

FRANCHISE DISCLOSURE DOCUMENT



Yoga Six Franchise, LLC a Delaware limited liability company 17877 Von Karman Ave, Suite 100 Irvine, California 92614 949-529-1880 <u>lindsay@yogasix.com</u> <u>www.yogasix.com</u>

Yoga Six Franchise, LLC ("we," "us," or "our") offers for sale a franchise to establish and operate a fitness studio that offers and provides indoor yoga classes/instruction and other related exercise classes under the our then-current proprietary marks, which currently includes our principal mark YOGA SIX (each, a "Studio").

The total investment necessary to begin operations of a Studio franchise ranges from \$288,620 to \$498,720, This amount includes \$75,720 to \$77,220 that must be paid to the franchisor or its affiliate prior to opening.

The total investment necessary to develop multiple Studios under our form of area development agreement depends on the number of franchises we grant you the right to open, which in all cases will be three (3) or more under this Disclosure Document. The total investment necessary to enter into an area development agreement for the right to develop three (3) Studios ranges from \$363,620 to \$573,720, which includes (a) a development fee of \$135,000 that is paid to us or our affiliates prior to opening, and (b) the total estimated initial investment to begin operation of your initial Studio (as described above).

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Lindsay Junk at Yoga Six Franchise, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 and at (949) 529-1880.

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. Information about comparisons of franchisors is available. More information on franchising, such as "<u>A Consumer's Guide to Buying a Franchise</u>," 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 20580. You can also visit the FTC's home page at <u>www.ftc.gov</u> for additional information.

There may also be laws on franchising in your state. Call your state agency listed on **Exhibit B** or visit your public library for other sources of information on franchising.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS: APRIL 10, 2021.

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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
	Н.
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	Item 21 or Exhibit C includes financial
ability to provide support to my	statements. Review these statements
business?	carefully.
Is the franchise system stable, growing,	Item 20 summarizes the recent history of
or shrinking?	the number of company-owned and
	franchised outlets.
Will my business be the only Yoga Six	Item 12 and the "territory" provisions in
business in my area?	the franchise agreement describe whether
	the franchisor and other franchisees can
	compete with you.
Does the franchise have a troubled legal	Items 3 and 4 tell you whether the
history?	franchisor or its management have been
	involved in material litigation or
	bankruptcy proceedings.
What's it like to be a Yoga Six	Item 20 or Exhibit H lists current and
franchisee?	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.

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What You Need To Know About Franchising Generally

<u>Continuing responsibility to pay fees</u>. 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.

<u>Supplier restrictions</u>. 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.

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

<u>Renewal</u>. 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 franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends that franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit B.

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.

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