



**An Introduction to the
T.R. ENGEL Group, LLC**

“ACCOMPLISHED HOTEL EXPERTS ADVISING A TROUBLED HOTEL WORLD”

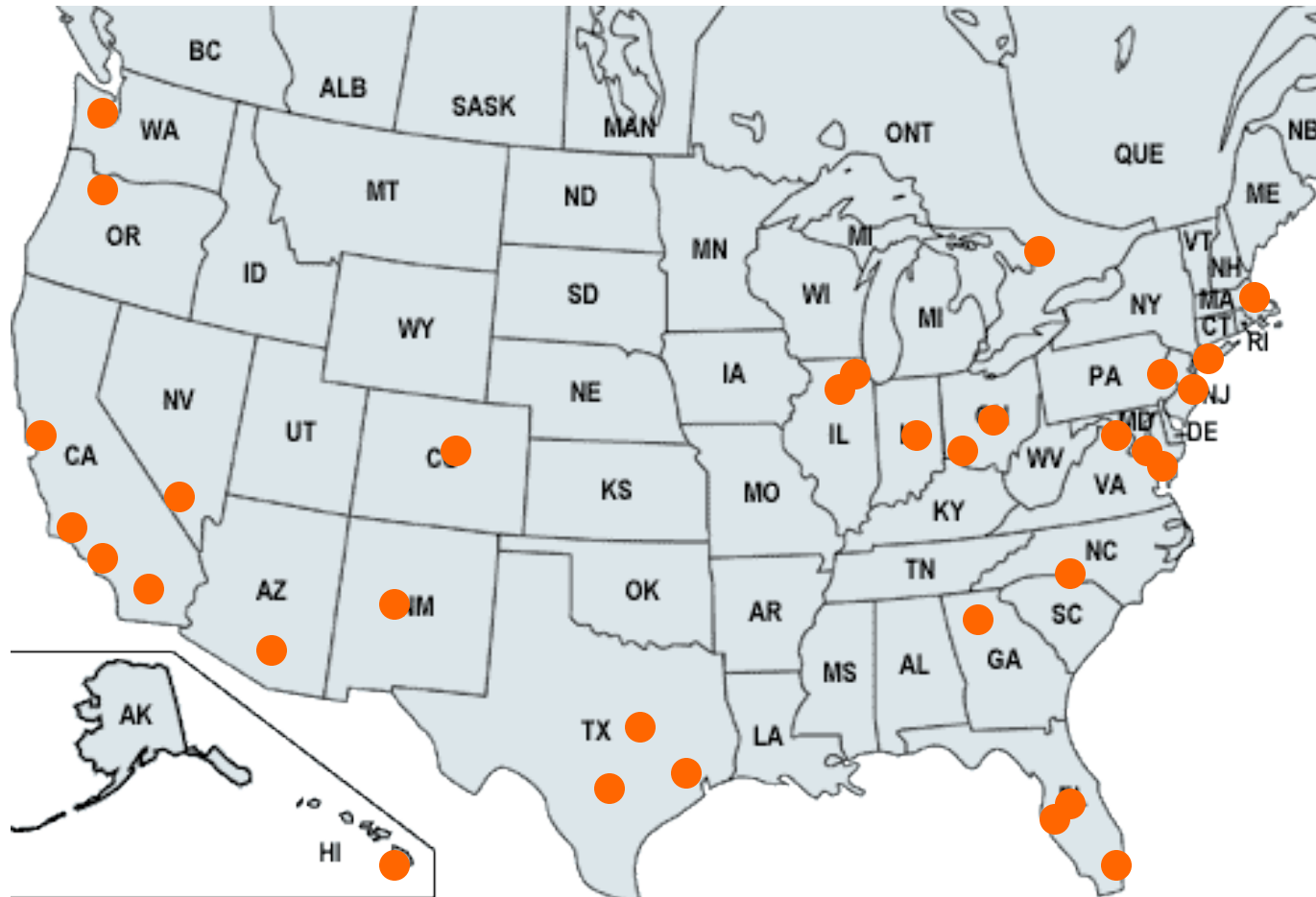


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I. The T.R. ENGEL Group's Lodging Experience

Domestic Markets – Select Sample Work



LEGEND

Northeast/Central East

- Boston, MA
- New York, NY
- Plainsboro, NJ
- Washington, D.C.
- Philadelphia, PA
- Springfield, VA
- Falls Church, VA
- Richmond, VA
- Williamsburg, VA

