



Franchise Application





FRANCHISE APPLICATION



1 Choice Hotels Circle, Suite 400
Rockville, Maryland 20850
Phone: 301.592.6373 Fax: 301.592.6226
ChoiceHotelsDevelopment.com

INSTRUCTIONS

Choice Hotels International, Inc. ("Choice") is pleased to consider your Franchise Application. Please read these instructions carefully and answer all items completely and accurately. If an item does not apply, please mark not applicable (N/A) – do not leave any fields blank.

In order to process your application promptly, please supply all of the requested attachments for your property and ownership entity as noted on the Franchise Application Checklist on page 2 of this Franchise Application.

Please send the completed Franchise Application along with the required supporting documents and required affiliation fee to your Choice Franchise Development representative, or directly to:

Colleen Kruse
Director, Franchise Development Operations
Choice Hotels International, Inc.
1 Choice Hotels Circle, Suite 400
Rockville, MD 20850

Choice reserves the right to approve or deny this Franchise Application. This is not an offer, and you have not yet been granted a franchise to operate as any of the above-referenced franchises. There is no binding obligation on either party unless and until both Choice and you have executed a Franchise Agreement. Any expenses you incur in constructing, renovating or operating the hotel are at your sole risk.

**If for any reason a Franchise Agreement is not executed by both parties, Choice agrees to refund any affiliation fee you paid Choice with this Franchise Application less a non-refundable application fee of \$2,500.*

FRANCHISE APPLICATION CHECKLIST

- Franchise Disclosure Document (FDD) Acknowledgment of Receipt – signed & dated as of the date you originally received the FDD.
- Check for affiliation fee (must be submitted at least 14 calendar days following your receipt of the FDD).
Clarion® brand: Check for \$40,000 or \$300 per room (whichever is greater).
Quality® brand: Check for \$35,000 or \$300 per room (whichever is greater).
- Current financial statement(s) (less than a year old) for the Applicant and any individuals with 10% or greater ownership of the hotel.
- Current Profit & Loss Statement and Smith Travel Research Report (for operating hotels only).
- If Applicable, copy of Entity documents for Applicant's legal entity and each of its sub-entities, as noted:

Entity Type:

Documents:

Corporation:

Articles of Incorporation, Bylaws

General Partnership:

Partnership Agreement

Limited Partnership:

Partnership Agreement

Limited Liability Company:

Articles of Organization, Operating Agreement

Bank:

Bank Formation documents, Bank Management, and Structure documents

- Proof of ownership (*sales contract, deed, option or lease*) in the name of the Applicant.

FRANCHISE APPLICATION

A. PROSPECTIVE HOTEL

LOCATION: _____

BRAND:

- Clarion
- Quality

PRODUCT TYPE:

- Inn
- Inn & Suites
- Suites
- Hotel
- Resort

APPLICATION TYPE

- New Construction
- Conversion
- Repositioning (*Choice code*)
- Relicensing (*Choice code*)
- Renewal of existent Choice brand
(*Choice code*) _____

ROOM COUNT: _____

Current Hotel Name (if applicable): _____

Street Address/Site Location: _____

City: _____ State/Province: _____ ZIP/Postal Code: _____

County: _____ Country: _____ Hotel Phone: _____

B. APPLICANT'S REPRESENTATIVE

You authorize the following individual to be your Designated Representative for this Application and for Franchise Agreement, if granted.

Name (Mr./Mrs./Ms.): First: _____ M.I.: _____ Last: _____

Title: _____

Company Name: _____

Email Address: _____

Business Address: _____

City: _____ State/Province: _____ ZIP/Postal Code: _____

Business Phone: _____ Mobile Phone: _____

Home Address: _____

City: _____ State/Province: _____ ZIP/Postal Code: _____

Home Phone: _____

Social Security Number: _____ Birth Date: _____

Current Occupation: _____

Choice Privileges Number: _____

How did you hear about Choice? (Check one.)

- I am an existing Choice Hotels® franchisee. _____
- I was contacted by the Choice Hotels sales team. Please specify who: _____
- A friend or business associate referred me.
- Other (please specify) _____

C. PROPOSED FRANCHISEE

1. Entity:

(You may not use the names Ascend®, Comfort®, Quality®, Sleep®, Clarion®, Cambria®, MainStay®, Econo, Rodeway®, Suburban® or Choice, or any variation thereof, in the entity's name.)

