

FRANCHISE DISCLOSURE DOCUMENT



Snapology, LLC,
a Pennsylvania limited liability company
2350 Airport Freeway, Suite 505
Bedford, Texas 76022
817.241.5831
letstalk@snapology.com
www.snapology.com
www.snapologyfranchising.com

You will operate a business that provides curriculum-based courses, events and hands on learning experiences using LEGO® brand bricks, K’Nex® brand toys, their substitutes and other building toys, robotics, animation, coding and engineering techniques, services, and products under the SNAPOLOGY name and trademarks.

The total investment necessary to begin operation of a mobile Snapology business ranges from \$75,250 to \$105,800. This includes \$62,000 to \$70,000 that must be paid to the franchisor or its affiliates. The investment necessary to begin operation of a Snapology retail center ranges from \$405,950 to \$541,500. This includes \$79,500 to \$87,500 that must be paid to the franchisor or its affiliates. The investment necessary to begin operation of a Snapology business co-branded with and located within an affiliate brand’s premises ranges from \$139,000 to \$195,100. This includes \$79,500 to \$87,500 that must be paid to the franchisor or its affiliates.

We may offer to enter into a development agreement to establish and operate up to three Snapology Businesses at specific locations under individual franchise agreements. The total investment necessary under the development agreement for two to three Snapology ~~Businesses ranges from \$278,000 to \$1,624,500. This includes \$152,650 to \$248,000~~ retail centers ranges from \$453,700 to \$632,250. The total investment necessary under the development agreement for two to three Snapology businesses co-branded with and located within an affiliate brand’s premises ranges from \$186,750 to \$285,850. This includes \$130,250 to \$168,250 that must be paid to the franchisor or its affiliate.

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 forms, contact Joshua Wall, Chief Growth Officer, Unleashed Services, LLC, 2350 Airport Freeway, Suite 505, Bedford, Texas 76022, 817.241.5831 or by email at franchising@unleashedbrands.com.

The terms of your contract will govern your franchise relationship. Do not 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.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and development agreement require you to resolve disputes with the franchisor by arbitration or litigation only in Texas. 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 franchisor in Texas than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
3. **Minimum Payments.** You must make minimum royalty and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Unopened Franchises: The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.**

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.

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Snapology, LLC, the franchisor of the Snapology franchise system, is referred to in this disclosure document (“Disclosure Document”) as “Franchisor,” “we,” “us,” or “our” as the context requires. A franchisee is referred to in this Disclosure Document as “Franchisee,” “you,” and “your” as the context requires. If the Franchisee is a business entity, the term “Owners” means the person(s) identified in the franchise agreement as owners of the Franchisee and all other persons whom we may subsequently approve to acquire an interest in the franchise. Owners holding more than a ten percent equity interest will have certain personal obligations as described in this disclosure document. If any Owner is a business entity, then the term “Owner” also includes the owners of that business entity

THE FRANCHISOR AND ITS PARENTS, PREDECESSORS, AND AFFILIATES

We are a Pennsylvania limited liability company established on March 10, 2015, and our principal business address is 2350 Airport Freeway, Suite 505, Bedford, Texas 76022. We conduct business under our corporate name, Snapology, LLC, and under “SNAPOLOGY.” Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

We began offering SNAPOLOGY franchises in 2015. We have not conducted business in any other line of business and we have not offered or sold franchises in any other line of business. We also have certain license agreements granting third party licensees the right to develop and operate Snapology Businesses, which we no longer offer since 2015. We disclose and identify Snapology licensees as franchised outlets in Item 20 of this Disclosure Document. The licensees that previously entered into license agreements have different obligations, responsibilities and rights from those obligations, responsibilities and rights that will exist under the franchise agreement that is the subject of this Disclosure Document.

Except as previously discussed, we do not conduct a business of the type to be operated by you as a Snapology franchisee. We have no predecessor. Our affiliates, as disclosed below, conduct a Snapology business and conduct business in other lines of business that also include the offer and sale of franchises.

