

CHOICE HOTELS INTERNATIONAL INC /DE

Form 424B5

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Registration Nos. 333-168914 and 333-168914-01 through 333-168914-08

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
5.70% Senior Notes due 2020	\$250,000,000	\$17,825
Guarantee of 2020 Notes (2)		
Total	\$250,000,000	\$17,825

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

(2) Pursuant to Rule 457(n), no separate fee for the guarantee is payable.

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Prospectus Supplement to Prospectus dated August 18, 2010.

\$250,000,000

Choice Hotels International, Inc.

5.70% Senior Notes due 2020

The notes will mature on August 28, 2020. We will pay interest on the notes on February 28 and August 28 of each year. The first such payment will be made on February 28, 2011. The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. We may redeem some or all of the notes in whole or in part at any time at the redemption prices set forth in this prospectus supplement. If a change in control triggering event occurs, we will be required to offer to purchase the notes from holders.

The notes will be our unsecured and unsubordinated obligations and will rank equally with our current and future unsecured and unsubordinated indebtedness. The notes will be fully and unconditionally guaranteed by certain of our domestic subsidiaries. Some or all of the guarantees of the notes may terminate in certain circumstances as described on page S-16. The notes will not be listed on any national securities exchange. Currently there is no public market for the notes.

See Risk Factors , beginning on page S-5 of this prospectus supplement to read about important facts you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price ¹	99.743%	\$ 249,357,500
Underwriting discount	0.650%	\$ 1,625,000
Proceeds, before expenses, to Choice Hotels International, Inc. ¹	99.093%	\$ 247,732,500

¹ Plus accrued interest, if any, from August 25, 2010 if settlement occurs after that date.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on or about August 25, 2010.

Joint Book-Running Managers

Goldman, Sachs & Co. J.P. Morgan Wells Fargo Securities

BofA Merrill Lynch

SunTrust Robinson Humphrey

Prospectus Supplement dated August 18, 2010.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the notes that we are currently offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the notes that we are currently offering. Generally, the term prospectus refers to both parts combined.

You should read this prospectus supplement along with the accompanying prospectus and the documents incorporated by reference herein and therein. We have not, and the underwriters have not, authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of these documents. Our business, financial condition, results of operations, cash flows and prospects may have changed since those dates. The notes are being offered and sold only in jurisdictions where offers and sales are permitted.

If the information varies between this prospectus supplement, the accompanying prospectus, or any information incorporated therein by reference, the information in this prospectus supplement supersedes the information in the accompanying prospectus.

In this prospectus supplement, we, us, our, the Company and Choice refer to Choice Hotels International, Inc. and its direct and indirect subsidiaries, as the context requires.

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SUMMARY OF THE OFFERING

The following summary may not contain all of the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

Issuer	Choice Hotels International, Inc.
Securities offered	\$250,000,000 aggregate principal amount of 5.70% senior notes due 2020
Maturity date	August 28, 2020
Interest payment dates	Interest on the notes will be payable on February 28 and August 28 of each year, beginning on February 28, 2011. Interest will accrue from August 25, 2010.
Guarantees	The notes will be guaranteed on an unsecured basis by each of our subsidiaries that guarantees our senior unsecured revolving credit facility (or any replacement or refinancing thereof). Any subsidiary that provides, or will provide, guarantees of the notes will be released from such guarantees in the event that such subsidiary guarantor no longer guarantees our obligations under our senior unsecured revolving credit facility, or any replacement or refinancing thereof, or satisfaction and discharge of the notes has occurred pursuant to the indenture governing the notes (the Indenture).
Ranking	The notes will be our senior unsecured obligations and will: rank senior in right of payment to our future debt that is expressly subordinated in right of payment to the notes; rank equal in right of payment to all of our existing and future debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes; be effectively subordinated to all of our existing and future secured debt, to the extent of the value of the assets securing such debt, and be structurally subordinated to all obligations of each of our subsidiaries that do not guarantee the notes (including any guarantors that are released from the guarantees pursuant to the terms of the Indenture); and be effectively senior to any series of our existing and future senior unsecured notes that are not guaranteed by our subsidiaries to the extent of the assets of our subsidiaries that guarantee the notes offered hereby.

