishings, equipment, signs and other items as conform with our standards and specifications, and not deviate from those standards and specifications by the use of non-conforming items, without our prior written consent. You must sell and offer for sale only those programs, products and services that we have expressly approved for sale in writing and in the manner and style we require. You must discontinue offering for sale any programs, products and services we may disapprove in writing at any time. We can, and expect to, modify our standards and specifications as we deem necessary. A complete list of our approved products and suppliers will be included in the Manual and is subject to change over time. We will provide you notice in the Manual or otherwise in writing (such as via e-mail) of any changes to the lists of approved products and approved suppliers.~~

~~You must purchase and install, at your expense, all fixtures, furnishings, equipment (including computer hardware and software), décor and signs as we may reasonably direct; and you must not, without our prior written consent, install or permit to be installed any fixtures, furnishings, equipment (including computer hardware and software), décor, signs or other items not previously approved as meeting our standards and specifications. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier.~~

~~We must approve all programs, classes, events, music, props and retail items offered through the franchisee's business. You must purchase logo'ed retail items, décor items, yoga teaching supplies and equipment from us, our affiliate or approved supplier and we reserve the right to earn a profit from the sale of these items to our franchisees. Currently, we and our affiliates are the only approved supplier of Zooga branded retail items, which include t-shirts, mats and props. During the fiscal year ending December 31, 2018, we did not earn any revenues from franchisees' purchases or leases of required products/services. For the fiscal year ended December 31, 2018, our Operating Affiliate's revenues from franchisees' purchases or leases of required products/services were $2,893, or .058% of our Operating Affiliate's total revenues of $496,920, based upon our Operating Affiliate's unaudited statement of operations. Antonia King owns an interest in us and our Operating Affiliate. None of our officers has an ownership interest in any other approved supplier.~~

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement (attached to this disclosure document as Exhibit D).

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Brand Standards Manual, which includes (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and (v) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

C. Point-of-sale software and hardware, and related software and hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

D. Initial Retail Inventory. You must purchase your initial retail inventory of items to be sold at retail from your Zooga Studio from our affiliate Zooga Yoga LLC.

E. Music, Background Checks and Surveillance. You must use the suppliers we designate for your music subscription service, background checks on your employees, and the required video surveillance. ~~You must also make sure that we have access to your video surveillance feed and/or records. You must select a site that you propose to use for your Franchised Business and you must submit to us all information we require to evaluate the site you propose. You may not obtain the site (by lease, sublease or purchase agreement) until the site has been approved by us. We reserve the right to review any lease, sublease or purchase agreement for the approved site before you sign it. At our request, you and your landlord must sign our form of Collateral Assignment of Lease, attached to the Franchise Agreement as Exhibit D. You may not open your Franchised Business until we have approved it for opening.~~ You must also make sure that we have access to your video surveillance feed and/or records.

~~Any advertising materials that you have had prepared for you, or that we have not approved within the most recent 12 month period, and that you wish to use to promote your Zooga Studio must be submitted to us for our approval before the materials may be used. You may not use any advertising materials that we have not approved.~~

~~If you wish to purchase, lease or use any products or other items, or purchase from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered either to us or to an independent laboratory for testing. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. Our supplier approval procedure does not obligate us to approve any particular supplier. We will notify you within 30 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier. We are not required to make available to you or to any supplier the criteria for product or supplier approval~~

~~that we deem confidential. You will not be permitted to sell any products (e.g. apparel, mats, cd's, books, etc.) at wholesale.~~

~~We may, when appropriate,~~ Us or our Affiliates as Supplier

Zooga Yoga LLC is the only approved supplier of Zooga branded retail items, which include t-shirts, mats and props. Otherwise, we nor any other affiliate is currently a supplier of any good or service that you must purchase, although we reserve to the right to be a supplier (or the sole supplier) of a good or service in the future.

Ownership of Suppliers

Antonia King owns an interest in us and Zooga Yoga. None of our officers owns an interest in any other supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We have the sole discretion to approve or reject an alternative supplier. We may condition our approval on criteria we deem appropriate, such as evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

In 2020, our affiliate Zooga Yoga LLC had revenues of approximately $500 from franchisees' purchases of required products. The source of this information is the records of our affiliate.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 50% to 60% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 40% to 50% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, ~~with designated and approved suppliers on behalf of the System.~~ for the benefit of franchisees. However, we may do so in the future.

Benefits Provided to You for Purchases

We do not provide any material benefit to ~~franchisees for use of approved suppliers. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above in which you must participate.~~ you based on your purchase of particular goods or services, or your use of particular suppliers.

~~We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Zooga Studios in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.~~

~~We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). During the fiscal year ended December 31, 2018, we did not earn any Allowances.~~

~~We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 50% to 60% of your total purchases in establishing your Zooga Studio, and approximately 40% to 50% of your total purchases in the continuing operation of your Zooga Studio.~~

~~When determining whether to grant new or additional franchises we consider many factors, including compliance with the requirements described above.~~

~~**Insurance**~~

~~You must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Franchised Business. All policies must be written by a responsible carrier or carriers that we determine to be acceptable and that are rated at least "A" with A.M. Best, must name us and our affiliates as additional insureds, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in the Manual. Each policy must provide us with 30 days' advance notice of any change to or cancellation of the policy. Additionally, we may designate one or more insurance companies as the insurance carrier(s) for Zooga. If we do so, we may require that you obtain your insurance through the designated carrier(s).~~

~~As of the date of this Disclosure Document, you must have the following insurance coverages: (1) public/general liability insurance, including child molestation coverage, in the amount of $1,000,000 per occurrence, $3,000,000 aggregate and $100,000 damage to rented premises per occurrence; (2) personal and advertising injury coverage with limits of $1,000,000 per occurrence and $10,000 per person medical benefits; (3) products/completed operations coverage of $1,000,000 aggregate; (4) property damage insurance including all perils coverage to personal property with a minimum amount of $50,000; (5) automobile insurance for any owned, non-owned or hired vehicles, and including uninsured/underinsured motorist coverage, as required by the state in which the Franchised Business is located; (6) business interruption insurance to cover lost income for up to 12 months; (7) money and securities insurance of not less than $10,000 per occurrence inside and $1,000 per occurrence outside; (8) workers compensation and employer liability insurance in the amounts required by the state in which the Franchised Business is located; and (9) any insurance required by the terms of your lease or that we may require in the future. None of your insurance policies should have a deductible of greater than $1,000.~~

~~We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes.~~

~~Your insurance policies must be issued by an insurance company licensed to do business in the state where your Franchised Business is located. Not later than 30 days before your Franchised Business opens, you must provide us with a certificate of insurance showing that you have obtained all required insurance coverages, and you must provide us with updated certificates of insurance when policies are renewed. If you do not obtain the insurance coverages that we require we may, but are not obligated to, obtain insurance on your behalf. If we do this, you must reimburse our expenses plus a 10% administrative fee.~~

~~**Credit Cards**. You are required to honor all credit, charge, courtesy and cash cards approved by us in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in~~

~~connection with the operation of your Zooga Studio, you are required to maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org for the protection of cardholder data throughout the Term of your Franchise Agreement. You are responsible for the security of cardholder data in the possession or control of any of subcontractors you engage to process credit cards. All subcontractors must be identified to and approved by us in writing prior to sharing cardholder data with the subcontractor. You must, if requested to do so by us, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all identified subcontractors.~~

~~**MindBody. You must use the business management services of MindBody, Inc. ("Mindbody") or another business management services provider we designate. You must agree to abide by Mindbody's terms of service when you sign the Franchise Agreement. There are no other approved suppliers of these services. We can monitor your activity through MindBody's software.**~~

~~**Neither we, nor our affiliates are approved suppliers of these services, nor do we receive any material benefit from your subscription in these services. Neither we nor any of our officers or affiliates own an interest in Mindbody, Inc.**~~

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	~~Article/~~Section in ~~Agreement~~agreement	Disclosure ~~Document Item~~document item
~~(a)~~. Site selection and acquisition/~~-~~lease	~~FA: 4; ADA: 5~~§§ 6.1, 6.2	~~Items 7, 8 and~~Item 11
~~(b)~~. Pre-opening ~~purchases~~purchase/leases	~~FA: 4; ADA: 5~~ §§ 6.2, 6.3	Items 5, 7, 8 and 11
~~(c)~~. Site development and other pre-opening requirements	~~FA: 4; ADA:~~Article 6~~.1~~	Items 5, 7, 8 and 11
~~(d)~~. Initial and ongoing training	~~FA:~~§§ 5~~-~~.2, 6.4, 7.6	Items 5, 6, ~~7~~8 and 11
~~(e)~~. Opening	~~FA: 4.7~~§§ 6.5, 6.6	~~Item~~Items 7, 8 and 11
~~(f)~~. Fees	~~FA:~~Article 4, §§ 5.3, 7.8, 8.4, 10~~, 12~~.5, 11.2, 11.3, 14.5, 15.2, 16.1, 17~~ and 19; ADA: 4 and Exhibit A~~.6	Items 5, 6~~, 7~~ and ~~11~~7
~~(g)~~. Compliance with standards and policies/operating manual	~~FA: 5.5 and 11.5~~ §§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 9.1, 10.1, 10.4, 11.1	~~Item~~Items 8, 11 and 14

Obligation	~~Article/~~Section in ~~Agreement~~agreement	Disclosure ~~Document Item~~document item
~~(h)~~. Trademarks and proprietary information	~~FA: 6, 7, and 8~~ Article 12, § 13.1	Items 13 and 14
~~(i)~~. Restrictions on products/services offered	~~FA: 11.2, 11~~§ 7.3~~,~~	Items 8, 11 and 16
~~(j)~~. Warranty and customer service requirements	~~Not applicable~~§§ 7.3, 7.8, 7.9	~~Not applicable~~Item 8
~~(k)~~. Territorial development and sales quotas	~~ADA:~~§ 2.~~1 and Exhibit A~~2	Item 12
~~(l) On-going~~. Ongoing product/service purchases	~~FA: 11.2, 11.3 and 11.4~~Article 8	~~Item~~Items 6 and 8
~~(m)~~. Maintenance, appearance, and remodeling requirements	~~FA: 4.10, 11.1, 11.5 and 11.6~~§§ 3.2, 7.12, 7.13, 15.2	~~Item~~Items 6, 7 and 8
~~(n)~~. Insurance	~~FA: 11.9~~§ 7.15	Items 6, 7 and 8
~~(o)~~. Advertising	~~FA: 4.8, 12.2, 12.3, 12.4, 12.5, 12.6 and 12.7~~Article 9	Items 6, 7, 8 and 11
~~(p)~~. Indemnification	~~FA: 6.5 and 15.4~~ Article 16	~~Item~~Items 6 and 8
~~(q)~~. Owner's participation/ management/~~-~~staffing	~~FA: 11.8~~§ 2.4	Items ~~11 and~~ 15
~~(r)~~. Records and reports	~~FA: 13.1, 13.2, 13.3 and 13.4~~ Article 10	Item 11
~~(s)~~. Inspections and audits	~~FA: 14.1 and 14~~§§ 10.5, 11.2	Items 6 and ~~8~~11
~~(t)~~. Transfer	~~FA: 16; ADA: 9~~ Article 15	Items 6 and 17
~~(u)~~. Renewal	~~FA: 17; ADA: 2.6~~ § 3.2	Items 6 and 17
~~(v)~~. Post-termination obligations	~~FA: 19; ADA 12~~ Article 13, § 14.3	Item 17
~~(w)~~. Non-competition covenants	~~FA: 9, 16.3 and 19.4; ADA 13~~ § 13.2	Item 17
~~(x)~~. Dispute resolution	~~FA: 20; ADA 15~~ Article 17	~~Item~~Items 6 and 17
~~(y) Liquidated damages~~	~~FA: 19.7~~	~~Item 6~~

Item 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or ~~obligation.~~ obligations.

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

Except as listed below, ~~Zooga Yoga Enterprises, Inc., is~~we are not required to provide you with any assistance.

Our Pre-Opening Obligations

~~We have the following obligations to you before you~~ Before you open your ~~Zooga Studio for~~ business:

~~1. **Site Selection Assistance**. You are solely responsible for selection of the site of your Zooga Studio, which will be subject to our review and acceptance. We may, without obligation, assist you in locating a site. Currently, our fee for this assistance is up to $300 per day plus expenses. You may not construe any assistance we may provide, or our acceptance as a guarantee or other assurance that the site will be successful. You must submit to us the information we require, including demographic, commercial, and other information and photographs, for the site at which you propose to establish and operate the Zooga Studio. In approving or disapproving any proposed site, we will consider the matters we deem material, such as demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area (including other Zooga Studios), the number of households, income levels, population, the purchase price or lease terms for the proposed site and other commercial characteristics, the size of the premises, appearance, and other physical characteristics of the proposed site. If you do not sign a lease within 5 months after you sign the Franchise Agreement, we may terminate the Franchise Agreement or we may provide you with an extension of this timeframe. (**Franchise Agreement, Section 4.1.**).~~

~~2. **Lease or Purchase Agreement**. We will approve a lease or purchase agreement for the approved site, if the lease or purchase agreement meets our criteria. If we do not notify you of our approval or disapproval a proposed lease or purchase agreement within 15 days, it shall be deemed approved. (**Franchise Agreement, Section 4.2**). At our request, you must have your landlord sign a Collateral Assignment of Lease, in the form attached to the Franchise Agreement as Exhibit D. We also reserve the right to lease the premises, either directly or through an affiliate, and then sublease the premises to you.~~

~~3. **Design & Layout Plans**. Before the renovation or construction of the Zooga Studio, we will provide you with copies of our specifications for the design and layout of your Zooga Studio and the required fixtures, equipment, furnishings, decor, trade dress and signs as set forth in the Manual. You must construct, equip and improve your Franchised Location and the Zooga Studio according to these standards and specifications, unless we agree, in writing, to any modifications. You will submit all plans, and modifications and any revisions to us for our prior review and acceptance before you begin construction. **(Franchise Agreement, Section 4.3).**~~

~~4. **Manual**. After you sign your Franchise Agreement, we will loan you one copy of or provide you with electronic access to our Manual to use during the term of the Franchise Agreement. The Manual contains our standard operational procedures, policies, rules and regulations with which you must comply. (**Franchise Agreement, Section 5.5**).~~

~~5. **Training**. Train up to five people in the operation of your Zooga Studio. We describe our training programs in more detail in the Manual. We will also provide one of our representatives to assist with opening your Zooga Studio for up to 5 days. If you request additional days of opening assistance, you must reimburse our representative's expenses, including travel, lodging and meals. If you are opening your second or later Zooga Studio, we reserve the right to not provide opening assistance. In addition, Zooga also offers a program to teach individuals to become a children's yoga teacher. It will continue to provide this training but the program offered to non-franchisees will be scaled back and generic, not teach proprietary methods that we have developed over the years and will simply be referred to as children's yoga teacher training. The program provided to franchisees and their lead teachers (or other teachers if requested by a franchisee or required by Zooga Yoga Enterprises, Inc.) will be referred to as Zooga Yoga University. (**Franchise Agreement, Section 5.1**).~~

~~At the time you sign each Franchise Agreement under an Area Development Agreement, you must locate sites for your Zooga Studios. We must approve the site and our then-current standards for Zooga Studio sites will apply. After you have located a site, you must submit it to us for our review and request us to consider and approve the site. Following receipt of our acceptance of a site, you must negotiate a lease or purchase agreement for the site and submit a copy to us. (**Area Development Agreement, Section 5.2**). We will then give you execution copies of our then-current Franchise Agreement for the proposed location. You must return the signed Franchise Agreement to us within 30 days after you receive the execution copies of the Franchise Agreement. (**Area Development Agreement, Section 5.2**). You may not enter into any Lease for a site unless and until we have approved the site and the Lease in writing. (**Area Development Agreement, Section 5.2**).~~

~~**Post-Opening Obligations**~~

~~During the operation of your Zooga Studio, we will do the following:~~

~~1. Furnish guidance to you with respect to: (i) specifications, standards and operating procedures utilized by Zooga Studio and any modifications of them; (ii) purchasing approved equipment, fixtures, signs, inventory, and operating materials and supplies; (iii) development and implementation of local marketing and promotional programs; (iv) administrative, bookkeeping, accounting, inventory control, and general operating and management procedures of Zooga Studio; and (v) establishing and conducting employee training programs at your Franchised Business. This guidance will be furnished in the form of the Manual, bulletins, written reports and recommendations, other written materials (including e-mail), refresher training programs and/or periodic telephonic~~

consultations, consultations at our offices. Upon request, we will provide ongoing support via phone calls, emails and text during business hours and we will usually reply within 24 hours. (**Franchise Agreement, Section 5.4**).

2. License to you the right to use the Marks and certain copyrighted works and will indemnify you from certain claims relating to your use of the Marks as more fully described in Items 13 and 14. (**Franchise Agreement – Sections 6 and 7**).

3. Maintain the Brand Development Fund. (**Franchise Agreement, Section 12.1**).

4. Designate the minimum and/or maximum prices that you may charge for the products and services offered at your Zooga Studio, where permitted by applicable law. (**Franchise Agreement, Section 11.4**). We do not guarantee that by following our pricing requirements you will earn any particular level of revenue.

5. Hold a meeting for our franchisees. This meeting will be held when we believe it will be beneficial to the franchisees in the System and will not be held more frequently than annually. (**Franchise Agreement, Section 5.3**).

6. We may now or in the future establish a toll free telephone number for the purpose of accepting and confirming customer orders nationwide, customer service, and customer follow-up and satisfaction surveys. If we establish a toll free number, you must comply with our procedures for implementing the nationwide service as we specify in the Manual or otherwise in writing. (**Franchise Agreement, Section 5.6**).

Brand Development Fund

We have a brand development fund (referred to as the "**Fund**") for brand development, advertising, marketing and public relations programs that we believe are necessary or appropriate to promote Zooga Studios. You will contribute 1% of Gross Sales each month (or a lesser amount that we determine). The advertising coverage conducted by the Brand Development Fund will typically be regional and national in nature. Zooga Studios owned and operated by us or our affiliates will contribute to the Fund on the same basis as our franchisees. (**Franchise Agreement, Section 12.1.1**).

We will direct all advertising and public relations programs financed by the Fund with sole discretion over the creative concepts, materials, and endorsements it uses, and the geographic, market, and media placement and allocation of it. The Fund may be used to pay the costs of developing marketing ideas and concepts; developing market research and merchandising programs; preparing marketing campaigns; developing promotional ideas and strategies; preparing collateral creative materials; preparing advertisements; preparing public relations campaigns; providing technical and professional advice in connection with any of the above; and placement of advertising. We may also use a portion of the Fund to support our website, including webpages for our franchisees and social media initiatives. We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs such as salaries for our employees who devote time and effort to Fund related activities) of developing, producing and distributing any advertising materials and collecting the Brand Development Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Development Fee). The Fund and its earnings will not otherwise benefit us. Any Zooga Studios operated by us or our affiliates will contribute to the Brand Development Fund generally on the same basis as you.

