

## FRANCHISE DISCLOSURE DOCUMENT HOLIDAY HOSPITALITY FRANCHISING, LLC A Delaware Limited Liability Company Three Ravinia Drive, Suite 100 Atlanta, Georgia 30346 (770) 604-2000



https://development.ihg.com

The licensee will establish and operate a hotel under the Staybridge Suites® brand.

The total investment necessary to begin operation of a typical 130-suite hotel under the Staybridge Suites brand, excluding land costs and other matters, ranges from \$17,742,375 to \$26,629,495 (\$144,247 to \$216,500 per guest suite) or more (see Item 7), including between \$167,000 and \$192,500 or more that must be paid to Holiday or an affiliate (see Item 5).

This disclosure document summarizes certain provisions of your license 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, Holiday or an affiliate in connection with the proposed license 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 Patricia Womack, Franchise Sales, Holiday Hospitality Franchising, LLC, at Three Ravinia Drive, Suite 100, Atlanta, Georgia 30346 and (770) 604-2912.

The terms of your contract will govern your license 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 license 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, DC 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.

Issuance date: March 27, 2023



## **How to Use This Franchise Disclosure Document**

Here are some questions you may be asking about buying a license 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 licensees. You can find their names and contact information in Item 20 or Exhibits F1 and F2. |
| How much will I need to invest?  | Items 5 and 6 list fees you will be paying to Holiday or at Holiday's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.   |
| Does Holiday have the financial ability to provide support to my business? | Item 21 or Exhibits G1 and G2 includes financial statements. Review these statements carefully.  |
| Is the license system stable, growing, or shrinking?                       | Item 20 summarizes the recent history of the number of company-owned and licensed outlets.   |
| Will my business be the only Staybridge Suites in my area?                 | Item 12 and the "territory" provisions in the license agreement describe whether Holiday and other licensees can compete with you.   |
| Does Holiday have a troubled legal history?                                | Items 3 and 4 tell you whether Holiday or its management have been involved in material litigation or bankruptcy proceedings.  |
| What's it like to be a Staybridge Suites licensee?                         | Item 20 or Exhibits F1 and F2 lists current and former licensees. You can contact them to ask about their experiences.   |
| 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 license opportunity. See the table of contents.  |



## What You Need To Know About Franchising Generally

<u>Continuing responsibility to pay fees</u>. You may have to pay royalties and other fees even if you are losing money.

<u>Business model can change</u>. The license agreement may allow Holiday to change its manuals and business model without your consent. These changes may require you to make additional investments in your licensed business or may harm your licensed business.

<u>Supplier restrictions</u>. You may have to buy or lease items from Holiday or a limited group of suppliers Holiday designates. These items may be more expensive than similar items you could buy on your own.

<u>Operating restrictions</u>. The license agreement may prohibit you from operating a similar business during the term of the license. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

<u>Competition from franchisor</u>. Even if the license agreement grants you a territory, Holiday may have the right to compete with you in your territory.

<u>Renewal</u>. Your license agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your licensed business.

<u>When your license ends</u>. The license agreement may prohibit you from operating a similar business after your license ends even if you still have obligations to your landlord or other creditors.

## **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling licenses in the state. Registration does not mean that the state recommends the license or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state also may have laws that require special disclosures or amendments be made to your license agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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