



Paramount

HOTEL GROUP

Steve Wilson
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MISSION STATEMENT

- ❑ *Maximize Owner Returns*
- ❑ *Provide High Quality Service to our Guests*
- ❑ *Balance the Needs of our Owners, Guests and Employees*

Hotel Management Services

- ❑ **Sales & Marketing**
- ❑ **Revenue and Yield Management**
- ❑ **Cost Controls**
- ❑ **Centralized Accounting/Cash Management Services**
- ❑ **Daily Reporting**
- ❑ **Internal Auditing**
- ❑ **Planning and Budgeting**
- ❑ **Preventative Maintenance Programs**
- ❑ **Information Technology and Support**
- ❑ **Human Resources Management**
- ❑ **Franchisor Relations and Ownership Support**
- ❑ **Asset Management**

Crisis Management Services

- ❑ **Short Term Management Contracts**
- ❑ **Business Stabilization**
- ❑ **Employee Stabilization**
- ❑ **Cash Management**
- ❑ **Forecasting**
- ❑ **Business Planning**
- ❑ **Physical Plant Review and Assessment**

HOSPITALITY CPM

CONSTRUCTION PROJECT MANAGEMENT

Hospitality CPM (“HCPM”), a Paramount Hotel Group subsidiary, is a construction project management firm specializing in asset management of hotel renovations, repositioning and new construction projects. CPM provides its clients:

- Comprehensive Project Management and Owner Representation for Hotel Renovation Projects and New Construction**
- Team Leadership for the Key Participants in the Process, including the Contractor, Designer, Procurement and Property Management**
- Coordination with Lender and Franchisor**
- On-Site Monitoring of Construction Progress, Funds Disbursement and Capital Expenditure**

Based in northern New Jersey, principals have managed over \$1.5B of hotel capital projects. Our talented professionals are recognized for completing projects in a timely manner, within budgeted costs and providing an efficient transition to the hotel operating team.

BookMyGroup

Book My Group (“BMG”), a Paramount Hotel Group subsidiary, is a national sales organization that specializes in group reservations.

BMG represents hotels across the U.S. and in Canada and specializes in booking groups of all sizes, matching the hotel that best fulfills the group’s unique needs and requirements. BMG works with a various mix of groups, but focuses on accommodating tour, corporate, academic, athletic and specialty market segments. Paramount managed hotels and other clients benefit from BMG’s buying power, knowledge, personalized service, commitment, and convenience that has earned it long-term partnerships throughout the hotel industry.

In 2010, BMG generated \$30.6M in group revenue and is forecasted to reach \$32M in 2011. Despite the economic recession of the last several years, client hotels and group users continue to recognize the value provided by BMG.

Senior Management Team

David A. Simon

Chief Executive Officer

Co-founder of Paramount Hotel Group, David serves as Chief Executive Officer. His leadership was instrumental in the growth of Paramount, co-investing with a private equity fund in the acquisition of 27 hotels after only four months of being in business. Paramount's continued success, either through co-investment on hotel acquisitions or third party management contracts, is largely attributed to David's owner mentality in managing assets. David was the motivational force in instilling this philosophy throughout the organizational structure of Paramount Hotel Group.

Previously, David was the President, CEO and Chairman of Prime Hospitality Corp. He directed the company's growth from 30 to over 200 hotels. This included doubling the size of the Wellesley Inn chain and launching the highly successful AmeriSuites hotel brand. David was also responsible for over \$400 million in public offerings and was named the 1995 CEO of the Year by Hospitality Valuation Services Executive Search.

Ethan Kramer

President

Co-founder of Paramount Hotel Group, Ethan serves as President. He oversees the general operation of Paramount as well as a focus on strategic planning, investment, hotel acquisitions, business development, finance and investor relations. Ethan has led the expansion of Paramount since its inception and was instrumental in the acquisition of BookMyGroup ("BMG"), a subsidiary of Paramount Hotel Group, and its oversight. BMG is a group travel organization specializing in hotel accommodations.

Previously, Ethan led the development effort at Prime Hospitality Corp. As Senior Vice President - Development, Ethan managed the investment of over \$800 million in new hotel development. During the period 1995 through mid-1999, he directed the expansion of the AmeriSuites chain up to 100 hotels. He was also responsible for the disposition of company-owned hotels and real estate.

Senior Management Team

Peter Marino

Senior Vice President - Operations

Peter has been with Paramount since its inception in 1999. He directs the operations of all managed properties ensuring standards of excellence in guest satisfaction and hotel profitability. Under Peter's leadership, PHG hotels have returned significant cash flow to their respective ownerships.

