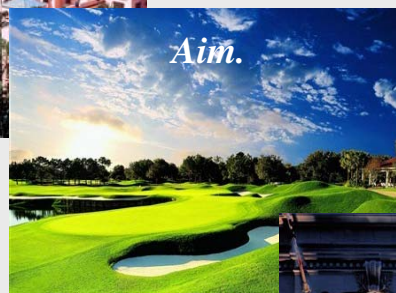




Capital Hotel Management, LLC

Company Overview



ABOUT CHM

OVERVIEW



Unparalleled Hotel Investment Advisory Services

Out-of-the box strategic thinking, substantiated with an expertise of lodging and related real estate, CHM delivers the highest potential investment returns.

Capital Hotel Management, LLC (CHM) is a privately-held hotel investment advisory and asset management company, providing a full range of acquisition and disposition expertise for its investors, as well as customized strategies proven to maximize asset/portfolio value and increase overall hotel investment returns. CHM is the largest independent hotel investment management company operating in the U.S. today, actively overseeing hotel portfolio and single-asset investments collectively valued at more than \$5.0 billion. Managed investments include urban landmark properties, high-profile destination resorts and convention headquarter hotels, operating in major U.S. markets. CHM has a proven track record of advising and executing on the opportunistic acquisition of assets, specifically those primed for repositioning and (re)development, as well as devising investment strategies aimed at optimizing returns.

HISTORY

CHM represents the culmination of nearly two centuries of visitor-based real estate background and expertise, now dedicated to all facets of hospitality investment management.

CHM's investment management services have been developed and time-tested with the specific goal of enhancing asset value and maximizing returns for hotel owners and investors. The skills required for effective and successful hotel investment management in today's market include expertise encompassing a variety of related disciplines and property types. Recognizing the broad range of knowledge required to truly excel in this role, the principals and founders of CHM set out to assemble a team of hospitality experts whose qualifications, when combined, encompassed every facet of hotel investment advisory. CHM was initially described as "A 20-Year Old Start-Up", representing a fresh and aggressive approach to hotel investment management, supported by the culmination of approximately two centuries of combined hotel consulting, development and investment experience. Today, CHM is regarded among the leading investment advisors and asset managers in the hotel industry.

OBJECTIVE

Our experience is extensive, yet our objective is simple—provide unparalleled hotel investment advisory and asset management services, enabled through innovative, out-of-the-box strategic thinking, substantiated with an expertise of lodging and related real estate, to optimize investment returns.

OVERVIEW

Core to CHM’s hotel investment management strategy is leveraging our vast industry experience and contacts to uncover hidden hotel value to optimize investment returns.

COMPREHENSIVE APPROACH

CHM’s approach includes developing a customized Hotel Investment Strategy to uncover ‘hidden value’ and optimize investment returns.

Hotel Investment Management Strategy

Simply defined. Proven results.

CHM prides itself on its entrepreneurial and strategic approach to managing hotel investments. Critical to our approach is developing a customized *Hotel Investment Strategy* aligned with client goals and objectives. This strategy serves as a road map for identifying opportunities and executing strategies to unlock “hidden value” that may be realized through a combination of incremental operating potential, market and rate repositioning, financing, (re)/development of existing space and/or development of excess land for compatible uses, to name just a few. Through applying expertise and strategic vision to existing hotel assets, as well as potential investment opportunities, CHM has been extremely successful in enhancing investment returns.

CHM’s approach is supported by the following key components, critical to executing an effective *Hotel Investment Strategy*:

- Comprehensive Approach
- Operational Enhancement
- Strategic Re/Development
- Industry Contacts

CHM offers a comprehensive package of services encompassing all facets of hotel investment management, when combined, translates into a *Hotel Investment Strategy* customized to meet client objectives. We employ a three-pronged approach to each assignment, designed to support optimizing returns (Hotel Investment Advisory), maximizing operating performance (Hotel Operations/Asset Oversight) and providing clear and consistent lines of communication (Client Communication).

