

BIKRAM'S YOGA COLLEGE OF INDIA

Affiliation Agreement

THIS AFFILIATION AGREEMENT ("Agreement") is effective as of _____ **2011** ("Effective Date") and is by and between BIKRAM CHOUDHURY or his designee ("Bikram") and _____ ("Affiliate") the yoga school affiliated with Bikram's Yoga College of India, L.P. located at Street Address _____ City _____ State _____ Zip _____ Country _____ (the "Affiliated School") and known as Bikram Yoga _____.

In consideration of the license granted by the Trademark and Intellectual Property License Agreement and the approval granted by this Agreement, Affiliate agrees to all of the following terms and conditions:

Initial Fee: Affiliate shall pay a one time processing fee of Four Hundred and Seventy Five United States Dollars (\$475) to Bikram. However, current existing studio owners are exempt.

Term: The term of this Agreement shall commence as of the Effective Date first shown above and shall expire at 11:59 pm on December 31, 2012; provided, however, that the Term shall automatically renew each January 1 and continue until 11:59 pm December 31 of that calendar year unless either party, with or without cause, delivers written notice of termination to the other party, on or before October 1 of the then current calendar year that the term shall expire on the immediately proximate December 31 at 11:59pm.

Ownership: The approval granted to Affiliate herein is subject to and contingent upon Bikram's prior approval of the Affiliated School, including its location and all of its facilities. Bikram reserves the right to inspect the location and its facilities from time to time and to require changes thereto. At all times Affiliate shall be and remain the sole owner and Director of the Affiliated School with such designation of "Director" appearing on all Affiliated School's stationery and literature. This Agreement shall be deemed automatically terminated if Affiliate transfers or assigns the license without first obtaining the written consent of Bikram. Affiliate shall not have the right to transfer or assign to any third party this Agreement or any rights or obligations hereunder without the prior written approval of Bikram. Only Certified Bikram Instructors may own any interest in the proposed Affiliate Studio or in the Entity (partnership, corporation, etc.) that serves as the Affiliate. These Certified Instructors can borrow money from other

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people or entities to open and operate the studio but they cannot have investors, silent or otherwise, who own any percentage of equity interest in the school.

Requirements: Affiliate agrees that the Studio Requirements are as follows: (1) Size & Dimension of Yoga Room: Affiliate shall ensure that the Yoga Room is rectangular in shape with a 1:3 ratio and located at ground level or above i.e. no basements and that the dimensions are a minimum of 1500 sq ft.; (2) Mirrors: Affiliate shall ensure that the walls of the Yoga Room are covered in good quality mirrors 9 (nine) to 12 (twelve) feet high on three sides; (3) Ceiling: Affiliate shall ensure that the Yoga Room ceiling is a drop ceiling with a minimum of 9 (nine) to 12 (twelve) feet in height; (4) Carpet: At all times Affiliate shall ensure that only approved flooring, i.e. carpet, of any color save green, is used in accordance with Bikram's requirements and specifications. Lines must be drawn on the carpet with a specified distance of 5 (five) to 6 (six) feet; (6) Lighting: Affiliate shall ensure that the lighting in the studio is installed to Bikram's requirements and specifications. The lighting must be sufficient for the size of the Yoga Room and of ample brightness and of high wattage utilizing fluorescent lighting encased in a frame within the drop ceiling specified at (3) above; (7) Sound System: Affiliate shall ensure that a good quality and clear sound system with round speakers is installed in the ceiling of the Yoga Room in accordance with Bikram's requirements and specifications and that headsets are mandatorily used by teachers during class; (8) Locker Rooms: Affiliate shall ensure that separate men's and women's locker rooms are provided with at least 1 (one) toilet/WC and shower in each; (9) Optional: Affiliates are hereby permitted to have a steam room, massage rooms, juice bar and retail space if so desired.

Teachers: Any person teaching Yoga at the Affiliated School shall be the holder of a valid and current certification as a "Bikram Method Teacher" (certified by Bikram to teach Bikram's Basic Yoga System) and such certification shall be placed at visible location at Studio front desk.

Classes: All classes conducted at Affiliate's School shall be conducted in accordance with the methods approved by Bikram and shall solely utilize Bikram's Yoga System. No other Hatha Yoga methods or any other methods (whether yoga, exercise or any other discipline) shall be taught or allowed to take place at the Affiliated School.