Southeast

- Tampa, FL
- Miami, FL
- Orlando, FL
- Fort Lauderdale, FL
- Charlotte, NC
- Atlanta, GA

Midwest

- Chicago, IL
- Burr Ridge, IL
- Rosemont, IL
- Cincinnati, OH
- Columbus, OH
- Indianapolis, IN

Southwest

- Albuquerque, NM
- Tucson, AZ
- Denver, CO
- San Antonio, TX
- Woodlands, TX
- Dallas, TX
- Houston, TX

West

- San Francisco, CA
- Rancho Mirage, CA
- Irvine, CA
- Santa Barbara, CA
- Summerlin, NV
- Las Vegas, NV
- Seattle, WA
- Portland, OR
- Hawaii

II. Who We Are

- Full service hospitality advisory and hotel asset management firm. *100% focused on the hospitality sector .*
- Highly experienced team of hotel executives with skill sets/expertise in investment analyses/acquisitions/development, operations/operations analyses, brand management, finance and accounting, hotel capital markets.
- Focused hospitality services: General Advisory, Single Asset or Portfolio Asset Management.
- Investor clients include leading institutional investors, REITS, and entrepreneurial owners: Vornado Realty Trust, Intercontinental Real Estate Corporation, Urban America Advisors, Barclays Capital Real Estate, The Principal Group, The Irvine Company, Fidelity Investments/Pembroke Real Estate, Vornado/Charles E. Smith, JER Partners—U.S. and Europe

TRE's competitive edge: Only experienced hospitality experts underwrite risk and do so more clearly, communicate operating issues more candidly, create realistic opportunities to reduce costs, increase cash flow.

III. TRE's Hospitality Experts

Thomas R. Engel, President

- Previously, Executive Vice President, Equitable/AXA Real Estate Investment Management, Founded Lodging and Leisure Group; ***Led Equitable's 'Hotel Value Recovery' Team*** during 1990's Downturn
- Created/Co-created three lodging brands – Embassy Suites, Crowne Plaza Hotels & Resorts, Hawthorne Suites Hotels
- Former Director, Eagle Hospitality Properties Trust (NYSE: EHP).
- Previously Group Brand Manager, Unilever, Inc., New York City; Director of Marketing, Revlon, Inc.
- Adjunct Professor, Boston University, School of Hospitality, Vice-Chairman, Advisory Board
- Advisor, \$2 Billion Privatized Hotel REIT portfolio of 29 hotels
- Graduate, Northwestern University, Alumni Admissions Council; Graduate, University of St. Thomas
- Veteran, United States Marine Corps, VMA-131 Air Wing

James J. Flynn, Senior Managing Director

- Extensive upper upscale and luxury hotel operations, food and beverage, operations finance experience
- Managing Director, Boston Harbor Hotel
- Vice President, Operations, Hilton Hotels Corporation
- Senior Vice President, Operations-Promus Hotel Corporation; Doubletree Hotels Corporation; Guest Quarters Suite Hotels
- Founding Member, Beacon Hotel Corporation
- Graduate, Cornell University, School of Hotel Administration

Matthew Engel, Vice President

- 8 years diversified real estate, capital markets, hotel asset management experience
- Previously, hotel asset manager, The Procaccianti Group, leading independent owner/operator
- Former associate, Holliday Fenoglio Fowler, real estate investment sales, New York City
- Graduate, Hamilton College, Public Policy Major
- Advanced Computer Certification, University of California, San Diego

III. TRE's Hospitality Experts

Edouard A. Gremlich, Managing Director

- Development, operations, finance specialist
- Formerly president, Castle & Cooke-Lanai, Hawaii, five star resorts and all private homes' real estate sales and development ; six (6) years Director of Finance, Hawaii, Sheraton ITT Corporation
- President, Millenium-Copthorne, took company public
- +27 year worldwide career with ITT Sheraton

Jon Rickards, Managing Director

- Sales and marketing specialist
- Start-up founding team for Crowne Plaza hotels and resorts
- Former vice president of sales and marketing for Wesley hotel group
- Graduate, University of Memphis graduate business
- Veteran, United States Air Force, recipient, Distinguished Flying Cross