Hotel Investment Advisory
Identifying and executing on opportunities that exist in accordance with client investment parameters.



Hotel Operations/ Asset Oversight
Efforts focused on fostering close working relationship with management team to identify opportunities for maximizing

Client Communication
Ensuring clear, effective communication, customized to deliver relevant information in a timely manner.

STRATEGY

OPERATIONAL ENHANCEMENT

Identifying opportunities and implementing initiatives in a collaborative effort with hotel management to maximize operating performance.

CHM's hotel operations and asset oversight experience provide a platform for readily identifying operational performance upside, whether evaluating a deal opportunity or assessing opportunities at a hotel already under ownership. The key is to identify opportunities and work with the hotel operating team to collaboratively implement initiatives to effect a change, whereby incremental value through enhanced cash flow is realized.

CHM's ability to uncover revenue enhancement and cost containment opportunities, whether during the due diligence phase, annual budgeting process or as part of an on-going assessment, has historically resulted in a significant impact to net operating profits which translates directly into hotel value.

STRATEGIC RE/DEVELOPMENT

CHM has actively participated in the programming and execution of more than \$900 million in asset repositioning, reprogramming, mixed-use re/development and master planning.

In today's operating environment, a hotel is not simply a hotel. CHM understands this and considers a hotel's physical attributes, locational characteristics, market conditions and anticipates future trends to assess redevelopment, conversion and alternative use options for every investment opportunity. We have found that modifying or expanding a traditional hotel to include related alternative uses in some instances may not only serve to optimize the value of the real estate, but also may generate more visitors to support ancillary facilities and services such as multiple food and beverage outlets, spa and fitness facilities, retail operations and golf. There are a variety of real estate uses that are compatible with an operating hotel, such as whole ownership or fractional residences, hotel condominiums and retail complexes to name a few, which if properly programmed, designed and integrated will not only serve to potentially diversify the overall risk profile of an asset, but will often yield higher returns.

CHM has actively participated in the planning, programming and execution of approximately \$900 million in hotel repositioning, reprogramming, redevelopment, mixed-use development and master planning projects, all aimed at maximizing asset value and overall investment returns. Through this experience, we have an unmatched understanding the interrelationships among land-uses and the incremental value that the combination of uses can bring to a hotel deal.

INDUSTRY CONTACTS

CHM maintains relationships with key industry contacts from which we can draw on to ensure the highest level of expertise is applied at each stage of the investment cycle.

Stemming from years in hospitality related consulting and advisory, CHM maintains an extensive contact database, representing thousands of professional relationships with key industry contacts. These relationships afford CHM the ability to:

- Source principal to principal deals;
- Gain access to experts in the field and to market-specific intelligence;
- Assemble teams of local market professionals related to master planning and development (i.e. architects, land planners, attorneys, engineers);
- Effect changes at hotel brands corporate and regional levels; and,
- Test the market and expeditiously execute acquisitions and sales.

SERVICES

ASSET INVESTMENT & MANAGEMENT SERVICES

CHM services have been developed and time-tested with the specific goal of enhancing asset value and maximizing returns for owners and investors.

STRATEGIC PARTNERS

CHM seeks to establish strategic partnerships with select industry experts to provide clients with access to pre-qualified firms and additional resources relating to hotel investment and advisory issues.

Customized Services

Proven to deliver value and address all hotel investment related needs.

