

## **Choice Hotels Receives Approximately \$102 Million in Cash From Sunburst**

PRNewswire  
SILVER SPRING, Md.

Choice Hotels International, Inc. , the world's second largest hotel franchiser, announced today that it had received from Sunburst Hospitality Corporation approximately \$102 million in cash and an 11-3/8% seven-year senior subordinated note in the amount of \$35 million, which contains standard and customary high-yield loan terms and conditions. The note contains, among other things, a cash pay interest feature that begins 18 months from issuance. The Company had previously announced on December 21, 2000, that it intended to receive such amounts upon the closing of Sunburst's recapitalization, which occurred yesterday.

The Company intends to use the cash proceeds to pay down debt, invest in strategic initiatives and repurchase shares.

### About Choice Hotels

Choice Hotels International is the second largest hotel franchiser in the world with 4,371 hotels open, representing 349,392 rooms, and another 694 hotels under development, representing 61,244 rooms, in 41 countries as of September 30, 2000. Its Comfort, Quality, Clarion, Sleep Inn, Econo Lodge, Rodeway Inn and MainStay Suites brands serve guests worldwide. Additional corporate information may be found on the Choice Hotels' Internet site, which may be accessed at <http://www.choicehotels.com/>.

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

Certain matters discussed in this press release may constitute forward- looking statements within the meaning of the federal securities law. Such statements are based on management's beliefs, assumptions and expectations, which in turn are based on information currently available to management. Actual performance and results could differ from those expressed or contemplated by the forward-looking statements due to a number of risks, uncertainties and other factors, many of which are beyond Choice's ability to predict or control. For further information on factors that could impact Choice and the statements contained therein, we refer you to the filings made by Choice with the Securities and Exchange Commission, including its registration statement on Form S-4 and report on Form 10-Q for the period ended June 30, 1999.

SOURCE: Choice Hotels International, Inc.

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