

FRANCHISE DISCLOSURE DOCUMENT  
DEPT OF BUSINESS OVERSIGHT  
SAN FRANCISCOGreenTree Hospitality Group, Inc  
a Delaware corporation9089 E Bahia Drive Suite 101  
Scottsdale, AZ 85260

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**GreenTree  
Inn**<sup>®</sup>

The franchise offered is to operate a select service GreenTree Inn hotel

The total investment necessary to begin operation of a GreenTree Inn hotel ranges from \$300,000 to \$1,815,400 This includes \$25,500 to \$30,700 that must be paid to the franchisor or affiliate

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 the Franchise Development Department at GreenTree Hospitality Group, Inc, 9089 E Bahia Drive, Suite 101, Scottsdale, Arizona 85260 or call (888) 605-6067 or email [franchise@greentreeinn.com](mailto:franchise@greentreeinn.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 "[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 April 9, 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 Exhibit D 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 NEAR OUR THEN CURRENT PRINCIPAL BUSINESS ADDRESS (CURRENTLY SCOTTSDALE, ARIZONA). 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 THE STATE WHERE OUR THEN CURRENT PRINCIPAL BUSINESS ADDRESS IS LOCATED (CURRENTLY ARIZONA) THAN IN YOUR OWN STATE.
- 2 THE FRANCHISE AGREEMENT REQUIRES THAT ARIZONA 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 THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE AUGUST 7, 2014, THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
- 4 THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE AUGUST 7, 2014. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY AND ITS FINANCIAL RESOURCES MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
- 5 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$299,000 to \$1,814,400. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017, WHICH IS \$135,925.

- 6 THERE ARE SEVERAL LODGING FACILITIES IN OPERATION IN VARIOUS LOCATIONS IN THE UNITED STATES CURRENTLY IDENTIFIED AS GREEN TREE INNS THAT ARE NOT RELATED TO THE GREENTREE INN FRANCHISE SYSTEM WE ARE NOT RELATED IN ANY WAY WITH ANY OF THESE LODGING FACILITIES TO OUR KNOWLEDGE, NONE OF THE PERSONS OR ENTITIES THAT OPERATE THESE FACILITIES ARE REGISTERED AS FRANCHISES WITH ANY REGULATORY DEPARTMENTS OR AGENCIES ALTHOUGH THE FRANCHISOR WILL MAKE ITS BEST EFFORTS TO COMPEL THESE FACILITIES TO CEASE OPERATING AS GREENTREE INNS, THERE IS THE RISK THAT SUCH EFFORTS MAY BE UNSUCCESSFUL AND THESE FACILITIES COULD THEN CONTINUE TO OPERATE AS NON- FRANCHISED GREENTREE INN LOCATIONS IN SUCH EVENT, THERE IS THE RISK THAT GUESTS OF THESE LODGING FACILITIES MAY CONFUSE SAID NON FRANCHISED FACILITIES WITH FRANCHISED GREENTREE LOCATIONS AND SUCH CONFUSION MAY HAVE A NEGATIVE EFFECT ON SPECIFIC FRANCHISED GREENTREE INNS, AS WELL AS THE GREENTREE FRANCHISE SYSTEM IN GENERAL, INCLUDING BUT NOT LIMITED TO, SITUATIONS WHERE GUESTS OF NON-FRANCHISED LOCATIONS ARE DISPLEASED WITH THEIR EXPERIENCES AT NON-FRANCHISED GREEN TREE INNS
- 7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the next page for state effective dates

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