

FRANCHISE DISCLOSURE DOCUMENT

Shilo Inns, Franchise, LLC

An Oregon limited liability company
11707 NE Airport Way
Portland, Oregon 97220
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www.shiloinns.com



"AFFORDABLE EXCELLENCE"

We are **Shilo Inns, Franchise, LLC**, an Oregon limited liability company. We offer franchises to qualified individuals and entities to own and operate specialized lodging and hospitality facilities under the "**Shilo**"® names, logos, and Service Marks. Our franchisees use our Shilo systems and programs, and other systems, procedures, methods, and operating requirements (the "Method of Operation").

We anticipate the total investment necessary to begin operation of a new Shilo property, including development, construction, furnishings, fixtures, inventory, and working capital is approximately **\$7,366,500 to \$203,340,000** (plus the cost of acquiring or leasing land, see notes to Item 7 for details).

We anticipate the total investment necessary to convert an existing property to the Shilo system and to begin operation is approximately **\$1,699,500 to \$58,845,000** (plus improvements, furnishings, fixtures, equipment, insurance, employees, telephone service and utilities, see notes to Item 7 for details).

The total investment necessary for a franchise related to the purchase of a Company/Affiliate owned Shilo property is variable and depends upon a number of factors, but is less than the operation of a newly constructed or converted property and is estimated to be approximately **\$20,500 to \$2,205,000** (plus any additional insurance, signage, furniture, fixtures, equipment, employees, telephone service and utilities, and stationary and promotional materials, see notes to Item 7 for details)

You bear all costs to establish, develop, construct or convert and to operate your Shilo property. See Item 7 (Initial Investment) for more detailed information. The total investment estimates include the Initial Franchise Fee that must be paid to us:

The Initial Franchise Fee for a new or converted property is the greater of **\$50,000** or **\$500** per lodging room for a Shilo Inn Suites Hotel, the greater of **\$45,000** or **\$450** per lodging room for a Shilo Inn Hotel, the greater of **\$35,000** or **\$350** per lodging room for a Shilo Inn Suites, and the greater of **\$25,000** or **\$300** per lodging room for a Shilo Inn. The Initial Franchise Fee for an existing Shilo that is purchased by you from a Company/Affiliate, is the greater of **\$25,000** or **\$250** per lodging room for a Shilo Inn Suites Hotel, the greater of **\$22,500** or **\$225** per lodging room for a Shilo Inn Hotel, the greater of **\$17,500** or **\$175** per lodging room for a Shilo Inn Suites, and the greater of **\$12,500** or **\$150** per lodging room for a Shilo Inn.

Refer to Items 5, 6 and 7 of this Disclosure Document for a full explanation regarding the Initial Franchise Fee, other Fees and the Total Investment.

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 Mark S. Hemstreet at 11707 NE Airport Way, Portland, OR 97220 and (503) 641-6565.

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 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: February 28, 2022 (as amended August 4, 2022)

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Shilo Hotel business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Shilo Hotel franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/shilo-inns>