

FRANCHISE DISCLOSURE DOCUMENT

Country Inns & Suites By Carlson, Inc. A Minnesota Corporation 701 Carlson Parkway, MS 8254 Minneapolis, Minnesota 55305 Telephone: 1-800-336-3301 www.countryinns.com



The franchise offered is for the right to construct and operate a hotel under our name and primary business trademark "Country Inn & Suites By Carlson®."

The total investment necessary to begin operation of a Hotel is \$6,526,242 to \$7,714,408, assuming that the Hotel contains 83 guestrooms (with 25% of them being suites), but excludes the cost of real estate. This includes \$33,325 to \$97,225 that must be paid to the franchisor or its affiliates.

This Disclosure Document summarizes certain provisions of your License 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 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 Franchise Development at 701 Carlson Parkway, MS 8254, Minneapolis, Minnesota 55305 and 1-800-336-3301.

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 contracts carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or 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 on franchising.

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

Issuance Date: March 25, 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 DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in <u>Exhibit A</u> 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN MINNESOTA. 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 MINNESOTA THAN IN YOUR OWN STATE.
- 2. THE LICENSE AGREEMENT REQUIRES THAT MINNESOTA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. 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.

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 state effective dates:

CALIFORNIA		
ILLINOIS	CALIFORNIA	, 2016
Indiana	Hawaii	, 2016
MICHIGAN	ILLINOIS	, 2016
MICHIGAN	INDIANA	, 2016
MINNESOTA	MARYLAND	, 2016
NEW YORK	MICHIGAN	, 2016
NORTH DAKOTA, 2016 RHODE ISLAND, 2016 SOUTH DAKOTA, 2016 VIRGINIA, 2016 WASHINGTON, 2016	MINNESOTA	, 2016
Rhode Island	New York	, 2016
SOUTH DAKOTA, 2016 VIRGINIA, 2016 WASHINGTON, 2016	NORTH DAKOTA	, 2016
VIRGINIA, 2016 WASHINGTON, 2016	RHODE ISLAND	, 2016
W ASHINGTON, 2016	SOUTH DAKOTA	, 2016
	VIRGINIA	, 2016
W ISCONSIN, 2016	Washington	, 2016
	Wisconsin	, 2016

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 25, 2016.

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