In his previous position as Vice-President - Operations for Prime Hospitality Corp, Peter increased gross and net operating profits of all full and limited service hotels under his management. Peter has consistently improved service and productivity standards, successfully repositioned hotels and secured management contracts throughout the U.S.

Stephen Siegel

Senior Vice President - Construction

Stephen has also been with Paramount since 1999. He is responsible for overseeing construction project management of new and existing hotels, including design, FF&E purchasing and franchise coordination. Stephen has led the effort in the construction of new hotels and the renovation and major repositioning of existing properties. Stephen's success has led to the formation of Hospitality CPM ("HCPM") in 2008, a subsidiary company specializing in construction project management for hotel owners and managers in the lodging industry.

Formerly the Vice President - Construction for Prime Hospitality Corp, Stephen was responsible for over \$1.0B in new hotel construction and managing capital improvement for Prime's portfolio of over 200 hotels. He is a proven professional in the areas of design, engineering, contractor negotiation and project management for new construction and renovation projects.

Senior Management Team

David Krauthamer

Vice President - Sales & Marketing

David has been with Paramount since 2006. David is responsible for sales and marketing efforts for all owned and managed hotels. His leadership and guidance of the property sales teams has resulted in significant increases to market share and overall RevPAR performance. David's 17 years of hotel experience with Marriott International, Innkeepers Hospitality and other national brands, positions him well to oversee the Paramount portfolio.

Prior to Paramount, David was Regional Director of Sales & Marketing (East Coast) at Innkeepers Hospitality, where he was responsible for overseeing the sales and marketing efforts for 28 hotels under multiple brands. Prior to this position, David was the Regional Area Director of Sales for Palmer Gosnell Management opening several Marriott and Hilton branded properties.

Steve Wilson

Vice President - Business Development

Steve joined the Paramount team in 2011 and is sharply focused on growth and expansion through third party management contracts. With more than 27 years of experience in the industry, Steve enjoys many long-standing professional relationships with hotel owners, brokers, consultants, and franchisors.

Steve's significant operations and development experience across multiple segments, including full and select service hotel brands, is a definite advantage in selecting the right opportunities for hotel management. Most recently, Steve served as Vice President of Development for La Quinta Inns and Suites overseeing the successful expansion of that brand from 300 hotels to over 800 locations in less than five years. Steve's diverse background in franchise development, franchise management, as well as hotel operations for firms such as Columbia Sussex, Sterling group, as well as his own hotels, brings to Paramount and it's clients additional perspective and insight to many new markets and opportunities.

Senior Management Team

Ed Dykes

Vice President - Hotel Acquisitions

Ed joined Paramount in 2006. He is primarily responsible for implementing Paramount's plan for growth and expansion through hotel acquisitions and new development opportunities. With more than 30 years of experience in the industry, Ed has developed a significant database of hotel owners, brokers, consultants and franchisor contacts. Ed not only provides sourcing capabilities to Paramount, he is an integral member of the due diligence team in analyzing investment opportunities.

Ed's significant operating experience across multiple venues, including resort, full and select service hotel brands, is a definite advantage in selecting opportunities for hotel management, acquisition and development. Previously, Ed served as Senior Vice President Operations for Prime Hospitality responsible for full and select service portfolios including the AmeriSuites brand. Ed has held other multi unit operation positions with Marcus Hotel Brands and Helmsley Hotels.

Brand Partners

- ❑ **Marriott International Hotels**
- ❑ **Hilton Hotels**
- ❑ **Starwood Hotels and Resorts**
- ❑ **Wyndham International**
- ❑ **Carlson Hotels Worldwide**
- ❑ **Intercontinental Hotel Group**
- ❑ **Choice Hotels International**



Investor/Development Partners

- ❑ Alex. Brown Realty, Inc.
- ❑ Merritt Capital Investors, LLC
- ❑ AMC Delancey Group, LLC
- ❑ Hillsborough Associates, Inc.
- ❑ The Landis Group
- ❑ Equity Inns, Inc.
- ❑ RH Associates, LLC
- ❑ Olympus Hospitality Real Estate Corp.