Mary Ann Salerno, Senior Vice President

- Leads TRE's market research team that produces *TRE market and hotel analysis* and TRE's newly-created project management service
- Has led all facets of Stanford Court Hotel \$33 million renovation working with Pace Management
- 15 years project management experience
- Graduate, M.A. University of Memphis; B.A. American University

Kimberly A. Sullivan, Vice President

- Previously, asset manager, hospitality group, AEW Capital Management
- 19 years diversified lodging operations and financial experience including at ITT Sheraton

III. TRE's Hospitality Experts

Peg Reznik, Controller

- Responsible for all financial and legal support to TRE principals
- Manages internal finance and accounting, investor client billing

Meg Heim, Associate

- Responsible for secondary market research
- Provides analytical support to TRE principals
- B.S., Boston University, School of Hospitality Administration

Anthony Tracy, Analyst

- Provides analytical support to TRE principals
- B.A., Hamilton College, Government/Economics
- Dartmouth College, Tuck School of Business Administration, Bridge Management Program

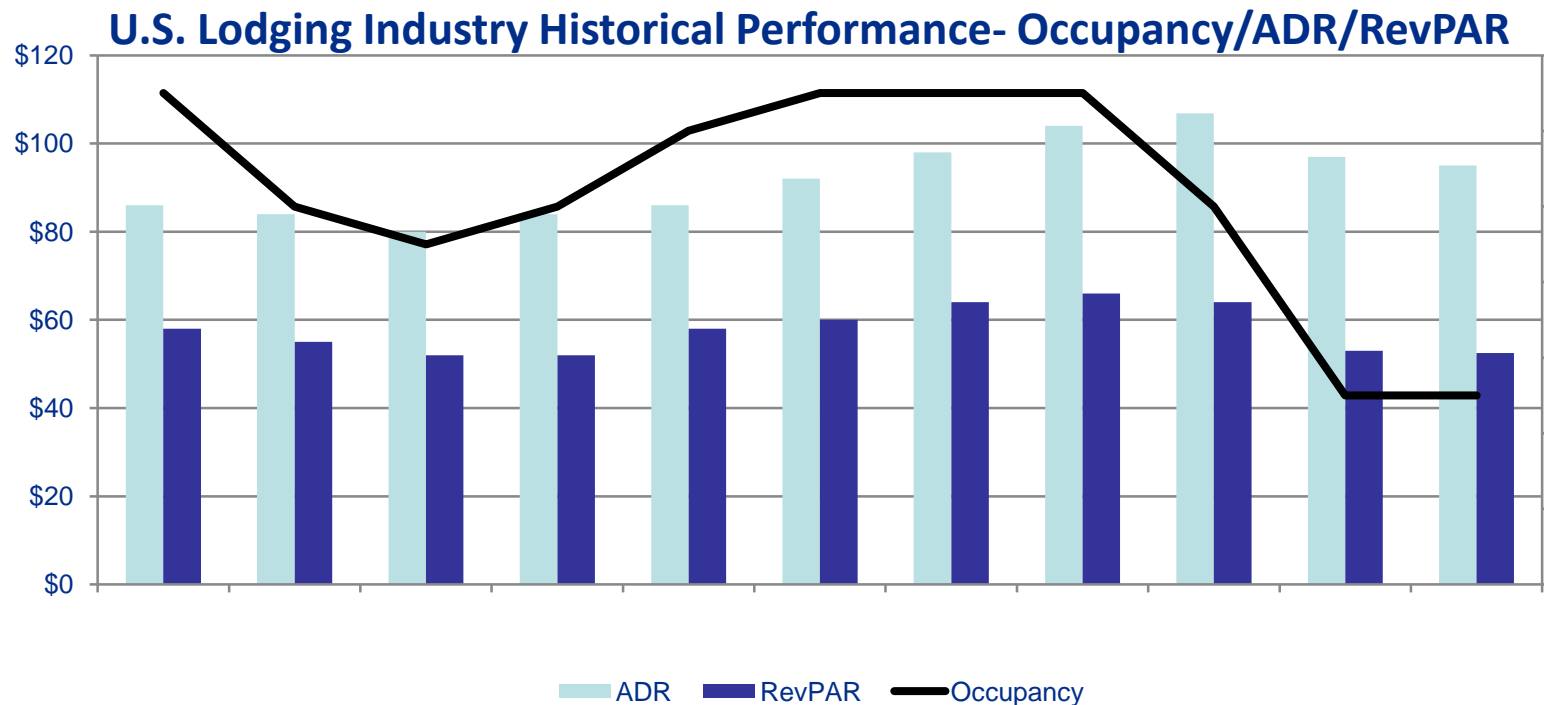
Josefina Schnaith, Intern Analyst

- Provides analytical support to TRE principals
- B.S., Cornell University, School of Hotel Administration

