

FRANCHISE DISCLOSURE DOCUMENT

EXECUSTAY®

EXECUSTAY FRANCHISING, LLC
a Delaware limited liability company

2222 Corinth Avenue
Los Angeles, California 90064
(310) 478-1021
info@execustay.com
www.execustay.com

The franchisee will establish and operate an ExecuStay® corporate apartment business. The business will be operated from an office and the franchisee will maintain an inventory of corporate apartments within a mutually-agreed upon territory (as designated in the franchise agreement) that the franchisee will acquire (for example, by leasing or renting the apartment) to re-lease to customers.

The total investment necessary to begin operation ranges from \$361,800 to \$658,000 for a business that will operate with an inventory of 100 corporate apartments and four employees, excluding real estate costs (i.e., the inventory of corporate apartments that you will acquire to lease to customers). This includes initial fees which must be paid to the franchisor or an affiliate: an affiliation fee, which is \$200 for each Corporate Apartment in your Territory; and additional fees for training and other opening services, which will range from \$22,000 to \$35,000. Additionally, you may, but you do not have to, utilize our services or those of our affiliates for purchasing. The amount you may purchase will vary significantly and cannot be estimated due to a number of factors, such as the number of corporate apartments that you have in your inventory and other factors. See Items 5 and 7 for more information.

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 Suzanne Guerra at 2222 Corinth Avenue, Los Angeles, California 90064 and 310-478-1021.

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 Buying a Franchise; A Consumer's Guide, 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.

Date of Issuance: April 26, 2013.

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 B for information about the franchisor, about other franchisors, 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 IN CALIFORNIA. 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 CALIFORNIA THAN IN YOUR OWN STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT DELAWARE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. THE FRANCHISE AGREEMENT REQUIRES BOTH YOU AND US TO WAIVE TRIAL BY JURY. IF YOUR PRINCIPAL PLACE OF BUSINESS IS LOCATED IN CALIFORNIA, YOUR FRANCHISE AGREEMENT WILL REQUIRE THAT ALL DISPUTES BE SETTLED BY ARBITRATION IN CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.**
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Effective Date: See the next page for state effective dates.

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