

DEPARTMENT OF CORPURATIONS RECEIVED LOS ANGELES OFFICE



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FRANCHISE DISCLOSURE DOCUMENT



GRANDSTAY HOSPITALITY, LLC
a Minnesota limited liability company
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We offer franchises for four different types of properties GrandStay Residential Suites hotels, Crossings by GrandStay Inn & Suites properties, GrandStay Hotel & Conference properties and GrandStay Hotel & Suites properties GrandStay Residential Suites hotels specialize in taking care of the needs of guests requiring extended-stay accommodations and offer studio and one and two bedroom suites featuring separate living and sleeping areas with fully equipped kitchens "Crossings By GrandStay Inn & Suites" properties cater to short-term corporate, leisure and vacation travelers, and generally offer somewhat fewer amenities than GrandStay Residential Suites hotels GrandStay Hotel & Conference properties feature a full conference center attached to the property and a variety of room choices, including both short-term and extended-stay suites GrandStay Hotel & Suites properties offer a wide variety of guest rooms including extended-stay suites with full kitchens

The total investment necessary to begin operation of a new build GrandStay hotel, other than a Crossings by GrandStay Inn & Suites property, is \$5,037,500 to \$8,474,000 and \$124,000 to \$965,000 for a conversion property. The total investment necessary to begin operation of a new build Crossings by GrandStay Inn & Suites property is \$3,387,500 to \$5,824,000 and \$134,000 to \$865,000 for a conversion property. In all cases, this includes \$35,000 that must be paid to the Franchisor.

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, GrandStay Hospitality, LLC in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this Disclosure Document.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Jon Kennedy at the address and telephone number above

The terms of your contract will 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 ("FTC"). 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

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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 franchises 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 the State Agency Exhibit for information about GrandStay Hospitality, LLC 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

- THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH GRANDSTAY HOSPITALITY, LLC BY ARBITRATION OR LITIGATION ONLY IN MINNESOTA OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH GRANDSTAY HOSPITALITY, LLC IN MINNESOTA THAN IN YOUR OWN STATE
- THE FRANCHISE AGREEMENT STATES 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 RISKS CONCERNING THIS FRANCHISE

Effective Date See next page for state effective dates

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