Name of Entity: _____ Formed in State
of: _____

Date Formed: _____

Business Address: _____

City: _____ State/Province: _____ ZIP/Postal Code: _____

Business Phone: _____ Fax: _____

2. Entity Management Structure/ Ownership:

Please list **all** individuals (may include: President, Treasurer, Secretary, Shareholders, Limited Partners, Individual Owners, General Partners, Managing Partners or Managing Members) that will be part of the ownership structure. If listed as a general partner, managing partner or managing member or as an owner in a corporation or other entity, the name/title of the individual within entity must be listed. (*Attach additional pages if necessary.*)

a. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Percentage Owned: _____ %
Title: _____ Phone: _____ E-Mail
Address: _____
Mailing Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Social Security Number: _____ Birth Date: _____
Choice Privileges Number: _____

b. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Percentage Owned: _____ %
Title: _____ Phone: _____ E-Mail
Address: _____
Mailing Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Social Security Number: _____ Birth Date: _____
Choice Privileges Number: _____

c. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Percentage Owned: _____ %
Title: _____ Phone: _____ E-Mail
Address: _____

Mailing Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Social Security Number: _____ Birth Date: _____
Choice Privileges Number: _____

d. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Percentage Owned: _____ %
Title: _____ Phone: _____
E-Mail Address: _____
Mailing Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Social Security Number: _____ Birth Date: _____
Choice Privileges Number: _____

e. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Percentage Owned: _____ %
Title: _____ Phone: _____
E-Mail Address: _____
Mailing Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Social Security Number: _____ Birth Date: _____
Choice Privileges Number: _____

f. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Percentage Owned: _____ %
Title: _____ Phone: _____
E-Mail Address: _____
Mailing Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Social Security Number: _____ Birth Date: _____
Choice Privileges Number: _____

D. FACILITY DESCRIPTION

- 1. Expected Date to Open as a Choice Hotel: _____
- 2. Year Built: _____ Year Last Renovated: _____
- 3. Number of Total Guest Rooms: _____ Number of Suites: _____ Number of Floors: _____
- 4. Number of Parking Spaces: _____
- 5. Number of Meeting Rooms: _____ Total Meeting Spaces: _____
- 6. Is Free breakfast currently served on hotel premises? _____
- 7. Food and Beverage Outlets:

a. Name: _____
 On Premises or Distance from hotel : _____

Meals of Operation: Breakfast Lunch Dinner 24 Hr.

Number of Seats: _____

b. Name: _____
 On Premises or Distance from hotel : _____

Meals of Operation: Breakfast Lunch Dinner 24 Hr.

Number of Seats: _____

- 8. Recreational Facilities (indoor/outdoor pool, hot tub, spa, fitness center, etc.):

E. SITE CONTROL

Deed Holder:

- 1. Is hotel owned by Applicant? Yes No
 - a. If **“Yes”**, please list the ownership name as it appears on the deed (and provide a copy)

 - b. If **“No”**, please provide anticipated date and provide the Purchase Agreement: _____
- 2. When did you obtain possession of the hotel? _____
- 3. Do you have financing secured for this location? Yes No

Lease:

- 1. Is hotel building leased or to be leased by you? Yes No
- 2. Is ground leased or to be leased by you? Yes No
- 3. If **“Yes”** has been indicated for question 1 or 2, please complete the following:

Landlord Name: _____ Phone: _____
Mailing Address: _____
Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Date upon which you began leasing the hotel/ground: _____
Term of the Lease: _____

Bank Owned Deals Only:

- 1. Is this hotel owned by a Lender? Yes No
- 2. If **“Yes”** has been indicated for question 1, please complete the following:

Lender Name: _____ Phone: _____
Mailing Address: _____
Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____

Receivership:

- 1. Is this hotel in Receivership? Yes No
- 2. If **“Yes”** has been indicated for question 1, please complete the following:

Receiver Name: _____ Phone: _____
Mailing Address: _____
Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____

F. FINANCIAL INFORMATION

1. Bank References:

a. Name of Business Bank: _____
Contact: _____
Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Phone: _____
Account in Name of _____
Account #: _____

b. Name of Mortgage Company: _____
Contact: _____
Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Phone: _____
Account in Name of _____
Account #: _____
Is this mortgage in good standing? Yes No

2. Insurance Agent:

Company Name: _____
Contact: _____
Address: _____
City: _____ State/Province: _____ ZIP/Postal Code: _____
Phone: _____

G. FRANCHISING AND HOTEL EXPERIENCE

1. Do any of the individuals/entities listed under ownership currently or previously (but no longer) own any **Choice** properties?

Yes No

*If "Yes," please complete the section below.
Attach additional pages if necessary.*

Individual/Entity	Property Name/ Brand	Choice Property Code	City/State	% Owned	Currently Own?

2. Do any of the individuals/entities listed under ownership currently or previously (but no longer) own any **non-Choice** lodging properties?

Yes No

*If "Yes," please complete the section below.
Attach additional pages if necessary.*

Individual/Entity	Property Name/Brand	City/State	% Owned	Currently Own?

3. For any of the individuals/entities listed under ownership, please identify the **total number of years** of **hotel ownership and/or hotel management experience.**

Individual/Entity	Number of Years of Hotel <i>Ownership</i> Experience	Current Number of Hotels Under <i>Ownership</i>	Number of Years of Hotel <i>Management</i> Experience	Current Number of Hotels Under <i>Management</i>

4. Do any of individuals/entities listed under ownership own and/or hold an officer position at other **non-hotel franchises** and/or **non-hotel businesses**?

