

Minutes

Rodeway Inn Owners Association

Full Board Meeting

Wednesday, November 28th 2012

Choice Hotels International

Silver Spring, MD

At approximately 7:45am ROA Chairman, Rajal Patel called roll:

Rajal Patel	Chairman	Present
Neil Bhakta	Past Chairman	Present
Dinu Patel	Region 1	Present
Kay Collier-Pittman	Region 2	Absent
David Holl	Region 3	Present
Manoj Patel	Region 4	Present
Ross Almo	Executive Director	Present (non-voting)

*At Choice Meeting:

Craig Mustard	Choice Corp Board	Present
Tim Shuy	Choice Corp Board	

Breakfast Meeting at Comfort Inn:

Rajal declared a quorum and called the meeting to order.

Minutes: The Board did not have an opportunity to review the minutes. They will be tabled and resubmitted for adoption during the next conference call.

Financials: Ross reviewed the financials and budget in the meeting resource book. If further discussion is needed they can be added to the next conference call agenda.

ChoicePrivileges: The general understanding has been that with the 5% increase their full participation during seasonal promotions; in-house collateral and electric media distribution, but would not be included in TV advertising. The increase in percentage would change two stays equal one night and two nights equals a free stay to, each night equals one night toward a two night free stay. The rate structure should be considered in relation to the Economy brands rate driven cliental. The Board is generally in favor of the 5% model.

*Rajal asked Ross to contact Bill Lawrence concerning 2013 convention events with ELFA. Group dinner and possible reception.

9:00am

Choice Hotels International:

Opening Services: Bill Weimer. Bill reviewed the opening process for both new builds and conversions. In 2012 Rodeway will have 46 hotels enter the system. The average time from contract to opening is 89 days. This is subject to the properties ability to complete a PIP, purchase a sign, on site training and other mandatory requirements. Unless otherwise deemed necessary all properties come online with Rate Center. Currently there are 410 Rodeway Inns.

*Action: Bill said he every 30 days will supply the Association with a data base of new properties. Ross to request above.

Town Hall Meetings 2012: Brenda Raley and Rebecca Adams. There was a 21% increase in Economy Brand attendance over 2011. It was noted that many of Choice's national vendors have regional sales and support staff. These organizations should be solicited by Choice and encouraged to attend 2013 Town Halls. CHOC is already planning 7 Fall Regionals for 2013. There is a general consensus of both the ROA and ELFA Directors that CHOC is willing to have the Economy brands participate in 2013 Fall Regionals if the Associations so desire. Brenda is scheduled to be meeting with CHOC next week and will speak with them. Brenda stated that if the three Associations joined together in Fall Regional meetings a Task Force needs to be formed with two representatives from each Association and Choice. An alternate suggestion is to have a "crossover" meeting was discussed. Where the Economy Brands would meet on day one, the Economy Brands and Mid-scales would share in day two and the Mid-scale properties would own day three.

*Action Items: The three Association's leadership need to have a conversation concerning meeting together and then contact Choice. Ross is to invoice Choice Partner Services for their portion of Town Hall vendor sponsorship \$750.00

Technology – ecommerce: Maury Laudahl in Phoenix office via conference phone and Eric Bradford in-room. Choicehotels.com has had a 10% increase in revenue in the last twelve months. Over 50% of reservations delivered to hotels come via Choicehotels.com

LADV Rate; only ChoicePrivilege members currently qualify to book Advance purchase discounted rates at a 15% - 20% off BAR. LADV may be subject to a 10% CHERP fee. Eric said a "flex" rate is being developed to offer properties the ability to change the number of days in advance and the percentage off on a calendar basis. Maury said they were looking at an end of the year rollout. The question arose on which were the top three discount booking codes used on Choicehotels.com, Maury said she would get that information.

Mobil booking engine is up 206%. Currently 8% of deliverable reservations are being delivered via ChoiceHotels mobile application. New enhanced releases are currently being released on a monthly basis.

New Promotional rates for Choicehotels.com and OTA's will be introduced in early 2013. It will include promo Rates available 24hrs (short adv booking time) prior to arrival, length of stay discounts and other applications. It was noted that if these discounts rolled onto OTA sites it would technically put properties out of parody. It was asked that rate parody be waved in order to effectively use these sales tools. Maury said she would have an update by the end of the week.

Property Ranking and Reviews would have a test rollout in 2013. There was discussion about the previous 2010 trail of using in-house ranking. The new test will have a controlled test population. It was also suggested that other industry rankings maybe better received then in-house.

CHERP's current ROI went from a conversion of 8m to 106m. A key word suggestion tool would be available (ChoiceCentral-?) in Q1 2013. Roomkey customers booked Choice properties 33% of the time. There was discussion about how Room Key keeps popping up in front of Choicehotels.com. Maury said it was designed as a pop behind. Most of the Directors believed it should not popup at all when customers are already on Choicehotels.com. The Boards said additional information and investigation is needed.

Action Items: Technology Committee will investigate pop ups/behinds. Ross will ask Maury for copy of presentation deck.

ChoicePrivileges: Ryan Draude, Greg Brown. CP is still has a strong growth pattern with revenue up 17% in 2012. Rodeway Inn has seen a 55% enrollment growth.

3% vs 5% revenue fee model. 10pts = \$1.00
 Minimum \$25 reimbursement rate
 Fall National promotional participation

Currently EL/RO competitive set is at the 10pt - \$1 model.
 Current SRD Rate reimbursement: 20% \$17
 70% \$25
 10% \$25 and above

One new revenue night per month funds net profits.
 No second stay requirement (1 night = 1 night)

The discussion on TV advertising was bantered and Craig and Ryan agreed to speak with the advertising group, Bill Carlson and Christine Lynn to discuss what other options may be available for the Economy brands. It was also noted that some of 2013 promotions were currently completed or were in pre-production. The group asked Craig for a 2014 calendar.

Currently mid-scales have an enrollment incentive of one – four CP enrollments per week which can reduce their overall monthly percentage contribution almost a half a point. It was also noted that they had a penalty of the same for not enrolling. Ryan noted that the Economy properties were only enrolling two out of ten non-members, so keeping there percentage contribution would be achievable.

*Actions: Internal ROA vote and leadership discussions with ELFA. Ross to ask Ryan with copy of presentation deck.

Coop; Joey Martin. Joey reviewed the current contribution numbers which were \$250,000 from franchisee participants and \$200,000 from Choice, totaling \$450,000.

Economy promotions will focus on brand messaging and value propositions in online and print advertising,

The current regional landing pages will be taken down in 2013 and replaced with state level pages. All fifty states and the District of Columbia will all have their own landing pages.

Choice is increasing their contribution to 225,000 for 2013. Joey noted this is a onetime increase based on participation

The Boards proposed a flat fee structure in 2014. A \$1.00 - \$1.50 per room was suggested. Noting a minimum of \$600 and maximum to be determined. Joey said he was open to all suggestions and wanted a unified answer that was agreed upon by ROA and ELFA.

*Actions: ROA and ELFA Coop Committees to conference and decided on 2014 rate plan.

Being no other ROA business the meeting came to a conclusion.

At approximately 4:45pm the meeting adjourned.

Rajal Patel
Acting Chairman

Ross Almo
Executive Director