Similarly, the guarantees of the notes offered hereby will be senior unsecured obligations of the guarantors and will:

rank senior in right of payment to all of the applicable guarantor's existing and future debt that is expressly subordinated in right of payment to the guarantee;

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rank equal in right of payment to all of the applicable guarantor's existing and future debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes;

be effectively subordinated to all of the applicable guarantor's existing and future secured debt to the extent of the value of the assets securing such debt; and

be structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the notes offered hereby.

Optional redemption

We may redeem the notes, in whole or in part, at any time prior to their maturity at the redemption price described in this prospectus supplement, which will include a make whole premium.

Change of control offer

If a change of control triggering event, as defined in the Indenture, occurs, we will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase, as described under the heading "Description of Notes and Guarantees - Repurchase of Notes upon a Change of Control."

Further issuances

We will issue the notes under the Indenture. We may, without the consent of the existing holders, issue additional notes having the same terms so that the existing notes and the additional notes form a single series under the Indenture.

Use of proceeds

We intend to use the net proceeds of this offering, after deducting underwriting discounts and commissions and other offering expenses payable by us, to repay outstanding borrowings under our revolving credit facility, without a corresponding reduction in the commitment thereunder. We may reborrow the amount repaid at any time, subject to compliance with the credit agreement.

Trustee

The trustee under the Indenture is Wells Fargo Bank, National Association.

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Risk factors

See Risk Factors before considering an investment in the notes.

Conflicts of interest

Affiliates of J.P. Morgan Securities Inc., Wells Fargo Securities, LLC, Banc of America Securities LLC and SunTrust Robinson Humphrey, Inc. are agents and/or lenders under our revolving credit facility. As described in Use of Proceeds, the net proceeds from this offering will be used to repay outstanding borrowings under our revolving credit facility, without a corresponding reduction in the commitment thereunder. As affiliates of J.P. Morgan Securities Inc., Wells Fargo Securities, LLC, Banc of America Securities LLC and SunTrust Robinson Humphrey, Inc. will receive more than 5% of the proceeds of this offering, not including underwriting compensation, J.P. Morgan Securities Inc., Wells Fargo Securities, LLC, Banc of America Securities LLC and SunTrust Robinson Humphrey, Inc. have a conflict of interest as defined in NASD Rule 2720 adopted by the Financial Industry Regulatory Authority. Consequently, this offering will be conducted in accordance with NASD Rule 2720. No underwriter having a conflict of interest will confirm sales to accounts over which discretionary authority is exercised without the prior written consent of the accountholder. In accordance with NASD Rule 2720, a qualified independent underwriter is not required because the notes offered are investment grade rated, as that term is defined in NASD Rule 2720.

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RISK FACTORS

You should carefully consider the risks described below together with the risk factors described in reports we file with the SEC and incorporated by reference into the accompanying prospectus, as well as all of the other information in, and incorporated by reference in, this prospectus supplement and the accompanying prospectus, including in our annual report on Form 10-K, before you decide to buy the notes. If any of the risks actually occur, our business, financial condition, results of operations, cash flows or prospects could suffer. In that event, we may be unable to meet our obligations under the notes and the guarantees and you may lose all or part of your investment.

The notes are not secured by any of our assets and secured creditors would have a prior claim on our assets

The notes are not secured by any of our assets. Furthermore, the terms of the Indenture governing the notes permit us to incur secured debt, subject to certain limits. If payment of our secured debt is accelerated, the lenders under our secured debt agreements will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to agreements governing that debt, and will have a prior claim on our assets securing the debt. In that event, because the notes are not secured by any of our assets, it is possible that there will be no assets remaining from which claims of the holders of notes can be satisfied or, if any assets remain, the remaining assets might be insufficient to satisfy those claims in full. As of August 18, 2010 we had no secured debt outstanding.