Financial References

Lenders:

- ❑ Anglo Irish Bank
- ❑ JP Morgan/Chase
- ❑ Lehman Brothers
- ❑ Bear Stearns
- ❑ General Electric Franchise Finance
- ❑ Capmark Financial
- ❑ Greenwich Capital Finance Products, Inc
- ❑ GMAC
- ❑ Peninsula Bank

Loan Servicers:

- ❑ Wells Fargo
- ❑ Wachovia
- ❑ Midland

Testimonials



PENINSULA BANK 2010

To Whom It May Concern:

This letter is my personal recommendation for Paramount Hotel Group. I am the Director of Special Asset of Peninsula Bank, now a division of Premier American Bank. Paramount has served as Receiver and Managing Agent for several of our distressed hotel assets.

- Paramount did an excellent job of mobilizing a takeover team, arriving on site with less than twenty-four hours advance notice with an energetic and qualified staff.
- They quickly stabilized the property in the key areas of life safety, security, staff relations, human resources, franchise and legal issues.
- Subsequent to the transition, they prepared operational reviews, budgets and cash flow analysis. Given limited resources, Paramount instituted an aggressive sales and marketing effort to grow demand.
- Paramount's depth of experience and expertise was extremely beneficial in resolving problems and analyzing the future potential of the hotel given its competitive market and various scenarios for capital investment in the asset.
- Beside frequent communication on important issues, Paramount prepares a monthly financial package including financial results and key operating highlights.

On behalf of Peninsula Bank, it is my pleasure to highly recommend Paramount Hotel Group for management services on distress hotel assets and as a court appointed Receiver.

Richard Solano
Director of Special Assets

1520 Ringling Blvd.
Sarasota, Florida 34236
(941) 363-9116
(800) 718-4666
(941) 363-9117 Fax)

Testimonials

Merritt Capital Investors, LLC

Merritt Capital Investors, LLC
P. O. Box 1116,
New Canaan, Connecticut 06840

telephone 203-966-7634
fax 203-966-4635

email
Scott@MerrittCapLLC.com /
Alyson@MerrittCapLLC.com
website www.MerrittCapLLC.com

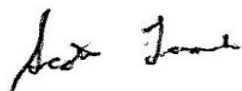
Re: Owner Recommendation for Paramount Hotel Group (“Paramount”)

To Whom It May Concern:

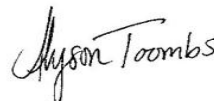
This letter is our personal recommendation for Paramount Hotel Group (“Paramount”). We are the principal owners of the 364-room, Wyndham Conference Center (40,000 square feet of meeting space) located in Plainsboro, New Jersey.

In February 2007, we selected Paramount to manage the hotel after terminating the previous operator. Paramount’s primary charge was to quickly stabilize the operation, assuage any fears the employees or customers might have and implement changes to grow the business. On extremely short notice (and prior to executing a formal management agreement), Paramount brought in its SWAT Team which took total control of the hotel including hiring all the employees, working out a temporary liquor license with the municipality and keeping the strategic sales and marketing plans moving forward. Paramount senior management met with each of the hotel’s department managers and successfully quieted any concerns the employees might have had. Immediately after stabilizing the hotel, Paramount implemented its sales and marketing expertise by communicating directly with many of the larger companies in and around our market. Soon thereafter, internal cost controls were reviewed and presented to ownership. We especially appreciated Paramount’s honesty and candor in dealing with the many human resource issues which faced the hotel. Furthermore, Paramount was instrumental in our ability to ultimately refinance the hotel as well as bring in additional capital. On an ongoing basis, Paramount provided ownership with timely financial statements, management reports and forecasts. Their owner mentality is evident in their ability to manage cash, provide consistent communication, act with a sense of urgency on important issues and provide valuable insights. In short, they did a fabulous job all around.

Paramount’s ability to respond quickly to a difficult situation combined with their honesty and integrity makes them an ideal manager. We highly recommend Paramount for any opportunity to manage hotels.



W. Scott Toombs



Alyson Toombs

Testimonials

WMC MANAGEMENT COMPANY

12 Linscott Road

Hingham, Massachusetts 02043

November 7, 2006

To whom it may concern:

I would like to take this opportunity to comment upon the commendable job the Paramount Hotel Group has done over nearly seven years as the management company of Olympus' 19-hotel portfolio of Fairfield Inns. Paramount has played an integral role in all the following facets of the investment lifecycle of our portfolio:

