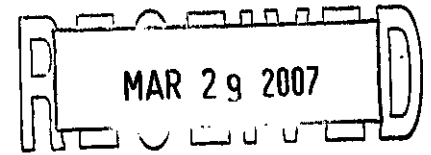




Value Place Franchise Services LLC
8621 E. 21st Street North, Suite 250
Wichita, Kansas 67206
(316) 630-5505

DEPARTMENT OF CORPORATIONS



LOS ANGELES OFFICE

**INFORMATION FOR PROSPECTIVE FRANCHISEES
REQUIRED BY FEDERAL TRADE COMMISSION**

To protect you, we've required your franchisor to give you this information. *We haven't checked it, and don't know if it's correct.* It should help you make up your mind. Study it carefully. While it includes some information about your contract, don't rely on it alone to understand your contract. Read all of your contract carefully. Buying a franchise is a complicated investment. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that's been left out, you should let us know about it. It may be against the law.

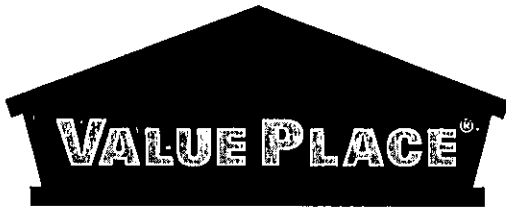
There may also be laws on franchising in your state. Ask your state agencies about them.

FEDERAL TRADE COMMISSION

Washington, D.C. 20580

Issuance Date: March 28, 2007

FRANCHISE OFFERING CIRCULAR



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

An approved licensee will be granted a license to operate a Value Place Short-Term Residential Property ("STRP"), which offers customers the value of a furnished studio apartment with kitchen facilities, together with occupancy terms, services and amenities associated with extended-stay hotels, such as easy check-in, one-week stays, periodic linen service and housekeeping. Some licensees may be awarded a Development Agreement which will allow them to develop multiple STRPs over a period of time.

The initial License Fee to establish and operate an STRP is the greater of \$48,400 or \$400 for each studio in the STRP. The estimated initial investment for an STRP 121 studio prototype ranges from \$ 3,523,700 to \$7,335,700. This range excludes the cost of the land for the STRP. The initial fee for developing more than 1 Value Place STRP is the initial License Fee for 1 STRP multiplied by the number of options to develop an STRP, 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 such STRP.

You may elect to have our affiliate, Value Place Real Estate Services LLC ("VPRES"), identify and/or entitle a site on your behalf. VPRES charges a fee plus expenses for Site Selection Services. The fee ranges from \$15,000 to \$90,000 depending on what scope of services are chosen and is payable at the time you enter into a land purchase or ground lease agreement and/or upon completion of other development milestones depending on the services that you select. You will also be responsible for any expenses incurred by VPRES, and/or its affiliates. Value Place LLC ("VP") and VPRES, and/or their affiliates also routinely have real estate under contract that is suitable for the construction of an STRP. VPRES and/or its affiliates may be willing to assign its contract rights to such real estate to you.

You may also elect to have our affiliate, Value Place Construction Services LLC ("VPCS"), provide your construction advisory services, including assistance to obtain necessary building permits and approvals. If you are a first time licensee we require you to use VPCS's services for the construction of your first Value Place STRP. The fee for these services, including expenses, is \$35,000, unless you choose services beyond the standard services that VPCS provides.

Risk Factors:

1. THE LICENSE AGREEMENT AND DEVELOPMENT AGREEMENT PERMIT THE LICENSEE OR DEVELOPER TO SUE US ONLY IN THE STATE OF 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 HOME STATE. APPLICABLE STATE LAW MAY LIMIT THE APPLICABILITY OF THIS PROVISION. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN THE STATE ADDENDA IN **EXHIBIT K**.
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 EARNINGS CLAIMS FOR A VALUE PLACE STRP. 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 STRP. THESE INCLUDE THE GENERAL MARKET FOR STRP 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 EARNINGS CLAIMS SET FORTH IN ITEM 19 ARE BASED ON THE OPERATION OF 15 AFFILIATE STRPS.
4. THERE MAY BE OTHER RISKS CONCERNING THIS LICENSE.

Information comparing licensors is available. Call the state administrators listed in **Exhibit A** or your public library for sources of information.

Registration of this license by a state does not mean that the state recommends it or has verified the information in this offering circular. If you learn that anything in the offering circular is untrue, contact the Federal Trade Commission and the state administrators listed in **Exhibit A**.

See **Exhibit C** for specific state effective dates in registration states.

**ADDENDUM TO THE OFFERING CIRCULAR PURSUANT TO
THE MICHIGAN FRANCHISE INVESTMENT LAW**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of the franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchise of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provisions have been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, P.O. BOX 30213, LANSING, MICHIGAN 48909, (517) 373-7117.