

FRANCHISE DISCLOSURE DOCUMENT

LEXINGTON FRANCHISING, INC.
(A Florida corporation)
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Coral Springs, Florida 33065
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www.JoinLexington.com
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Lexington Franchising, Inc. offers franchises for the operation of midscale and upper midscale lodging facilities in the select-service and full-service segments, under the trademark Lexington® and certain other proprietary marks. Full service properties operate under the Lexington Hotel name; select service properties operate under the Lexington Inn name.

The total investment necessary to begin operation of a 100-room Lexington franchise is expected to be \$127,200 to \$718,000, assuming new construction is not involved (in other words, the lodging facility already exists and is either unaffiliated with a brand or is converting from another brand). If the intended Lexington franchise will be for the new construction of a 100-room Lexington Inn, including our optional Lexington Inn prototype, the initial investment is expected to be \$6,984,200 to \$11,434,500, excluding site acquisition and preparation. If the intended Lexington franchise will be for the new construction of a 100-room Lexington Hotel, the initial investment is expected to be \$7,045,200 to \$11,757,000, excluding site acquisition and preparation. These estimates include the \$18,000 to \$40,000 that must be paid to one of our affiliates or us, assuming a 100-room Lexington Inn or Lexington Hotel.

This disclosure document summarizes certain provisions of your franchise agreement (which we call a Membership Agreement) and other information in plain English. Please 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. Please 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 the Development Coordinator at Lexington Franchising, Inc., 3300 N. University Drive, Suite 500, Coral Springs, Florida 33065, 954-575-2668, or at development@joinlexington.com.

The terms of your contract will govern your relationship with us. Do not 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 also can 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 also may be laws on franchising in your state. Ask your state agencies about them.

The date of issuance of this disclosure document is: April 1, 2014.

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. YOU MUST RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION, OR LITIGATION IN FLORIDA. OUT OF STATE MEDIATION, ARBITRATION, OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE, MEDIATE, OR ARBITRATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, EXCEPT TO THE EXTENT THAT THE LANHAM ACT OR FEDERAL ARBITRATION ACT GOVERNS. FLORIDA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

See next page for effective dates in certain states.

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