- Participated in the underwriting of the acquisition of a 27-hotel portfolio of Susse Chalet hotels in February 2000, and set up a strong management infrastructure to operate the hotels and provide sound financial reporting to ownership
- Coordinated a \$35 million renovation and conversion program of 19 of these hotels, re-flagging them to the Fairfield Inn by Marriott affiliation
- Despite an acquisition at the peak of the market, and ambitious conversion and stabilization process that occurred during the worst period in the history of the lodging industry, we have never had to go back to our investors for additional/unexpected capital contributions, a testament to Paramount's ability to flex operations in the face of any market condition
- Have outpaced the aggregate competitive sets in which we compete in 16 out of 17 quarters since the renovation of the last hotel to Fairfield Inn in mid-2002
- Played a critical role in the sales process of the 8 hotels that have been sold since investment inception
- Played a critical role in, and helped source, the raising of \$107 million of refinance proceeds in 2005, significantly improving the debt profile of the portfolio
- Have walked the ever-difficult fine line balancing the interests of our franchisor (Marriott) and the needs of ownership as the hotels have aged in the Fairfield system

On behalf of Olympus, I would recommend that anyone looking for a proactive, detail-oriented, and responsive-to-ownership management company seriously consider signing up with Paramount.

Sincerely,



William Robinson
WMC Management Company
Asset Manager for Olympus Real Estate Partners

Testimonials

Anglo Irish New York Corporation
A member of the Anglo Irish Bank Group

Commercial Real Estate Banking

222 East 41st Street, Tel: (212) 503 3000
24th Floor, Fax: (212) 503 3033
New York, NY 10017 Website: www.angloirishbank.com

November 19, 2008



To Whom It May Concern:

This letter serves as a strong personal recommendation for Paramount Hotel Group ("Paramount"). I am Executive Vice President of lending at Anglo Irish Bank here in New York City and I have had direct account responsibilities for our Paramount relationship since the relationship began back in early 2005. We have closed two loans with Paramount totaling over \$37,000,000 in commitments.

Paramount, as managing agent for the ownership entities of these two loans, has acted in an exemplary fashion since our relationship began. In addition to making all payments on time, they have always been responsive to our requests and provide us with financial statements in a timely manner in accordance with loan documents.

Paramount is a borrower in very good standing with Anglo Irish Bank and we would definitely consider them for future loans. Due to our high regard for the firm, we have considered Paramount as a consultant to assist us on other hotel loans where we experience challenges. Please do not hesitate to call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett W. Thelander".

Garrett W. Thelander
Executive Vice President

Testimonials



November 17, 2008

To Whom It May Concern:

This letter is my personal recommendation for Paramount Hotel Group ("Paramount"). I am the Owner of the Residence Inn Princeton, NJ.

Paramount is my operating partner for the management of the hotel and was responsible for the construction asset management while the hotel was being built. Paramount's involvement in this hotel has been a critical factor in the success of the investment, mainly due to their diversity of experience and expertise:

–Paramount's senior team was involved in the detailed underwriting of the hotel development, including market analysis, sales potential, operations review, franchisor selection and negotiation, debt financing aid deal structuring.

–Paramount's Construction Project Management services, covering all aspects of the hotel's construction including contractor oversight, purchasing and quality of workmanship were exemplary.

–Paramount did an excellent job of recruiting the property management team that consistently outperforms the market. Their employees have a "can do" attitude which is infectious and provides the customers with a memorable guest experience

–The ramp up period for this hotel was well under one year and Paramount's profit margins are superior. The hotel continually ranks in the top 10% of all Residence Inns in terms of Guest Service Scores (GSS).

–Paramount's policy of full disclosure combined with their honesty and integrity make them an ideal partner.

It is my pleasure to highly recommend Paramount as a truly excellent hotel management company. I would also highly recommend Paramount and their subsidiary company, Hospitality CPM in overseeing hotel construction or renovation projects.

Sincerely,



745 FIFTH AVENUE, 33RD FLOOR NEW YORK, NY 10151
Tel: 212-715-0700 Fax: 212-715-0420

Testimonials



AMC Delancey Group, Inc.
The Cast Iron Building
Suite 400 North
718 Arch Street
Philadelphia, PA 19106

*James R. Burnett
Senior Associate*

November 20, 2008

To Whom It May Concern:

This letter is my personal recommendation for Paramount Hotel Group ("Paramount"). As Senior Associate and Asset Manager for AMC Delancey Group, Inc., a private equity real estate investment company, I have been involved with Paramount since 2005. I currently oversee three full service hotels for which Paramount is the operating partner. Paramount's involvement in these investments has been a critical factor in their overall success, mainly due to their diversity of experience and expertise:

- Paramount's senior team is involved in the detailed underwriting of hotel acquisitions, including market analysis, sales potential, operations review, franchisor selection and negotiation, capital improvements, debt financing and deal structuring.
- Each of the investments required a complete refurbishment of the hotel. Paramount's Construction Project Management services covering all aspects of the transformation were extraordinary. The projects were brought in on time and on or below budget.
- Paramount did an excellent job of repositioning the hotels and creating property management teams that performed competitively in their markets. Their employee training and motivational leadership inspired employees to excel on all levels.
- On an ongoing basis, Paramount provides me with timely financial statements, management reports and forecasts. Their ownership mentality is evident in their ability to manage cash, provide consistent communication, act with a sense of urgency on important issues and provide valuable insights.
- Paramount's policy of full disclosure combined with their honesty and integrity make them an ideal partner.