CHM's services have been developed and time-tested with the specific goal of enhancing asset value and maximizing returns for hotel owners and investors. The skills required for delivering impactful hotel investment and asset management services encompass a level of expertise from a variety of related disciplines. Recognizing the broad range of knowledge required to successfully fulfill this role, the principals and founders of CHM set out to assemble a team of hospitality experts whose combined skill set touches upon every facet of hotel investment advisory, asset management and operations including, but not limited to the following key areas:

- Operations
- Sales & Marketing Effectiveness
- Capital Expenditure Planning
- Accounting & Finance
- Risk Assessment/Mitigation
- Strategic Planning
- Planning & (Re)/Development
- Concepting, Space Programming, Design
- Hold/Sell Analysis
- Performance Benchmarking
- Repositioning Assessment/Implementation
- Contract Negotiation
- Brand/Operator Selection
- Legal Issues
- Staffing/Labor Issues
- Valuation Modeling
- Financial Strategies
- Compliance (Contract, taxes, etc.)
- Project Return on Investment
- Exit Strategy Development
- Asset Marketing/Disposition
- Brand Relations

CHM represents the culmination of years of hotel consulting, development and investment experience, with a well-developed specialization in hotel asset management, providing our clients with expertise in all aspects of hotel investment and ownership. Our owner/investor clients rely on CHM to ensure that every decision made with respect to existing or future hotel investments maximize profitability.

Structured Solutions, Inc. and CHM established a partnership in 2004 to capitalize on their ongoing working relationship and to combine the resources of each firm to form a dedicated capital planning and construction supervisory group. The goals of the partnership are to provide a range of project/construction management and consulting services to the commercial real estate sector with a focus on the hospitality industry. Primary services provided include project planning and design review, cost control and value engineering, contract administration, construction feasibility studies, project management and contractor administration. This partnership provides clients with the most efficient and effective capital planning and control of renovation and construction projects.

In addition, CHM has created strategic alliances with Hotel Investment Advisors (HIA) in São Paulo, Brazil and in London, England to support hotel asset advisory clients located in those regions of the world. Other global alliances are currently being considered.

MANAGEMENT TEAM

OVERVIEW

*Hospitality real estate
focused background.*

*Cohesive group, averaging
15 year working
relationship.*

SENIOR MANAGEMENT TEAM



The Value Of CHM Lies In Its People

CHM is comprised of a cohesive team of professionals, offering a broad range of expertise with over two centuries of combined hospitality-related real estate experience.

The true value of CHM lies in its people. CHM's team is comprised of hospitality investment professionals, offering a broad range of expertise, with over two centuries of combined hospitality-related real estate experience. Our diverse background affords an unparalleled level of resources to draw upon enabling us to provide the most comprehensive hotel investment management services available in the industry today. The core team has been together on average of 15 years, with an employee turnover rate well below industry norms.

CHM's corporate office is located just north of Boston, in Beverly, Massachusetts, with satellite offices operating in Atlanta, Chicago, Detroit, Honolulu and Miami.

Ken Wilson, Chief Executive Officer (CEO), co-founded Capital Hotel Management in September 2000. Under his leadership, the company's portfolio of asset-managed hotels has grown by 300%, to a current aggregate book value of more than \$5.0 billion. Mr. Wilson's more than 25 years of hospitality industry experience encompasses all aspects of hotel investment and ownership. As CEO, Mr. Wilson is responsible for raising and negotiating equity and debt financing, negotiation of purchase and sale agreements in support of asset acquisition and disposition, advising on workout strategies and bankruptcies, and participating in hotel management/franchise company selection and contract negotiation. He has sourced direct deals and developed creative partnerships/ownership structures, has been involved in the review of more than 300 hotel investment deals and has negotiated contracts on behalf of ownership groups with every major brand operator resulting in increased owner control and more favorable fee structures. Mr. Wilson serves as the company visionary and practice leader for CHM, whose strategic insight extends to the properties in our portfolio, specifically in the areas of operation, development/master planning and investment strategies.