IV. Today's Lodging Market: Hotels in Distress

Historically Weak Operating Performance

- RevPAR <16.9%> 2009F, additional <1.1%> 2010F is producing 'Distressed' hotels similar to 2000-2003 downturn
- <12%> RevPAR peak to trough decline in 2000-2002 downturn compared to <26%> in current Great Recession (2006-2010F)

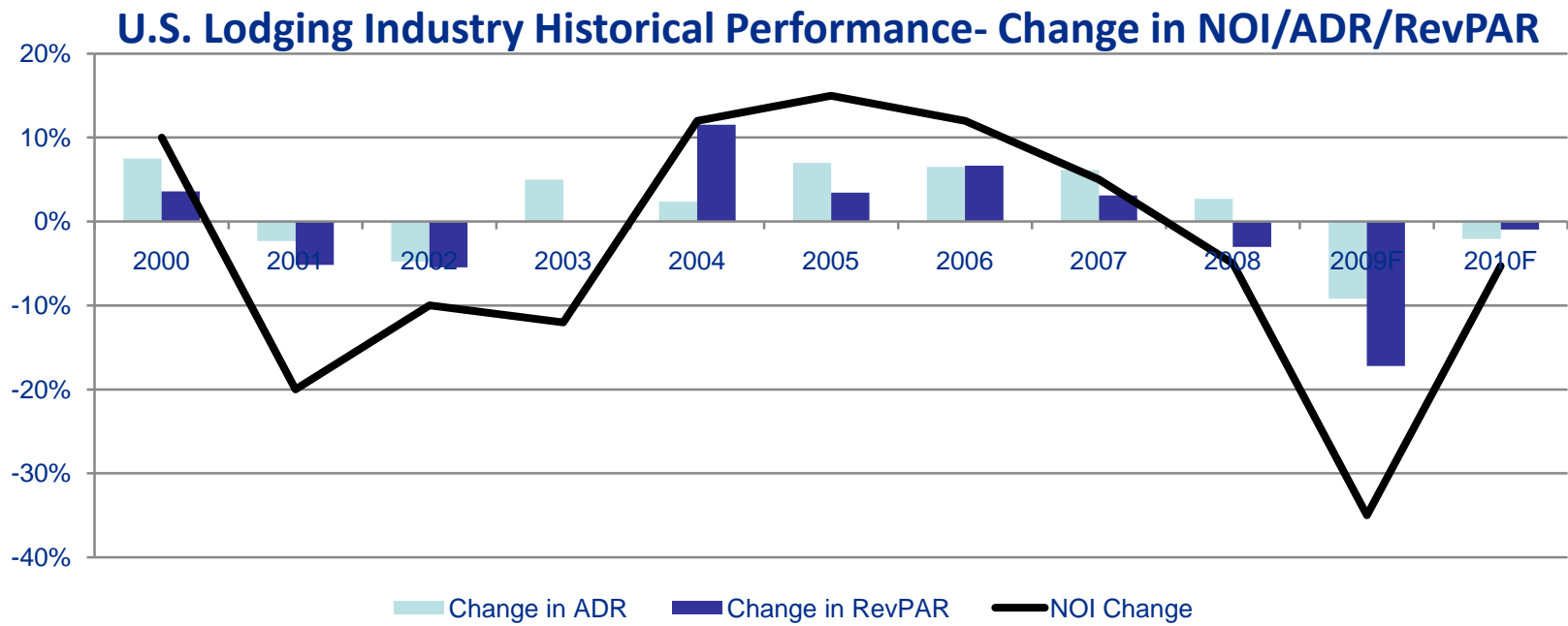


Source: TRE; Smith Travel Research, *U.S. Lodging Industry Projections*, December 2009; PKF Hospitality Research, *Hotel Horizons*, December 2009

IV. Today's Lodging Market: Hotels in Distress

NOI at Historically Depressed Levels

- Historically weak operating performance has led to subsequent NOI downturn
- “Modern Record” of <34.9%> 2009 NOI decline vs. <20%> 2001

