

## FRANCHISE DISCLOSURE DOCUMENT

HOLIDAY HOSPITALITY FRANCHISING, INC-LLC
A Delaware CorporationLimited Liability Company
Three Ravinia Drive, Suite 100
Atlanta, Georgia 30346
(770) 604-2000
www.lhg.com/development
www.candlewoodsuites.com/development
americas.development@ihg.com



The franchisee will establish and operate a hotel under the Candlewood Suites® brand.

The total investment necessary to begin operation of a typical 113-suite hotel under the Candlewood Suites brand, excluding land costs and other matters, ranges from \$6,670,095 to \$8,946,000 (\$59,027 to \$79,168 per guest room) or more (see Item 7), including between \$132,095 and \$166,000 or more that must be paid to the franchisor or affiliate (see Item 5).

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 formats, contact Patricia Womack, Franchise Sales, Holiday Hospitality Franchising, Inc., at Three Ravinia Drive, Suite 100, Atlanta, Georgia 30346 and (770)-604-2912.

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, DC 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: June-30, 2011 March 27, 2012



## 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 E for information about the franchisor, about other franchisors, 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 LICENSE AGREEMENT PERMITS ALL SUITS TO BE FILED IN GEORGIA. YOU ARE NOT REQUIRED TO SUE HOLIDAY ONLY IN GEORGIA, BUT HOLIDAY CAN SUE YOU IN GEORGIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE IN GEORGIA THAN IN YOUR HOME STATE. YOUR STATE LAW MAY SUPERSEDE THIS PROVISION AND IT MAY NOT BE ENFORCEABLE IN YOUR STATE. SEE ANY SPECIAL DISCLOSURES AND PROVISIONS FOR YOUR STATE IN THE STATE ADDENDA TO THE LICENSE AGREEMENT IN EXHIBIT B.
- 2. THE LICENSE AGREEMENT STATES THAT GEORGIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS YOUR LOCAL LAW. YOUR STATE LAW MAY SUPERSEDE THIS PROVISION AND IT MAY NOT BE ENFORCEABLE IN YOUR STATE. SEE ANY SPECIAL DISCLOSURES AND PROVISIONS FOR YOUR STATE IN THE STATE ADDENDA TO THE LICENSE AGREEMENT IN EXHIBIT B.
- 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:

California	<del>Juno 30, 2011</del>
Hawaii	
Illinois	<del>June 30, 2011</del>
Indiana	<del>Juno 30, 2011</del>
Maryland	<del>Juno 30, 2011</del>
Minnesota	
New York	<del>Ju</del> no 30, 2011
North Dakota	<del>June-30, 2011</del>
Rhode Island	—— Juno 30, 2011
South Dakota	<del>Juno 30, 2011</del>
Virginia	
Washington	Juno 30, 2011
Wisconsin	<del>Juno 30, 2011</del>

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date of June 30, 2011. March 27, 2012.

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