The notes do not restrict our ability to incur additional unsecured debt

The Indenture governing the notes does not restrict the amount of unsecured debt that we or our subsidiaries may incur. If we or our subsidiaries incur additional debt, it may be more difficult for us to satisfy our obligations with respect to the notes. Furthermore, the incurrence of additional debt may cause a decline in the trading price of the notes and the credit rating of the notes may be lowered or withdrawn.

Changes in our credit ratings or the debt markets could adversely affect the price of the notes

The price of the notes depends on many factors, including:

our credit ratings with major credit rating agencies;

the prevailing interest rates being paid by, or the market price for the notes issued by, other companies similar to us;

our financial condition, financial performance and future prospects; and

the overall condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the notes.

In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate our industry as a whole and may change their credit rating for us based on their overall view of our industry. A negative change in our rating could have an adverse effect on the price of the notes.

Claims of noteholders will be structurally subordinated to claims of creditors of our non-guarantor subsidiaries

As of the issue date, the notes will not be guaranteed by any of our subsidiaries who do not guarantee our senior unsecured revolving credit facility. Claims of holders of the notes will be

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structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the notes. In the event of a bankruptcy, liquidation or dissolution of any of the non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment on their claims from assets of those subsidiaries before any assets are made available for distribution to us. As of June 30, 2010, our non-guarantor subsidiaries had \$7 million of liabilities (excluding inter-company liabilities). The Indenture governing the notes does not restrict the amount of unsecured debt or other obligations that any of our subsidiaries may incur.

The guarantees of the notes by the subsidiary guarantors may be released upon the occurrence of certain events

Any subsidiary of ours that provides, or will provide, guarantees of the notes will be released from such guarantees in the event that such subsidiary guarantor no longer guarantees our obligations under our senior unsecured revolving credit facility, or any replacement or refinancing thereof, or satisfaction and discharge of the notes has occurred pursuant to the Indenture. If any such subsidiary guarantee is released, no holder of the notes will have a claim as a creditor against any such subsidiary and the indebtedness and other liabilities of such subsidiary will be structurally senior to the claim of any holders of the notes. See Description of Notes and Guarantees Guarantees below.

We may not be able to finance a change of control offer required by the Indenture

Upon a change of control triggering event, as defined under the Indenture governing the notes, you will have the right to require us to offer to purchase all of the notes then outstanding at a price equal to 101% of the principal amount of the notes, plus accrued interest. In order to obtain sufficient funds to pay the purchase price of the outstanding notes, we expect that we would have to refinance the notes. We cannot assure you that we would be able to refinance the notes on reasonable terms, if at all. Our failure to offer to purchase all outstanding notes or to purchase all validly tendered notes would be an event of default under the Indenture. Such an event of default may cause the acceleration of our other debt. Our future debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control under the Indenture.

Federal and state statutes allow courts, under specific circumstances, to void the guarantees of the notes by our subsidiaries and require the holders of the notes to return payments received from the subsidiary guarantors

Under the federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, the subsidiary guarantees could be voided, or claims in respect of the subsidiary guarantees could be subordinated to all other debts of a subsidiary guarantor if, either, (i) the subsidiary guarantee was incurred with the intent to hinder, delay or defraud any present or future creditors of the subsidiary guarantor or (ii) the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its subsidiary guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness and the subsidiary guarantor either:

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which such subsidiary guarantor's remaining assets constituted unreasonably small capital;
or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

If a subsidiary guarantee is voided, you will be unable to rely on the applicable subsidiary guarantor to satisfy your claim in the event that we fail to make one or more required payments due on

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the notes. In addition, any payment by such subsidiary guarantor pursuant to its subsidiary guarantee could be voided and required to be returned to such subsidiary guarantor, or to a fund for the benefit of creditors of such subsidiary guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our or the subsidiary guarantors' conclusions in this regard.

While the guarantees provided by our subsidiaries will be limited by their terms to the maximum amount they can pay without the guarantee being deemed a fraudulent conveyance, a court could find these limitations on the maximum amount of a guarantee to be ineffective or unenforceable and still apply federal and state fraudulent conveyance statutes to the guarantees to void the obligations under the guarantee or subordinate the guarantee to all other obligations of the guarantor.