On behalf of AMC Delancey Group, I highly recommend Paramount and their subsidiary Hospitality CPM for any opportunity to manage hotels or oversee hotel renovation projects.

Sincerely,

(215) 825-1568 Direct
(215) 627-6585 Fax
jburnett@amcdelancey.com

Testimonials



ALEX. BROWN REALTY, INC.

Suite 1200
300 East Lombard Street
Baltimore, Maryland 21202

Main: 410-727-4083
Fax: 410-625-2694
www.abrealty.com

To Whom It May Concern:

This letter is my personal recommendation for Paramount Hotel Group ("Paramount"). I am the Asset Manager for Alex Brown Realty, Inc. ("ABR"), a private equity group involved in the investment and ownership of real estate income producing properties. ABR has been involved with Paramount since 2003 and I currently oversee the Hampton Inn -Concord where Paramount is the operating partner. Paramount's involvement in the hotel has been a critical factor in the success of the investment, mainly due to their diversity of experience and expertise:

- Paramount's senior team is involved in the detailed underwriting of a hotel acquisition, including market analysis, sales potential, operations review, franchisor selection and negotiation, capital improvement, debt financing and deal structuring.
- Paramount did an excellent job of creating a property management team that excelled in the competitive market. Their employee training and motivational leadership inspired employees to excel on all levels.
- On an ongoing basis, Paramount provides the Ownership with timely financial statements, management reports and forecasts. Their owner mentality is evident in their ability to manage cash, provide consistent communication, act with a sense of urgency on important issues and provide valuable insights.
- Paramount's policy of full disclosure combined with their honesty and integrity make them an ideal partner.

On behalf of Alex Brown Realty, Inc., I highly recommend Paramount for any opportunity to manage hotels.

Sincerely,


Alex Byers
Asset Manager

Alex. Brown Realty, inc.

Paramount Hotel Group Management Experience

Name	Location	State	# of Rooms	Service Level
Lakside Conf. Center	Plainsboro	NJ	364	Conf Center
Radisson	Jacksonville	FL	167	Full Service
Radisson	Largo	MD	184	Full Service
Ramada	East Hanover	NJ	256	Full Service
Sheraton	Maitland	FL	390	Full Service
Hampton Inn	Concord	NH	145	Select
Residence Inn	Princeton	NJ	120	Extended Stay
Wilshire Grand	West Orange	NJ	88	Boutique
Ramada	Somerset	NJ	126	Full Service
Ramada	Rochelle Park	NJ	173	Full Service
Hilton Garden Inn	Nanuet	NY	88	Select
Fairfield Inn	Seekonk	MA	90	Select
Park Inn	Albany	NY	97	Select
Hampton Inn	Rocky Hill	CT	99	Select
Fairfield Inn	Manchester	NH	102	Select
Fairfield Inn	Milford	CT	104	Select
Fairfield Inn	Newton	MA	104	Select
Fairfield Inn	Portland	ME	105	Select
Fairfield Inn	Columbia	MD	105	Select
Fairfield Inn	Amesbury	MA	105	Select

Paramount Hotel Group Management Experience

Name	Location	State	# of Rooms	Service Level
Fairfield Inn	Middleboro	MA	105	Select
Fairfield Inn	Portsmouth	NH	105	Select
Fairfield Inn	Salem	NH	105	Select
Fairfield Inn	East Greenbush	NY	105	Select
Fairfield Inn	Spring Valley	NY	105	Select
Fairfield Inn	Burlington	VT	105	Select
Fairfield Inn	Smithfield	RI	113	Select
Fairfield Inn	Providence	RI	115	Select
Fairfield Inn	Wallingford	CT	119	Select
Hampton Inn	Peabody	MA	121	Select
Park Inn	Oxon Hill	MD	123	Select
Fairfield Inn	Woburn	MA	129	Select
Fairfield Inn	BWI Airport	MD	130	Select
Park Inn	Hartford	CT	130	Select
Fairfield Inn	Baltimore	MD	133	Select
Fairfield Inn	Tewksbury	MA	133	Select
Fairfield Inn	New Haven	CT	152	Select
Fairfield Inn	Stamford	CT	158	Select
Howard Johnson	Clifton	NJ	108	Select
Homewood Suites	Peabody	MA	85	X-Stay

