

## FRANCHISE DISCLOSURE DOCUMENT



LG AS Franchisor LLC (“ASA”)  
A Delaware limited liability company  
10801 Monroe Road  
Matthews, NC 28105  
Telephone: (980) 368-8100 ext. 123  
Email: crutherford@affordablesuites.com  
www.affordablesuites.com

An Affordable Suites of America™ 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 America™.”

The total investment necessary to begin operation of an Affordable Suites of America™ Hotel is from \$3,135,000 to \$6,300,000, excluding real estate costs. This includes \$51,000 that must be paid to us or an affiliate. If you sign an Area Development Agreement, you must pay \$30,000 each Hotel you plan to develop, 50% of which is due at signing. The initial fee paid under the Area Development Agreement will be deducted from the franchise fee due for that Hotel when the Franchise Agreement for that Hotel is executed.

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 10801 Monroe Road, Matthews, North Carolina 28105, (980) 368-8100.

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](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.

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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 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 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN NORTH 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 NORTH CAROLINA THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT STATE THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
2. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Effective Date: See State Effective Dates Page

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