~~We are not obligated to spend any amount on advertising in your area or territory separate from the Brand Development Fund. (**Franchise Agreement, Section 12.1.2 (b)**).~~

~~You must participate in all advertising and public relations programs conducted by the Fund. The Fund may furnish you with samples of certain marketing, advertising and promotional formats and other such materials without charge. We may spend any contributions to the Fund on advertising that is a solicitation of new franchisees. (**Franchise Agreement, Section 12.1.2 (c)**).~~

~~We expect that the Fund will be held in an account separate from our general funds, but we are not required to do so. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Zooga Studios to the Fund in that year and the Fund may borrow from us or other lenders at standard commercial interest rates to cover deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund. Any money remaining in the Fund at the end of any year will carry over to the next year. We will prepare, and furnish to you upon written request, an annual, unaudited statement of money collected and costs incurred by the Fund. (**Franchise Agreement, Section 12.1.2 (d)**).~~

~~You authorize us to collect for payment to the Fund any advertising or promotional monies or credits offered by any supplier based upon your purchases from that supplier. Any advertising or promotional monies or credits we collect from any supplier based upon your purchases from that supplier will not count toward your required payment of the Brand Development Fee.~~

~~We may have the Fund incorporated or operated through an entity separate from us at any time we deem appropriate, and the successor entity will have all our rights and duties as described in this section and in the Franchise Agreement.~~

~~The Fund is intended to maximize recognition of the Marks and patronage of Zooga generally. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising, to benefit all Zooga Studios, we have no obligation to make sure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by the Zooga Studios operating in that geographic area, or that any Zooga Studio will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. Your failure to derive this benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Fund. We have no fiduciary obligation to you or any other Zooga Studio in connection with the establishment of the Fund or the collection, control or administration of monies paid into the Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund. (**Franchise Agreement, Section 12.1**).~~

~~We have the right to terminate the Fund at any time. We will not terminate the Fund until all money in the Fund has been spent for advertising and promotional purposes. If we choose to terminate the Fund, we also have the right to reinstate it at any time, and any reinstated Fund will be maintained as described above.~~

~~During the fiscal year ended December 31,~~ A. *Your site.* We will review and advise you regarding potential locations that you submit to us. (Section 5.2). If you sign a Multi-Unit Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

(i) We generally do not own your premises and lease it to you.

(ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. You must find a potential site and submit your site to us for approval, together with all information and documents about the site that we request. When we accept a site, we will issue a Location Acceptance Letter (in the form of Attachment 2 to the Franchise Agreement).

(iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

(iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default and we may terminate your franchise agreement.

(v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

B. *Constructing, remodeling, or decorating the premises*. We will advise you regarding the layout, design, and build-out of your business. (Section 5.2)

C. *Hiring and training employees*. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility. (Section 7.5)

D. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* Our affiliate Zooga Yoga LLC will sell you items that bear our logo (such as mats, instructor uniforms , t-shirts and other apparel, eye pillows, and yoga blocks. We will provide you a list of our specifications and approved suppliers for other equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.2) We do not provide these other items directly; we only provide the names of approved suppliers. We do not deliver or install these other items.

E. *Brand Standards Manual*. We will give you access to our Brand Standards Manual (Section 5.1).

F. *Initial Training Program.* We will conduct our initial training program. (Section 5.2). The current initial training program is described below.

G. *Business plan review*. If you request, we will review your pre-opening business plan and financial projections. (Section 5.2)

H. *Market introduction plan*. We will advise you regarding the planning and execution of your market introduction plan. (Section 5.2)

I. *On-site opening support.* We will have a representative provide on-site support for at least three days in connection with your business opening, at our expense. (Section 5.2)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is three to eight months. Factors that may affect the time period include whether or not you have a site selected before you sign your franchise agreement, and your ability to obtain a lease, obtain financing, develop your location, obtain business permits and licenses, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers*. Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees*. All hiring decisions and conditions of employment are your sole responsibility. (Section 7.5)

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.3)

D. *Establishing prices*. Upon your request, we will provide recommended prices for products and services. (Section 5.3). We have the right to require you to offer products and services at specific prices we determine if we are promoting such products and services on a national, regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* If we deem advisable, we will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control (Section 5.3). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Brand Development Fund*. If we start a Brand Development Fund, we will administer it (Section 5.3). We will prepare an unaudited annual financial statement of the Brand Development Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

Advertising

Our obligation. If we form a Brand Development Fund, we will use it only for marketing and related purposes and costs. Media coverage is primarily local. We produce advertising in house as well through use of use outside vendors. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand's primary website (which may be paid for by the Brand Development Fund). We have no other obligation to conduct advertising.

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Advertising council. We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

Local or Regional Advertising Cooperatives. We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% and not more than 5% of gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of the cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

Brand Development Fund. If we start a Brand Development Fund, then you and all other franchisees must contribute to it. Your contribution would be 1% of gross sales each month. We reserve the right to have other franchisees contribute a different amount or at a different rate. Outlets that we own are not obligated to contribute to the Brand Development Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request.

No money was spent from the Brand Development Fund in 2020.

If less than all marketing funds are spent in the fiscal year in which they accrue, the money will remain in the Brand Development Fund to be spent in the next year.

No money from the Brand Development Fund is spent principally to solicit new franchise sales.

Market introduction plan. You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business. You must spend at least $1,000 on your marketing introduction plan.

Your location sub-website. Your studio will have its own location sub-website, which will be built from a template at your expense. You must maintain your location page with your current schedule, specials, staff, events, and other information.

Required spending. After you open, you must spend at least $300 each month on marketing your business. This amount is only a minimum requirement, and we do not represent that it is the optimal amount of money for you to spend on marketing.

Point of Sale and ~~2018, the Fund was spent as follows: 100% on our website and online marketing.~~

~~The Area Development Agreement does not impose any obligation to spend any money on marketing in addition to any money you may have to spend under your Franchise Agreement.~~

~~**Initial Marketing Campaign**~~

~~Beginning two weeks before a franchisee's Zooga Studio is scheduled to open and for four weeks after commencing operations, franchisees will be required to spend at least $1,000 on initial launch marketing and promotions in their local market. Your initial marketing campaign includes a "Zooga Coming Soon" banner for your Franchised Business once you have obtained the approved location by lease or sublease, your initial launch campaign can include a free birthday party, free classes offered during the first week after opening, free school demos, free mom's group demos, a public relations campaign, a direct mail campaign, a Living Social promotion, a possible Groupon promotion, Class Pass promotion, search engine optimization and pay-per-click advertising and similar promotional activities. We must approve your initial marketing campaign. (**Franchise Agreement, Section 4.8**).~~

~~**Local Marketing**~~

~~You must conduct local marketing and promotional programs in your territory to promote your Zooga Studio. You must spend at least $300 each month. You must provide us with a report semi-annually detailing your local marketing activities. The information we may request includes verification copies of your advertising and copies of bills for expenses related to a promotional party. (**Franchise Agreement, Section 12.2.1**).~~

~~The amounts you spend for local marketing and promotion do not include any reimbursed expenses or direct expenses made by a supplier of your Zooga Studio, nor do they include any dues you~~

~~pay for any community organization you join to promote your Franchised Business. (**Franchise Agreement, Section 12.2**).~~

~~Any advertising or marketing materials you propose to use that have been prepared by or for you, or that we have not approved in the immediately preceding 12 month period, must be submitted to us and receive our approval before you may use the materials. The proposed materials must be submitted to us not later than 14 days before you intend to use them. If we do not disapprove of the proposed materials within 7 days after we receive them, they are deemed approved. Any advertising or promotional materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials. (**Franchise Agreement, Section 12.2.3**).~~

~~We are not obligated to spend any amount on advertising in your area or territory. (**Franchise Agreement, Section 12.1.2 (h)**).~~

~~At our request, you must include certain language in your local advertising, including "Franchises Available" and our website address and telephone number. (**Franchise Agreement, Section 12.2.3**).~~

~~**Marketing Cooperatives**~~

~~We may designate any geographic area in which two or more Zooga Studios are located as an area for purposes of establishing a marketing Cooperative, or we may approve of the formation of a marketing Cooperative by our franchisees. The members of the Cooperative for any area will consist of all franchised Zooga Studios, including Zooga Studios operated by us or our affiliates. We have the right to form, dissolve, merge or change the structure of the Cooperatives. Each Cooperative will be organized for the exclusive purposes of administering marketing programs for Cooperative members and developing, subject to our approval as described above, promotional materials for use by the members in local marketing. If a Cooperative has been established for a geographic area where your Zooga studio is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative. You will not have to participate in more than one Cooperative. If the Cooperative will operate according to written documents, we must approve of these documents, and a copy of the Cooperative documents applicable to the geographic area in which your Zooga Studio will be located will be provided to you if you request them. Any amount you contribute to a Cooperative will be credited against your obligation to pay for local marketing; provided, however, that if any amount you contribute to a Cooperative is less than the amount you are required to expend for local marketing, you will spend the difference locally. (**Franchise Agreement, Section 12.3**).~~

~~Each member's contributions to a Cooperative will not be more than one-half of its local marketing requirement. Any contributions you make to a Cooperative will count toward your local marketing requirement, but if the amount you contribute to a Cooperative is less than the amount you must spend on local marketing, you must still spend the difference locally. All contributions to the Cooperative will be maintained and administered in accordance with the documents governing the Cooperative, if any. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above. The Cooperative is not required prepare an annual financial statement. Each Zooga Studio has one vote in the cooperative, regardless of the number of Zooga Studios owned by one franchisee. A maximum of half of the local advertising requirement be required to be spent in the cooperative unless a majority of the cooperative votes to increase the requirement. Zooga Yoga Enterprises, Inc. will assist in developing the cooperative with the proviso that one franchised unit equals one vote in the cooperative. (**Franchise Agreement, Section 12.3**).~~

~~Currently there are no Cooperatives in the System.~~

~~**Advisory Council**~~

~~We may, in our discretion, form an advisory council to work with us to improve the System, the products and services offered by Zooga Studios, advertising conducted by the Fund, and any other matters that we deem appropriate. If an advisory council is formed it will act solely in an advisory capacity and will not have decision-making authority. We will have the right to form, change, merge or dissolve any advisory council. The advisory council will include our representatives and franchisee representatives, and all representatives will be chosen by us. If you participate in an advisory council, you will pay any expenses you incur related to your participation, which may include travel, lodging and meals expenses if you must travel to attend council meetings. We do not anticipate forming an advisory council before we have 15 to 20 franchisees in the System. (**Franchise Agreement, Section 12.7**).~~

~~**Website / Intranet**~~

~~We alone may establish, maintain, modify or discontinue all Internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Zooga Studio a "click through" subpage at our website for the promotion of your Zooga Studio. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Zooga Studio, you must routinely provide us with updated copy, photographs and news stories about your Zooga Studio suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage. (**Franchise Agreement, Section 11.12)**.~~

~~Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products and services available at Zooga Studios – also be devoted in part to offering Zooga Studio franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve. (**Franchise Agreement, Section 11.12)**.~~

~~In addition to these activities, we may also establish an Intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the Internet or any other mode of electronic commerce in connection with your Zooga Studio; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Zooga Yoga" name or any name confusingly similar to the Marks. (**Franchise Agreement, Section 11.12)**.~~

~~You are not permitted to promote your Zooga Studio or use any of the Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System Standards regarding the use of social media in your Zooga Studio's operation, including prohibitions on your and your employees posting or blogging comments about the Zooga Studio or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook Instagram and Pinterest, professional networks like LinkedIn, live-blogging tools like~~

~~Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf. (**Franchise Agreement, Section 11.12**).~~

~~We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage. We reserve the right, at any time, to revoke your ability to use social media and/or to maintain a social media website. (**Franchise Agreement, Section 11.12**).~~

Computer ~~**System**~~Systems

~~You must purchase and use certain~~You will need a computer and one or two tablets at the studio, as well as printer, card swiper and other hardware and software~~, including~~ for the point of sale ~~systems, that meet our specifications and that are capable of electronically interfacing with our~~ and back-office functions.

You must use "Mindbody" as your primary business software; The Mindbody software platform that allows clients to enroll in classes via their computer ~~system.~~ or smartphone app. The computer system is used to collect and monitor point of sale information, membership/-customer database (including tracking memberships), to create business reports and for scheduling, and may be used to collect and monitor inventory control and shrinkage, payroll and accounting information, and credit card processing. ~~(**Franchise Agreement, Section 13.1**).~~ You will also need to use QuickBooks for bookkeeping, and Microsoft Office.

~~The computer system must allow us to have immediate access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed Internet connection (such as T-1, DSL or cable modem) in accordance with our specifications to permit us to access the point of sale (or other computer hardware and software) at your Franchised Business premises as described above. This will permit us to electronically inspect and monitor information concerning your Zooga Studio's Gross Sales and any other information that may be contained or stored in the computer system, including the ability to review your video surveillance. You must make sure that we have independent access at the times and in the manner we specify, at your cost. Your membership/customer database will at all times remain our property. (**Franchise Agreement, Sections 11.15 and 14.1**).~~

~~You must purchase Apple products (desktop, 2 iPods, 1-2 iPads), with QuickBooks, Office, and Mindbody. Zooga uses the Mindbody software platform that allows clients to enroll in classes via their computer and we have developed apps that allow clients to enroll using their smart phones (both Android and iPhone). (**Franchise Agreement, Section 4.5**).~~

~~All clients must fill out a waiver of liability form (whether for themselves or a minor) before participating in a class. Our specific requirements for the computer system will be included in our Manual. You must purchase the computer system from any authorized seller, unless we designate a specific~~

~~supplier. We expect that the computer system will cost approximately $5,000 to $6,800 including initial software licenses.~~

~~We recommend, but do not require, that you purchase a maintenance contract for your computer system, and if you do this we estimate it will cost up to $1,000 per year. You must obtain all software updates that we require, and we estimate that the cost of software updates and/or subscriptions will cost approximately $300 annually. You must also use a computer back-up service.~~

~~All software used with the computer system must be kept up to date. In addition, we may require you to update and/or upgrade all or a portion of your computer system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your computer system or the cost of any update and/or upgrade. Neither we nor any affiliate of ours will provide you with any updates, upgrades or maintenance for your computer system. We reserve the right to change the designated computer system in the future and you must comply with any change we require. (**Franchise Agreement, Section 14.1**).~~

~~You must obtain and maintain a high speed Internet connection at all times for your computer system and clients. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access at all times and in the manner that we specify.~~

~~**Site Selection and Opening**~~

~~You must select the site for your Zooga Studio, and you must obtain our written acceptance of any proposed site in accordance with our procedures. You must submit the information and materials as we may reasonably request for each proposed site. Your protected territory will contain at least 10,000 children ages 14 years and younger at the time the franchise agreement is granted and may be defined using a number of factors including but not limited to: demographic characteristics of the proposed site, predominant character of the neighborhood, median household income, number of households, median home value, man-made or natural boundaries, population, zip codes, city or county boundaries, traffic patterns, parking, competition from other businesses providing similar services within the area (including other Zooga Studios), the purchase price or lease terms for the proposed site and other commercial characteristics, the size of the premises, appearance, and other physical characteristics of the proposed site or other factors that we deem important. (**Franchise Agreement, Section 3.2**).~~

~~You must submit information and materials for the proposed site to us for approval no later than 90 days after you have signed the Franchise Agreement. We will have 30 days after we receive this information and materials from you to approve or disapprove the proposed site as the location for your Zooga Studio. If we do not provide our specific approval of a proposed site, the site is deemed not approved. We do not guarantee that your Zooga Studio will be successful at any site that we approve. Our approval only means that the site meets our requirements for a Zooga Studio. We also reserve the right to approve your lease. (**Franchise Agreement, Sections 4.1.1 and 4.1.2**).~~

~~We generally do not own the premises and lease it to you. We reserve the right to sublease a location to you and charge a premium on the lease rate to cover administrative costs and the impact of carrying the lease liability on its balance sheet.~~

~~We estimate that the time from when the Franchise Agreement is signed to the opening of the Zooga Studio will be approximately 3 to 8 months. In the event that you come to us with an accepted location at hand, you will have 3 months to open your Zooga Studio after signing of the Franchise Agreement. This time may be shorter, depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Zooga Studio, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Zooga Studio, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Zooga Studio, including purchasing inventory and supplies. However, if you have a site that we approved when you signed the Franchise Agreement, this time cannot be longer than 3 months from the time you signed the Franchise Agreement. You must open your Zooga Studio and begin business not later than 3 months after we have approved the location you select or 3 months after you sign the lease for the approved location, whichever occurs first. If you are unable to open your Zooga Studio within the required timeframe, we have the right to terminate your Franchise Agreement or we may provide you with an extension of this timeframe. You may not open your Zooga Studio for business until we have approved you to do so. If we cannot agree on a proposed site, we may elect to terminate the Franchise Agreement and keep the entire initial franchise fee. (**Franchise Agreement, Section 4.7**).~~

~~When you locate a proposed site for a Zooga Studio, you must submit all demographic and other information regarding the proposed site and neighboring areas that we require, in the form we prescribe. If we accept a proposed site, we will notify you or our acceptance of the Franchised Location. You acknowledge and agree that it is your sole responsibility to identify and obtain each Franchised Location for the Zooga Studios to be developed under the Area Development Agreement. We must approve the site and our then-current standards for Zooga Studio sites will apply. Following receipt of our acceptance of a site, you must negotiate a lease or purchase agreement for the site and submit a copy to us. (**Area Development Agreement, Section 5.2**). We will then give you execution copies of our then-current Franchise Agreement for the proposed location. You must return the signed Franchise Agreement to us within 30 days after you receive the execution copies of the Franchise Agreement. (**Area Development Agreement, Section 5.2**). Each Lease must comply with the requirements set forth in our then-current Franchise Agreement. (**Area Development Agreement, Section 5.2**).~~

~~You must sign our then-current Franchise Agreement, which may have different terms than the Franchise Agreement attached to this Disclosure Document and pay us our then-current initial franchise fee for each additional Zooga Studio you will open in the Development Area. (**Area Development Agreement, Section 2.6.1**).~~

~~You shall, at all times during the Term, exert your best efforts to faithfully, honestly and diligently develop, Open and operate the number of Zooga Studios in the Development Area in order to satisfy the Development Obligation and the Development Schedule in the Area Development Agreement and each Franchise Agreement for each Zooga Studio. (**Area Development Agreement, Section 6.1**).~~

We estimate that these systems will cost between $5,000 and $6,800 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates.

We do not require you enter into any such contract with a third party, but we recommend that you purchase a maintenance contract for your computer system.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts (including Mindbody) will be $7,800 to $10,800.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Brand Standards Manual

See Exhibit G for the table of contents of our Brand Standards Manual as of the date this disclosure document, with the number of pages devoted to each subject. The Manual has 163 pages.