Properties Previously Managed by Senior Executives

Name	Location	State	Last Yr Managed	# of Rooms	Service Level	Meeting Space
Marriott Hotel	St. Thomas	VI	1998	504	Full Service	60,000
Sheraton	Mahwah	NJ	1999	230	Full Service	30,000
Marriott Hotel	Interharbor Balt.	MD	1997	524	Full Service	18,000
Sheraton Suites	Weehauken	NJ	1999	244	Full Service	2,000
Radisson Hotel	Fairfield	NJ	1999	204	Full Service	14,000
Radisson Suites	Seacaucus	NJ	1999	151	Full Service	12,000
Radisson Hotel	Trevoise	PA	2000	280	Full Service	15,000
Crowne Plaza	Portland	OR	2000	161	Full Service	4,000
Crowne Plaza	Las Vegas	NV	2000	201	Full Service	4,000
Holiday Inn	Seacaucus	NJ	Jun-05	161	Full Service	4,000
Holiday Inn	Jamesburg	NJ	2000	150	Full Service	9,000
Holiday Inn	Princeton	NJ	2000	240	Full Service	9,000

Case Studies

Value-Added Hotel Repositioning

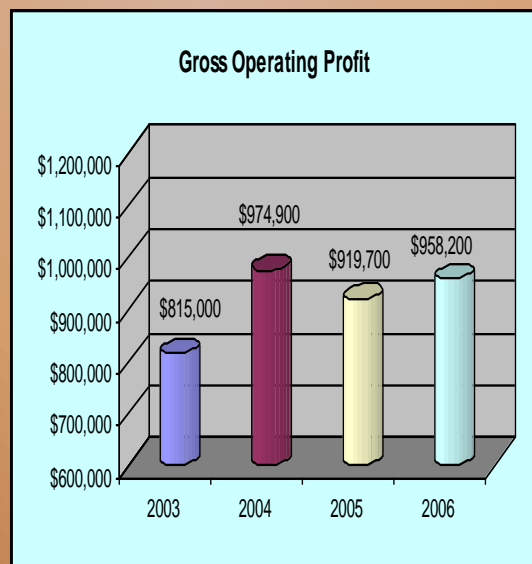
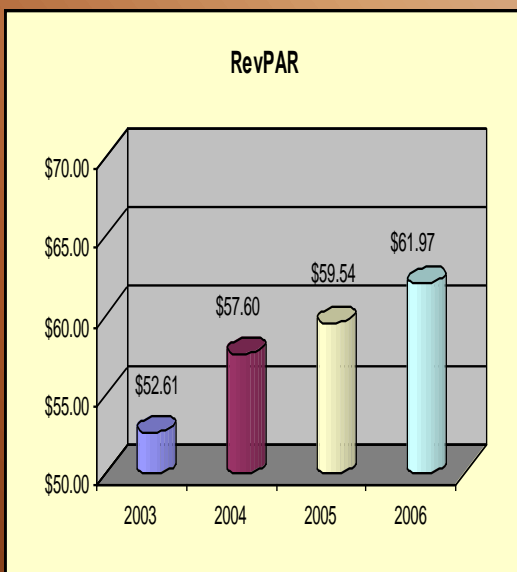
Hampton Inn – Rocky Hill, CT Project Summary

In April 2002, a private capital group and Paramount Hotel Group (“Paramount”) principals purchased a Susse Chalet hotel for \$2.0M. Upon acquisition, the Hotel was closed and underwent a six-month, \$2.45M renovation and repositioning to a 99-room Hampton Inn. Paramount provided construction management services to the ownership and completed the assignment on time and below budget.

Paramount provided the on-going management and implemented key initiatives for the newly renovated Hotel:

- After 12 months of operations after re-opening, RevPAR more than tripled and grew 9.5% in the second year.
- In December 2004, the Hotel was refinanced by GE Franchise Finance in the principal amount of \$5.0M, thereby returning all equity to the owners and additional proceeds in excess of \$500K.
- In January 2007, the Hotel was sold to a private investor for \$7.5M.

The internal rate of return received by the Ownership was 31.5 %.