Our affiliate Snapology IP, LLC is a Pennsylvania limited liability company established on March 10, 2015. This affiliate has granted a license to us to use the Proprietary Marks (defined below) and the System (defined below) in connection with the license, operation, and grant of SNAPOLOGY franchises and the www.Snapology.com website. Our affiliate Snapology International, LLC is a Pennsylvania limited liability company established on May 23, 2017. This affiliate has been granted a license by our affiliate Snapology IP, LLC where this affiliate offers and sells franchises and licenses for third parties to use the Proprietary Marks and System internationally outside of the United States. These affiliates share our principal business address.

Our affiliate FM SnapTLGI, LLC, a Delaware limited liability company established on November 30, 2021, operates a Snapology Discovery Center at 5801 Long Prairie Rd, Suite 380, Flower Mound, Texas 75028, which is its principal business address. Our affiliate Fort Worth Urban Air, LLC, a Texas limited liability company established on August 29, 2016, operates a Snapology Classroom at 9157 Harmon Rd, Fort Worth, TX 76177, which is its principal business address.

You will not directly conduct business with Snapology IP, LLC, Snapology International, LLC, Fort Worth Urban Air, LLC, or FM SnapTLGI, LLC, and these affiliates have not in the past and do not now offer franchises in any lines of business.

On July 14, 2021, through the acquisition of our membership interest, we became a wholly owned subsidiary of Unleashed Brands, LLC (“Unleashed Brands”), ~~which we consider our parent company.~~ Unleashed Brands’ parent company is Leviathan Intermediate Holdco, LLC, which is owned by UA Holdings, LLC (“UA Holdings”), ~~which we consider our parent company.~~ Unleashed Brands Foundation, the charitable affiliate of Unleashed Brands, is a Texas based nonprofit corporation which

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Computer, Software and Point of Sales System ⁷	\$5,000 - \$7,000	As billed	Within 1 month after training	Third party suppliers and vendors approved by Us
Training Related Expenses ⁸	\$10,500 - \$15,000	As billed	Before opening	Third parties
Legal, Accounting, and Other Professional Fees ⁹	\$750 - \$1,500	As billed	Within 1 month after training	Third parties, including attorneys, accountants and architects
Insurance Deposits and Premiums ¹⁰	\$750 - \$1,500	As billed	Within 1 month after training	Insurance companies
Business Licenses and Permits ¹¹	\$500 - \$1,600	As billed	Before opening	Third parties
Grand Opening Advertising ¹²	\$20,000 - \$25,000	As billed	Within 1 month after training	Us or our affiliates
Initial Supplies ¹³	\$500 - \$1,000	As billed	Within 1 month after training	Third parties
Additional Funds – Initial period of 3 months ¹⁴	\$7,500 – \$15,000	As incurred	Before opening and initial three months after opening	Suppliers
Total	\$139,000 to \$195,100			

~~YOUR ESTIMATED INITIAL INVESTMENT – DEVELOPMENT AGREEMENT~~

~~(Additional Costs to the Above Per Discovery Center or Classroom Initial Investment)~~

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee	\$90,250 to \$128,250	Lump sum	When Franchise Agreement is signed	Us
Legal, Accounting, and Other Fees	\$5,000 to \$10,000	As arranged	As incurred	Your accountant, attorney, and other professionals
Total¹⁵	\$95,250 to \$138,250	-		

Note 9: These fees are representative of the costs for engagement of professionals such as attorneys, accountants, and architects for Snapology Discovery Centers for the initial review and advisories consistent with the start-up of a Snapology Business. These fees can vary greatly depending on the hourly rate charged by the professional and the amount of work you request be performed.

Note 10: You are required to maintain certain specified insurance policies for your Snapology Business, and will be required to utilize our Designated Suppliers. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company or insurance agent. This estimate is for the cost of an initial deposit plus three months of premium payments. If you choose to pay the policies in full, these costs will be higher. The cost of coverage will vary based on the Protected Area for the type of Snapology Business.