Assistance: Provided Affiliate is not in breach of any of the terms and conditions set forth in this agreement Bikram agrees: (1) at the request of the Affiliate, to use reasonable

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efforts to arrange for certified teachers to teach at the Affiliated School, it being expressly understood that Affiliate shall be solely responsible for all compensation to be paid to any such teacher for his or her services, including any benefits and taxes; (2) in his sole discretion, to personally conduct seminars at the Affiliated School, provided that Affiliate agrees to pay to Bikram an agreed upon stipend; (3) to place the Affiliated School on Yoga College of India's mailing list and website, and refer prospective students to Affiliated School, as and when applicable; and (4) in his sole discretion, to include the location of the Affiliated School and/or the name of Affiliate in advertising issued, placed and paid for by Bikram.

Insurance: Affiliate agrees to maintain for the Affiliated School and pay for a policy or policies of professional and general liability insurance in the amount of not less than One Million Dollars US (\$1,000,000US). Affiliate shall name Bikram and Bikram's Yoga College of India as additional insured's thereunder. Affiliate agrees that all such insurance shall provide for a 30 day written notice to Bikram prior to cancellation. Affiliate agrees to deliver to Bikram a certificate of insurance naming Bikram as additional insured. The license granted by this agreement is subject to and contingent upon Bikram's receipt of said certificate. All notices to be sent to Studio Department, Bikram's Yoga College of India, 11500 West Olympic Blvd., Suite #150 Los Angeles, CA 90064.

Indemnity: Affiliate ("Indemnitor") and Affiliate's representatives, agents, successors and assigns shall indemnify, defend and hold harmless Bikram and Bikram's Yoga College of India (together, the "Indemnitees") against all Claims (as defined below) and all costs, expenses and attorney's fees incurred in the defense of any of such claims or any action or proceeding brought on any of such Claims. For purposes of this section, "Claims" shall mean all liabilities, judgments, awards, costs, expenses, attorney's fees and claims arising from, attributable to or in connection with the subject of this Agreement, any breach of any of the terms of this Agreement by Indemnitor, for any personal guarantee issued or given by Indemnitee for the benefit of Indemnitor, and all other matters concerning the operation, maintenance and instruction given at the Affiliated School. If any action or proceeding is brought against Indemnitee by reason of any such Claims, Indemnitor upon notice from Indemnitee shall defend such action or proceeding at Indemnitor's sole cost by counsel satisfactory to Indemnitees.

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Termination: Notwithstanding any other provision of this agreement, this Agreement may be terminated at any time by Bikram: (a) if Affiliate commits any breach or default in the performance of any obligation to be performed by Affiliate under this agreement; (b) if termination is necessary to comply with any applicable federal or state law or regulation; or (c) if Bikram determines that it is necessary to begin charging a fee to Affiliate and other affiliates to support the operation of the affiliate program or to convert to a new type of program. Upon termination of this agreement, for any reason, the license granted Affiliate shall automatically terminate and Affiliate shall cease and desist from using any of the names, logos, trademarks, and/or service marks in any manner whatsoever, and shall return all materials to Bikram which bear the Bikram name, trademarks, service marks or logos except that Affiliate will remain the designation of a “Bikram Method Teacher” or “Bikram Certified Teacher”, subject to all certification and re-certification conditions and restrictions.

Law/Venue: Any dispute arising out of the terms or subject matter of this agreement shall be governed by California law without reference to the conflicts of law provisions thereof and adjudicated only in the federal and state courts of the city and county of Los Angeles. The parties agree that venue shall be proper in Los Angeles County. The prevailing party in any dispute arising under this agreement shall be entitled to recover reasonable attorney’s fees and costs.

Waiver: Affiliate hereby waives any and all claims and agrees not to hold Bikram and Bikram’s Yoga College of India, including their employees, agents, representatives, partners and instructors, responsible for any injuries or loss suffered by Affiliate or Affiliate’s employees, partners, agents, officers, directors, representatives, shareholders, members, students, patrons or invitees which may be caused or incurred, in whole or in part, arise or be attributable to: (a) a breach by Affiliate of any promise, term or condition set forth in this agreement; (b) any misstatements made by Affiliate; (c) Affiliate’s inability or failure to successfully operate the Affiliate School; and (d) accidents, injuries, loss or an occurrence at, in, on or within the Affiliated School including all common areas and facilities.

No failure on the part of either party to exercise any right or remedy under the Agreement shall operate as a waiver of such right or remedy and no single or partial excuse of such right or remedy shall preclude any other right or remedy including, for the avoidance of doubt, any violation or deviation from Bikram’s

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Studio Requirements.

I have read, understand and agree to the terms and conditions set forth in this Agreement

PLEASE READ CAREFULLY AND INITIAL:

AFFILIATE:

BIKRAM:

Signature: _____

Signature: _____

Date: _____ 2011

Date _____ 2011

For and on behalf of

Bikram's Yoga College of India

11500 W. Olympic Blvd.,

Suite #150

Los Angeles, CA 90064

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