Case Studies

New Construction

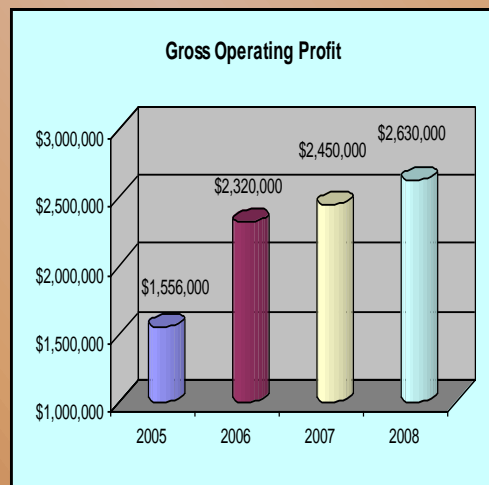
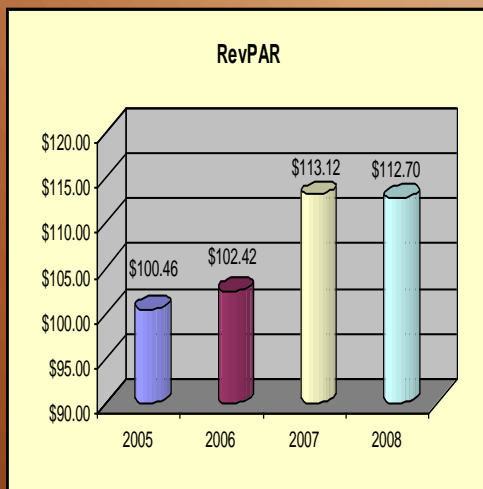
Residence Inn- Princeton, NJ Project Summary

Joint venture between a private capital group and Paramount Hotel Group developed a 120 room Residence Inn. Paramount provided construction management services. The all-in development cost, including land, totaled \$13.34M. The Hotel opened in April 2005 with Paramount as managing agent. In July 2006, Hotel was refinanced with Greenwich Capital Financed Products, Inc. in the amount of \$19.0M providing the ownership with excess proceeds of almost \$5.6M.

Paramount implemented key initiatives for the new Hotel:

- Effectively balanced extended stay business and higher rated transient demand.
- Worked with brand personnel at Marriott to optimize revenue.
- Ranked within top 10% of all Residence Inns in Guest Satisfaction Scores.
- Hotel achieved RevPAR of \$100.46 and RevPAR Index of 132.6 in its first 9 months of operations.
- GOP grew from \$1.55M in the first 9 months to approximately \$2.5M in the last two years.

At refinance, the internal rate of return for the investment was 39%.



Note: 2008 represents 9 months actual and 3 months budget

*Note: Hotel Opened in April 2005
2008 represents 9 months actual and 3 months budget*

Case Studies

Value-Added Hotel Repositioning

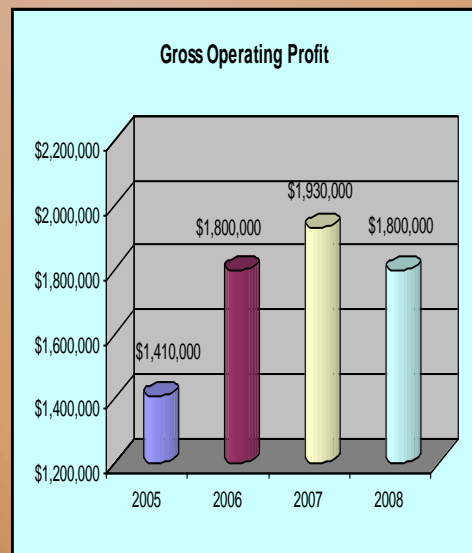
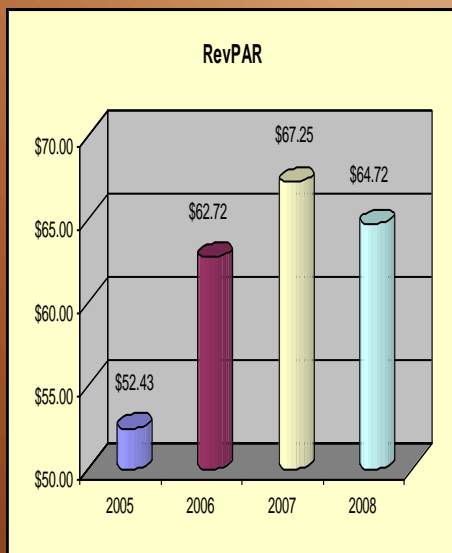
Radisson Jacksonville, FL Project Summary