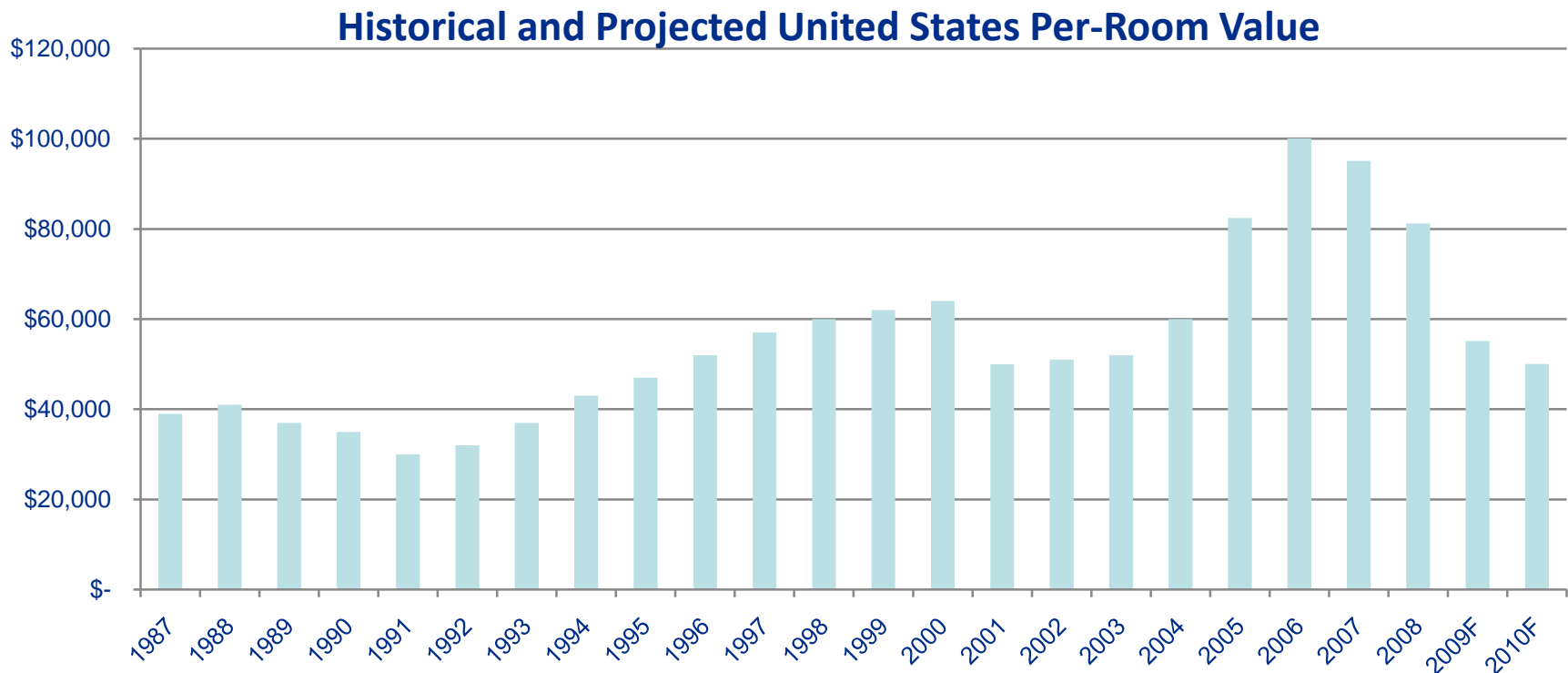


Source: TRE; Smith Travel Research, *U.S. Lodging Industry Projections*, December 2009; PKF Hospitality Research, *Hotel Horizons*, December 2009

IV. Today's Lodging Market: Hotels in Distress

Hotel Valuation Index

- Hotel values increased nearly 100% from 2001 to 2006
- Values reached a peak in 2006 and are forecasted to be half of that by 2010



Source: HVS, 2009 United States Hotel Valuation Index, October 2009

V. Business Platform

Two Platforms: Hotel Advisory Services, Hotel Asset Management

Hotel Advisory Services

ADVISING LODGING INVESTORS:

What do we do with this distressed hotel asset – debt and equity?

Underwriting the acquisition, redevelopment of distressed hotel debt and hotel assets

Hotel Asset Management

OVERSEEING HOTELS :

Overseeing newly acquired hotels or hotel real estate owned (REO)

Asset manage a troubled hotel: What has to happen to make this hotel work financially?