Note 11: You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate the Snapology Business. The licenses necessary to operate the Snapology Business will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the governmental authorities when incurred and are due prior to the opening of your Franchised Business.

Note 12: This estimate is for the cost of our mandatory grand opening expenditure, which includes the cost of the initial digital marketing advertising and materials for the initial launch of your Mobile Snapology and the grand opening of your Discovery Center or Snapology Classroom. All marketing materials must be approved by us.

Note 13: This figure is for printing a start-up order of marketing displays, uniforms, promotional items, postcards, and business cards bearing the principal trademarks and a supply of office materials.

Note 14: This is an estimate of additional funds that will be required to cover expenses that you will incur before operations begin at your Snapology Business and during the first three (3) months following the opening of your Snapology Business (the “Initial Period”). You should calculate estimated start-up and operating expenses based on current market conditions in your area and consider whether additional cash reserves are needed. Our estimates do not include salary or compensation to you as the owner and operator of your Snapology Business and, accordingly you must account for personal funds that you will require. The figures given are estimates and may vary from area to area. There may be other expenditures that are not listed above which may be incurred in certain areas and not others. Payments will be to third parties and are generally not refundable. These estimates also do not take into account finance payments and debt service (to the extent you obtain financing to develop your Snapology Business) and any related charges, interest, and costs you may incur if any portion of the initial investment is financed. These amounts are the minimum recommended levels to cover operating expenses, including your employees’ salaries for three months. Additional working capital may be required if sales are low or fixed costs are high. In compiling these estimates, we relied on our franchisees’ and our affiliates’ experience in operating Snapology Businesses. You may be required by your lender to carry additional working capital.

YOUR ESTIMATED INITIAL INVESTMENT – DEVELOPMENT AGREEMENT

Note 15: See Item 5 for a description of the **TABLE 4 – DEVELOPMENT AGREEMENT**

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
<u>Development Fee¹</u>	<u>\$90,250 to \$128,250</u>	<u>Lump sum</u>	<u>When Franchise Agreement is signed</u>	<u>Us</u>

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
<u>Legal, Accounting, and Other Fees²</u>	<u>\$5,000 to \$10,000</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Your accountant, attorney, and other professionals</u>
<u>Initial Investment for the First Snapology Discovery Center³</u>	<u>\$358,450 to \$494,000</u>	<u>See Table 2 above. The low range is equal to the low range of the total from Table 2, less the Initial Franchise Fee, and the high range is equal to the high range of the total from Table 2, less the initial Franchise Fee. See Note 3.</u>		
<u>Initial Investment for the First Snapology Classroom⁴</u>	<u>\$91,500 to \$147,600</u>	<u>See Table 3 above. The low range is equal to the low range of the total from Table 3, less the Initial Franchise Fee, and the high range is equal to the high range of the total from Table 3, less the initial Franchise Fee. See Note 3.</u>		
<u>TOTAL Snapology Discovery Center⁵</u>	<u>\$453,700 to \$632,250</u>	<u>-</u>		
<u>TOTAL Snapology Classroom⁶</u>	<u>\$186,750 to \$285,850</u>			

Notes:

Note 1. The Development Fees. This chart assumes include the Initial Franchise Fee payable by you will develop between for the two and to three Classrooms or Discovery Centers. For each Snapology Business that you develop pursuant to a Development Agreement, you will execute our then current Franchise Agreement and incur the initial investment franchised units to be developed. The Development Fee will be due in a lump sum payment upon the signing of the Development Agreement. The Development Fee is fully earned and non-refundable in consideration of administrative and other expenses for the development of a single Snapology Business we incur in entering into the Development Agreement. The Development Fee is uniform for all Developers, except as described in the previous tables in this Item 7, which are \$405,950 to \$541,500 for a Item 5. We do not offer multi-unit development rights for Mobile Snapology franchised businesses.

Note 2. You may incur additional legal, accounting, and other fees for reviewing the Development Agreement.