Training Program

~~No later than 30 days before the date your Zooga Studio begins operation, you, your lead teacher and your designated manager (if applicable) (for a maximum of three people at no cost) must attend and complete, to our satisfaction, our mandatory initial training program. Additional trainees can attend for a fee. Training will be conducted at our headquarters and business location in Culver City, California, although we reserve the right to conduct training at another location we designate. (**Franchise Agreement, Section 5.1.1**).~~

~~All franchisees, lead teachers and designated managers will be required to attend and successfully complete the initial training course to our satisfaction. The maximum duration of the initial training program will be up to 10 days and includes up to 5 days of teacher trainings, which will include a yoga, dance, parent and me programs, and management training. Prior to attending the initial training program, all participants are required to read the Manual and other required reading. (**Franchise Agreement, Section 5.1.2**).~~

~~Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement lead teachers or designated managers and other personnel needing training, the number of new Zooga Studios being opened and the timing of the scheduled openings of Zooga Studios. There is currently no set schedule for providing our training program. We may train more than one franchisee and their staff at the same training session.~~

~~We will provide instructors and training materials for the initial training of you, your designated manager and lead teacher at no additional charge, but you must pay the expenses incurred by you, your designated manager, and lead teachers while attending training. If we approve, you may also have additional personnel trained by us for your Zooga Studio, at your expense. We reserve the right to charge a tuition fee for each additional trainee and to accommodate these additional trainees as space will allow. This fee is currently set at $200 per person per training day but this fee may increase over time. (**Franchise Agreement, Sections 5.1.1 and 5.1.3**).~~

~~You, your designated manager and lead teacher must complete the initial training program to our satisfaction. If you do not satisfactorily complete the initial training program, we will give you an~~

~~opportunity to retake our training program at your expense. If you do not satisfactorily complete any of the initial training program a second time, we may terminate your Franchise Agreement. (**Franchise Agreement, Sections 5.1.2 and 18.2.1**).~~

~~If the lead teacher or designated manager does not satisfactorily complete the initial training program or if we determine that the lead teacher or designated manager cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training, at your expense, before you will be permitted to open your Zooga Studio. Any lead teacher or designated manager subsequently designated by you must also receive and complete the initial training to our satisfaction, even if this requires sending that lead teacher or designated manager to the headquarters training program, at your expense. We reserve the right to charge the then-current fee (currently $200 per person per training day) for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training. You must also pay for all expenses you, your designated manager and lead teacher incur for any training program, including costs of travel, lodging, meals and applicable wages. (**Franchise Agreement, Sections 5.1.2 and 5.1.3**).~~

~~The franchise fee covers the training fee for up to five individuals attending the initial training program at the same time. If a franchisee requests that additional staff attend the initial training program and the franchisor approves this request, Zooga Yoga Enterprises, Inc. reserves the right to charge a tuition fee for each additional trainee and to accommodate these additional trainees as space will allow. This fee is currently set at $200 per person per training day but this fee may increase over time. (**Franchise Agreement, Section 5.1.1**).~~

~~For the opening of your Zooga Studio, we will provide you with one of our trained representatives. The trained representative will provide on-site pre-opening and opening training, supervision, and assistance to you for up to 3 days around your Zooga Studio's opening. If you request or we require additional days of on-site opening assistance, you must pay the per diem rate (currently $350) and reimburse our representative's expenses in providing opening assistance, including travel, lodging and meals. (**Franchise Agreement, Section 5.1.4**).~~

~~If, during the term of your Franchise Agreement, you request that we provide additional training on-site at your Zooga Studio, or if we determine that you need additional training or assistance you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals. (**Franchise Agreement, Section 5.2**).~~

~~As of the date of this Disclosure Document, we provide the following training program:~~

Our training program consists of the following:

TRAINING PROGRAM

Subject	~~Trainee~~	Hours of Classroom Training	Hours of On-~~the~~The-Job Training		Location
General business operations		~~Owner/Manager~~0	~~2-3 days~~16	~~1-2 days~~	Culver City~~(or your location, if we determine); some training will be remote~~, CA
Mindbody Training		~~Owner/Manager~~10	~~1-3 days~~0	~~N/A~~	Mindbody online and scheduled call with Mindbody
Management Training		~~Owner/Manager~~0	~~1-2 days~~8	~~1-2 days~~	Culver City~~(or your location, if we determine); some training will be remote~~, CA
Desk Training		~~Owner/Manager~~0	~~1-3 days~~8	~~1-2 days~~	Culver City~~(or your location, if we determine); some training will be remote~~, CA
Events ~~trainings~~Training		~~Owner/Manager/Lead Teacher~~0	~~2 hours~~6	~~1 day~~	Culver City~~(or your location, if we determine); some training will be remote~~, CA
Hiring Training	~~Owner/Manager~~	3~~hours~~	~~none~~4		Culver City~~(or your location, if we determine); some training will be remote~~, CA
Zooga Teacher Training - kids yoga		~~Owner/Manager/Lead Teacher~~21	~~2-~~3~~days~~	~~1-3 days~~	Culver City~~(or your location, if we determine)~~, CA
Zooga Teacher Training -specialty (dance and parent & me)		~~Owner/Manager/Lead Teacher~~7	1~~-2 days~~	~~1-3 days~~	Culver City~~(or your location, if we determine)~~, CA
Zooga University Transitional Preschool program (optional)		~~Owner/Manager/Lead Teacher~~4	~~3 hours~~	~~1 day~~	Culver City~~(or your location, if we determine); some training will be remote~~, CA
TOTALS:~~Total Days of Training~~		35	~~7-16 days~~46		~~6-14 days~~

~~Our training program is led by Antonia King. Her experienced~~Training classes will be scheduled in accordance with the needs of new franchisees. Training will be held at our offices and business location in Culver City, California (or your location, if we determine); some training will be remote. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program.

The instructional materials consist of the Brand Standards Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Training classes will be led or supervised by Antonia King. Her experience is described in Item 2. She has seven years of experience in our industry and seven years of experience with us and our affiliate. Any other instructor will have at least one year of experience in the field that is relevant to the subject taught. ~~The instructional materials used in the initial training include our Manual, marketing and promotion materials, programs related to the operation of the computer system, and any other materials that we believe will be beneficial to our franchisees in the training process.~~

~~The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the experience or individual needs of those persons being trained.~~

~~We reserve the right to require you and your supervisorial and managerial employees to attend refresher training at a location determined by us. We may designate that attendance at refresher training is mandatory. We reserve the right to charge a per person fee for refresher training, and you must pay all expenses you and your trainees incur while attending any refresher training courses, including travel, lodging, meals and applicable wages. (**Franchise Agreement, Section 5.3.1**).~~

~~We reserve the right to hold a meeting or convention of our franchisees, which may be held on a regional or national basis. We may specify that attendance at any franchisee meeting is mandatory for you and/or your lead teacher or designated manager unless the absence is excused by us. We may use a franchisee meeting to discuss new products or services, to discuss concerns with our franchisees, and/or to provide additional training. We will determine the location of the franchisee meeting, but we will not designate an unreasonably expensive location. We reserve the right to charge a per person fee for the franchisee meeting, and you must pay all expenses that you and your attendees incur, including travel, lodging, meals and applicable wages. We anticipate that any refresher or additional training and franchisee meetings will not total more than 5 days in any calendar year. (**Franchise Agreement, Section 5.3.2**).~~

~~If we have designated that attendance at a refresher training program or franchisee meeting is mandatory and you, your lead teacher, or your designated manager do not attend the required refresher training program or franchisee meeting two consecutive times, you will be in default of your Franchise Agreement. You and/or your lead teacher, designated manager must attend any make-up session we designate within 12 months. If you, your lead teacher or your designated manager have a third unexcused absence from a mandatory refresher training program or franchisee meeting, we will have the right to terminate your Franchise Agreement. (**Franchise Agreement, Section 5.3.3**).~~

~~**Manual**~~

~~The table of contents to the Manual is attached to this Disclosure Document as **Exhibit G**. The Manual includes approximately 300 pages.~~

There is no fee for up to 3 people to attend training. You must pay the travel and living expenses of people attending training.

You must attend training. You may send any additional people to training that you want (up to the maximum described above). You must complete training to our satisfaction at least four weeks before opening your business.

Your business must at all times be under your on-site supervision or under the on-site supervision of a general manager who has completed our training program. Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

Your (or your general manager, if they have attended our training program) will conduct training of your Zooga teachers in the unique Zooga Yoga programs. Alternately, you can send your Zooga teachers to us for training in Culver City, CA. The fee for such training is currently $200 to $350 per day.

Item 12
TERRITORY

~~**Franchise Agreement**~~

Your ~~Franchise Agreement will specify the site that will be the Approved~~ Location ~~for your Zooga Studio.~~

Your ~~Franchise Agreement may also specify~~ franchise is for a ~~Designated~~specific location. If the specific location is not known at the time you sign a franchise agreement, then your location is subject to our approval.

Grant of Territory~~. The size and scope of the Designated Territory will be contained in the Franchise Agreement and~~

Your franchise agreement will specify a territory, which will be determined ~~according to the Approved Location.~~

by us. Your ~~Designated Territory~~territory will ~~contain at least~~have a population of approximately 10,000 children, ages 14 ~~years~~ and younger at the time the franchise agreement is ~~granted and may be defined using a number of factors including but not limited to: median household income, number of households, median home value, manmade or natural~~ signed. Your territory will usually be specified as a radius around your location; however, we may use other boundaries~~, zip codes, city or~~ (such as county lines or other political boundaries, ~~traffic patterns or other factors Zooga Yoga Enterprises, Inc. deems important. The Designated Territory is not the same area as, and will be smaller than, the~~ streets, geographical features, or trade area). If your business location is not known when you sign your franchise agreement, then we will state your location and territory in a "Location Acceptance Letter" when we approve your location. If we do not state your territory in ~~which you will be looking~~writing before you open your business to the public, your territory will be deemed to be 2-mile radius.

Relocation; Establishment of Additional Outlets

You do not have the right to relocate your business, and we have no obligation to approve any request for ~~a site~~relocation. Our policy is to approve relocation of a franchisee's business on a case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

~~During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate,~~You do not have the right to establish additional franchised outlets unless you sign a Multi-Unit Development Agreement ("MUDA") in the form attached as Exhibit C to this disclosure document. If you and we sign a MUDA, then you will have the right to establish a mutually-agreed number of additional outlets on a mutually-agreed schedule. Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Zooga Yoga business, (3) you must be in compliance with all brand requirements at your open Zooga Yoga business(es), and (4) you must not be in default under any other agreement with us. We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. You are not obligated to develop additional outlets under the MUDA, and you may terminate it any time without penalty. If you do not meet your development schedule in the MUDA, we have the right to terminate your right to develop additional outlets.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Protection

In your franchise agreement, we grant you an exclusive territory. In your territory, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as a Zooga ~~Studio in~~Yoga outlet. The continuation of your ~~Designated Territory. Your~~ territorial ~~protection~~exclusivity does not depend on ~~your~~ achieving a certain sales volume, market penetration, or other ~~factors, other than compliance with the Franchise Agreement~~contingency. There are no circumstances that permit us to modify your territorial rights.

~~If, during the term of the Franchise Agreement, you wish to relocate your Zooga Studio, or if your Zooga Studio is damaged or destroyed and cannot be repaired within 60 days, you must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for your Zooga Studio and payment of our relocation fee. You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for a Zooga Studio and is located within your Designated Territory, and you must sign our then-current form of Franchise Agreement. If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement.~~

~~Except as expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to Zooga Studio, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant other the right to produce, offer and sell the products offered at Zooga Studio and any other goods through alternative channels of distribution, including Internet, catalog sales, telemarketing or other direct marketing sales, both within and outside the Designated Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Zooga Studio located outside the Designated Territory under any terms and conditions we deem appropriate and regardless of proximity to your Zooga Studio; and (c) the right to acquire and operate a business with one or more indoor recreation facilities located or operating in your Designated Territory, but if we do acquire this business any facilities located or operating within your Designated Territory will not use the Marks.~~

~~You may sell our products and services to customers who live anywhere but who choose to use your Franchised Business. You may not engage in any promotional activities or sell our proprietary products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Designated Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Designated Territory, you may not make any sales or deliver any products to customers located outside of your Designated Territory unless the customer is located in an area where there is not another Zooga Studio in operation. You may not directly solicit customers outside of your Designated Territory. You have no options, rights of first refusal, or similar rights to acquire additional franchises. You may not sell any products to any business or other customer at wholesale.~~

~~We and our affiliates may sell products and services under the Proprietary Marks within and outside your Designated Territory through any method of distribution other than a dedicated Zooga Studio, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Designated Territory and you will not receive any compensation for our sales through alternative distribution channels. Any sales made through our Website will be fulfilled by us or our affiliate and you will not be entitled to any portion of the revenue from these sales, even if the order originates from or is delivered to an address within your Designated Territory. There are no minimum sales amounts, market penetration or other contingency that you must meet to retain your rights to the Territory, but you must comply with your Franchise Agreement, the System and all of our requirements.~~

~~Each Zooga Studio offers memberships and pay-as-you-go services. We reserve the right to develop a program where you must honor all Zooga Studio memberships, regardless if the membership was sold at your Franchised Business or at another Zooga Studio in the System. You must participate in any reciprocity program we institute.~~

~~**Area Development Agreement**~~

~~Under the Area Development Agreement, we grant you the right to develop and operate 2 or more Zooga Studios or more cities, counties, states, or some other defined area. The Development Area will be specified on Exhibit A to the Area Development Agreement. The term of the Area Development Agreement expires 5 years following the effective date of the Area Development Agreement. During the term of the Area Development Agreement, we will not operate or grant a license or franchise to any other person to operate a Zooga Studio in your Development Area.~~

~~We will determine or approve the location of each Zooga Studio under the Franchise Agreement at the time each Franchise Agreement is signed, and our then-current standards for approving sites and determining Designated Territory will apply. We expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly to: (i) develop, own and operate, and to grant franchises to third parties to develop, own and operate Zooga Studios outside your Development Area, regardless of their proximity to your Development Area; (ii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business, other than a Competitive Business, under marks and systems different from the Marks and the Zooga Yoga System within and outside your Development Area; (iii) produce, license, distribute and market Zooga® branded products through any outlet, whether inside or outside of the Development Area (regardless of its proximity to the Franchised Location), and through any distribution channel, including by means of the Internet, mail order catalogs, direct mail marketing and other distribution methods; (iv) market on the Internet and use the Zooga Marks on the Internet, including all use of web sites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, co-branding and other arrangements, and in all other forms of electronic media; (v) to purchase, merge, acquire or affiliate with an existing Competitive Business or franchise network or a non-competitive business or franchise network, chain or any other business regardless of the location of their facilities, and to operate, franchise or license those Competitive Businesses and non-competitive businesses and/or facilities as the Zooga Studios operating under the Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which may be proximate to your Zooga Studios; and (vi) own or operate and to franchise or license others to own or operate Zooga Studios at any Non-Traditional Venue within and outside of your Development Area regardless of their proximity to any Zooga Studios developed or under development by you.~~

~~If you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, or commit a material breach of any Franchise Agreement signed by you under the Area Development Agreement, or a material breach of any other agreement between you and us, we may terminate your right to develop, open and operate new Zooga Studios in the Development Area. The termination of your right to develop Zooga Studios in your Development Area, however, will not terminate any rights granted under your Franchise~~ If you sign a MUDA, you do not receive an exclusive territory as an area developer. Therefore, with respect to a MUDA, we make the following disclosure: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

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

Soliciting by You Outside Your Territory

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

Competition by Us Under Different Trademarks

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

~~Agreements then in effect between you and us, absent a breach of your Franchise Agreement itself. After the expiration of the term of your Area Development Agreement, we may own, operate, franchise or license others to operate additional Zooga Studios anywhere, without restriction, including in your Development Area, subject only to the territorial rights reserved to you in the individual Franchise Agreements.~~

~~If you satisfy the Development Obligation and desire to develop, open and operate additional Zooga Studios in the Development Area, you will have the right (the "**Additional Development Rights**") to extend the term of your Development Agreement for an additional 5 years. If you desire to extend the term of your Development Agreement for an additional 5 years, you must notify us in writing (the "**Additional Development Notice**") that you desire to do so and provide us with a proposal for the development and opening of additional Zooga Studios in the Development Area (the "**Additional Development Obligation**"), setting forth the number of additional Zooga Studios you propose to open and the proposed opening dates for each Zooga Studio during the extended term. We may, but have no obligation to, accept your proposed Additional Development Obligation or grant you the Additional Development Rights in our sole discretion.~~

~~If we accept the proposed Additional Development Obligation, you and we will sign our then-current form of Area Development Agreement (the "**Additional Area Development Agreement**") for the Additional Development Obligation if, and only if (i) you have fully performed your obligations under your Area Development Agreement and all other agreements between us and are in good standing on the date of the Additional Development Notice and on the date we sign the Additional Area Development Agreement; (ii) you have demonstrated your then-current financial ability to timely implement and complete the Additional Development Obligation; (iii) you continue to operate the aggregate number of Zooga Studios in the Development Area as required by your initial development obligation; (iv) you sign the Additional Area Development Agreement and deliver it to us with the initial development fees payable to us for the Additional Development Rights; and (v) you sign and deliver a general release to us in a form acceptable to us. You must sign our then-current Franchise Agreement and pay us our then-current initial franchise fee for each additional Zooga Studio you will open in the Development Area. If we elect not to grant you the Additional Development Rights, your Area Development Agreement will expire on its scheduled expiration date.~~

~~**General**~~

~~We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.~~

~~Except for any other franchise program that we may develop in the future, neither we nor any parent or affiliate as established, or presently intends to establish, other franchised or company-owned facilities which provide similar products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.~~

Item 13
TRADEMARKS

~~Under~~Principal Trademark

The following are the ~~Franchise Agreement, we grant you the non-exclusive right to use the Marks. Our~~ principal ~~trademark is "Zooga." Our Operating Affiliate~~trademarks that we license to you. These trademarks are owned by our affiliate, Zooga Yoga~~,~~ LLC~~, has~~. They are registered ~~the Marks~~ on the Principal Register of the United States Patent and Trademark Office ~~("USPTO") as follows:~~.

~~Mark~~**Trademark**	**Registration Date**	**Registration Number**
	July 16, 2013	4368076
Zooga	July 2, 2013	4361418
YogaPlay	March 14, 2017	5162700
~~Napercise~~	~~January 16, 2018~~	~~5379743~~

All affidavits for the Zooga logo mark and the "Zooga" word mark have been filed. The "YogaPlay" Mark is less than six years old and therefore no affidavits are required at this time.

Determinations

There are no currently effective material determinations of the ~~USPTO~~United States Patent and Trademark Office, the Trademark Trial and Appeal Board, ~~the~~or any state trademark administrator ~~of any state~~ or ~~any~~ court~~, nor~~. There are ~~there any~~no pending infringement, opposition, or cancellation proceedings ~~or~~.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements~~involving the Marks.~~

There are no agreements currently in effect which significantly limit our right to use or license the use of the Marks in any manner material to you, except for the perpetual non-cancelable trademark license agreement between us and ~~our Operating Affiliate~~Zooga Yoga LLC dated June 22, 2016.

