

FRANCHISE DISCLOSURE DOCUMENT

Choice Hotels International, Inc.
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The franchise offered in this disclosure document is for the rights to own and/or operate a MAINSTAY SUITES® (“MAINSTAY SUITES”) hotel business.

The total investment necessary to begin operation of a 106-room newly constructed MAINSTAY SUITES hotel franchise is between \$7,390,998-\$13,479,816. The total investment necessary to convert an existing hotel and begin operation of a 72-room MAINSTAY SUITES hotel franchise is between \$290,825-\$1,642,795. This includes the following fees that must be paid to the franchisor or its affiliates as follows: an affiliation fee of \$300 per room for new construction and \$550 per room for transfers and renewals (\$50,000 minimum) for MAINSTAY SUITES; a property management system software license and systems training fee of between \$10,750 and \$14,750; and orientation and hospitality training fees of \$0 – \$3,245 per person. These sums do not include the cost of purchasing or leasing land or any real estate taxes.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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, us or our affiliates in connection with the proposed franchise sale or grant. **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 Brian Quinn, Vice President, Signature Brands Development at (301) 592-5000, 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850.

The terms of your franchise agreement will govern your franchise relationship. Do not rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement 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.

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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.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at Choice’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?	Exhibit C 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 franchised outlets.
Will my Comfort business be the only Comfort 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 is it like to be a Comfort franchisee?	Exhibits O and P list current and former franchisees. You can contact them to ask them about their experience.
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.

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