

FRANCHISE DISCLOSURE DOCUMENT



The Sheraton LLC
a Delaware limited liability company

One StarPoint
Stamford, Connecticut 06902
(203) 964-4468 or (203) 964-6000
development@starwoodhotels.com
www.starwoodhotels.com

The franchisee will establish and operate an Aloft® hotel (the “Aloft Hotel” or “Brand Hotel”) under a franchise agreement with The Sheraton LLC.

The total investment necessary to begin operation of a 136 guest room conversion Aloft Hotel franchise is approximately \$1,381,750 to \$11,597,000, which includes \$147,500 to \$358,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a 136 guest room new build Aloft Hotel franchise is approximately \$15,427,250 to \$21,851,000, which includes approximately \$147,500 to \$353,000 that must be paid to the franchisor or its affiliates. These sums do not include any costs for real estate.

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 our franchise office at 600 Galleria Parkway, Suite 1700, Atlanta, Georgia 30339, telephone (770) 857-2000, or e-mail us at development@starwoodhotels.com.

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 (“FTC”). 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: March 31, 2016

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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit B 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN COURTS IN NEW YORK, NEW YORK. 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 NEW YORK THAN IN YOUR HOME STATE. HOWEVER, THIS PROVISION OF THE FRANCHISE AGREEMENT MAY NOT BE ENFORCEABLE IN YOUR STATE. SEE THE STATE ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT ATTACHED AS EXHIBIT A AND THE STATE RIDERS ATTACHED TO THE FRANCHISE AGREEMENT AS EXHIBIT G.
2. THE FRANCHISE AGREEMENT CONTAINS A PROVISION STATING THAT MARYLAND LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. HOWEVER, TO THE EXTENT LOCAL LAW REQUIRES, YOU MAY HAVE CERTAIN RIGHTS UNDER THIS LAW. YOU MAY WANT TO COMPARE THESE LAWS. SEE THE STATE ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT ATTACHED AS EXHIBIT A AND THE STATE RIDERS ATTACHED TO THE FRANCHISE AGREEMENT AS EXHIBIT G.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise 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 or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

Effective Date of FDD

California:

Hawaii:

Illinois:

Indiana:

Maryland:

Michigan:

Minnesota:

New York:

North Dakota:

Rhode Island:

South Dakota

Virginia:

Washington:

Wisconsin:

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date: March 31, 2016

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