~~Our Operating affiliate has filed all affidavits for the Zooga logo Mark and the "Zooga" word Mark. The "YogaPlay" and "Napercise" Marks are less than six years old and therefore no affidavits are required at this time.~~

~~Your right to use the Marks is derived solely from the Franchise Agreement and is limited to your operation of a Zooga Studio in compliance with the Franchise Agreement and all applicable standards, specifications and operating procedures we prescribe during the term of the Franchise Agreement. Any unauthorized use of the Marks by you constitutes a breach of the agreement and an infringement of our rights in and to the Marks. Your use of the Marks and any goodwill established by your use will be for our exclusive benefit. All provisions of the Franchise Agreement applicable to the Marks will apply to any other trademarks, service marks, commercial symbols and trade dress we authorize in writing for use by and licensed to you after you sign the Franchise Agreement.~~

~~You must use the Marks as the sole trade identification of the Zooga Studio and must identify yourself in the form we prescribe as the independent owner of the Zooga Yoga. You may not use any Mark or variation thereof as part of any corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form. You may not use any Mark or any variation of it in connection with the performance or sale of any unauthorized services or products, as part of your corporate name, as part of the domain name or address of a website, or in any other manner we have not expressly authorized in writing. You must display the Marks prominently in the manner we prescribe. You must give notices of trademark and service mark registrations that we specify and obtain business name registrations as required under applicable law.~~

~~You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Mark. You may not communicate with anyone except us~~

~~and our counsel with respect to any infringement, challenge or claim. We will have sole discretion to take any action we deem appropriate in connection with any infringement, challenge or claim, and we have the sole right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You must sign any and all instruments and documents, give assistance, and do any acts and things as may in the opinion of our counsel be necessary or advisable to protect and maintain our interests in any litigation or proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for the reasonable out-of-pocket expenses you incur and pay in complying with these requirements; except if any action we take with respect to any claim or proceeding results in any monetary recovery for you which exceeds your costs, then you must pay your own costs and share pro-rata in our costs up to the amount of the monetary recovery.~~

~~The Franchise Agreement does not require us to take affirmative action when notified of any infringements of or challenges to the Marks, but we intend to vigorously defend the Marks. We have the right to control any litigation or administrative proceedings involving the Marks. We will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any Mark pursuant to and in compliance with the Franchise Agreement, and for all costs you reasonably incur in the defense of any claim in which you are named as a party, if you have promptly notified us of the claim, have given us sole control of the defense and settlement of the claim and have otherwise complied with your Franchise Agreement. If any action taken by us relating to a claim or proceeding results in any monetary recovery for you which exceeds your costs, then you must pay your own costs and share pro-rata in our costs up to the amount of the monetary recovery.~~

~~If it becomes advisable at any time in our sole judgment for you to modify or discontinue the use of any Mark and/or for the Franchised Business to use one or more additional or substitute trade or service marks, you must immediately comply with our directions to modify or otherwise discontinue the use of the Marks and/or to use one or more additional or substitute trademarks, service marks, logos or commercial symbols or substitute trade dress after our notice to you. We are not obligated to reimburse you for any expenses you incur in connection with any discontinuance or modification of a Mark.~~

~~As of the date of this Disclosure Document, we do not actually~~Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third-party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense. You will have a reasonable period of time to comply with the change, not to exceed 90 days. After such period, you would no longer have the right to use the unmodified or discontinued trademark. Your rights under the franchise agreement do not change, other than the modification or discontinuation of the trademark.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the ~~Marks in any state~~principal trademarks.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not ~~have an ownership interest~~own rights in~~ any~~, or licenses to, patents ~~or registered copyrights~~ that are material to the franchise. We do not have any pending patent applications.

~~We claim common law copyrights in the Manual, advertising materials, computer works, and similar items used in operating the Zooga Studio. We have not registered these copyrights with the United States Registrar of Copyrights, and we are not required to do so to protect them.~~

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Brand Standards Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently ~~are no~~ effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any ~~of the copyrighted works. No agreement limits~~copyright.

There are no agreements currently in effect that limit our right to use or license the ~~copyrighted works. Finally, we do not know of any infringing uses which could materially affect your use of the~~ use of our copyrighted ~~works in any state. We are not required by any agreement to protect or defend the copyrighted works except as described below~~materials.

~~In the Franchise Agreement, you acknowledge and agree (1) that we may authorize you to use certain copyrighted or copyrightable works in our discretion, (2) that the copyrighted works are the~~

~~valuable property of us or our affiliates and of which we or our affiliates are the owner, and (3) that the rights granted to you are solely on the condition that you comply with the terms of the Franchise Agreement. You must acknowledge and agree that we own or are the licensee of the owner of the copyrighted works and will further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of Zooga Studio. Copyrighted works include the Manual and may include all or part of the Marks, trade dress and other portions of the System. We intend that all works of authorship related to the System and created in the future will be owned by us or our affiliates and copyrighted.~~

~~Your right to use the copyrighted works is derived solely from the Franchise Agreement and is limited to the use of the copyrighted works in compliance with the Franchise Agreement and all applicable standards, specifications, and operating procedures we prescribe. You must make sure that all copyrighted works used bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws we prescribe specifying that we or an affiliate are the owner of the copyright. The Franchise Agreement does not grant you any interest in the copyrighted works, other than the right to operate the Zooga Studio in compliance with the Franchise Agreement.~~

~~You must immediately notify us in writing of any actual or apparent infringement of or challenge to any of the copyrighted works or claim by any person of any rights in the copyrighted works, and you may not communicate with any person other than us and our counsel in connection with any infringement, challenge or claim. We will have the sole discretion to take any action we deem appropriate and the right to control exclusively any settlement, litigation, arbitration or administrative proceeding arising out of any alleged infringement, challenge or claim or otherwise relating to the copyrighted works.~~

~~If it becomes advisable at any time for you to modify or discontinue use of any of the copyrighted works and/or for you to use one or more additional or substitute copyrighted or copyrightable items, you agree to immediately comply with our directions to modify or otherwise discontinue the use of the copyrighted materials and/or to use one or more substitute materials, at your expense.~~

~~The goodwill associated with all phone and fax numbers, email addresses, domain names, websites or webpages, social media and other Internet addresses used in operation of the Zooga Studio is an asset that belongs to us. Upon cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in and to these and/or services associated with the same. You must sign the instruments we request to confirm the assignments and transfers to us.~~

~~**Confidential**~~We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

~~We possess and will further develop and acquire certain confidential and proprietary information and trade secrets (the "Confidential Information") including: (1) methods, techniques, specifications, standards, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation, and franchising of Zooga Studios; (2) marketing and promotional programs for Zooga Studios; (3) knowledge of specifications for and knowledge of suppliers of certain materials, equipment and fixtures for Zooga Studios; (4) operating results and financial performance of Zooga Studios; (5) the Manual; (6) the terms of the Franchise Agreement; and (7) your membership/customer database.~~

~~Under the Franchise Agreement we will disclose to you, during training and in guidance and assistance furnished to you, parts of the Confidential Information that you need for the development and operation of a Zooga Studio. You may learn or otherwise obtain from us additional Confidential Information during the term of your agreement. You must agree to disclose the Confidential Information to your Owners and supervisorial and managerial employees only to the extent reasonably necessary to operate your Franchised Business.~~

~~You and your Owners must acknowledge and agree that the Confidential Information is confidential to and a valuable asset of us and our affiliates, is proprietary, includes trade secrets of us and our affiliates and is disclosed to you on the condition that you, your Owners and your supervisorial and managerial employees who have access to the Confidential Information agree that during and after the term of the agreement you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; (4) will adopt and implement all reasonable procedures we prescribe to prevent unauthorized use or disclosure of the Confidential Information; and (5) will require all Principal Owners and all supervisorial and managerial employees and Owners who have access to the Confidential Information to sign confidentiality and non-competition agreements in the form we prescribe and provide us, at our request, with signed copies of each agreement. We will be a third party beneficiary of these agreements with the independent right to enforce their terms.~~

~~Nothing contained in the Franchise Agreement will be construed to prohibit you from using the Confidential Information in connection with the operation of other Zooga Studios under valid Franchise Agreements with us.~~

~~If you have obtained our prior written consent, the restrictions on the disclosure and use of the Confidential Information shall not apply to the following: (a) information, methods, procedures, techniques and knowledge which are or become generally known in the children's yoga edutainment business within the Designated Territory, other than through deliberate or inadvertent disclosure by you; and (b) the disclosure of the Confidential Information in judicial or administrative proceedings if you are legally compelled to disclose this information, provided you have notified us in writing before disclosure and used your best efforts to obtain, and afforded us the opportunity to obtain, an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be disclosed.~~

~~You must agree to disclose to us all ideas, concepts, promotional materials, methods, techniques and products relating to the development and operation of Zooga Studios conceived or developed by you or your employees during the term of the Franchise Agreement. You must grant to us and agree to obtain from your affiliates, owners or employees a perpetual, non-exclusive and worldwide right to use these new ideas, concepts, promotional materials, methods, techniques and products in all Zooga Studios or other businesses operated by us, our affiliates and franchisees. We have no obligation to make any payment with respect to any idea, concept, method, technique or product. You agree that you will not use, nor will you allow any other person or entity to use, any concept, method, technique or product without obtaining our prior written approval.~~

We have a proprietary, confidential Brand Standards Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

All customer data and other non-public data generated by your business is confidential information and is exclusively owned by us. We license such data back to you without charge solely for your use in connection with your Zooga Yoga business.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Brand Standards Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

You must disclose to us all ideas, plans, improvements, concepts, methods, and techniques relating to your Zooga Yoga business that you conceive or develop. We will automatically own all such innovations, and we will have the right to incorporate any innovations into our system for use by all franchisees, without any compensation to you.

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

Your Participation

You must ~~use~~ devote substantial time and attention to your ~~best~~business.

You must designate one person as your "Principal Executive". The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must own at least 10% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to ~~develop and expand the market for products and services offered by Zooga Studios~~attend all in-person meetings and ~~to cooperate with us~~remote meetings (such as telephone or video conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to ~~accomplish these purposes. Your Zooga Studio must be under the daily~~attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

“On-Premises” Supervision

You are not required to personally conduct “on-premises” supervision ~~of either~~(that is, act as general manager) of your business. However, we recommend on-premises supervision by you ~~(if~~ .

There is no limit on who you ~~are an individual) or~~ can hire as an ~~Owner who has at least a 25% ownership interest in you (if you are a corporate entity) and a voting power in the entity. Under certain circumstances, we may allow you to appoint a designated manager to supervise the day-to-day operations of the Zooga Studio. Your designated~~on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our ~~initial~~ training program. ~~We~~

If the franchise business is owned by an entity, we do not require that ~~your designated~~the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have ~~an ownership interest in the Franchised Business. If your designated~~your general manager ~~is replaced for any reason, the new designated manager must satisfactorily complete our initial training program, at your expense, within 30 days after he or she begins working as your designated~~(and other key employees that we reasonably designate) sign a confidentiality and non-compete agreement. We will not require you to enter into a confidentiality and non-compete agreement that violates applicable state law. We do not require you to place any other restrictions on your manager.

~~Your designated manager must be qualified, must complete our training program to our satisfaction, and must pass a background check. As described in Item 14, we may require you to obtain confidentiality and/or non-competition agreements from your Owners as well as from some of your supervisorial and managerial employees, including your designated manager. None of the provisions in the confidentiality and/or non-competition agreements are intended to prohibit or restrict any activity which prohibition or restrictions violates your employees’ right to engage in protected concerted activity under the National Labor Relations Act. Your Zooga Studio must be open and operating on the days and during the times we specify in the Manual, unless applicable law or the terms of your lease require different hours.~~

~~If you are a corporation, limited liability company or partnership, each Owner who directly or indirectly owns an equity or voting interest in you must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement.~~

Item 16
RESTRICTIONS ON WHAT THE ~~FRANCHISE~~FRANCHISEE MAY SELL

You must ~~sell or~~ offer for sale ~~all products~~only goods and services ~~we require and/or~~ that we have ~~expressly~~ approved ~~in writing, in the manner and style we require.~~ .

You must ~~not deviate from our standards and specifications without first obtaining our written consent. You must stop selling and offering for sale any products or~~offer for sale all goods and services that we ~~may disapprove in writing at any time. We have an approved list of "core" programs, services and products that all franchisees must provide and we may create "optional" programs, services or products that you may choose to implement. We must approve all programs, classes, events and retail items offered at your Franchised Business.~~ require. We have the right to change the types of ~~products and services offered by you at your Zooga Studio at any time~~authorized goods or services, and there are no limits on our right to make ~~those~~ changes. ~~You are strictly prohibited from offering from your Franchised Business any occupational therapy services or consultations, or other similar services.~~

~~You must keep your Zooga Studio very clean and maintain it in good repair and condition. You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and décor, as we may reasonably direct. You must not make any changes to the premises without obtaining our written consent before you make the changes. You must obtain and pay for any new or additional equipment, including computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new products and services from your Zooga Studio.~~

~~We reserve the right to determine the minimum and/or maximum prices for the products and services offered from your Franchised Business, as permitted by applicable law. You must comply with the prices required by us, but we make no guarantees or warranties that offering the products or services at the required price will enhance your sales or profits.~~

~~We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the products or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12.~~

We do not restrict your access to customers, except that all sales must be made at your premises.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the ~~Franchise Agreement~~franchise and ~~Area Development Agreements.~~ related agreements. You should read these provisions in the agreements attached to this disclosure document.

~~**FRANCHISE AGREEMENT**~~

Provision	Section in ~~Franchise Agreement~~franchise or other agreement	Summary
~~(a)~~. Length of the franchise term	~~Section~~Franchise Agreement (FA): § 3.1 Multi-Unit Development Agreement (MUDA): §1(a)	~~10 years.~~The term of the franchise agreement is 5 years from date of signing. The MUDA will expire on the date that your last franchise is scheduled to open.
~~(b)~~. Renewal or extension of the term	~~Section 17.1~~FA: § 3.2 MUDA: none	~~2 renewal terms of 5 years each, if you meet certain requirements.~~You may obtain a successor franchise agreement for up to three additional 5-year terms.
~~(c)~~. Requirements for franchisee to renew or extend	~~Section 17~~FA: § 3.2 MUDA: none	~~You may renew the Franchise Agreement if you: have substantially complied with the provisions of the Franchise Agreement; have the right to maintain possession of the premises or an approved substitute location for the term of the renewal; have remodeled and/or redecorated as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us, have paid the renewal fee; are not currently in default of any provision of the Franchise Agreement or any other agreement between you and us; have given timely written notice of your intent to renew; sign a current Franchise Agreement; comply with current qualifications and training requirements; and sign a general release.~~ For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract~~, but the boundaries of your territory will remain the same, and the fees on~~

Provision	Section in ~~Franchise Agreement~~franchise or other agreement	Summary
		~~renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.~~. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); pay renewal fee; sign general release (unless prohibited by applicable law). If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for a 5-year term and collect the renewal fee.
~~(d)~~. Termination by franchisee	~~Not applicable~~FA: § 14.1 MUDA: § 4	~~You~~If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you. If you sign a MUDA, you may terminate ~~the Franchise Agreement on~~it at any ~~grounds available by law~~time.
~~(e)~~. Termination by franchisor without cause	Not ~~applicable~~Applicable	~~We have no right to terminate without cause.~~
~~(f)~~. Termination by franchisor with cause	~~Section 18.1~~FA: § 14.2 MUDA: § 4	We ~~can~~may terminate ~~if you or any of your Owners fail to comply with the Franchise Agreement, or any other~~ your agreement ~~between you~~for cause, subject to any applicable notice and cure opportunity. If you sign a Multi-Unit Development Agreement, termination of your MUDA does not give us~~, or any mandatory specification, standard or operating procedure~~ the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we ~~prescribe~~have the right to terminate your MUDA.
~~(g)~~. "Cause" defined ~~—~~--curable defaults	~~Section 18.1~~FA: § 14.2 MUDA: none	~~10 days for monetary and reporting defaulting and 15 days for all other curable defaults, but if it cannot be~~

Provision	Section in ~~Franchise Agreement~~franchise or other agreement	Summary
		~~cured within 15 days, begin efforts to cure within 10 days and continue cure efforts until completion.~~ Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
~~(h)~~. "Cause" defined ~~–~~--non-curable defaults	~~Section 18~~FA: § 14.2 MUDA: § 4	~~(1) Fail to obtain possession of the approved site or develop the Zooga Studio and begin operations within time provided; (2) abandon, surrender or transfer control without our prior written approval; (3) make material misrepresentation or omission on application; (4) conviction of you or any of your owners of a felony or other crime, offense or misconduct which adversely affects your or our reputation or the goodwill of the Marks or any crime against a child; (5) unauthorized transfer; (6) you or your affiliates or owners make any unauthorized use, duplication or disclosure of Confidential Information, the Marks, the Copyrighted Works, the Manual or challenge or seek to challenge our rights in any of these items; (7) lose the right to possess the premises and fail to relocate in accordance with the Franchise Agreement; (8) insolvency, receivership or a judgment against you is unsatisfied for more than 30 days; (9) violation by you, or members of your immediate families of the in-term non-compete provision or other non-compete agreement; (10) fail to accurately report Gross Sales or pay any amounts due and do not correct these failures within 10 days written notice form us; knowingly maintain false records or submit false reports to us; (11) permit a lease default to go uncured; (12) repeated defaults, whether or not cured, including three notices of curable defaults in a 12 month period; (13) fail to purchase or maintain required insurance; (14) pose a threat to public health or safety; (15) refuse us permission to inspect the Zooga Studio or your books and records; (16) you or any of your affiliates or owners interfere with our ability to license the Marks or the System to others; (17) you or any of your affiliates or owners interfere with our contractual relations with others; (18) a Franchise Agreement with you or your affiliates is terminated by us, or is terminated by you in a way that is not in compliance with the Franchise Agreement; (19) you or your Owners fail to comply with anti-terrorism laws.~~FA: Misrepresentation

Provision	Section in ~~Franchise Agreement~~franchise or other agreement	Summary
		when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our business inspection; operate in a manner dangerous to health or safety (if not corrected within 48 hours); cease operations for more than 5 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony, or commission or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured. MUDA: failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it.
~~(i)~~. Franchisee's obligations on termination/non-renewal	~~Section 19~~FA: §§ 14.3 – 14.6 MUDA: none	~~Pay all amounts owed; stop all use of Marks; remove all signs; return to us or destroy all materials containing any Marks; cancel assumed or fictitious name registrations; transfer all domain names, internet listings, telephone numbers and telephone listings to us; stop using all copyrighted works; if we do not purchase the Zooga Studio, then you must make any modifications necessary to avoid confusion (de-identify the premises); furnish us evidence of compliance with the above; stop use of Confidential Information; return the complete Manual; comply with post-term covenant not to compete.~~Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
~~(j)~~. Assignment of ~~contract~~agreement by franchisor	~~Section 16~~FA: § 15.1 MUDA: § 7	~~No restriction on our right to assign.~~Unlimited
~~(k)~~. "Transfer" by franchisee – defined	~~Section 16.2~~FA: Article 1	~~Includes transfer of any interest in the Agreement, the Franchise, you, the Zooga Studio and some or all of its~~

Provision	Section in ~~Franchise Agreement~~franchise or other agreement	Summary
	MUDA: Background Statement	~~assets.~~For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
~~(l)~~ ~~Franchisor~~. Franchisor's approval of transfer by franchisee	~~Section 16.2 through 16.4~~FA: § 15.2 MUDA: § 7	~~We have the right to approve all~~No transfers without our approval.
~~(m)~~. Conditions for ~~franchisor~~franchisor's approval of transfer	~~Section 16.3~~FA: § 15.2 MUDA: none	~~You and your owners must be in full compliance with the Franchise Agreement; transferee meets our criteria; transferor signs required documents, including a general release. If the transfer is of the Agreement, a Principal Owner's interest in you or a controlling interest in you, transferee may not engage in a Competitive Business; all amounts due from you and the transferee are paid in full; personnel of transferee sign non-compete and confidentiality agreement; completion of training; transferee and its owners agree to be bound by all obligations under the Franchise Agreement or sign our then-current form of franchise agreement, at our option; pay transfer fee; lessor consents to assignment of lease; we approve the terms and conditions of the transfer; all obligations of the transferee to you are subordinate to us; transferor and you sign non-competition covenant; transferee agrees to upgrade the Zooga Studio to our then-current standards; transferee signs guarantee of obligations under Franchise Agreement; transfer is made in compliance with all laws.~~Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release (subject to state law); business complies with then-current system specifications (including remodel, if applicable).