Yes No

If “Yes,” please complete the section below.

Attach additional pages if necessary.

(Types of non-hotel franchises may include: Fast food, restaurant, convenience store, real estate, gas station, services, etc.)

(Types of businesses may include: Automobile sales, convenience stores, construction, energy, entertainment, finance, home décor, law, medical, pharmaceutical, real estate, restaurants, retail, shopping centers/malls, technology, travel and transportation, etc.)

(Title/Office may include: President, Vice President, Chief Executive Officer, Chief Financial Officer, Director, Chairman, Partner, etc.)

Individual/ Entity	Type of Business/ Non-Hotel Franchise/ Membership	Business Name	City/State	% Owned	Title/Office

H. BACKGROUND INFORMATION

For purposes of this section, "Applicant" includes anyone owning a direct or indirect interest in the hotel.

1. Is any Applicant now, or has any Applicant ever been a defendant in any lawsuit?
 Yes No
2. Has any Applicant ever filed for bankruptcy?
 Yes No
3. Has any Applicant ever been convicted of a crime other than minor traffic violations?
 Yes No
4. Is any Applicant a "Specially Designated National" or a "Blocked Person" (as defined below)?
 Yes No

If "Yes" has been indicated for any of questions 1-4, please identify the person, court, case number and outcome below.

Person	Court	Case Number	Outcome

"Specially Designated National" or "Blocked Person" means (I) a person designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as such status, (II) a person described in Section 1 of U.S. Executive Order 13224, issued September 23, 2001, or (III) a person otherwise identified by government or legal authority as a person with whom Choice or its affiliates are prohibited from transacting business. A list of such designations and the text of the Executive Order are published under the Internet web site address www.ustreas.gov/office/enforcement/ofac.

I. OPERATIONAL DATA (for operating hotels only)

Please include your most current Profit & Loss Statement and Smith Travel Research Report with your supporting documents.

I certify that, to the best of my knowledge, the information I provided in this application is complete and accurate.

Furthermore, I agree that in order for Choice to obtain and maintain accurate contact and credit information, I authorize the referenced companies and/or individuals named in this application and credit reporting agencies to disclose such information to Choice. This disclosed information will be used for the exclusive and confidential use of Choice and its affiliated companies. I also release Choice, its affiliates and their employees, agents, all other entities and its and their employees providing information or reports about me from all liabilities arising out of the release of any informational reports.

I understand that by submitting this application I agree to the terms and statements made in this application. *(Please have ALL OWNERS AND/OR APPLICANTS sign below.)*

Signature _____ *Type Name* _____ *Date* _____

Signature _____ *Type Name* _____ *Date* _____

Signature _____ *Type Name* _____ *Date* _____

Signature _____ *Type Name* _____ *Date* _____

Signature _____ *Type Name* _____ *Date* _____

Personal Financial Statement

Name: _____

Social Security Number: _____ Date of Birth: _____

Street Address: _____

City: _____ State: _____ ZIP/Postal Code: _____

Home Phone: _____

Email Address: _____

Assets		Liabilities	
Cash on Hand and in Banks (Schedule A)		Notes Due to Banks and Others (Schedule F)	
Cash Value of Life Insurance (Schedule B)		Loans on Life Ins. Policies (Schedule B)	
Securities – Marketable (Schedule C)		Credit Cards and Bills Payable (Schedule G)	
Securities – Non-Marketable (Schedule C)		Mortgage on Homestead (Schedule D)	
IRA and Tax Deferred Accounts		Other Mortgages Payable (Schedule D)	
Homestead/Residence (Schedule D)		Personal Property (Schedule E)	
Other Real Estate (Schedule D)		Taxes	
Personal Property (Schedule E)		Other Debts – Itemize:	
Mortgages and Contracts Held by You (Schedule H)			
Other Assets – Itemize:			
<input type="checkbox"/> (See attached itemization)		<input type="checkbox"/> (See attached itemization)	
Totals Assets		Totals Liabilities	
Net Worth (Total Assets Minus Total Liabilities):			

Annual Income	
Salary Bonuses and Commissions	
Dividends and Interest	
Rental and Lease Income (Net)	
Other Income	
Total	

Personal Financial Statement (continued)

For the purpose of obtaining or establishing credit from time to time, the undersigned certify that the above statement and supporting schedules, including all federal tax returns, prepared by or for the undersigned, are a complete and true statement of the financial condition of the undersigned on the date indicated. You are authorized to make whatever inquiries about the undersigned deemed necessary and appropriate for the purpose of evaluating the credit application provided, including inquiries to the Internal Revenue Service.

Printed Name

Signature

Date

Printed Name

Signature

Date