

FRANCHISE DISCLOSURE DOCUMENT



WoodSpring Hotels Franchise Services LLC
A Kansas Limited Liability Company
8621 E. 21st Street North, Suite 250
Wichita, Kansas 67206
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WoodSpring Hotels Franchise Services LLC will grant an approved Franchisee a franchise to operate a Value Place property (a "Property"), which offers customers the value of a furnished room with kitchen facilities, together with terms and conditions, services and amenities associated with extended-stay hotels, including easy check-in, one-week stays, and periodic housekeeping. Some Franchisees 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 \$5,062,000 to \$6,580,000. This includes between \$50,599 and \$52,000 that must be paid to WHFS. The initial fee for developing more than 1 Value Place Property is the License Fee for 1 Property, \$50,000, multiplied by the number of Properties to be developed, which you must pay when you sign the Development Agreement. The License Fee paid under the Development Agreement will be deducted from the License Fee due for that Property when the Franchise Agreement for that Property is executed.

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: December 18, 2015

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 FRANCHISE 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 FRANCHISE 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 FRANCHISEE, 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 ROOMS, SITE LOCATION, COMPETENCY OF YOUR MANAGEMENT AND OTHER FACTORS. THE FINANCIAL PERFORMANCE REPRESENTATIONS SET FORTH IN ITEM 19 ARE BASED ON THE OPERATION OF 173 FRANCHISED AND AFFILIATE-OWNED, OPEN, AND STABILIZED PROPERTIES THE ENTIRE YEAR OF 2013 AND 170 FRANCHISED AND AFFILIATE OWNED, OPEN, AND STABILIZED PROPERTIES THE ENTIRE YEAR OF 2014.**
4. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

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.

State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws with the following effective dates:

CALIFORNIA	_____ , 2015
HAWAII	Not registered
ILLINOIS	_____ , 2015
INDIANA	_____ , 2015
MARYLAND	_____ , 2015
MICHIGAN	_____ , 2015
MINNESOTA	_____ , 2015
NEW YORK	_____ , 2015
NORTH DAKOTA	_____ , 2015
RHODE ISLAND	_____ , 2015
SOUTH DAKOTA	_____ , 2015
VIRGINIA	_____ , 2015
WASHINGTON	_____ , 2015
WISCONSIN	_____ , 2015

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of December 18, 2015.

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