Provision	Section in ~~Franchise Agreement~~franchise or other agreement	Summary
~~(n)~~. Franchisor's right of first refusal to acquire franchisee's business	~~Section 16.7~~FA: § 15.5 MUDA: none	~~We have the right to match offers from third parties to buy an interest in the Franchise Agreement, the Franchise, the Zooga Studio, assets of the Zooga Studio or ownership interests in you.~~If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal.
~~(o)~~. Franchisor's option to purchase franchisee's business	~~Section 19~~FA: § 14.6 MUDA: none	~~We~~When your franchise agreement expires or is terminated, we will have the right to purchase any or all ~~or a portion~~ of the assets of ~~the Zooga Studio for fair market value on termination in compliance with the Franchise Agreement or on non-renewal~~your business.
~~(p)~~. Death or disability of franchisee	~~Section 16.5~~FA: §§ 2.4, 15.4 MUDA: none	~~Interest~~If you die or become incapacitated, a new principal executive acceptable to us must be ~~transferred~~designated to operate the business, and your executor must transfer the business to an approved ~~party~~new owner within ~~6~~nine months.
~~(q)~~. Non-competition covenants during the term of the franchise	~~Sections 9 and 11.11~~ FA: § 13.2 MUDA: none	~~No involvement by you and members of your immediate families in a Competitive Business anywhere. If you are a corporate entity, you may not engage in any business other than the development and operation of Zooga Studio. A Competitive Business is a business that offers the same or substantially similar products and services as those offered by a Zooga Studio.~~Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
~~(r)~~. Non-competition covenants after the franchise is terminated or expires	~~Sections 9 and 19.4~~FA: § 13.2 MUDA: none	~~No involvement by you or members of your immediate families in a Competitive Business for two years within 10 miles of the Franchised Business or any other Zooga Studio in the System.~~For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within five miles of your former territory or the territory of

Provision	Section in ~~Franchise Agreement~~franchise or other agreement	Summary
		any other Zooga Yoga business operating on the date of termination.
~~(s)~~. Modification of the agreement	~~Section 22.5~~FA: § 18.4 MUDA: § 7	No ~~modifications~~modification or amendment of the agreement will be effective unless it is in writing and signed~~, but~~ by both parties. This provision does not limit our right to modify the Manual ~~subject to change~~or system specifications.
~~(t)~~. Integration/merger clause	~~Section 22.6~~FA: § 18.3 MUDA: § 7	Only the terms of the ~~Franchise Agreement~~agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement (or MUDA) may not be enforceable. However, no claim made in any franchise agreement (or MUDA) is intended to disclaim the express representations made in this Disclosure Document.
~~(u)~~. Dispute resolution by arbitration or mediation	~~Section 20~~FA: § 17.1 MUDA: § 7	~~Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated and arbitrated where we maintain our headquarters.~~All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
~~(v)~~. Choice of forum	~~Section 22.4~~FA: §§ 17.1; 17.5 MUDA: § 7	~~The county and state where we maintain our headquarters (currently Culver City, California).~~Arbitration will take place where our headquarters is located (currently, Culver City, California) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
~~(w)~~. Choice of law	~~Section 22.4~~FA: § 18.8 MUDA: § 7	~~The state where we are headquartered (currently~~ California (subject to applicable state law).

~~AREA DEVELOPMENT AGREEMENT~~

~~Provision~~	~~Section in Area Development Agreement~~	~~Summary~~
~~(a) Length of the franchise term~~	~~Section 3~~	~~5 years.~~
~~(b) Renewal or extension of the term~~	~~Section 2.6~~	~~If you satisfy the Development Obligation and desire to develop, open and operate additional Zooga Studios in the Development Area, you will have the right to extend the term of your Development Agreement for an additional 5 years provided you comply with the applicable conditions.~~
~~(c) Requirements for franchisee to renew or extend~~	~~Not Applicable~~	~~Not Applicable~~
~~(d) Termination by franchisee~~	~~Not Applicable~~	~~Not Applicable~~
~~(e) Termination by franchisor without cause~~	~~Not Applicable~~	~~Not Applicable~~
~~(f) Termination by franchisor with cause~~	~~Section 11.1, 11.2, 11.5~~	~~We can terminate if you materially default under your Area Development Agreement, an individual Franchise Agreement, or any other agreement between you and us.~~
~~(g) "Cause" defined – curable defaults~~	~~Section 11.3~~	~~You have 10 days to cure non-payment of fees and 15 days to cure non-compliance with defaults not listed in Section 11.2.~~
~~(h) "Cause" defined – non-curable defaults~~	~~Sections 11.1, 11.2 and 11.5~~	~~Non-curable defaults include: bankruptcy; insolvency; receivership; unapproved transfers; failure to meet your development obligation; failure for a period of 10 days after notification of noncompliance to comply with any Federal, state or local law or regulation applicable to the operation of the franchise; any breach for unfair competition described in Section 8.1; cross defaults; felony conviction; conviction of any crime or offense which may have an adverse effect on the System, Marks and goodwill of the franchise; a breach of your obligations under the Area Development Agreement which by its nature is not capable of being cured by you.~~

~~Provision~~	~~Section in Area Development Agreement~~	~~Summary~~
~~(i) Franchisee's obligations on termination/non-renewal~~	~~Section 12~~	~~You will have no further right to develop or operate additional Zooga Studios which are not, at the time of termination, the subject of a then existing Franchise Agreement between you and us. You may continue to own and operate all Zooga Studios under then existing Franchise Agreements; and you must honor all post-termination obligations. You must reimburse us the amount of the actual damages that we suffer as a result of the termination of your Area Development Agreement during the period that we estimate will expire while we search for a replacement Area Developer.~~
~~(j) Assignment of contract by franchisor~~	~~Section 9.1~~	~~No restrictions on our right to assign.~~
~~(k) "Transfer" by franchisee – defined~~	~~Section 9.2~~	~~Includes transfer of the agreement or change in ownership of the entity which owns it.~~
~~(l) Franchisor approval of transfer by franchisee~~	~~Section 9.2~~	~~Transfers require our prior written consent, which will not be unreasonably withheld.~~
~~(m) Conditions for franchisor approval of transfer~~	~~Sections 9.2 and 9.4~~	~~You may not transfer any Franchise Agreement signed under the Area Development Agreement except with our written consent and a simultaneous assignment of the Area Development Agreement and all of the Franchise Agreements signed under the Area Development Agreement to the same assignee.~~
~~(n) Franchisor's right of first refusal to acquire franchisee's business~~	~~Section 9.3~~	~~If you receive an offer to purchase your business, we have a right of first refusal.~~
~~(o) Franchisor's option to purchase franchisee's business~~	~~Not Applicable~~	~~Not Applicable~~
~~(p) Death or disability of franchisee~~	~~Section 9.5~~	~~Your spouse, heirs or personal representative has 180 days to purchase your interest in the Area Development Agreement or complete an assignment of the interest to a qualified, approved third party, subject to the transfer provisions.~~

~~Provision~~	~~Section in Area Development Agreement~~	~~Summary~~
~~(q) Non-competition covenants during the term of the franchise~~	~~Section 13.2~~	~~No involvement with any competing business without prior written consent. You may not (i) divert any present or prospective customer to any competitor, or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the Zooga Yoga System; or (ii) employ or seek to employ any person who is or has been within the previous 90 days employed by us or our affiliate as a salaried managerial employee, or otherwise induce the person to leave his or her employment.~~
~~(r) Non-competition covenants after the franchise is terminated or expires~~	~~Section 13.3~~	~~You are prohibited for 2 years following the termination, transfer or expiration of your Area Development Agreement, from owning or rendering services to any competing business at a Franchised Location, except under another effective Franchise Agreement with us, or any location within a 10 mile radius of any Zooga Studio or a Franchised Location.~~
~~(s) Modification of the agreement~~	~~Section 18.5~~	~~The Area Development Agreement can be modified or amended only by written agreement of all of the parties.~~
~~(t) Integration/merger clause~~	~~Section 18.5~~	~~Only the terms of the Area Development Agreement and its attachments are binding (subject to applicable state law).~~
~~(u) Dispute resolution by arbitration or mediation~~	~~Section 15.1~~	~~Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated and arbitrated where we maintain our headquarters.~~
~~(v) Choice of forum~~	~~Sections 15.1 and 15.2~~	~~All proceedings will be held in Los Angeles County, California, subject to applicable state law. See the State Specific Addenda (**Exhibit H**) attached to this Disclosure Document.~~
~~(w) Choice of law~~	~~Section 15.2~~	~~California, subject to applicable state law. See the State Specific Addenda (**Exhibit H**) attached to this Disclosure Document.~~

For additional disclosures required by certain states, refer to Exhibit I - State Addenda to Disclosure Document.

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 franchised 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.

~~Before signing any documents or making any investment, you must make your own independent investigation regarding the purchase of a Zooga Studio franchise, including independent market and industry reviews and comparisons and talking to current Zooga Studio franchisees. You must consult with your own independent advisors, such as attorneys and accountants, to assist in determining the suitability of this investment for you.~~

~~Our Operating Affiliate owns one Zooga Studio in Culver City, California, which opened for business on July 24, 2012. The following Table 1 sets forth the "Gross Sales," "Cost of Services & Goods Sold" and "Gross Profits" achieved by our Operating Affiliate's Zooga Studio for 2016, 2017 and~~ The following table shows financial performance information about the two Zooga Yoga studios that were in operation for the entire 2019-2020 period. A third studio operated in 2019 and part of 2020.

~~2018. The figures in Table 1 are taken from reports from the Operating Affiliate. All information is unaudited. Our Operating Affiliate's Zooga Studio is generally similar to the franchises offered to prospective franchisees under this Disclosure Document, except for potential variances in square footage.~~

~~As of December 31, 2018, there were two franchised Zooga Studios, one located in Redondo Beach, California and the other in West Hollywood, California. Table 2 shows the average Gross Sales of these two franchised locations. One (50%) of the two locations exceeded the average. The Redondo Beach location has been in operation since January 9, 2017 and the West Hollywood location has been in operation since January 7, 2018. The information in Table 2 is taken from reports from the franchisees. This information is unaudited.~~

~~The financial performance representations that appear below do not include operating expenses that were not included in the calculation of Cost of Services and Goods Sold or other costs or expenses that~~

~~must be deducted from gross revenue or gross sales to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Zooga Studio. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.~~

~~TABLE 1~~
~~GROSS PROFIT AT OPERATING AFFILIATE'S ZOOGA STUDIO IN CULVER CITY~~
~~(NOTE 4)~~

		Culver City		West Hollywood	
		2019	**2020**	**2019**	**2020**
Gross Sales		$506,112	$242,503	$278,084	$122,871
~~Year~~ ~~Gross Sales (Note 1)~~	Cost Of Services & Goods Sold ~~(Notes 1 & 2)~~	$118,946~~Gross Profit~~ ~~(Note 3)~~	$117,473	$107,044	$47,562
~~2018~~	~~$496,920~~	~~$113,146~~	~~$383,775~~		
~~2017~~	~~$451,232~~	~~$118,249~~	~~$332,983~~		
Gross Profit~~2016~~	$~~328,072~~389,177	$~~178~~125,031	$~~150,041~~171,040	$75,309	

~~TABLE 2~~
~~AVERAGE GROSS SALES AT FRANCHISED ZOOGA STUDIOS~~
~~(NOTE 4)~~

~~Year~~	~~Average and Median Gross Sales (Note 1)~~	~~High~~	~~Low~~
~~2018~~	~~$150,768~~	~~$153,006~~	~~$148,523~~

Notes:

1. Our affiliate Zooga Yoga, LLC owns the Zooga Studio in Culver City, California. It opened for business in July 2012 as a 1-room studio, and relocated two a 2-room location in November 2016. The Culver City information was taken from reports from our affiliate. The information was not audited.

2. The West Hollywood location is owned and operated by a franchisee. It opened for business in January 2018. It is a 2-room studio. The West Hollywood information was taken from reports from the franchisee. The information was not unaudited.

3. The COVID-19 pandemic materially affected the studios beginning in March 2020. The studios were closed for two weeks followed by two weeks of online classes only. In the remainder of the year, kids classes were conducted outdoors, and only one class was held indoors. Indoor classes were limited to 50% capacity.

4. "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the business~~.~~ , less any discounts and refunds.

~~1.~~ 5. "Cost of Services & Goods Sold" means ~~our~~ expenses for labor~~,~~ (other than any owner's salary), retail items, décor items, yoga teaching supplies and equipment, supplies for special events (e.g., parties, camps), and administrative staff salaries. ~~"**Gross Profit**" means "**Gross Sales**" less "**Cost of Services & Goods Sold**."~~It does not include operating expenses such as rent, utilizes, insurance, and marketing. It does not include royalties or other fees payable under the franchise agreement.

~~2. "**Cost of Services & Goods Sold**" include the cost of the Operating Affiliate's administrative staff salaries for the fiscal years 2016 ($29,804.07). 2017 ($84,481.30), and 2018 $85,560). In 2016, the Operating Affiliate hired a full-time administrative employee after it relocated its 1- studio room Zooga Studio to a 2-studio room at 11054 Washington Boulevard, Culver City, California 90232 on November 28, 2016.~~

~~3. Gross Profit equals the Gross Sales less Cost of Services & Goods Sold, as indicated in Tables 1 and 2. Franchises will pay 5% royalty on Gross Sales. Our Operating Affiliate does not pay royalties. Franchises and our Operating Affiliate pay a brand development fee of 1% on Gross Sales.~~

~~**Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.** Your individual operating results will be affected by a multitude of factors, including the site of your Zooga Studio, general economic conditions, regional market variations, the demographics of an area, lifestyles of customers in your market area, the extent, duration and effectiveness of your marketing and promotional efforts, fluctuations in the cost of inventory and supplies, variations in disposable income and population, competition in the yoga and exercise studio industry, consumer preferences and the like, and other factors not listed in this Item 19, and may differ from the operating results stated in above. Zooga Studios operating in low population density areas will also have lower sales than locations in high population density areas. Your results will vary based on your regional demographic density, competitive factors and your ability.~~6. "Gross Profit" is Gross Sales minus Cost of Services and Goods Sold.

~~4.~~ **California statement:** The earnings claims figures do not reflect the 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 Zooga Yoga business. Franchisees or former franchisees, listed in the ~~disclosure document~~offering circular, may be one source of this information.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Other than ~~this~~the preceding financial performance representation, Zooga Yoga Enterprises, Inc. does not make any ~~representations about a franchisee's future~~ financial performance ~~or the past financial performance of company-owned or franchised outlets~~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 Antonia King ~~at~~, 11054 Washington Boulevard, Culver City, ~~California~~ CA 90232, and (310) 839-6642, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table ~~No.~~ 1
Systemwide Outlet Summary
For ~~Fiscal~~ Years ~~2016~~2018 to 2020~~2018~~

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2018	1	2	+1
	~~2016~~2019	~~0~~2	~~0~~2	0
	~~2017~~	~~0~~	~~1~~	~~+1~~
	~~2018~~2020	~~1~~2	~~2~~1	~~+~~-1
Company-Owned~~*~~	2018	1	1	0
	~~2016~~2019	1	1	0
	~~2017~~2020	1	1	~~0~~1
	~~2018~~	~~1~~	~~1~~	~~0~~
Total Outlets	2018	2	3	+1
	~~2016~~2019	~~1~~3	~~1~~3	0
	~~2017~~2020	~~1~~3	2	~~+~~-1
	~~2018~~	~~2~~	~~3~~	~~+1~~

~~* The Company-Owned Outlet in the above table is owned and operated by our Affiliate.~~

Table ~~No.~~ 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For ~~Fiscal~~ Years ~~2016~~2018 to ~~2018~~2020

Column 1 State	Column 2 Year	Column 3 Number of Transfers
~~None~~		
	~~2016~~	~~0~~
	~~2017~~	~~0~~
N/A	2018	0
~~Total~~		
	~~2016~~2019	0
	~~2017~~2020	0
Total	2018	0
	2019	0
	2020	0

Table ~~No.~~ 3
Status of Franchised Outlets
For ~~Fiscal~~ Years ~~2016~~2018 to ~~2018~~2020

~~Col~~Column 1 State	~~Col~~Column 2 Year	~~Col~~Column 3 Outlets at the Start of the Year	~~Col~~Column 4 Outlets Opened	~~Col~~Column 5 ~~Terminations~~Termi-Nations	~~Col~~Column 6 Non-Renewals	~~Col~~Column 7 Reacquired by Franchisor	~~Col~~Column 8 Ceased Operations – Other Reasons	~~Col~~Colun 9 Outlets a End of th Year
California	2018	1	1	0	0	0	0	2
	~~2016~~2019	~~0~~2	0	0	0	0	0	~~0~~2
	~~2017~~2020	~~0~~2	~~1~~0	0	0	0	~~0~~1	1
Totals	2018	1	1	0	0	0	0	2
~~Total~~								
	~~2016~~2019	~~0~~2	0	0	0	0	0	~~0~~2
	~~2017~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2018~~2020	~~1~~2	~~1~~0	0	0	0	~~0~~1	~~2~~1

Table ~~No.~~ 4
Status of Company-Owned Outlets~~*~~
For ~~Fiscal~~ Years ~~2016~~2018 to ~~2018~~2020

~~Col~~Column 1 State	~~Col~~Column 2 Year	~~Col~~Column 3 Outlets at the Start of the Year	~~Col~~Column 4 Outlets Opened	~~Col~~Column 5 Outlets Reacquired from Franchisee	~~Col~~Column 6 Outlets Closed	~~Col~~Column 7 Outlets Sold to Franchisee	~~Col~~Column 8 Outlets at End of the Year
~~California~~							
California	2018~~2016~~	1	0	0	0	0	1
	~~2017~~2019	1	0	0	0	0	1
	~~2018~~2020	1	0	0	0	0	1
~~**Total**~~							
Totals	2018~~**2016**~~	1	0	0	0	0	1
	~~**2017**~~2019	1	0	0	0	0	1
	~~**2018**~~2020	1	0	0	0	0	1

~~*The Company-Owned Outlet in the above table is owned and operated by our Operating Affiliate.~~

Table ~~No.~~ 5
Projected Openings ~~as of~~As Of December 31, ~~2018~~2020

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	2	0
~~Missouri~~Totals	0	~~1~~2	0
~~Texas~~	~~0~~	~~1~~	~~0~~
~~**Total**~~	~~**0**~~	~~**4**~~	~~**0**~~

~~A list of~~Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the ~~addresses~~address and telephone ~~numbers~~number of each of their ~~businesses will be provided in **Exhibit E** to this Disclosure Document when applicable~~outlets.

~~The~~ Former Franchisees

Exhibit H contains the name, city~~,~~ and state, and current business telephone number ~~(~~, or if unknown, the last known home telephone number~~)~~ of every franchisee who had ~~a business~~an outlet terminated, ~~cancelled~~canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the ~~applicable~~franchise agreement during the most recently completed fiscal year or who ~~has~~have not communicated with us within 10 weeks of the ~~issuance date of this~~ disclosure document ~~will be listed on **Exhibit E** to this Disclosure Document when applicable.~~ issuance date.

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

~~During~~Confidentiality Clauses

In the last three fiscal years, ~~we have not had any~~ no franchisees ~~sign confidentiality provisions that would restrict their ability to speak openly about their~~ have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with ~~the Zooga System~~any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations ~~formed by our franchisees that are~~ associated with ~~the Zooga System~~our franchise system.

