

JUN 15 2018

Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT



The Sweat House Franchise, LLC
a Delaware limited liability company
2207 Crestmoor Road, Ste 102
Nashville, TN 37215
615-490-6565
franchising@thesweathouse.com
www.thesweathouse.com

We offer franchises for the operation of "CYL Sauna StudioSM - The Sweat House" sauna studios. A "CYL Sauna Studio - The Sweat House" sauna studio ("Studio") specializes in offering infrared sauna sessions.

The total investment necessary to begin operation of a "CYL Sauna Studio - The Sweat House" franchise ranges from \$93,300 to \$145,350. This includes \$28,600 to \$30,400 that must be paid to us or our affiliates.

All franchisees must first sign a Development Agreement under which the franchisee commits to develop a specified number of Studios within a defined geographic area. The minimum commitment is one Studio. However, we may grant franchises for Studios without a Development Agreement in order to add new Studios to a market where we already have other Studios operating. The total investment necessary for the Development Agreement ranges from \$13,500 to \$40,500, based on a commitment of up to 3 Studios. This includes \$12,500 to \$37,500 that must be paid to us.

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 us 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 Hannibal Myers at P.O. Box 61387, Irvine, CA 92602, tel. 770-335-2472.

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.

Issued: April 3, 2018

CYL Sauna Studio - 2018 FDD

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 franchises 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 E 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:

- *1. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE FRANCHISOR'S HOME STATE (CURRENTLY, TENNESSEE). OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN TENNESSEE THAN IN YOUR HOME STATE.
- *2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT TENNESSEE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR HOME STATE LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
4. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
5. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

*Local law may supersede these agreement provisions.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchises. 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 following page for the effective date of this disclosure document in states with filing requirements.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/cyl-sauna-studio-the-sweat-house>