There is no established trading market for the notes and one may not develop

We have no plans to list the notes on a securities exchange. Additionally, there is currently no established trading market for the notes and an active market may not develop. As a result, the notes could trade at a price lower than their initial offering price and you may not be able to resell your notes for an extended period of time, if at all.

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FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus supplement and accompanying prospectus, or the documents incorporated by reference herein and therein, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as believes, expects, may, will, should, or anticipates or the negative thereof or other comparable terminology. All statements other than of historical facts are forward-looking statements. Forward-looking statements contained in this document include those regarding market trends, our financial position, business strategy, the outcome of pending litigation, projected plans and objectives of management for future operations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results or performance to be materially different from future results, performance or achievements expressed or implied by the forward-looking statements. Such risk factors include, but are not limited to, the following:

changes to general, domestic and foreign economic conditions;

operating risks common in the lodging and franchising industries;

risks associated with acquisitions and development of new brands;

changes to the desirability of our brands as viewed by hotel operators and customers;

changes to the terms or termination of our contracts with franchisees;

deterioration in the financial condition of our franchisees;

our ability to keep pace with improvements in technology utilized for reservations systems and other operating systems;

decreases in brand loyalty due to increasing use of internet reservation channels;

fluctuations in the supply and demand for hotel rooms; and

our ability to manage effectively our indebtedness.

We undertake no obligation to update such forward-looking statements, except as required by law. For additional information regarding risk factors, see Risk Factors in this prospectus supplement and the accompanying prospectus.

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The net proceeds of this offering are expected to be \$247,232,500 after deducting the underwriting discounts and commissions and other offering expenses payable by us. We intend to use the net proceeds we receive from the sale of the notes to repay outstanding borrowings under our revolving credit facility, without a corresponding reduction in the commitment thereunder. We may reborrow the amount repaid at any time, subject to compliance with the credit agreement. Upon completion of this offering, the remaining undrawn borrowing capacity under our revolving credit facility will be approximately \$337 million. As of June 30, 2010, we had \$291.1 million of debt outstanding under our revolving credit facility at a weighted average effective interest rate of 0.8% per year at that date with a maturity date of June 16, 2011.

RATIO OF EARNINGS TO FIXED CHARGES

	Six Months		Year Ended			
	Ended June 30, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
Ratio of earnings to fixed charges(1)	24.2x	22.7x	12.8x	11.6x	10.3x	7.8x
Pro forma ratio of earnings to fixed charges(2)	7.4x	8.5x				

- (1) For purposes of calculating the ratio of earnings to fixed charges, earnings represent earnings from continuing operations before income taxes and before income or loss from equity investments, *plus* (a) fixed charges, and (b) distributed income of equity investees. Fixed charges consist of interest expense and the interest component of rental expense.
- (2) For purposes of calculating the pro forma ratio of earnings to fixed charges, earnings represent earnings from continuing operations before income taxes and before income or loss from equity investments, *plus* (a) fixed charges, and (b) distributed income of equity investees. Fixed charges for purposes of the pro forma presentation consist of (a) interest expense adjusted and estimated as if the senior note offering and refinancing of existing debt had occurred on the first day of the period presented (based upon a rate of 6.125%, which reflects the estimated annualized interest rate including the interest on the notes, settlement of an interest rate swap, amortization of underwriting discounts, commissions and offering expenses), and (b) the interest component of rental expense.

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DESCRIPTION OF NOTES AND GUARANTEES

General

The following is a summary of the terms of the Indenture and the notes. The notes will be issued under an indenture (the **Original Indenture**) to be entered into on or about August 25, 2010 between us and Wells Fargo Bank, National Association, as trustee (the **Trustee**), as amended by a first supplemental indenture, to be entered into on or about August 25, 2010, among us, the subsidiary guarantors and the Trustee (together with the Original Indenture, the **Indenture**). The Indenture will be subject to and governed by the Trust Indenture Act of 1939, as amended (the **TIA**). The terms of the notes include those stated in the Indenture and those made part of the Indenture by reference to the TIA. The following is a summary of the material terms and provisions of the notes. However, this summary does not purport to be a complete description of the notes and is subject to the detailed provisions of, and qualified in its entirety by reference to, the Indenture, a copy of which is available from us upon request. We urge you to read the Indenture carefully because it, and not the following description, will govern your rights as a holder of the notes. References to **notes** shall include the guarantees described herein. For purposes of this section of the prospectus supplement, references to **Choice**, **we**, **us**, **our**, and similar terms refer only to Choice Hotels International, Inc. and not to any of its subsidiaries.