~~ITEM~~Item 21
FINANCIAL STATEMENTS

~~Attached to this Disclosure Document as~~ Exhibit F ~~are~~contains our audited financial statements ~~as of~~ for the years ended December 31, 2020, December 31, 2019, and December 31, 2018, ~~2017 and 2016. Our fiscal year end is December 31.~~ and our unaudited interim balance sheet and income statement as of May 31, 2021.

Item 22
CONTRACTS

~~The following~~ Copies of all proposed agreements regarding this franchise offering are attached as ~~exhibits to this Disclosure Document~~the following Exhibits:

~~ ~~B. Franchise Agreement ~~– Exhibit B~~(with Guaranty and Non-Compete Agreement)

~~Area~~C. Multi-Unit Development Agreement~~– Exhibit C~~

~~Confidentiality~~D. Rider to Lease Agreement~~– Exhibit D~~

~~State Specific Addenda – Exhibit H~~

E. Form of General Release~~– Exhibit I~~

~~ITEM~~J. State Addenda to Agreements

Item 23
RECEIPTS

~~2 copies of an acknowledgment of~~ Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document ~~appear at the end~~in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8236	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue Building 68-2 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 266-0448	Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 261-7577

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE	
1. Franchisee	______________________
2. Initial Franchise Fee	$__________
3. Development Area	______________________
4. Business Location	______________________
5. Territory	______________________
6. Opening Deadline	______________
7. Principal Executive	______________
8. Franchisee's Address	____________________________

FRANCHISE AGREEMENT

This Agreement is made between Zooga Yoga Enterprises, Inc., a California corporation("Zooga"), and Franchisee effective as of the date signed by Zooga (the "Effective Date").

Background Statement:

A. Zooga and its affiliate, Zooga Yoga, LLC have created and own a system (the "System") for developing and operating yoga studios dedicated to children and their families, offering a full range of yoga classes for all ages under the trade name "Zooga Yoga".

B. The System includes (1) methods, procedures, and standards for developing and operating a Zooga Yoga business, (2) plans, specifications, equipment, signage and trade dress for Zooga Yoga businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by Zooga from time to time.

C. The parties desire that Zooga license the Marks and the System to Franchisee for Franchisee to develop and operate a Zooga Yoga business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by Zooga.

"**Brand Development Fund**" means the fund established by Zooga into which Brand Development Fund Contributions are deposited.

"**Business**" means the Zooga Yoga business owned by Franchisee and operated under this Agreement.

"**Competitor**" means any business which offers yoga programs.

"**Confidential Information**" means all non-public information of or about the System, Zooga, and any Zooga Yoga business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

"**Gross Sales**" means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

"**Input**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

"**Location**" means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Zooga's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means Zooga's confidential Brand Standards Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Zooga from time to time for use in a Zooga Yoga business.

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then "Owner" means Franchisee.

"**Remodel**" means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Zooga Yoga business.

"**Required Vendor**" means a supplier, vendor, or distributor of Inputs which Zooga requires franchisees to use.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Zooga, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, data protection and privacy, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), temporary operational changes due to special circumstances (such as a pandemic), uniforms, and vehicles.

"**Territory**" means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1.

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Zooga grants to Franchisee the right to operate a Zooga Yoga business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open and operate a Zooga Yoga business at the Location for the entire term of this Agreement.

2.2 Protected Territory. Zooga shall not establish, nor license the establishment of, another business within the Territory selling the same or similar goods or services under the same or similar trademarks or service marks as a Zooga Yoga business. This prohibition does not apply to any Zooga Yoga business operating or under construction when the Territory is determined. Zooga retains the right to:

(i) establish and license others to establish and operate Zooga Yoga businesses outside the Territory, notwithstanding their proximity to the Territory or their potential impact on the Business;

(ii) operate and license others to operate businesses anywhere that do not sell the same or similar goods or services under the same or similar trademarks or service marks as a Zooga Yoga business; and

(iii) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than Zooga Yoga outlets.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Zooga within 10 days.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 10% ownership interest in Franchisee. The Principal Executive does not have to serve as a day-to-day general manager of the Business, but the Principal Executive must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Zooga's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Zooga, in the form of Attachment 3.

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

ARTICLE 3. TERM

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

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

(i) Franchisee notifies Zooga of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Zooga (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee has made or agrees to make (within a period of time acceptable to Zooga) renovations and changes to the Business as Zooga requires (including a Remodel, if applicable) to conform to the then-current System Standards;

(iv) Franchisee and its Owners execute Zooga's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;

(v) Franchisee pays a renewal fee of $2,000; and

(vi) Franchisee and each Owner executes a general release (on Zooga's then-standard form) of any and all claims against Zooga, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

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

4.2 Royalty Fee. Franchisee shall pay Zooga a weekly royalty fee (the "Royalty Fee") equal to 5% of Gross Sales. The Royalty Fee for any given week is due on the 5th day of each month.

4.3 Marketing Contributions.

(a) Brand Development Fund Contribution. Franchisee shall pay Zooga a contribution to the Brand Development Fund (the "Brand Development Fund Contribution") equal to 1% of Franchisee's Gross Sales (or such lesser amount as Zooga determines), at the same time as the Royalty Fee.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative, not to exceed 5%.

4.4 Technology Fee. Franchisee shall pay Zooga a commercially-reasonable fee (the "Technology Fee") for software and other technology-related services and products provided by Zooga, and Zooga's efforts to research, develop, and support software and technology for the System. As of the date of this Agreement, the Technology Fee is $25 per month. The Technology Fee is payable at the same time and the same manner as the Royalty Fee, although Zooga reserves the right to have the Technology Fee be payable on a different schedule than the Royalty Fee. Zooga may add, remove, or alter the software or technology products or services that it provides. Zooga may change Technology Fee. Zooga does not guarantee that the Technology Fee is solely a pass-through of TKFC's costs.

4.4 Replacement / Additional Training Fee. If Franchisee sends an employee to Zooga's training program after opening, Zooga may charge its then-current training fee. As of the date of this Agreement, the training fee is $200-$350 per day.

4.5 Non-Compliance Fee. Zooga may charge Franchisee $500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Zooga) which Franchisee fails to cure after 30 days' notice. Thereafter, Zooga may charge Franchisee $250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Zooga's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Zooga's other rights and remedies (including default and termination under Section 14.2).

4.6 Reimbursement. Zooga may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Zooga does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Zooga within 15 days after invoice by Zooga accompanied by reasonable documentation.

4.7 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Development Fund Contribution, and any other amounts owed to Zooga by pre-authorized bank draft or in such other manner as Zooga may require. Franchisee shall comply with Zooga's payment instructions.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Zooga by the 5th day of the following month. If Franchisee fails to report monthly Gross Sales, then Zooga may withdraw estimated Royalty Fees and Brand Development Fund Contributions equal to 125% of the last Gross Sales reported to Zooga, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Zooga has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay interest on the unpaid amount at a rate equal to 10% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Zooga may charge $30 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Zooga (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Zooga may apply any payment received from Franchisee to any obligation and in any order as Zooga may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Zooga any fees or amounts described in this Agreement are not dependent on Zooga's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

(h) Taxes. Franchisee will be responsible for all sales taxes, use taxes, and other taxes imposed on the fees payable by Franchisee to Zooga or its affiliates and on services or goods furnished to Franchisee by Zooga or its affiliates, unless the tax is an income tax assessed on Zooga or its affiliate for doing business in the state where the Business is located.

ARTICLE 5. ASSISTANCE

5.1 Manual. Zooga shall make its Manual available to Franchisee.

5.2 Pre-Opening Assistance.

(a) Selecting Location. Zooga shall provide its criteria for Zooga Yoga locations to Franchisee. Zooga will review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Development. To the extent Zooga deems appropriate, Zooga will advise Franchisee regarding the layout, design, and build-out of the Business.

(c) Vendors. To the extent applicable, Zooga shall provide its specifications and list of Approved Vendors and/or Required Vendors for equipment, signs, fixtures, opening inventory, and supplies to open the Business.

(d) Business Plan Review. If requested by Franchisee, Zooga shall review and advise on Franchisee's pre-opening business plan and financial projections. **Franchisee acknowledges that Zooga accepts no responsibility for the performance of the Business.**

(e) Pre-Opening Training. Zooga shall make available its standard pre-opening training to the Principal Executive and up to 2 other employees, at Zooga's headquarters and/or at a Zooga Yoga business designated by Zooga. Zooga shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. Zooga reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(f) Market Introduction Plan. Zooga shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(g) On-Site Opening Assistance. Zooga shall have a representative support Franchisee's business opening with at least 3 days of onsite opening training and assistance, at Zooga's expense.

5.3 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Zooga shall provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Zooga deems reasonable. If Zooga provides in-person support in response to Franchisee's request, Zooga may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Zooga shall provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. To extent Zooga deems advisable, Zooga shall provide Franchisee with Zooga's recommended administrative, bookkeeping, accounting, and inventory control procedures. Zooga may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Zooga shall manage the Brand Development Fund.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page:

(i) Franchisee shall find a potential Location within the Development Area described on the Summary Page. Franchisee shall submit its proposed Location to Zooga for acceptance, with all related information and documents Zooga may request. If Zooga does not accept the proposed Location in writing within 30 days, then it is deemed rejected.

(ii) When Zooga accepts the Location, it will issue a Location Acceptance Letter in the form of Attachment 2 which states the Location and Territory. Zooga shall determine the Territory in its good faith discretion, substantially in accordance with Item 12 of the Franchise Disclosure Document. If Zooga fails to state the Territory in writing before Franchisee opens the Business to the public, the Territory will be deemed to be a 2-mile radius around the Location.

(iii) **Zooga's advice regarding or acceptance of a site is not a representation or warranty that the Business will be successful, and Zooga has no liability to Franchisee with respect to the location of the Business.**

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Zooga, Franchisee must submit the proposed lease to Zooga for written approval, (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement, and (iii) Franchisee shall use commercially reasonable efforts to obtain the landlord's signature to a rider to the lease in the form required by Zooga.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Zooga's System Standards. If required by Zooga, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Zooga's approval of Franchisee's plans. Zooga may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Zooga or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Business, and Zooga assumes no liability with respect thereto. Zooga's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Zooga's training program for new franchisees to Zooga's satisfaction at least four weeks before opening the Business.

6.5 Conditions to Opening. Franchisee shall notify Zooga at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Zooga has inspected and approved the Business, (5) Franchisee has hired sufficient employees, (6) Franchisee's officers and employees have completed all of Zooga's required pre-opening training; and (7) Zooga has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business to the public on or before the date stated on the Summary Page.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Classes, Programs, and Products. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Zooga in the Manual or otherwise in writing. Without limited the foregoing, Franchisee shall offer all Zooga Yoga classes and programs required by Zooga (or approved by Zooga, in the case of optional programs), such as:

(i) Pre/Postnatal, Mommy & Baby, Infant, Toddler, Kids, Teen and Adults yoga

(ii) Specialty classes such as Dance, Music, Baby Sign, Kickin Ninjas, Messy Art and other programs;

(iii) Private sessions, school programs, camps, parenting workshops, and special events including birthday parties and "Kids' Nite Out."

Franchisee shall make sales only to retail customers, and only at the Location, except that Franchisee may offer private in-home sessions if approved by Zooga. Unless otherwise approved or required by Zooga, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations. Franchisee shall maintain sufficient levels of inventory at all times. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards.

7.4 Prices. Zooga may require Franchisee to offer products and services at specific prices determined by Zooga if Zooga is promoting such products and services on a national, regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law).

7.5 Personnel.

(a) Management. The Business must at all times be under the on-site supervision of the Principal Executive or a general manager who has completed Zooga's training program.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(d) Zooga Teacher Training. All Zooga Yoga classes must be led only by teachers that have been trained in Zooga Yoga programs. Franchisee is responsible for ensuring that its Zooga Yoga teachers have completed all applicable training programs and are capable of teaching Zooga Yoga programs to the applicable standards.

(e) Sole Responsibility. Franchisee is solely responsible for all hiring decisions and all terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Zooga are not joint employers, and no employee of Franchisee will be an agent or employee of Zooga. Within seven days of Zooga's request, Franchisee and each of its employees shall sign an acknowledgment form stating that Franchisee alone (and not Zooga) is the employee's sole employer. Franchisee shall use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and Franchisee shall not use the Marks on any of these documents.

7.6 Post-Opening Training. Zooga may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Zooga. Zooga may charge a reasonable fee for any training programs. Zooga may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software, technology and related systems required by Zooga. Franchisee shall enter into any subscription and support agreements that Zooga may require. Franchisee shall upgrade, update, or replace any software from time to time as Zooga may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Zooga unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Zooga.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Zooga may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Zooga may require Franchisee to reimburse Zooga for any expenses.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Zooga for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Zooga shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Zooga for such programs. Zooga may set minimum scores that Franchisee must receive from the public on internet review sites (such as Yelp or Google).

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Zooga (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Zooga. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Zooga, in the manner specified by Zooga in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Zooga Yoga business. Franchisee shall comply with all procedures and specifications of Zooga related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Zooga may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

7.13 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Zooga may require Franchisee to undertake and complete a Remodel of the Location to Zooga's satisfaction. Franchisee must complete the Remodel in the time frame specified by Zooga. Zooga may require the Franchisee to submit plans for Zooga's reasonable approval prior to commencing a required Remodel. Zooga's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls) that Zooga requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Zooga in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

(i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible);

(ii) Business interruption insurance covering at least 12 months of income;

(iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000; and

(v) Workers Compensation coverage as required by state law.

(b) Franchisee's policies (other than Workers Compensation) must (1) list Zooga and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Zooga and its affiliates, (3) be primary and non-contributing with any insurance carried by Zooga or its affiliates, and (4) stipulate that Zooga shall receive 30 days' prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Zooga prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Zooga.

7.16 Obligations to Third Parties. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Zooga Yoga, the Business, or any particular incident or occurrence related to the Business, without Zooga's prior written approval, which will not be unreasonably withheld.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization or cause, or (ii) act in support of any such organization or cause, without Zooga's prior written approval, which will not be unreasonably withheld.

7.19 No Other Activity Associated with the Business. Franchisee shall not engage in any business or other activity at the Location other than operation of the Zooga Yoga Business. Franchisee shall not use assets of the Business for any purpose other than the Business. If Franchisee is an entity, the entity shall not own or operate any other business except Zooga Yoga businesses.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Zooga, which will not be unreasonably withheld.

7.21 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Zooga. Franchisee must display at the Business signage prescribed by Zooga identifying the Location as an independently owned franchise.

7.22 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Zooga. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by Zooga from time to time in accordance with System Standards. Zooga may require Franchisee to purchase or lease any Inputs from Zooga, Zooga's designee, Required Vendors, Approved Vendors, and/or under Zooga's specifications. Zooga may change any such requirement or change the status of any vendor. To make such requirement or change effective, Zooga shall issue the appropriate System Standards.

8.2 Zooga Affiliate As Vendor. Franchisee acknowledges that as of the date of this Agreement, Zooga Yoga LLC, an affiliate of Zooga, is the sole Required Vendor of equipment, retail inventory, uniforms, and other products that bear Zooga Yoga trademarks. Zooga Yoga LLC may at any time discontinue being the sole Required Vendor for such items.

8.3 Alternate Vendor Approval. If Zooga requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Zooga. Zooga may approve or disapprove the alternative vendor in its sole discretion. Zooga may condition its approval on such criteria as Zooga deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Zooga shall provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If Zooga requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Zooga. Zooga may approve or disapprove the alternative Input in its sole discretion. Zooga shall provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Zooga may negotiate prices and terms with vendors on behalf of the System. Zooga may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees. Zooga has the right (but not the obligation) to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor and to impose a reasonable markup or charge for administering the payment program. Zooga may implement a centralized purchasing system. Zooga may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Zooga may determine.

8.5 No Liability of Franchisor. Zooga shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor (including Zooga Yoga, LLC), including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If Zooga or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and

Franchisee shall at its own expense comply with all instructions from Zooga or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities (including in-store marketing materials, websites, online advertising, social media marketing or presence, and sponsorships) that have not been approved by Zooga. Zooga may (but is not obligated to) operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, including any social media policy that Zooga may prescribe. If required by Zooga, Franchisee shall maintain a sub-website for its Studio, with current schedule, specials, staff, events, and other information. The sub-website will be at Franchisee's expenses and must comply with any applicable System Standards. Franchisee shall implement any marketing plans or campaigns determined by Zooga.

9.2 Use by Zooga. Zooga may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Zooga for such purpose.

9.3 Brand Development Fund. Zooga has established or may establish a Brand Development Fund to promote the System on a local, regional, national, and/or international level. If Zooga has established a Brand Development Fund:

(a) Account. Zooga is not required to hold the Brand Development Fund Contributions in a bank account separate from Zooga's other accounts.

(b) Use. Zooga shall use the Brand Development Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Zooga reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Development Fund (including the compensation of Zooga's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Brand Development Fund).

(c) Discretion. Franchisee agrees that expenditures from the Brand Development Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Brand Development Fund will be spent at Zooga's sole discretion, and Zooga has no fiduciary duty with regard to the Brand Development Fund.

(d) Contribution by Other Outlets. Zooga is not obligated to (i) have all other Zooga Yoga businesses (whether owned by other franchisees or by Zooga or its affiliates) contribute to the Brand Development Fund, or (ii) have other Zooga Yoga businesses that do contribute to the Brand Development Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Zooga may accumulate funds in the Brand Development Fund and carry the balance over to subsequent years. If the Brand Development Fund operates at a deficit or requires additional funds at any time, Zooga may loan such funds to the Brand Development Fund on reasonable terms.

(f) Financial Statement. Zooga shall prepare an unaudited annual financial statement of the Brand Development Fund within 120 days of the close of Zooga's fiscal year and shall provide the financial statement to Franchisee upon request.

9.4 Market Cooperatives. Zooga may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days of notice from Zooga. Zooga shall not require Franchisee to be a member of more than one Market Cooperative. If Zooga establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Zooga. Zooga may require the Market Cooperative to adopt bylaws or regulations prepared by Zooga. Unless otherwise specified by Zooga, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Zooga will be entitled to attend and participate in any meeting of a Market Cooperative. Any Zooga Yoga business owned by Zooga in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Zooga may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Zooga's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Zooga pursuant to Section 9.1. Zooga may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and not more than 5% of Gross Sales.

(e) Enforcement. Only Zooga will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Zooga may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Brand Development Fund.

9.5 Required Spending. After the Business opens to the public, Franchisee shall spend at least $300 each month on marketing the Business (not counting website maintenance). Upon request of Zooga, Franchisee shall furnish proof of its compliance with this Section. Zooga has the discretion to determine in good faith what activities constitute "marketing" under this Section. If Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section.

9.6 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Zooga's approval of the market introduction plan at least 30 days before the projected opening date of the Business. Franchisee must spend at least $1,000 on the market introduction plan.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Zooga may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Zooga may require in the Manual or otherwise in writing, including:

(i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of each calendar year; and

(iii) any information Zooga requests in order to prepare a financial performance representation for Zooga's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Zooga of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Zooga may request.

(c) Government Inspections. Franchisee shall give Zooga copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Zooga such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Zooga may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Zooga a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Zooga's Franchise Disclosure Document and with such other information as Zooga may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Zooga may specify in the Manual or otherwise in writing.