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging



We help guide your investment towards the most profitable direction ...

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

U.S. Lodging Experience

- Work experience in top 50 U.S. Markets
- Experience ranging from city-center properties, to suburban hotels, to secluded timeshares and resorts
- Hotel skills cover a vast array of disciplines: operations, departmental cost analyses, sales and marketing, accounting and finance, development, acquisitions, etc.

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Hotel Real Estate / Capital Markets Knowledge

- Knowledgeable of hotel real estate capitalization rate/sales trends
- Sourcing of potential investment opportunities—what to buy, where, when, \$/key?
- Determining how best to asset manage distressed assets—what to do, how to do it?
- Recommending ideal exit strategies—when to get out, and why?

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Hotel Finance

- Fluent in “hotelese”—hotel financial language, reporting terms and formats (i.e. RevPAR, \$CPOR, FF&E, GSS, GDS, SFB)
- Financial models highlight areas of greatest concern and opportunity—in hotel development including site, costs, revenue generation, direct and indirect operating cost reductions, pro forma assessment
- Ability to interpret favorable and unfavorable trends—rooms department costs and profit margins, food and beverage costs and margins, support costs
- Pinpoint cash flow challenges and opportunities to enhance profits

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Hotel Operations Analysis Expertise

- Extensive on-site property-level experience
- Creation and management of labor productivity models to optimize labor efficiency (determine ideal man-hours per department, appropriate benchmarks, cross-utilization opportunities, etc.)
- Analyze hotels' customers -- corporate, leisure, groups, meetings market segmentation to determine the optimal mix of business
- Monitor payroll/ benefits and all controllable expenses to ensure efficient margins with maximum savings

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Positioning / Repositioning Skills

- Understand what's the best way to reposition a struggling hotel that lacks identity?
- Determine what are the property's strengths, weaknesses, opportunities and threats?
- TRE has extensive superior knowledge of hotel brands and brand philosophies
- Creation of Hotel Business Positioning Statements (HBP) and rationale
- Establishment of Property Improvement Plans (when economically feasible) to coincide with hotel repositioning

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Hotel Brand Management

- Past experience in the creation and management of three (3) new lodging brands—Embassy Suites, Crowne Plaza Hotels and Resorts, Hawthorn Suites Hotels
- Full comprehension of hospitality chain scales and lodging market sub-segments (luxury, upper upscale, upscale, midscale with F&B, midscale without F&B, economy)
- Experience in the brand management selection process allows the TRE team to cultivate the best fit between brand, management and property

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Sales & Marketing Knowledge

- Understand what sales techniques both the hotel and consumers find most effective and attractive
- Tap into local and regional demand generators (i.e. convention centers, tourist attractions, major employers, etc.) to gain market-share
- Dissect hotel's market segments and recommend S&M action plans to increase capture rates among target customers

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Revenue Management Initiatives

- Focus hotel's revenue management team to understand, anticipate and influence customer behavior and spending patterns to maximize profits
- Guide hotel's revenue strategy towards selling to the optimal customer, at the most opportune time, at the best rate, through the most suitable distribution channel
- Ensure the most profitable tools and programs are being utilized to produce results (i.e. One Yield)

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Project Management

- Will prepare project scope of work, budget, timetable and “Hotel Story”
- Identify and oversee all consultants on the project team, and prepare and distribute RFP’s accordingly
- Negotiate and oversee contracts and fees for individual project team members/ resources
- Oversee architectural, construction, interior design, and engineering processes through successful completion, utilizing weekly and formal monthly meetings to track performance vs. plan

VI. What We Do Best

Focused, Proven Comprehensive Hotel Skill Sets ... 100% on Lodging

Development Expertise

- Conduct market research to determine current and forecasted local, regional market area trends and mix of business
- Analyze the factors, which will impact the economic feasibility of a hotel including demand generators, existing and proposed competitors, adjacent and nearby land uses, access and visibility
- Determine current local, regional hotel trends in revenue, operating costs, overhead expenses, fixed charges and profitability

