

FRANCHISE DISCLOSURE DOCUMENT

AmericInn International, LLC A Minnesota limited liability company 250 Lake Drive East Chanhassen, MN 55317 (952) 294-5000 Email: franchise@americinn.com www.AmericInn.com www.AmericInnFranchise.com



Franchisees will own and operate hotels offering distinctive, high quality lodging services to the general public under the names "AmericInn[®]", "AmericInn Lodge & Suites[®]", and "AmericInn Hotel & Suites[®]" (collectively an "AmericInn[®] hotel"). We estimate that the total investment necessary to construct and begin operation of a typical 3-story, 75-room AmericInn[®] hotel will range from \$4,383,2354,409,735-\$6,421,369 which includes a \$35,000 initial franchise fee payable to us, but excludes the purchase price of the real estate and site preparation expenses.

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 our Franchise Development Department at 250 Lake Drive East, Chanhassen, Minnesota 55317, (952) 294-5000, or via email at franchise@americinn.com.

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 "<u>A Consumer's Guide to Buying a Franchise</u>", 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 homepage 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 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 D</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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN HENNEPIN COUNTY, 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 HENNEPIN COUNTY, MINNESOTA THAN IN YOUR OWN STATE. THIS PROVISION OF THE FRANCHISE AGREEMENT MAY NOT BE ENFORCEABLE IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT PROVIDES THAT THE LAWS OF THE STATE IN WHICH YOUR AMERICINN® HOTEL IS LOCATED GOVERNS THE AGREEMENT, AND THESE LAWS MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. DUE TO THE RECENT DOWN TURN IN THE ECONOMY, SOME FORMS OF FINANCING HAVE BECOME MORE DIFFICULT TO OBTAIN. THIS COULD RESULT IN DELAYS IN THE CONSTRUCTION OF YOUR AMERICINN[®] HOTEL.
- 4. THERE MAY BE OTHER RISKS 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 effective dates:

California	-March 3, 2014
Illinois	February 26, 2014
Indiana	February 26, 2014
Maryland	March 10, 2014
Michigan	February 26, 2014
Minnesota	February 28, 2014
New York	March 12, 2014
North Dakota	February 27, 2014
Rhode Island	February 26, 2014
South Dakota	February 26, 2014
Virginia	February 26, 2014
Washington	March 18, 2014
Wisconsin	February 26, 2014

THIS DISCLOSURE DOCUMENT MAY NOT BE USED IN THE STATE OF HAWAII.

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of February 25, 2014.2015.

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