Ranking

The notes will be unsecured senior obligations of ours and will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes are guaranteed by the guarantors as described below under **Guarantees**. The notes will be effectively subordinated to all indebtedness and other liabilities of our subsidiaries to the extent that such subsidiaries are not guarantors or are released from their guarantee obligations as described below under **Guarantees**. Except as described in the accompanying prospectus under **Description of Debt Securities and Guarantees of Debt Securities Covenants**, the Indenture does not restrict the amount of secured or unsecured indebtedness that we or our subsidiaries may incur.

Maturity, Interest, Form and Denomination

The notes will mature on August 28, 2020. The notes will not be subject to any sinking fund provision.

The notes will bear interest at the rate of 5.70% per year. We will pay interest semiannually on and of each year, commencing February 28, 2011. Interest on the notes will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from the date of issuance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

If any interest payment date, any redemption date, the maturity date or any other date on which the principal of or premium, if any, or interest on a note becomes due and payable falls on a day that is not a business day, the required payment shall be made on the next business day as if it were made on the date the payment was due, and no interest shall accrue on the amount so payable for the period from and after the interest payment date, redemption date, maturity date or other date, as the case may be.

The notes will be issued only in registered form without coupons, in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Notices or demands to or upon us with respect to the notes and the Indenture may be served and, in the event that notes are issued in

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definitive certificated form, notes may be surrendered for payment, registration of transfer or exchange, at the office or agency maintained by us for this purpose in the Borough of Manhattan, The City of New York, currently the office of the Trustee, located at 45 Broadway, 14th Floor, New York, New York 10006, Attention: Corporate Trust Services Administrator for Choice Hotels International, Inc. The notes will be issued in book-entry form, and beneficial holders will not receive certificates representing their ownership interests in the notes, except if the book entry system for the notes is discontinued.

Further Issuances

We may, from time to time, without the consent of the existing holders of the notes, issue additional notes (Additional Notes) under the Indenture having the same terms as the notes in all respects, except for the issue date, the issue price, and in some cases, the initial interest payment date, but only if the Additional Notes are fungible with the notes for U.S. federal income tax purposes. Any such Additional Notes will be consolidated with and form a single series with the notes offered hereby for all purposes of the Indenture.

Optional Redemption

Definitions

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

Comparable Treasury Price means, with respect to any redemption date and the notes to be redeemed (i) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (ii) if we obtain fewer than four Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations obtained.

Primary Treasury Dealer means an investment banking firm that is a primary government securities dealer in the United States.

Quotation Agent means one of the Reference Treasury Dealers selected by us.

Reference Treasury Dealer means (i) Goldman, Sachs & Co., J.P. Morgan Securities Inc. and Banc of America Securities LLC or their respective successors or Affiliates that are Primary Treasury Dealers; *provided, however*, that if any of the foregoing shall cease to be a Primary Treasury Dealer, we shall substitute another Primary Treasury Dealer and (ii) any other Primary Treasury Dealer selected by us.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding the date that a notice of redemption is given.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate will be calculated on the third business day preceding the date that a notice of redemption is given.

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Redemption

We may redeem the notes at our option, at any time in whole or from time to time in part in integral multiples of \$1,000 principal amount, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the notes to be redeemed, and

(2) as calculated by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon on the notes being redeemed from the redemption date to the date of maturity (except for accrued but unpaid interest) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 45 basis points,

plus, in either case, accrued and unpaid interest on the notes to, but not including, the redemption date.

Notice of any redemption will be mailed by first class mail at least 30 days but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address.

