

FRANCHISE DISCLOSURE DOCUMENT



Value Place Franchise Services LLC
A Kansas Limited Liability Company
8621 E. 21st Street North, Suite 250
Wichita, Kansas 67206
(316) 630-5505
Franchise@ValuePlace.com
<http://www.ValuePlace.com>

Value Place Franchise Services LLC will grant an approved licensee a license to operate a Value Place property (“Property”), which offers customers the value of a furnished studio apartment with kitchen facilities, together with occupancy terms, services and amenities associated with extended-stay properties, including easy check-in, one-week stays, and periodic housekeeping. Some licensees may be awarded a Development Agreement which will allow them to develop multiple Properties over a period of time in an agreed upon territory.

The total investment necessary to begin operation of a Value Place franchise ranges from ~~\$3,323,360~~\$3,388,800 to ~~\$4,858,100~~. ~~This includes the initial License Fee to establish and operate a Property, that is the greater of \$49,600 or \$400 for each studio in the Property~~4,987,300. ~~This includes between \$52,198 and \$57,600 that must be paid to VPFS when the Value Place franchise has no more than 124 rooms.~~ The initial fee for developing more than 1 Value Place Property is the initial License Fee for 1 Property, \$49,600, multiplied by the number of Properties to be developed, which you must pay when you sign the Development Agreement. The initial License Fee paid under the Development Agreement will be deducted from the License Fee for that Property.

~~You may elect to have our affiliate, Value Place Real Estate Services LLC (“VPRES”), our affiliate, has offered in the past, and may choose to offer again in the future, services that would help you identify and/or entitle a site, including assistance to obtain necessary building permits and approvals, on your behalf, should you elect to use their services.~~ VPRES charges a fee of \$5,000 to \$90,000 plus expenses for Site Selection Services.

You may ~~also~~ elect to have our affiliate, Value Place Construction Services LLC (“VPCS”), provide your construction advisory services. If you are a first time licensee we require you to use VPCS’ services for the construction of your first Value Place Property. The fee for the standard VPCS services, including expenses, is \$35,000.

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 Team at 8621 E. 21st Street North, Suite 250, Wichita, Kansas 67206 and 316-630-5505.

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 on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: ~~April 19, 2011~~ March 27, 2012

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 FRANCHISOR OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in **Exhibit A** 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 LICENSE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND/OR LITIGATION ONLY IN KANSAS. OUT-OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE US IN KANSAS THAN IN YOUR OWN STATE.
2. THE LICENSE AGREEMENT AND THE DEVELOPMENT AGREEMENT STATE THAT KANSAS 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. ITEM 19 OF THIS DOCUMENT CONTAINS CERTAIN INFORMATION REGARDING FINANCIAL PERFORMANCE REPRESENTATIONS FOR A VALUE PLACE PROPERTY. AS A NEW LICENSEE, YOUR INDIVIDUAL FINANCIAL RESULTS ARE LIKELY TO DIFFER FROM THE RESULTS IN ITEM 19. A NUMBER OF FACTORS WILL DIRECTLY AFFECT THE FINANCIAL RESULTS OF YOUR PROPERTY. THESE INCLUDE THE GENERAL MARKET FOR PROPERTY PRODUCT IN YOUR AREA, TIME FOR RAMP-UP, COMPETITION, GENERAL ECONOMIC CONDITIONS, DEMAND FOR STUDIOS, SITE LOCATION, COMPETENCY OF YOUR MANAGEMENT AND OTHER FACTORS. THE FINANCIAL PERFORMANCE REPRESENTATIONS SET FORTH IN ITEM 19 ARE BASED ON THE OPERATION OF 43170 FRANCHISED AND AFFILIATE-OWNED PROPERTIES, OPEN AND STABILIZED PROPERTIES THE ENTIRE YEAR OF 2010 AND 171 FRANCHISED AND AFFILIATE OWNED, OPEN, AND STABILIZED THE ENTIRE YEAR OF 2011.
4. THERE MAY BE OTHER RISKS CONCERNING THIS LICENSE.
5. ~~SEE CALIFORNIA STATE ADDENDUM (EXHIBIT K) FOR ADDITIONAL RISK FACTORS.~~

We may 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.

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