

## FRANCHISE DISCLOSURE DOCUMENT

**COUNTRY HEARTH INN, INC.**  
A DELAWARE CORPORATION  
50 GLENLAKE PARKWAY, N.E., SUITE 350  
ATLANTA, GEORGIA 30328 (770) 393-2662  
www.countryhearth.com



As a Franchisee, you will operate a hotel(s) which features single, double or suite accommodations known as “Country Hearth Inn”, “Country Hearth Inn & Suites”, or “Country Hearth Suites”.

The total investment necessary to begin operation of a Country Hearth Inn System Hotel that is newly constructed is \$1,536,750 to \$2,743,750, and to convert an existing lodging facility to a franchised hotel it ranges from \$147,250 to \$605,250, not including the purchase price of the real estate. This includes a non-refundable application fee of \$1,000. The initial franchise fee is \$25,000, plus training costs of up to \$500 per person attending training and a non-refundable, one-time Reservation System Implementation Fee of \$250 to access and use our central reservation system.

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 the Franchise Administration Department at 50 Glenlake Parkway, N.E., Suite 350, Atlanta, Georgia 30328; (770) 393-2662.

The terms of your contract 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, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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, 2014

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## 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 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 LICENSE AGREEMENT STATES THAT GEORGIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW.**
- 2. THE LICENSE AGREEMENT PERMITS YOU TO SUE US ONLY IN GEORGIA. ALSO, ANY LEGAL ACTION WE INITIATE WILL BE FILED IN FEDERAL COURT OR STATE COURT IN GEORGIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO LITIGATE IN STATES OTHER THAN YOUR HOME STATE. THE PROVISION REQUIRING THE FRANCHISEE TO SUE IN GEORGIA MAY BE SUPERSEDED IN CERTAIN STATES.**
- 3. THE AUDITED FINANCIAL STATEMENTS, AS OF DECEMBER 31, 2013, DISCLOSE THAT THE FRANCHISOR HAS NO CASH WITH WHICH TO MEET SHORT TERM FINANCIAL OBLIGATIONS. YOU MAY WANT TO CONSIDER THIS FACT WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.**
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Except for those states listed on Attachment 1, the effective date of this Disclosure Document is: March 31, 2014

**ATTACHMENT 1**

**The effective dates of registration of this disclosure document or exemption in the states listed below are:**

STATE	EFFECTIVE DATE
Florida (exemption)	
Illinois	
Indiana	
Michigan	
Minnesota	
Virginia	
Wisconsin	

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