Note 3. Snapology Discovery Center, and \$139,000 to \$195,100 for a: For each Discovery Center you develop under the Development Agreement, you will also incur the respective expenses in Table 2 above in this Item 7 (except for the initial franchise fee).

Note 4. Snapology Classroom (excluding Initial Franchise Fees: For each Snapology Classroom you develop under the Development Agreement, you will also incur the respective expenses in Table 3 above in this Item 7 (except for the initial franchise fee).

Note 5. This figure represents the total estimated initial investment in entering into a Development Agreement for the development of two to three Snapology Discovery Center franchised businesses, including the estimated initial investment to open your first Discovery Center under the Development Agreement.

Note 6. This figure represents the total estimated initial investment in entering into a Development Agreement for the development of two to three Snapology Classroom franchised businesses, including the estimated initial investment to open your first Classroom under the Development Agreement.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

PURCHASES FROM APPROVED OR DESIGNATED SUPPLIERS; PURCHASES ACCORDING TO SPECIFICATIONS

You must purchase from us or from suppliers or distributors we designate (each a “Designated Supplier”) all of your requirements for developing, constructing, and operating the Franchised Business including: (1) fixtures, furniture and other furnishings, equipment, supplies, point-of-sale systems, merchant processing systems, signs, items of décor, architect services, paper products, and other products; (2) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our Proprietary Marks); (3) advertising, point-of-purchase materials, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance policies from our Designated Supplier and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier, if applicable; (9) reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, (11) architects, and (12) other hardware, software, products, and services that we require. You agree to comply with all such requirements. We will notify you in our Manuals or other communications of our standards and specifications with respect to Designated Suppliers, including situations in which we may revoke approval.

You will be required to purchase the following through us or our affiliate: (1) retail merchandise, (2) licenses to the point of sale and other software programs that we designate, (3) certain digital marketing services, (4) technology solutions (e.g., franchise management system, computer equipment) identified by us, (5) certain insurance policies, and (6) certain support services related to the operation of your Franchised Business, including the accounting systems and third party accounting services that we prescribe. Adventis is the sole approved supplier for workers’ compensation coverage.

If we require that a product or service be purchased from a Designated Supplier and you wish to purchase it from an alternate supplier, you must submit to us a written request for approval and must include pertinent information about the supplier as required in the Manual. You may not purchase or lease the product or service until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the products or services, as applicable, comply with our standards and specifications and whether the supplier meets our criteria, as may be amended by us periodically. We also have the right to inspect the supplier’s facilities and have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, traceability, consistency, and pricing as well as supplier financial condition, corporate social responsibility policies, reliability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints and positive complaint resolution history), and other criteria that we may establish periodically. You must reimburse us for all costs that we incur in connection with due diligence of your proposed supplier and our evaluation of such supplier as well as any costs we incur in monitoring a Designated Supplier’s compliance with our requirements. We do not act as an agent, representative, fiduciary or other intermediary for you in our relationship with an alternative supplier you propose, and we approve. We have the right to monitor the quality of the services provided by Designated Suppliers in a manner we deem appropriate. We may impose obligations on Designated Suppliers, which will be incorporated in a written license agreement with the supplier.

We are not required to approve any particular supplier. We will notify you of our approval or disapproval within 120 days of our receipt of complete information from you that we require to evaluate a proposed

MARYLAND FDD ADDENDUM

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented by the addition of the following:

~~A. 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.~~

~~B. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.~~

~~C. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.~~

~~D. In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.~~

~~E. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).~~

~~G. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.~~

~~No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.~~

The Franchise Disclosure Questionnaire is amended to state:

~~A. 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.~~

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
California	Pending
Illinois	Pending
Indiana	May 1, 2024
Maryland	Pending
Michigan	May 1, 2024
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending May 15, 2024
South Dakota	Pending May 3, 2024
Virginia	Pending June 14, 2024
Washington	Pending
Wisconsin	May 1, 2024

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.