In the case of a partial redemption, the Trustee will select notes for redemption as follows: if the notes are listed on any national securities exchange, in compliance with the requirements of the national securities exchange on which the Notes are listed, or if selection of the notes for redemption will be made on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate.

If any note is to be redeemed in part only, the principal amount of the note that remains outstanding after the redemption in part shall be \$2,000 or a higher integral multiple of \$1,000. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon cancellation of the original note.

Notes called for redemption become irrevocably due on the date fixed for redemption at the applicable redemption price, plus accrued and unpaid interest to the redemption date. Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

In the event that a note is called for redemption and the redemption date is subsequent to a regular record date with respect to any interest payment date and prior to such interest payment date, interest on the note will be paid upon presentation and surrender of the note. If a note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid on the redemption date to the Person in whose name such note was registered at the close of business on such record date. Upon surrender of a note that is redeemed in part, we shall execute and, upon our written request, the Trustee shall authenticate for the holder (at our expense) a new note of the same series and stated maturity equal in principal amount to the unredeemed portion of the note surrendered.

Repurchase of Notes upon a Change of Control

Definitions

Change of Control means (i) any Person or two or more Persons acting in concert (other than, in either case, a Permitted Holder) shall have acquired beneficial ownership, directly or indirectly, of, or

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shall have acquired by contract or otherwise, our voting stock (or other securities convertible into such voting stock) representing 50% or more of the combined voting power of all of our voting stock, (ii) the direct or indirect sale, assignment, transfer, lease, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our and our Subsidiaries properties or assets, taken as a whole, to any person (individually and as that term is used in Section 13(d)(3) and Section 14(d)(2) of the Exchange Act), other than us or one of our Subsidiaries, or (iii) Continuing Directors shall cease for any reason to constitute a majority of the members of our board of directors then in office. Notwithstanding the foregoing, a transaction effected to create a holding company for the Company will not, in and of itself, constitute a Change of Control if (i) pursuant to such transaction we become a direct or indirect wholly owned subsidiary of such holding company, and (ii) immediately following that transaction no Person (other than a Permitted Holder) is the beneficial owner, directly or indirectly, of voting stock of such holding company (or other securities convertible into such voting stock) representing 50% or more of the combined voting power of all voting stock of such holding company.

Change of Control Triggering Event means (i) the occurrence of a Change of Control and (ii) the notes cease to be rated Investment Grade by both Rating Agencies, or in the absence of such rating for the notes, the Company's corporate rating, in the case of S&P, or our corporate family rating, in the case of Moody's, for Dollar-denominated senior unsecured long-term debt ceases to be rated Investment Grade, by both Rating Agencies on any date during the Trigger Period. Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

Continuing Directors means, during any period of up to 24 consecutive months commencing after the date hereof, individuals who at the beginning of such 24 month period were on our board of directors (together with any new director whose election by our board of directors or whose nomination for election by our stockholders was approved by a vote of (i) at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved or (ii) Permitted Holders representing not less than 50% of the combined voting power of all of our voting stock).

Existing Stockholder means any of our stockholders which, together with such stockholder's affiliates, owns more than 5% of the common stock of the Company as of August 25, 2010, so long as the Bainum Affiliates continue to own more common stock of the Company than such Existing Stockholder.

Investment Grade means a rating equal to or higher than Baa3 by Moody's (or its equivalent under any successor rating category of Moody's); a rating equal to or higher than BBB- by S&P (or its equivalent under any successor rating category of S&P); and an equivalent rating of any replacement agency, respectively.

Moody's means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

Permitted Holder means (A) (i) all lineal descendants of Stewart W. Bainum, and all spouses and adopted children of such descendants, (ii) all trusts for the benefit of any person described in clause (i) and trustees of such trusts; (iii) all legal representatives of any person or trust described in clauses (i) and (ii); and (iv) all partnerships, corporations, limited liability companies or other entities controlled by a person described in clauses (i), (ii) or (iii) (such persons referred to in this clause (A) collectively, "Bainum Affiliates"); or (B) any other Existing Stockholder.