10.5 Records Audit. Zooga may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Zooga may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Zooga. Franchisee shall also reimburse Zooga for all costs and expenses of the examination or audit if (i) Zooga conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any 4-week period.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Zooga. Zooga may supplement, revise, or modify the Manual, and Zooga may change, add or delete System Standards at any time in its discretion. Zooga may inform Franchisee thereof by any method that Zooga deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Zooga's master copy will control.

11.2 Inspections. Zooga may enter the premises of the Business from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with Zooga's inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Zooga may videotape and/or take photographs of the inspection and the Business. Zooga may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Zooga's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Zooga conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Zooga may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 Zooga's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Zooga may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Zooga for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Business Data. All customer data and other non-public data generated by the Business (other than data generated by the Business related to employees and personal data subject to applicable privacy laws) is Confidential Information and is exclusively owned by Zooga. Zooga hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.5 Innovations. Franchisee shall disclose to Zooga all ideas, plans, improvements, concepts, methods, and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee or its employees, agents, or contractors. Zooga will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Zooga to document Zooga's ownership of Innovations.

11.6 Communication Systems. If Zooga provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Zooga to access such communications.

11.7 Communication with Employees. Franchisee irrevocably authorizes Zooga to communicate with Franchisee's employees and contractors on any matter related to the System or the Business. Franchisee will not prohibit any employee or contractor from communicating with Zooga on any matter related to the System or the Business.

11.8 Communications with Landlord and Lenders. Franchisee irrevocably authorizes Zooga to communicate with Franchisee's landlord and lender(s), or prospective landlord and lender(s), about matters relating to the Business, and to provide information about the Business to them.

11.9 Delegation. Zooga may delegate any duty or obligation of Zooga under this Agreement to an affiliate or to a third party.

11.10 System Variations. Zooga may vary or waive any System Standard for any one or more Zooga Yoga franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.12 Temporary Public Safety Closure. If Zooga discovers or becomes aware of any aspect of the Business which, in Zooga's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Zooga's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Zooga shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Zooga, and only in the manner as Zooga may require. 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. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Zooga.

12.2 Change of Marks. Zooga may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Zooga makes any such change (not to exceed 90 days), Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Zooga shall defend Franchisee (at Zooga's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Zooga shall indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Zooga if Franchisee becomes aware of any possible infringement of a Mark by a third party. Zooga may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Zooga shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

12.4 Name. If Franchisee is an entity, it shall not use the word[s] "Zooga Yoga" or any confusingly similar words in its legal name.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Zooga for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized in writing by Zooga, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Zooga (except for Confidential Information which Zooga licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor within five miles of Franchisee's Territory or the territory of any other Zooga Yoga business operating on the date of expiration, termination, or transfer, as applicable. If this Agreement is terminated before the Territory is determined, then the area of non-competition will be the Development Area and the territory of any other Zooga Yoga business operating on the date of termination.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Zooga. Franchisee agrees that the existence of any claim it may have against Zooga shall not constitute a defense to the enforcement by Zooga of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by Zooga, Franchisee shall cause its general manager and other key employees reasonably designated by Zooga to sign Zooga's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Zooga violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Zooga receives written notice of termination.

14.2 Termination by Zooga.

(a) Subject to 10-Day Cure Period. Zooga may terminate this Agreement if Franchisee does not make any payment to Zooga when due, or if Franchisee does not have sufficient funds in its account when Zooga attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Zooga gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Zooga's satisfaction within 30 days after Zooga gives notice to Franchisee of such breach, then Zooga may terminate this Agreement.

(c) Without Cure Period. Zooga may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Zooga;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open for business by the date specified on the Summary Page;

(v) Franchisee loses possession of the Location;

(vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

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

(viii) Franchisee or any Owner slanders or libels Zooga or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Zooga or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;

(x) the Business is operated in a manner which, in Zooga's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Zooga or otherwise);

(xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xii) Zooga (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not give Zooga the right to terminate this Agreement);

(xiii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or

(xiv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Zooga's opinion is reasonably likely to materially and unfavorably affect the Zooga Yoga brand.

14.3 Effect of Termination. Upon 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, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Zooga based on the operation of the Business through the effective date of termination or expiration;

(ii) return to Zooga all copies of the Manual, Confidential Information and any and all other materials provided by Zooga 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; and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Zooga or any new franchisee as may be directed by Zooga, and Franchisee hereby irrevocably appoints Zooga, 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 appropriate to accomplish the foregoing; and

(iv) cease doing business under any of the Marks.

14.4 Remove Identification. Within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Zooga Yoga business, to the reasonable satisfaction of Zooga. Franchisee shall comply with any reasonable instructions and procedures of Zooga for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Zooga may enter the Location to remove the Marks and de-identify the Location. In this event, Zooga will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Zooga.

14.5 Liquidated Damages. If Zooga terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to Zooga a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average monthly Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Zooga under this Agreement for the 12 month period preceding the date on which Franchisee ceased operating the Business (disregarding any fee waivers or reductions granted to Franchisee); multiplied by (y) the lesser of (1) 24 or (2) the number of months remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 12 months, then (x) will equal the average monthly Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Zooga during the period that Franchisee operated the Business. The "average Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Zooga" shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Brand Development Fund Contributions set forth in an addendum to this Agreement, unless this Section 14.5 is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent of Zooga's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to Zooga under this Section will be in lieu of any direct monetary damages that Zooga may incur as a result of Zooga's loss of Royalty Fees and Brand Development Fund Contributions that would have been owed to Zooga after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, Zooga's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which Zooga is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Zooga may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Zooga will have the right (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Zooga. To exercise this option, Zooga must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Zooga elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Zooga's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Zooga may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Zooga. If Zooga exercises the purchase option, Zooga may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Zooga to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Zooga may pay a portion of the purchase price directly to the lienholder to pay off such lien. Zooga may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Zooga may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Zooga. Zooga may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Zooga may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Zooga entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Zooga at least 60 days prior notice of the proposed Transfer, and without obtaining Zooga's consent. In granting any such consent, Zooga may impose conditions, including, without limitation, the following:

(i) Zooga receives a transfer fee equal to 50% of our then-current franchise fee (but not less than $16,250), plus any broker fees and other out-of-pocket costs incurred by Zooga;

(ii) the proposed Transferee and its owners have completed Zooga's franchise application processes, meet Zooga's then-applicable standards for new franchisees, and have been approved by Zooga as franchisees;

(iii) the proposed Transferee is not a Competitor;

(iv) the proposed Transferee executes Zooga's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed Transferee provide a guaranty in accordance with Section 2.5;

(vi) Franchisee has paid all monetary obligations to Zooga and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Zooga or its affiliates;

(vii) the proposed Transferee and its owners and employees undergo such training as Zooga may require;

(viii) Franchisee, its Owners, and the Transferee and its owners execute a general release of Zooga in a form satisfactory to Zooga; and

(ix) the Business fully complies with all of Zooga's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Zooga, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Zooga, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Zooga (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Zooga's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3, to a co-Owner, or to a spouse, sibling, or child of an Owner), Zooga will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Zooga a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Zooga's receipt of such copy, Zooga will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that if some or all of the purchase price is not payable in cash, Zooga may pay the equivalent value in cash for the purchase price). If Zooga does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Zooga) Zooga, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Zooga and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee's intentional misconduct or negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption. An Indemnitee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsections (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Zooga's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Intellectual Property Claims. Either party may bring a claim involving an alleged infringement of any of Zooga's intellectual property rights in a court authorized to hear such claims under Section 17.5 of this Agreement.

(e) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Zooga to comply with laws and regulations applicable to the sale of franchises.

(f) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Zooga and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by Zooga related to non-payment of Royalty Fees and other fees under this Agreement, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that such proceeding will be brought in the United States District Court where Zooga's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Zooga's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

17.7 Franchisor Personnel. The provisions of this Article 17 will apply to any Action by Franchisee or its Owners against Zooga's officers, directors, shareholders, members, employees, and/or agents. Nothing in this Agreement authorizes any Action against Zooga's officers, directors, shareholders, members, employees, and/or agents or makes those persons liable for Zooga's conduct.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Zooga is not a fiduciary of Franchisee. Zooga does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Zooga's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Zooga has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. Except as stated in Article 16 or Article 17, this Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Zooga, and Zooga's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Zooga in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Zooga's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 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.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of California (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any California law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Zooga, addressed to 11054 Washington Boulevard, Culver City, CA 90232. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notices will be effective upon the earlier of: (i) receipt by the recipient, (ii) first rejection by the recipient, (iii) three business days after mailing if sent via registered or certified mail; or (iv) the next business day after mailing if sent via overnight courier. Notwithstanding the foregoing, Zooga may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication, in which case notice would be effective on Franchisee upon the delivery of the electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2, then at any time (regardless of any course of dealing by the parties), Zooga may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the Business and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Zooga specifies, or (ii) bind Franchisee to a renewal term of 5 years, collect the renewal fee this Agreement specified in Section 3.2(v), and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi).

18.11 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Zooga does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Zooga.

[*Signatures on next page*]

Agreed to by:

FRANCHISOR:

ZOOGA YOGA ENTERPRISES, INC.

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

FRANCHISEE:

[*if an individual:*]

____
Name: ____________________________
Date: _____________________________

[*if an entity:*]

____

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

(*Check if applicable*) At the same time as the parties execute this Agreement, they are also executing a Rider to Franchise Agreement pursuant to:

________ Illinois
________ Indiana
________ Maryland
________ Minnesota
________ New York
________ North Dakota
________ Ohio
________ Rhode Island
________ Washington

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. Form of Ownership. Franchisee is a (check one):

______________________ *Sole Proprietorship*
______________________ *Partnership*
______________________ *Limited Liability Company*
______________________ *Corporation*

State: ____________________________

2. Owners. If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. Officers. If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

To: ________________________________

This Location Acceptance Letter is issued by Zooga Yoga Enterprises, Inc. for your Zooga Yoga franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Business is:

____

2. The Territory of the Business is:

____

ZOOGA YOGA ENTERPRISES, INC.

By: ___________________________
Name: _________________________
Title: __________________________
Date: __________________________

Attachment 3 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of Zooga Yoga Enterprises, Inc., a California corporation(“Zooga”).

Background Statement: ________________________ (“Franchisee”) desires to enter into a Franchise Agreement with Zooga for the franchise of a Zooga Yoga business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Zooga to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Zooga and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Zooga, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Zooga upon demand from Zooga. Guarantor waives (a) acceptance and notice of acceptance by Zooga of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Zooga make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information, Guarantor shall (a) adhere to all security procedures prescribed by Zooga for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business, (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Zooga, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Zooga or its affiliates (except for Confidential Information which Zooga licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Zooga. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor located within five miles of Franchisee's Territory or the territory of any other Zooga Yoga business operating on the date of expiration, termination, or transfer, as applicable. If the Franchise Agreement is terminated before the Territory is determined, then the area of non-competition will be the Development Area and the territory of any other Zooga Yoga business operating on the date of termination.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Zooga. Guarantor agrees that the existence of any claim it or Franchisee may have against Zooga shall not constitute a defense to the enforcement by Zooga of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Zooga may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of California (without giving effect to its principles of conflicts of law). The parties agree that any California law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Zooga all costs incurred by Zooga (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

____
Name: ______________________________
Address: ______________________________
____
____
Date: ______________________________

____
Name: ______________________________
Address: ______________________________
____
____
Date: ______________________________

____
Name: ______________________________
Address: ______________________________
____
____
Date: ______________________________

Attachment 4 to Franchise Agreement

CERTIFICATION OF FRANCHISOR'S COMPLIANCE

By signing below, the undersigned acknowledges the following:

(1) The undersigned understands all the information in Zooga's Disclosure Document.

(2) The success or failure of the Business will depend in large part upon Franchisee's skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, and the marketplace.

(3) That no person acting on Zooga's behalf made any statement or promise regarding the costs involved in operating a Zooga Yoga franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(4) That no person acting on Zooga's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document.

(5) That no person acting on Zooga's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a Zooga Yoga franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(6) That no person acting on Zooga's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document.

(7) The undersigned understands that this Agreement contains the entire agreement between Zooga and Franchisee concerning the Zooga Yoga franchise, which means that any oral or written statements not set out in this Agreement will not be binding. In deciding to enter into this Agreement, the undersigned is not relying on any statement, promise, claim, or representation not expressly set forth in this Agreement or in the Disclosure Document.

______________________________	______________________________
Name:	Name:
Date:	Date:

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "MUDA") is made between Zooga Yoga Enterprises, Inc., a California corporation("Zooga") and ________________, a _______ _______ ("Franchisee") on the Effective Date.

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

1. Multi-Unit Commitment.

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

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

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

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

3. Development Area. Franchisee shall locate each Zooga Yoga business it develops under this MUDA within the following area: ______________________________ ______________ (the "Development Area"). Franchisee acknowledges that it does not have exclusive rights to develop, open or operate Zooga Yoga businesses in the Development Area.

4. Default and Termination. Zooga may terminate this MUDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee fails to satisfy the development schedule; or

(ii) Zooga has the right to terminate any franchise agreement between Zooga and Franchisee (or any affiliate thereof) due to Franchisee's default thereunder (whether or not Zooga actually terminates such franchise agreement).

5. Limitation of Liability. Franchisee's commitment to develop Zooga Yoga businesses is in the nature of an option only. If Zooga terminates this MUDA for Franchisee's default, Franchisee shall not be liable to Zooga for lost future revenues or profits from the unopened Zooga Yoga businesses. Franchisee may terminate this MUDA at any time.

6. Conditions. Franchisee's right to develop each Zooga Yoga franchise after the Store #1 is subject to the following:

(i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Zooga Yoga business, in the reasonable judgment of Zooga, and

(ii) Franchisee must be in full compliance with all brand requirements at its open Zooga Yoga businesses, and not in default under any Franchise Agreement or any other agreement with Zooga.

7. Dispute Resolution; Miscellaneous. The laws of the State of California (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any California law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 7. Franchisee shall not Transfer this MUDA without the prior written consent of Zooga, and any Transfer without Zooga's prior written consent shall be void. The provisions of Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein.

[*Signatures on Next Page*]

Agreed to by:

FRANCHISOR:

ZOOGA YOGA ENTERPRISES, INC.

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

FRANCHISEE:

[*if an individual:*]

____
Name: ____________________________

[*if an entity:*]

____

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

(*Check if applicable*) At the same time as the parties execute this Agreement, they are also executing a Rider to Multi-Unit Development Agreement pursuant to:

________ Illinois
________ Indiana
________ Maryland
________ Minnesota
________ New York
________ North Dakota
________ Ohio
________ Rhode Island
________ Washington

EXHIBIT D

RIDER TO LEASE AGREEMENT

Landlord: ______________________________
Notice Address: ______________________________
____
____
Telephone: ______________________________

Tenant: ______________________________

Leased Premises: ______________________________

Franchisor: Zooga Yoga Enterprises, Inc.
Notice Address: 11054 Washington Boulevard, Culver City, CA 90232
Telephone: (310) 839-6642

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Zooga Yoga business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor or its affiliate, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease unless otherwise agreed by Landlord. If Franchisor or its affiliate becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Zooga Yoga brand. Any provision of the Lease which limits Tenant's right to own or operate other Zooga Yoga outlets in proximity to the Leased Premises shall not apply to Franchisor or to its affiliates.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

____

By: ___________________________
Name: _________________________
Title: __________________________
Date: __________________________

TENANT:

____

By: ___________________________
Name: _________________________
Title: __________________________
Date: __________________________

FRANCHISOR:

ZOOGA YOGA ENTERPRISES, INC.

By: ___________________________
Name: _________________________
Title: __________________________
Date: __________________________

EXHIBIT E

FORM OF GENERAL RELEASE

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of Zooga Yoga Enterprises, Inc., a California corporation("Zooga").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Zooga, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Zooga reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

5. State Addenda.

[Maryland Residents]: This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Washington Residents]: A release or waiver of rights executed by a franchisee 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.

Agreed to by:

____
Name: _______________________
Date: ________________________

EXHIBIT F

FINANCIAL STATEMENTS

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

Zooga Enterprises, Inc.
Profit & Loss
s **January through May 2021**

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	TOTAL
Ordinary Income/Expense						
Income						
4030 · Royalty Income	0.00	0.00	2,741.41	0.00	0.00	2,741.41
4031 · Technology Fee	25.00	50.00	25.00	25.00	25.00	150.00
Total Income	25.00	50.00	2,766.41	25.00	25.00	2,891.41
Expense						
6080 · Dues & Subscriptions	0.00	175.00	-175.00	0.00	0.00	0.00
6500 · Outside Services	43.20	0.00	0.00	0.00	0.00	43.20
6840 · Travel Expense	0.00	0.00	0.00	0.00	38.28	38.28
Total Expense	43.20	175.00	-175.00	0.00	38.28	81.48
Net Ordinary Income	-18.20	-125.00	2,941.41	25.00	-13.28	2,809.93
Other Income/Expense						
Other Expense						
6340 · Interest Expense	217.46	214.01	205.80	224.61	211.56	1,073.44
6890 · Taxes	0.00	0.00	800.00	822.00	0.00	1,622.00
Total Other Expense	217.46	214.01	1,005.80	1,046.61	211.56	2,695.44
Net Other Income	-217.46	-214.01	-1,005.80	-1,046.61	-211.56	-2,695.44
Net Income	**-235.66**	**-339.01**	**1,935.61**	**-1,021.61**	**-224.84**	**114.49**

Zooga Enterprises, Inc.
Balance Sheet
As of May 31, 2021

	May 31, 21
ASSETS	
Current Assets	
Checking/Savings	
1010 · BofA Checking (0377)	12,528.58
1020 · BofA Investment Savings (8477)	44.99
Total Checking/Savings	12,573.57
Other Current Assets	
2000 · Due From Zooga Yoga LLC	25.00
Total Other Current Assets	25.00
Total Current Assets	12,598.57
TOTAL ASSETS	**12,598.57**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2100 · Amex Gold (9-61002)	-3.91
2105 · Bank of America (9595)	7,489.15
2115 · Discover-3750	10,111.02
Total Credit Cards	17,596.26
Other Current Liabilities	
2200 · CP of Deferred Revenue	6,500.00
2400 · Due To Zooga Yoga LLC	-19,297.51
Total Other Current Liabilities	-12,797.51
Total Current Liabilities	4,798.75
Long Term Liabilities	
2210 · LT Deferred Revenue	1,625.00
2700 · EIDL (Payable)	14,000.00
2800 · PPP Loan	10,582.00
Total Long Term Liabilities	26,207.00
Total Liabilities	31,005.75
Equity	
3140 · Shareholder Distributions	-8,669.45
3150 · Shareholder Contribution	42,000.00
3200 · Retained Earnings	-51,852.22
Net Income	114.49
Total Equity	-18,407.18
TOTAL LIABILITIES & EQUITY	**12,598.57**

ZOOGA YOGA ENTERPRISES, INC.

FINANCIAL REPORT

AS OF DECEMBER 31, 2020

ZOOGA YOGA ENTERPRISES, INC.

