

FRANCHISE DISCLOSURE DOCUMENT



VANTAGE FRANCHISING, INC.

(A Florida corporation)

3300 N. University Drive, Suite 500

Coral Springs, Florida 33065

Telephone Number: 954-575-2668

~~www.JoinCountryHearth~~www.JoinVantageHotels.com/CountryHearthdevelopment@joincountryhearthjoinvantagehotels.com

The franchise is for the operation of lodging facilities in the budget lodging segment, under the trademark Country Hearth Inn[®], Country Hearth Suites[®], or Country Hearth Inn & Suites[®] and certain other proprietary marks.

The total investment to convert an existing lodging facility into a ~~5550~~-room Country Hearth Inn, Country Hearth Suites or Country Hearth Inn & Suites-branded lodging facility is ~~\$56,000 to \$479,500~~ is \$58,000 to \$483,000. This estimate includes the ~~\$9,000~~11,000 to ~~\$11,500~~17,000 that must be paid to ~~us~~ or our affiliate or us.

This disclosure document summarizes certain provisions of your franchise agreement (~~which we call a Membership 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, please contact the Development Coordinator at Vantage Franchising, Inc., 3300 N. University Drive, Suite 500, Coral Springs, Florida 33065, 954-575-2668, or at ~~development@joincountryhearth~~[joinvantagehotels.com](mailto:development@joincountryhearthjoinvantagehotels.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. 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 also can 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.

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There also may be laws on franchising in your state. Ask your state agencies about them.

The date of issuance of this disclosure document is: ~~April 29, 2015; as amended September 25, 2015~~ July 18, 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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A 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 ARBITRATION OR LITIGATION ONLY IN FLORIDA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA 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.

3. ANY INDIVIDUALS OWNING 20% OR GREATER LEGAL OR BENEFICIAL INTEREST IN THE FRANCHISEE ARE REQUIRED TO SIGN A GUARANTY OF YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF OUR FRANCHISE AGREEMENT. THE SPOUSES OF THE GUARANTORS MAY ALSO BE REQUIRED TO CONSENT TO THE GUARANTY, WHICH PLACES THE SPOUSES' MARITAL ASSETS AT RISK.

4. ~~3.~~—THIS FRANCHISE AGREEMENT PROVIDES THAT IT WOULD BE DIFFICULT IF NOT IMPOSSIBLE TO DETERMINE THE AMOUNT OF CERTAIN DAMAGES THAT WE WOULD SUFFER IF THIS AGREEMENT IS TERMINATED. THEREFORE, FRANCHISEE AGREES TO A PREDETERMINED AMOUNT TO COVER CERTAIN DAMAGES.

5. ~~4.~~—THIS FRANCHISE AGREEMENT PROVIDES THAT YOU AGREE THAT WE WILL NOT BE REQUIRED TO POST A BOND TO OBTAIN INJUNCTIVE RELIEF AND THAT YOUR ONLY REMEDY IF AN INJUNCTION IS ENTERED AGAINST YOU WILL BE THE DISSOLUTION OF THAT INJUNCTION, IF WARRANTED, UPON DUE HEARING, AND YOU HEREBY EXPRESSLY WAIVE ANY CLAIM FOR DAMAGES CAUSED BY SUCH INJUNCTION.

6. ~~5.~~—WHILE THE FRANCHISE AGREEMENT HAS A TERM OF THREE YEARS, THE FRANCHISE AGREEMENT PROVIDES FOR A TERMINATION WITHOUT CAUSE BY EITHER PARTY AS OF THE FIRST ANNIVERSARY OF THE BILLING START DATE OF THE FRANCHISE AGREEMENT.

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