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Rating Agency means S&P and Moody's or if S&P or Moody's or both shall not make publicly available a rating of the notes or a rating of our corporate credit for Dollar-denominated senior unsecured long term debt generally, a nationally recognized statistical rating agency or agencies, as the case may be, selected by us which shall be substituted for S&P or Moody's or both, as the case may be.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

Trigger Period, with respect to a Change of Control Triggering Event, means the period commencing 60 days prior to our first public announcement of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which will be extended following the consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change).

Repurchase of Notes

If a Change of Control Triggering Event occurs, unless we have exercised our right to redeem the notes, holders of notes will have the right to require us to repurchase all or any part (equal to an integral multiple of \$1,000) of their notes pursuant to the offer described below (the Change of Control Offer) on the terms set forth in the notes. In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (the Change of Control Payment). If any note is to be repurchased in part, the principal amount of the note that remains outstanding after the repurchase in part shall be \$2,000 or a higher integral multiple of \$1,000. Within 30 days following any Change of Control Triggering Event or at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we will send notice of such Change of Control Offer (the Change of Control Offer Notice) by first-class mail, with a copy to the Trustee, to each holder of notes with the following information:

that the Change of Control Offer is being made pursuant to the provisions of the Indenture and that all notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by us;

that a Change of Control Triggering Event has occurred and that such holder has the right to require the Company to repurchase all or a portion of such holder's notes at the Change of Control Payment;

the circumstances and relevant facts regarding such Change of Control Triggering Event;

the date, which will be no earlier than 30 days and no later than 60 days after the date the Change of Control Offer Notice is mailed, other than as may be required by law, by which we must purchase the notes (the Change of Control Payment Date);

that holders electing to have any notes purchased pursuant to a Change of Control Offer will be required to surrender the notes, with the form entitled Option of Holder to Elect Purchase attached to the notes completed, to the paying agent at the address specified in the notice prior to the close of business on the third business day preceding the Change of Control Payment Date;

that any note not tendered will continue to accrue interest;

that, unless we default in the payment of the Change of Control Payment, all notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

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the procedures for surrendering notes for payment, consistent with the Indenture;

the procedures by which a holder may withdraw such a tender after it is given; and

that holders whose notes are being purchased only in part will be issued new notes equal in principal amount to the unpurchased portion of the notes surrendered, which unpurchased portion must be equal to \$2,000 in principal amount or an integral multiple of \$1,000 in excess thereof.

We must comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the purchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the notes by virtue of such compliance.

On the Change of Control Payment Date, we will be required, to the extent lawful, to:

accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the Trustee the notes properly accepted and an Officers Certificate stating the aggregate principal amount of notes or portions of notes being purchased by us.

A Change of Control Offer may be made in advance of a Change of Control, conditional upon the Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer. The Change of Control Offer, if mailed prior to the date of consummation of the Change of Control, will state that the offer is conditioned on the Change of Control being consummated on or prior to the purchase date with respect to such Change of Control Offer.

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements of the Indenture and purchases all notes properly tendered and not withdrawn under such Change of Control Offer.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of us and our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase our notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of us and our subsidiaries taken as a whole to another person may be uncertain.

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Events of Default

The notes are subject to the events of default described under the section entitled "Description of Debt Securities and Guarantees of Debt Securities - Events of Default" in the accompanying prospectus, and the following additional Events of Default:

bankruptcy, insolvency or reorganization of a guarantor; and

any guarantee ceases to be in full force and effect or is declared in a judicial proceeding to be null and void, or any guarantor denies or disaffirms in writing its obligations pursuant to such guarantee.

Guarantees

The notes will be guaranteed on a joint and several senior unsecured basis by each of our subsidiaries that guarantees our senior unsecured revolving credit facility. On the issue date, the guarantors will consist of the following subsidiaries: Choice Capital Corp., Choice Hotels International Services Corp., Brentwood Boulevard Hotel Development, LLC, CSES, LLC, Dry Pocket Road Hotel Development, LLC, Park Lane Drive Hotel Development, LLC, Suburban Franchise Holding Company, Inc. and Suburban Franchise Systems, Inc. A guarantor will be released from all of its obligations to guarantee the notes if: