

FRANCHISE DISCLOSURE DOCUMENT



Heatwave 101, LLC a South Dakota limited liability company 5000 S. MacArthur Ln. Sioux Falls, SD 57108 Telephone: (605) 261-3800 siouxfalls@threeDEGREES.com

www.threeDEGREES.com

Heatwave 101, LLC, a South Dakota limited liability company, is offering franchises for the right to operate an infrared sauna 3 DEGREES Studio ("3 DEGREES Studio") under the trademark "3 DEGREESTM" and related trademarks and services.

The total investment necessary to begin operation of a 3 DEGREES Studio is \$240,500 to \$359,500. This includes \$49,000 that must be paid to us or one of our Affiliates. The total investment necessary to begin operation of three 3 DEGREES Studios under a Multi-Unit Development Agreement of three 3 DEGREES Studios is \$339,500 to \$458,500. This includes \$99,00 that must be paid to us or one of our Affiliates. The total investment necessary to begin operation of five 3 DEGREES Studios under a Multi-Unit Development Agreement of 3 DEGREES Studios is \$389,500 to \$508,500. This includes \$149,000 that must be paid to us or one of our Affiliates.

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 governmental 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 Brian Garoutte, 3400 E. Bayaud Ave., Suite 345, Denver, CO 80209, 919-896-7285. 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: October 1, 2019



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 RISK FACTORS before you buy this franchise:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION/ARBITRATION/MEDIATION ONLY IN SOUTH DAKOTA. OUT-OF-STATE LITIGATION/ARBITRATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE/MEDIATE WITH US IN SOUTH DAKOTA THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT STATES THAT SOUTH DAKOTA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

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.

See the next page for state effective dates.



FRANCHISE DISCLOSURE DOCUMENT EFFECTIVE DATES IN DESIGNATED STATES

The following states require that the Disclosure Document be registered or filed with the state 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 Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure (or business opportunity*) laws as of the dates listed:

California	Effective date:	Not Registered
Florida	Effective date:	October 9, 2019
Hawaii	Effective date:	Not Registered
Illinois	Effective date:	Not Registered
Indiana	Effective date:	Not Registered
Kentucky*	Effective Date:	Pending
Maryland	Effective date:	Not Registered
Michigan	Effective date:	Not Registered
Minnesota	Effective date:	Not Registered
Nebraska*	Effective date:	October 4, 2019
New York	Effective date:	Not Registered
North Dakota	Effective date:	Not Registered
Rhode Island	Effective date:	Not Registered
South Dakota	Effective date:	November 1, 2019
Texas*	Effective date:	October 8, 2019
Utah	Effective date:	October 3, 2019
Virginia	Effective date:	Not Registered
Washington	Effective date:	Not Registered
Wisconsin	Effective date:	Not Registered

^{*} One-time filing, perpetual registration.

In all other states that do not require registration, the effective date of this disclosure document is the issuance date of **October 1, 2019**.

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