MANAGEMENT TEAM

SENIOR MANAGEMENT TEAM (CONTINUED)



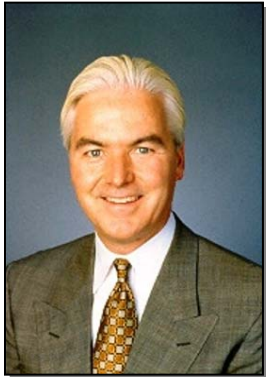
Chad Crandell is the President and co-founder of CHM, leading provider of asset management services to owners, developers and investors of hotels and resorts collectively valued at more than \$5.0 billion. Mr. Crandell is responsible for overseeing all CHM corporate functions, as well as focusing on client relations, development and deal sourcing. With extensive experience in structuring fair and equitable agreements pertaining to hotel ownership, Mr. Crandell plays an active role in all contract negotiations. He also advises on key operational challenges, including risk mitigation, capital planning and expenditures and investor-funded capital projects. In addition to serving as the past President of HAMA (Hospitality Asset Managers Association), Mr. Crandell is a spokesperson for CHM and active advocate for hotel ownership and industry issues, participating and routinely speaking at all major conferences. Mr. Crandell is regularly quoted in industry articles and has authored a number of chapters and case studies published as part of industry text books. Mr. Crandell is a member of the International Society of Hospitality Consultants and holds a Counselors of Real Estate distinction.



Fern Kanter possesses 25 years experience supporting her current role as Executive Vice President at CHM. As a member of CHM's Executive Committee Team, she plays an active role in client relations and is involved in the development of the company's business plan and execution of corporate growth strategies. Ms. Kanter's primary focus is developing strategies to achieve ownership investment objectives for each of the hotels in the CHM portfolio. At the onset of a new client engagement, Ms. Kanter coordinates the efforts of transition planning and take-over, develops the strategic vision for the asset and develops initiatives in support of achieving planned objectives. As part of these strategies, Ms. Kanter is responsible for identifying opportunities for operational enhancement, as well as analyzing and executing on opportunities for re/development. Ms. Kanter has extensive resort master-planning and development experience, including assembling and actively leading teams through the entitlements process and has been involved in planning projects estimated to increase land value by more than \$80 million. Ms. Kanter manages the due diligence team responsible for investment analyses supporting clients in the acquisition and disposition of assets, and is responsible for the day-to-day oversight and coordination of CHM team activities and professional staff development.

CONTACT US

**SENIOR
MANAGEMENT TEAM
(CONTINUED)**



Michael Doyle has over 25 years of experience in operating, developing and asset managing first-class hotels and resort golf properties. As Executive Vice President, Mr. Doyle directs CHM's asset management function and serves as a member of the Executive Committee. In this capacity, he is responsible for introducing best practices reporting standards, conducting property operational reviews, identifying opportunities to create value through revenue enhancement and cost containment, and fostering positive working relationships with the property management teams to collaboratively work to implement initiatives in support of owner investment goals. Mr. Doyle plays an active role in interviewing and approving property executive committee members, as permitted by the management agreement and is involved in the ongoing oversight of property operations, including an annual review and approval of operating budgets, market and operating plans and capital expenditure programs. Mr. Doyle directs the efforts and is responsible for the professional development of the CHM asset management team. Recognized for his skills and demonstrated track record in operations, including acting General Manager at some of the world's finest hotels, Mr. Doyle holds a designation as a Certified Hotel Administrator.

OFFICE LOCATIONS

Capital Hotel Management, LLC

■ **Boston** ■

Corporate Office
548 Cabot Street
Beverly, MA 01915
Phone 978.522.7000
Fax 978.522.7008

■ **Honolulu** ■

c/o Sheraton Waikiki Hotel
2255 Kalakaua Avenue, 2nd Floor
Honolulu, HI 96815
Phone 808.931.8607
Fax 808.931.8667

■ **Atlanta** ■

2085 Beacon Hill Way
Alpharetta, GA 30005
Phone 770.733.1011
Fax 770.837.0139

■ **Miami** ■

1850 South Ocean Drive, #3202
Hallandale, FL 33009
Phone 954.458.3204
Fax 954.458.3214

■ **Detroit** ■

Renaissance Center
Tower 200, 38th Floor
Detroit, MI 48243
Phone 313.667.3295

WEBSITE/EMAIL

www.chmhotel.com
info@chmhotel.com