Choice Offers Development Incentives for Reimaged Brands

Fee Reductions, Royalty Percentage Reductions, or Cash Available for Sleep, Comfort Suites, Quality Brands

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In support of the reimaging strategy underway for three of its brands and to stimulate system growth in the face of a challenging economy, Choice Hotels International today announced the introduction of incentives for development of its Sleep, Quality and Comfort Suites brand hotels.

For developers of Sleep brand hotels, a cash rebate of $20,000 will be issued if groundbreaking occurs within eight months of contract execution, with an additional $40,000 cash payment to Sleep developers whose hotels are open and online within 17 months of contract execution. Sleep developers will also be exempt from paying any royalty fee for the first year of operation.

Terms of the incentive for development of Comfort Suites brand hotels include an initial fee reduction of 50 percent, to $25,000, and a reduction of first year royalty fees to three percent, down more than 40% from the standard fee.

The incentive for Quality brand hotel development applies not only to newly-constructed properties but to conversion properties that are less than five years old. Quality brand hotels that are open and operating within 17 months from contract execution for new customers and within the agreed-upon product improvement timeframe for conversions will receive a cash rebate of $125,000 in the form of a note forgivable after ten years to hotels that remain in the system in good standing.

Full terms and conditions for each of the above incentives are available from the company.

"These development incentives are designed to capitalize on the excitement and momentum created by the new images for each of these brands," said Steven Schultz, executive vice president, domestic hotels. "Even without the incentives, the new brand logos and the additional business we expect they will generate for Quality, Comfort Suites and Sleep brand hotels make this the ideal time to align with one of these brands. The incentives are icing on the cake."

Paul Sterbini, vice president, franchise sales, added that the economic squeeze felt by developers in some parts of the country also motivated Choice to offer the incentives. "We're making it easier for developers to keep cash in their projects in the early years when they need it most," Sterbini said.

Choice Hotels International, the world's second-largest lodging franchisor, franchises more than 5,000 hotels in 43 countries under the Comfort Inn, Comfort Suites, Quality, Clarion, Sleep, Econo Lodge, MainStay Suites and Rodeway Inn brand names. For more information on Choice, visit the company's Internet site at http://www.choicehotels.com/ .

Comfort, Quality, Clarion, Sleep, Econo Lodge, Rodeway Inn and MainStay Suites are registered trademarks of Choice Hotels International.

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