VII. TRE Expertise, Experience & Qualifications

By Lodging Type

First Class International Hotels, Resorts	First Class Urban Hotels	First Class Suburban Hotels	First Class Conference Centers
<ul style="list-style-type: none"> • Doubletree Resort Orlando- International Drive • Extensive international experience Far East, Europe, Australia • Munich Marriott • Grand Cayman Marriott Beach Resort • Three (3) Island of Malta Luxury Resorts • Advisor to Al-Massaleh, Kuwaiti stock exchange company, Middle Eastern hotel developments 	<ul style="list-style-type: none"> • Highly experienced in luxury/upper upscale urban hotel segments • Stanford Court Hotel, St. Regis D.C., Sheraton Gunter, Four Seasons New York, Westin Michigan Avenue • Manotel Hotel Group Geneva, Switzerland, six (6) upper upscale/luxury hotels 	<ul style="list-style-type: none"> • TRE is highly experienced in upper-upscale, major metro suburban markets • Fairview Park Marriott, Marriott at Burr Ridge, Hyatt Regency Irvine, Westin O’Hare, Marriott Crystal City (D.C.) 	<ul style="list-style-type: none"> • Highly experienced in conference center management and operations • Supervision Harrison Conference Center chain • Asset Management, Wyndham Virginia Crossings Conference Center Resort

VIII. Sample TRE Global Team Work



JER Partners - Europe
Marriott Munich Hotel
Munich, Germany
Acquisition underwriting,
ongoing asset management



JER Partners
Grand Cayman Marriott Beach Resort
Complete Renovation Programming,
Creation and Implementation of
Repositioning Plan, Successful Ownership
Exit



Manotel Hotel Group,
Geneva, Switzerland
Portfolio review, revenue
management review for
Manotel's six (6) hotel
portfolio, all located within
Geneva's city center.



Island Hotels Group, Malta

Acquisition underwriting
***Three (3) resorts, catering company,**
Casino-minority interest

VIII. Sample TRE Global Team Work



Claret Capital

St. Regis Hotel

Washington, DC

Budget review and analysis with detailed recommendation and action plans



Vornado Realty Trust

20X Square Hotel

New York, NY

All hotel programming, comprehensive market research, costing, pro forma projections



Citizens Bank/ Royal Bank of Scotland

Cape Cod, MA

Analyses of lodging, restaurant, timeshare portfolio to determine economic viability of holding and growing the portfolio's profitability versus liquidation



Vornado Realty Trust

**Springfield Town Center Hotel
Springfield, VA**

Underwriting, design specifications, brand & management selection



Grasso Holdings

Philadelphia, PA

Third party feasibility study, pre-opening budget analysis, brand & management selection for luxury hotel

VIII. Sample TRE Global Team Work



The Principal Group
World-class Destination Resort
San Antonio, TX
Underwriting of a major equity investment



Ashford Hospitality Trust
Capital Hilton
Washington, DC
Market Demand Study and Recommended Hotel Redevelopment Program



Ashford Hospitality Trust
Hyatt Dulles
Herndon, VA
Value Enhancement Report for the hotel guest tower, meeting space, parking and fitness & spa facility



Ashford Hospitality Trust
Hilton Rye Town
Rye Brook, NY
Market Demand Study and Recommended Hotel Redevelopment Program



American Realty Advisors
Grand Hyatt Washington
Washington, D.C.
Preferred equity investment underwriting

VIII. Sample TRE Global Team Work



Charles E. Smith/Gould Properties

Rosslyn, VA

New-build Brand and Management RFP Process

Upper upscale, full-service hotel



Principal Real Estate Investors/Twining Properties

Kendall Square

Cambridge, MA

Brand and Management RFP Process

Upper upscale, full-service boutique hotel



Corinthian Hotel Partners

Baltimore, MD

Development Proposal, third party feasibility study

VIII. Sample TRE Global Team Work



Urban America

Doubletree Resort Orlando- International Drive

Orlando, FL

Asset Management



JER Partners

Stanford Court, A Renaissance Hotel

San Francisco, CA

Responsible for complete redevelopment, including project management and asset management of this historic icon



Vornado/Charles E. Smith

Crystal City Marriott

Arlington, VA

Asset Management



The Irvine Company

Hyatt Regency Irvine

Irvine, CA

Asset Management

VIII. Sample TRE Global Team Work



JER Partners

**Westin Michigan Avenue
Chicago, IL**

**Acquisition underwriting, asset
management, successfully sold**



**Vornado Realty Trust
Hotel Pennsylvania,
New York, NY**

**Asset management,
redevelopment/
recapitalization plan**



JER Partners

**Fairview Park Marriott Hotel
Falls Church, VA**

**Acquisition underwriting,
ongoing asset management**



Intercontinental Real Estate Corporation

**Wyndham Virginia Crossings Hotel and Conference Center
Richmond, VA,**

Upscale Hotel & Conference Center

Acquisition underwriting, asset management

IX. Why Choose TRE?

RECORD...Recognized Leaders...Who Produce Investor-Client Results...

