



FRANCHISE DISCLOSURE DOCUMENT

Affordable Suites of America, Inc. ("ASA") A Virginia corporation 117 West Perry Road, P.O. Box 50550 Myrtle Beach, SC 29579-0010 Telephone: (843) 235-8899

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An Affordable Suites of AmericaTM hotel (singularly "Hotel," collectively "Hotels") is an extended-stay hotel offering temporary housing on a weekly or monthly rental basis. ASA offers franchisees both the right to develop multiple Hotels under an Area Development Agreement (each Hotel requiring a separate Franchise Agreement) and individual Hotels under a Franchise Agreement. Franchisee will provide hotel services under the name "Affordable Suites of AmericaTM."

The total investment necessary to begin operation of an Affordable Suites of America™ Hotel is from \$2,872,000 to \$3,545,000, excluding real estate costs. This includes \$31,000 to \$35,000 that must be paid to us or an affiliate. If you sign an Area Development Agreement, you also must pay an Exclusive Territory Fee of \$5,000 for each Hotel you plan to develop.

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, contact Chris Rutherford at 117 West Perry Road, P.O. Box 50550, Myrtle Beach, South Carolina 29579, (843) 235-8899.

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 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 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: April 27, 2018



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, 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 AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN SOUTH CAROLINA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN SOUTH CAROLINA THAN IN YOUR OWN STATE.
- 2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See State Effective Dates Page



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, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Utah, 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:

State	Effective Date
Illinois	April 30, 2018
Indiana	April 30, 2018
Virginia	Pending

In the states listed below, the effective date of this disclosure document is the issuance date of April 27, 2018

Alabama	Kansas	North Carolina
Alaska	Kentucky	Ohio
Arizona	Louisiana	Oklahoma
Arkansas	Maine	Oregon
Colorado	Massachusetts	Pennsylvania
Connecticut	Mississippi	South Carolina
Delaware	Missouri	Tennessee
District of Columbia	Montana	Texas
Florida	Nevada	Vermont
Georgia	New Hampshire	West Virginia
Idaho	New Jersey	Wyoming
Iowa	New Mexico	

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