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FRANCHISE
DISCLOSURE DOCUMENT

FOR





FRANCHISE DISCLOSURE DOCUMENT

THE YOGA POD, INC.

A Colorado Corporation

3701 Arapahoe Avenue, #C117

Boulder, Colorado 80303

Phone: (215) 384-3382

www.yogapod.com

partners@yogapod.com

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

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

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Alex Jarboe at 3710 Arapahoe Avenue, #C117, Boulder CO 80303, and (215) 384-3382.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: September 26, 2018

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit D for information about the franchisor, or about franchising in your state.

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

Please consider the following **RISKS FACTORS** before you buy this franchise:

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

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

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