

## FRANCHISE DISCLOSURE DOCUMENT

MAR 3 0 2012



Floatopia, LLC A New Mexico limited liability company 4600 East Sunset Boulevard, Suite #191 Henderson, Nevada 89014 Phone: (702) 900-2144

Fax: (702) 434-8089 E-Mail: info@myfloatopia.com Website: www.myfloatopia.com

Floatopia, LLC offers franchises for the operation of a float spa that offers a variety of non-medical wellness services and products in a comfortable retail location, including floatation therapy, infra-red saunas, whole body vibration, bulk wellness water and advanced nutrient supplementation.

The total investment necessary to begin operating a Floatopia Wellness Spa ranges from \$442,210 to \$833,810. This includes \$30,000 that must be paid to us.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 4600 East Sunset Boulevard, Suite #191, Henderson, Nevada 89014 or by phone at (702) 900-2144.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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.

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## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in <u>EXHIBIT "A"</u> for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. THE FLOATOPIA FLOAT SPA IS A BUSINESS CONCEPT THAT HAS NEVER BEEN OPERATED BY US, OUR AFFILIATES OR ANY OF OUR PRINCIPALS. THERE IS NO OPERATIONAL HISTORY DEMONSTRATING THAT A FLOATOPIA FLOAT SPA IS A VIABLE BUSINESS.
- 2. THE FRANCHISOR IS A START-UP COMPANY THAT WAS FORMED ON MARCH 8, 2011 AND HAS ONLY JUST BEGUN TO OFFER FRANCHISES. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER TO MAKE THIS INVESTMENT.
- 3. THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY MEDIATION OR LITIGATION IN NEVADA. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH US IN NEVADA THAN IN YOUR HOME STATE.
- 4. THE FRANCHISE AGREEMENT STATES THAT NEVADA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT "HOME STATE" LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DETAILS.
- 5. THE FLOATOPIA MEMBERSHIP PROGRAM ALLOWS MEMBERS OUTSIDE OF YOUR TERRITORY TO RECEIVE FREE OR DISCOUNTED SERVICES AT YOUR FRANCHISED FACILITY.
- 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not 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.

|                 | , 2012 |
|-----------------|--------|
| Effective Date: |        |
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