“We appreciate all of the efforts of the T.R. ENGEL Group and especially your efforts providing leadership of the Hotel Pennsylvania. Mike and I are committed to continuing our relationship...”

– David Greenbaum, Mike Fascitelli, Vornado Realty Trust

“The T.R. ENGEL Group’s aggressive asset management approach adds tremendous value to a hospitality portfolio. They achieve results as a result of their vast experience, tenacity and creativity- the TRE Group makes it happen!”

– Alex Gilbert, Managing Director, Alliance Bernstein

“Tom Engel and his knowledgeable team provided insightful commentary...in evaluating the investment merits of a joint venture interest in a new \$450 million resort in Texas. As hotels were a new asset class for us, his report and moreover his presence at our Investment Committee, resulted in internal approval of this deal. His “hands-on” asset management experience with hotels and resorts, as well as his past institutional career with Equitable/Lend Lease’s hotel group gave us a great degree of comfort.”

– James Fitzgerald, Managing Director-Hotel Investments, Principal Real Estate Investors

– Randy Mundt, President, and Chief Investment Officer, Principal Real Estate Investors

IX. Why Choose TRE?

RECORD...Recognized Leaders...Who Produce Investor-Client Results...

“In providing advice, The T.R. ENGEL Group is highly disciplined when it comes to capital expenditures and focused on revenue generating ideas from the owner’s perspective.”

– Michael Dana, President, ONEX Real Estate Partners

“I want to thank TRE for the dedication and professionalism your team put forth as asset manager of the Hyatt Regency Hotel Irvine for the past sixteen months. Your group’s experience and management talent have been invaluable in helping us achieve our goals at this property. “

- Thomas Keeney, Vice President, Irvine Company Resort Properties

IX. Why Choose TRE?

<i>5 Year Asset Management Property Portfolio</i>		
<u>Property:</u>	<u>Location:</u>	<u># Rooms:</u>
Chicago Marriott Southwest	Burr Ridge, IL	185
Cincinnati Marriott at River Center	Covington, KY	321
Doubletree Hotel Albuquerque	Albuquerque, NM	261
Embassy Suites	Tampa, FL	247
Grand Cayman Marriott Beach Resort	Grand Cayman Islands	350
Hilton Garden Inn	Rancho Mirage, CA	140
Hilton Garden Inn	Tampa, FL	172
Hilton Ontario Airport Hotel	Ontario, CA	309
Hyatt Regency Irvine	Irvine, CA	536
Sheraton Gunter Hotel	San Antonio, TX	322
Stanford Court Renaissance Hotel	San Francisco, CA	393
Westin Michigan Avenue	Chicago, IL	751
Westin O'Hare	Rosemont, IL	525
Woodlands Waterway Marriott Hotel	Woodlands, TX	343
Portfolio Adviser Private Equity Investor, Former Hotel REIT	Confidential	8,662
Crystal City Marriott Hotel	Arlington, VA	333
Fairview Park Marriott Hotel	Falls Church, VA	388
Hotel Pennsylvania	New York, NY	1,705
Doubletree Resort Orlando - International Drive	Orlando, FL	1,094
Marriott Munich Hotel	Munich, Germany	348
Wyndham Virginia Crossings Hotel & Conf. Center	Glen Allen, VA	183
TOTAL ROOMS:		31,085

IX. Why Choose TRE?

1. **REPUTATION** ... TRE knows and understands the hotel business including first class, full service hotels ... works closely with some of the world's most highly respected, publicly-held companies, private equity entrepreneurs ... asset manage all major hotel chains ... and leading independent hotels...deeply-connected within lodging industry.
2. **TRE PEOPLE** ... Superior quality hospitality specialists, accomplished ... extensive experience in hotel workouts, asset managing distressed hotels.
3. **BROAD REACH** ... Knowledgeable and experienced working in top 50 U.S. hotel markets.
4. **RESULTS** ... Proven. Extensive references.



ACCOMPLISHED HOTEL EXPERTS ADVISING A TROUBLED HOTEL WORLD

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