

## FRANCHISE DISCLOSURE DOCUMENT



**Red Lion Hotels Franchising, Inc., a Washington Corporation**  
**201 W. North River Drive**  
**Spokane, WA 99201**  
**Telephone Number: (509) 459-6100**  
**www.redlion.com**

The franchise offered in this disclosure document is for the rights to own and/or operate a GuestHouse hotel business.

The total investment to convert an existing hotel into a 70-room GuestHouse Hotel is \$118,200 to \$941,600. This estimate includes the \$20,000 to \$26,000 that must be paid to us. The total investment for a new construction 70-room GuestHouse Hotel is \$3,406,000 to \$6,890,500, excluding site acquisition and preparation. This estimate includes the \$20,000 to \$25,000 that must be paid to us.

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 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 Aaron Allison, Membership Development Coordinator, at 3300 N. University Drive, Suite 500, Coral Springs, Florida 35065 and (877) 311-2378 ext.114.

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 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 of this Franchise Disclosure Document: March 31, 2017**

RLHF – Guest House

## 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 WASHINGTON. 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 WASHINGTON THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT WASHINGTON 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 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 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 effective date: \_\_\_\_\_, 2017

Hawaii effective date: \_\_\_\_\_, 2017

Illinois effective date: *exempt*

Indiana effective date: \_\_\_\_\_, 2017

Maryland effective date: \_\_\_\_\_, 2017

Michigan effective date: \_\_\_\_\_, 2017

Minnesota effective date: \_\_\_\_\_, 2017

New York effective date: *exempt*

North Dakota effective date: \_\_\_\_\_, 2017

Rhode Island effective date: \_\_\_\_\_, 2017

South Dakota effective date: April 3, 2017

Virginia effective date: \_\_\_\_\_, 2017

Washington effective date: \_\_\_\_\_, 2017

Wisconsin effective date: March 31, 2017

In all other states that do not require registration, the effective date of this disclosure document is the issuance date of March 31, 2017.

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