TABLE OF CONTENTS

Independent Auditor's Report

To the Stockholder
Zooga Yoga Enterprises, Inc.
Culver City, California

We have audited the accompanying balance sheets of Zooga Yoga Enterprises, Inc. as of December 31, 2020 and 2019 and the related statements of operations, stockholder's equity and cash flows for the years ended December 31, 2020 and 2019, and the notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Zooga Yoga Enterprises, Inc. as of December 31, 2020 and 2019 and the results of their operations and their cash flows for the years ended December 31, 2020 and 2019 in accordance with accounting principles generally accepted in the United States of America.

15953 Fillmore Street • Thornton, CO 80602
Office: (303) 999-6485 • Fax (303) 284-5041

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Company has changed its method of accounting for revenue from contracts with customers in fiscal year 2020 due to the adoption of the new revenue standard ASC 606, "Contracts with Customers". The Company adopted the new revenue standard using the modified retrospective approach. Our opinion is not modified with respect to this change in accounting principle.

Reese CPA LLC

Thornton, Colorado
July 22, 2021

ZOOGA ENTERPRISES, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS:		
CURRENT ASSETS		
Cash and equivalents	$ 52,397	$ 50,383
Accounts receivable	-	2,838
TOTAL CURRENT ASSETS	52,397	53,221
NON-CURRENT ASSETS	-	-
TOTAL ASSETS	$ 52,397	$ 53,221
LIABILITIES AND STOCKHOLDER'S EQUITY:		
CURRENT LIABILITIES		
Accounts payable	$ 19,537	$ 21,890
Due to related party	21,157	21,387
Current portion of deferred revenue	6,500	-
TOTAL CURRENT LIABILITIES	47,194	43,277
LONG-TERM LIABILITIES		
Deferred revenue, less current portion	1,625	-
Notes payable	14,000	30,000
TOTAL LIABILITIES	62,819	73,277
STOCKHOLDER'S (DEFICIT)		
Stockholder contributions	42,000	20,000
Stockholder distributions	(7,464)	(6,894)
Retained earnings	(44,958)	(33,162)
TOTAL STOCKHOLDER'S (DEFICIT)	(10,422)	(20,056)
TOTAL LIABILITIES AND STOCKHOLDER'S (DEFICIT)	$ 52,397	$ 53,221

The accompanying notes are an integral part of these financial statements.

ZOOGA ENTERPRISES, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUES		
Royalties	$ 5,087	$ 24,306
Franchise fees	17,875	-
Technology fees and other revenue	551	788
TOTAL REVENUE	23,513	25,094
OPERATING EXPENSES		
Professional fees	2,745	6,441
Advertising	900	9,027
General and administrative	3,736	5,553
TOTAL OPERATING EXPENSES	7,381	21,021
OPERATING INCOME	16,132	4,073
OTHER (EXPENSE)	(1,928)	(2,160)
NET INCOME	$ 14,204	$ 1,913

The accompanying notes are an integral part of these financial statements.

ZOOGA ENTERPRISES, INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Common Stock Shares	Common Stock Amount	Stockholder Contributions	Stockholder Distributions	Accumulated (Deficit)	Total Stockholder's (Deficit)
BALANCE, DECEMBER 31, 2018	1,000	$ 10,000	$ -	$ (4,714)	$ (35,075)	$ (29,789)
Correction of an error	(1,000)	(10,000)	-	700	-	(9,300)
Stockholder contribution	-	-	20,000	-	-	20,000
Stockholder distribution	-	-	-	(2,880)	-	(2,880)
Net income	-	-	-	-	1,913	1,913
BALANCE, DECEMBER 31, 2019	-	-	20,000	(6,894)	(33,162)	(20,056)
Implementation of accounting standard		-	-	-	(26,000)	(26,000)
Stockholder contribution	-	-	22,000	-	-	22,000
Stockholder distribution	-	-	-	(570)	-	(570)
Net income		-	-	-	14,204	14,204
BALANCE, DECEMBER 31, 2020	-	$ -	$ 42,000	$ (7,464)	$ (44,958)	$ (10,422)

The accompanying notes are an integral part of these financial statements.

ZOOGA ENTERPRISES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 14,204	$ 1,913
Adjustments to reconcile net income to net cash provided by operating activities:		
Correction of an error	-	(9,300)
Bad debt expense	2,838	-
Recognition of deferred revenue	(17,875)	-
Changes in assets and liabilities:		
Accounts receivable	-	(167)
Accounts payable	(2,353)	5,264
Due to affiliates	(230)	(44,942)
Net cash used in operating activities	(3,416)	(47,232)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payment) issuance of debt	(16,000)	30,000
Stockholder contributions	22,000	20,000
Cash paid to shareholder	(570)	(2,880)
Net cash provided by financing activities	5,430	47,120
NET (DECREASE) INCREASE IN CASH	2,014	(112)
CASH, beginning of year	50,383	50,495
CASH, end of year	$ 52,397	$ 50,383
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ -	$ 800

The accompanying notes are an integral part of these financial statements.

ZOOGA YOGA ENTERPRISES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Zooga Yoga Enterprises, Inc. ("Company") was incorporated on January 25, 2016 in the State of California. The Company grants franchises to qualified persons or business entities to develop and operate a Zooga Yoga studio for children and their families, providing mind and body wellness techniques with traditional yoga poses, dance, props, original children's music, and games to create interactive animal adventures under the trade name Zooga Yoga®.

The Company has one affiliate. Zooga Yoga, LLC is a California limited liability company and has operated one studio since July, 2012. Zooga Yoga, LLC does not sell franchises in any other line of business and is not otherwise engaged in any other business activity.

The following table summarizes the number of studios open and operating as of December 31, 2020 and 2019:

	2020	2019
Studios in operation, beginning	3	3
Studios opened	-	-
Studios terminated or closed	1	-
Studios in operation, ending	2	3
Franchised studios	1	2
Affiliate owned studios	1	1

A summary of significant accounting policies follows:

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared the outbreak a pandemic. In response, many states implemented measures to combat the outbreak including, but not limited to, temporarily closing businesses. The franchised locations and the affiliate owned location temporarily closed at this time. One franchised location permanently closed during the year ended December 31, 2020, and the two other locations re-opened in the second quarter of 2021. The Company did not have assets related to the closed locations, so no impairments have been recorded as of the balance sheet date. The Company does not expect the results of operations, cash flows, and financial condition to continue to be negatively impacted.

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

ZOOGA YOGA ENTERPRISES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2020 and 2019.

Accounts Receivable

Accounts receivable arise in the normal course of business through franchise sales and royalties earned. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2020 and 2019 and had bad debt expense of $2,838 and $0 during the years ended December 31, 2020 and 2019, respectively.

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years). The Company had no property, plant & equipment at December 31, 2020 and 2019.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as franchise development cost) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with infinite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. The Company had no intangible assets at December 31, 2020 and 2019.

ZOOGA YOGA ENTERPRISES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The stockholder of the Company has elected to be taxed as an S Corporation under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its stockholder and no provisions for federal or state taxes has been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's stockholder. The Company's evaluation was performed for the years ended December 31, 2020 and 2019 for U.S. Federal Income Tax and the State of California Income Tax.

Revenue Recognition

The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently five years.

When a franchisee purchases a franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("license"). The license is symbolic intellectual property. Revenues related to the license are continuing royalties are 5% of gross sales. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed monthly and are recognized as revenue when earned.

Brand Development Fund Revenue

The Company has a right to establish a brand development fund of 1% of gross sales to provide advertising for the benefit of the franchisees. The Company is not currently collecting this fee.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense the years ended December 31, 2020 and 2019 $900 and $9,027, respectively.

ZOOGA YOGA ENTERPRISES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

For the Company's financial instruments which consist of cash and cash equivalents the carrying amounts approximate fair value due to their short maturities.

Recently Adopted Accounting Guidance

The Company has adopted and applied the provisions of ASC 606 –"Contracts for Customers" ("ASC 606") issued by the FASB related to revenue recognition which became effective for the Company as of January 1, 2020. The provisions have been applied using the modified retrospective method under the provisions of new revenue standard. The Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings as of January 1, 2020. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The revenue recognition policy above discloses the Company's application of the new revenue standard to the contracts of the Company. This policy was applied to all franchise agreements that were in force at December 31, 2019, and those franchise agreements that the Company executed from January 1, 2020, signed through December 31, 2020.

The cumulative effect of the adoption of the new revenue standard on the Company's balance sheet as of January 1, 2020, and December 31, 2020, and the Company's statement of operations for the year ended December 31, 2020, were as follows:

	Balance at December 31, 2019	Adjustments Due to ASC 606	Balance at January 1, 2020
Balance Sheet			
Deferred franchise revenue	$ -	$ 26,000	$ 26,000
Stockholder's (deficit)	(20,056)	(26,000)	(46,056)

	As Reported	Without Adoption of ASC 606	Increase (Decrease)
	For the Year Ended December 31, 2020		
Statement of Operations			
Franchise sale revenue	$ 17,875	$ -	$ 17,875
Net income (loss)	13,084	(4,071)	17,875

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	As Reported	Without Adoption of ASC 606	Increase (Decrease)
	As of December 31, 2020		
Balance Sheet			
Deferred franchise revenue, current	$ 6,500	$ -	$ 6,500
LT deferred franchise revenue	1,625	-	1,625
Stockholder's (deficit)	(10,422)	(2,297)	(8,125)

Other than the new revenue standard as described in the previous paragraphs the Company has adopted all recently issued Accounting Standards Updates ("ASU"). Management has not yet determined the effect of the adoption of the other recently issued ASUs, including those not yet effective, could have on the financial position or results of operations of the Company.

NOTE 2 – CONTRACT BALANCES

The Company recorded a liability for unearned revenues associated with the performance obligations of the Company's franchise agreements. The account balances and activity are as follows:

	December 31, 2020
Deferred Franchise Revenue:	
Balance at beginning of year	$ -
Implementation of new revenue standard	26,000
Deferral of deferred revenue	-
Recognition of franchise revenue	(17,875)
Balance at end of year	$ 8,125

Estimated Recognition of Deferred Franchise Revenue

Estimated revenues to be recognized in future periods related to deferred franchise revenues as reported at December 31, 2020, is as follows:

Year ending December 31:	Deferred Franchise Revenue
2021	$ 6,500
2022	1,625
	$ 8,125

NOTE 3 – NOTES PAYABLE – COVID 19 RELIEF

During 2020 the Company borrowed $13,900 from the Small Business Administration ("SBA") under the Economic Injury Disaster Loan Program for COVID-19 relief. Interest on the note is 3.75% per annum. The note is due is 360 payments of $68 beginning June 3, 2021.

NOTE 4 – CORRECTION OF AN ERROR

Prior issued financial statements contained an immaterial error that was corrected on January 1, 2019. Common stock was not issued as stated and reported on the prior financial statements.

The cumulative effect of this error on the Company's balance sheet as of January 1, 2019 are as follows:

	As Previously Reported	Corrected	Increase (Decrease)
Accounts payable	$ 16,626	$ 25,926	$ 9,300
Common stock	10,000	-	(10,000)
Stockholder distributions	(4,714)	(4,014)	700

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 6 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through July 22, 2021 the date on which the financial statements were available to be issued.

EXHIBIT G

BRAND STANDARDS MANUAL TABLE OF CONTENTS

EXHIBIT H

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

Ariel Friedman
8302 Melrose Avenue, Suite A
Los Angeles, CA 90069
(323) 847-5084

Franchisees who had signed franchise agreements as of the end of our last fiscal year but are not yet open:

None ~~Please return one signed copy to~~

Note: We did not have any multi-unit developers at the close of our last fiscal year.

Former Franchisees

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

Jennifer and Rob Whitaker
2206 Artesia Blvd.
Redondo Beach, CA 90278
(310) 318-5653

EXHIBIT I

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

   Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document 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 that association or exchange.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

   The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

   California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the

Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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.).

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.

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in Culver City, California, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil 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.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

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

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: ____________________

2. A proposed registration or filing is or will be shortly on file in the following states: ______________________________

3. No states have refused, by order or otherwise to register these franchises.

4. No states have revoked or suspended the right to offer these franchises.

5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the "Act"), this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

The following is added to Item 17:

> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
>
> You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
>
> The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

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

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

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION

WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

1. The following information is added to the cover page of the Franchise Disclosure Document:

> **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

> Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:
>
> A. No such party 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.
>
> B. No such party has 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.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-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.
>
> D. No such party 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.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

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

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**": The foregoing choice of law should not be

considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

OHIO ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Ohio only, this Disclosure Document is amended by adding the following two cover pages to this Disclosure Document:

ZOOGA YOGA ENTERPRISES, INC.

July 23, 2021

READ THIS DISCLOSURE DOCUMENT CAREFULLY

The state of Ohio has not reviewed and does not approve, recommend, endorse, or sponsor this or any franchise. If you have any questions about this franchise, the information contained in this disclosure document should be reviewed with an attorney or financial advisor before you sign any agreement.

The following disclosure document contains the disclosures required by Ohio law.

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

The following is added to Item 19:

CAUTION

Some business opportunity plans have earned this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

Item 17, summary columns for (v) and (w) are amended to add the following:

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

> Under 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 do 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.
>
> Under 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 the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

> Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit J for Washington Addendum to Disclosure Document and Rider to Franchise Agreement)

EXHIBIT J

STATE ADDENDA TO AGREEMENTS

ILLINOIS RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated __________________ (the "Agreement"), between Zooga Yoga Enterprises, Inc., a California corporation("Zooga") and ___________________, a ________ ____________ ("Franchisee").

1. Governing Law. Illinois law governs the Agreement.

2. Waivers Void. In conformance with Section 41 of the Illinois Franchise Disclosure Act, notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

3. Jurisdiction. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to occur outside of Illinois.

4. Effective Date. This Rider is effective as of the date of the Agreement.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: __________________________	By: __________________________
Name: ________________________	Name: ________________________
Title: _________________________	Title: _________________________
Date: _________________________	Date: _________________________

INDIANA RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated ______________________ (the "Agreement"), between Zooga Yoga Enterprises, Inc., a California corporation("Zooga") and ____________________, a _____________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase

notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

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

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: ______________________	By: ______________________
Name: ____________________	Name: ____________________
Title: _____________________	Title: _____________________
Date: _____________________	Date: _____________________

MARYLAND RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated ____________ ____________ (the "Agreement"), between Zooga Yoga Enterprises, Inc., a California corporation ("Zooga") and ______________________, a ______________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Maryland Franchise Registration and Disclosure Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Releases, Estoppels and Waivers of Liability. All representations requiring prospective franchisees to assent to a release, estoppel 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. The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Statute of Limitations. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Jurisdiction. Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________
Date: ______________________	Date: ______________________

MINNESOTA RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated ______________________ (the "Agreement"), between Zooga Yoga Enterprises, Inc., a California corporation ("Zooga") and ____________________, a ________ ____________ ("Franchisee").

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

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

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

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

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

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

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

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

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

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

NEW YORK RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated ______________________ (the "Agreement"), between Zooga Yoga Enterprises, Inc., a California corporation ("Zooga") and ____________________, a _____________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Zooga or any other person from any duty or liability imposed by New York General Business Law, Article 33 (the "New York Franchise Law").

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Zooga with any provision of the New York Franchise Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchise Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated ______________________ (the "Agreement"), between Zooga Yoga Enterprises, Inc., a California corporation ("Zooga") and ____________________, a ______________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

(1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.

(2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee's business.

(3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.

(5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

(6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.

(7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.

(8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.

(9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

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

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

OHIO RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated ______________________ (the "Agreement"), between Zooga Yoga Enterprises, Inc., a California corporation ("Zooga") and _____________________, a _____________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "BOPA" means the Ohio Business Opportunity Act, codified in Revised Code of Ohio, Title XIII, Chapter 1334.

2. Applicability of BOPA. Franchisee acknowledges that Zooga is providing this Rider out of an abundance of caution, and that neither the execution of this Rider nor any other act of Zooga constitutes an intent that BOPA apply to the transaction between Zooga and Franchisee or an admission by Zooga that the transaction fails to comply in any material respects with the trade regulation rule of the federal trade commission, "disclosure requirements and prohibitions concerning franchising," 16 C.F.R. 436.1 et seq.

3. No Delivery of Goods or Services during Cancellation Period. Zooga will not commence delivery of any goods or provide any services during the time within which Franchisee may cancel the Agreement as provided in Section 5 below.

4. Jurisdiction and Venue. In connection with the sale of the franchise, any provision in the Agreement restricting jurisdiction or venue to a forum outside of Ohio, or requiring the application of laws of another state, is void with respect to a claim otherwise enforceable under Sections 1334.01 to 1334.15 of the BOPA.

5. Cancellation. You, the franchisee, may cancel the transaction at any time prior to midnight of the fifth business day after the date you sign this Agreement. See the attached notice of cancellation for an explanation of this right.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

OHIO
NOTICE OF CANCELLATION

[*Insert Date Agreement Signed by FRANCHISEE*]

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the Agreement, and any negotiable instrument executed by you will be returned within ten business days following Zooga Yoga Enterprises, Inc.'s receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to Zooga at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of Zooga regarding the return shipment of the goods at Zooga's expense and risk. If you do make the goods available to Zooga and Zooga does not pick them up within twenty days of the date of your notice of cancellation, you may retain ~~the other for your records.~~or dispose of them without further obligation. If you fail to make the goods available to Zooga, or if you agree to return them to Zooga and fail to do so, then you remain liable for the performance of all obligations under the Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Zooga Yoga Enterprises, Inc., at 11054 Washington Boulevard, Culver City, CA 90232, or send a fax to Zooga at [*Insert facsimile number*] or an e-mail to Zooga at franchise@zoogayoga.com not later than midnight of [*Insert date that is five business days after the date above*].

I hereby cancel this transaction.

FRANCHISEE:

____

By: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

This Rider amends the Franchise Agreement [*if applicable*: and Multi-Unit Development Agreement] dated ______________________ (the "Agreement"), between Zooga Yoga Enterprises, Inc., a California corporation ("Zooga") and ____________________, a ______________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

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

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: ____________________	By: ____________________
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________
Date: ____________________	Date: ____________________

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
RIDER TO FRANCHISE AGREEMENT [*if applicable:* AND MULTI-UNIT DEVELOPMENT AGREEMENT]

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

RCW 19.100.180 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Agreed to by:

FRANCHISOR:	FRANCHISEE:
ZOOGA YOGA ENTERPRISES, INC.	______________________________
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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 Zooga Yoga Enterprises, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Zooga Yoga Enterprises, 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 Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone No
Antonia King	11054 Washington Boulevard, Culver City, CA 90232	(310) 839-6642

Issuance Date: July 23, 2021

I received a disclosure document dated July 23, 2021, that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
C. Multi-Unit Development Agreement
D. Rider to Lease Agreement
E. Form of General Release
F. Financial Statements
G. Brand Standards Manual Table of Contents
H. Current and Former Franchisees
I. State Addenda to Disclosure Document
J. State Addenda to Agreements

Signature: ________________________
Print Name: _______________________
Date Received: ______________________

Keep This Copy 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 Zooga Yoga Enterprises, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Zooga Yoga Enterprises, 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 Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	**Principal Business Address**	**Telephone No**
Antonia King	11054 Washington Boulevard, Culver City, CA 90232	(310) 839-6642

Issuance Date: July 23, 2021

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E. Form of General Release
F. Financial Statements
G. Brand Standards Manual Table of Contents
H. Current and Former Franchisees
I. State Addenda to Disclosure Document
J. State Addenda to Agreements

Signature: ______________________________
Print Name: ______________________________
Date Received: ______________________________

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