In April 2004, a private capital group and Paramount Hotel Group (10% ownership interest) purchased a 167-room independent Hotel for \$4.55M. Upon acquisition, the hotel was closed and underwent a \$6.3M renovation. Repositioned to an award winning Radisson Hotel. Paramount provided construction management services which resulted in the hotel re-opening on time and below budget. A construction loan of \$6.538M was financed with GE Franchise Finance. In July 2007, Hotel was refinanced with Bear Stearns in the amount of \$12.75M providing the ownership with excess proceeds of approximately \$2.0M.

Paramount is providing the on going management and implemented key initiatives for the newly renovated Hotel:

- After 12 months of operations after re-opening, RevPAR doubled and grew 19.6% and 7.2% the next two years.
- Hotel achieved a Gross Operating Profit in excess of \$1.4M in the first operating year.
- The third year GOP was almost \$2.0M.

The internal rate of return on the project to date is 19%.



Note: 2008 represents 9 months actual and 3 months budget

Note: 2008 represents 9 months actual and 3 months budget

Case Studies

Value-Added Hotel Repositioning

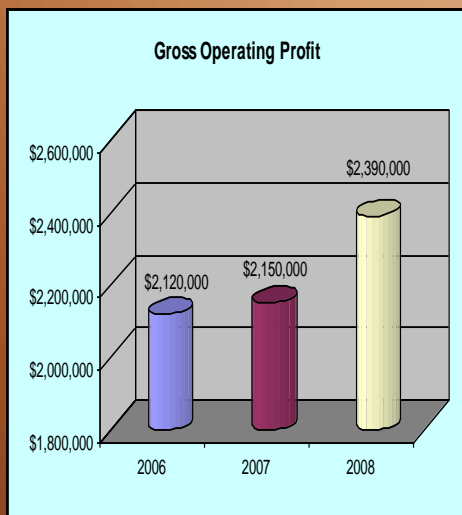
Radisson Hotel Largo Maryland Project Summary

In February 2005, a private capital group and Paramount Hotel Group (5% ownership interest) purchased a 184-room Doubletree Club Hotel for \$8.75M. Upon acquisition, the Hotel underwent a 7 month, \$8.0M renovation and repositioning to a Radisson Hotel. Paramount provided construction management services and completed the assignment on time and below budget. A construction loan of \$11.76M was financed with Anglo Irish Bank.

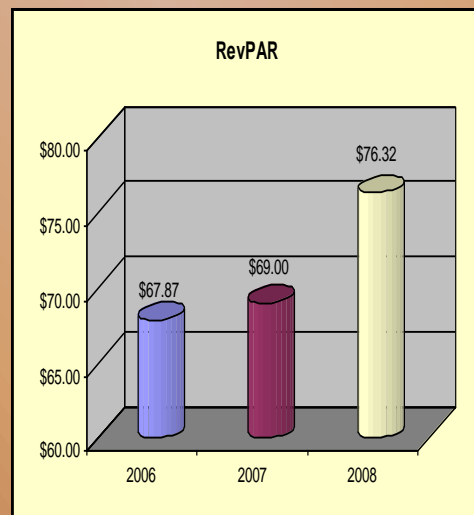
Paramount is providing the on going management and implemented key initiatives for the newly renovated Hotel:

- Installed a strong operating and sales team.
- Re-oriented sales toward government, tour and travel and SMERF market segments.
- Initiated a local public relations campaign to overcome former negative image of the Hotel.
- Revenue and Yield management combined
- After 12 months of operations, subsequent to the renovation, RevPAR grew by 24.5% and the gross operating profit nearly tripled to \$2.12M.

Cash on cash return on investment for this property has averaged 13% for the first three years.



Note: 2008 represents 9 months actual and 3 months budget



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Case Studies

Receivership and Distressed Management

405 room Clarion Hotel – Tampa, FL

Project Summary

- In October 2009, Ethan Kramer was named Receiver for the Clarion Hotel and Paramount Management Associates (PMA) was selected to manage the property. The Hotel consists of 405 guest rooms in two buildings with 5,500 square feet of meeting space. In addition, a Friday's Restaurant is attached to one of the buildings. At takeover, the property was losing money at the Gross Operating Profit line.
- PMA implemented the following key initiatives at this distressed property to stabilize the operation:
 - Hired a temporary General Manager
 - Ensured all Life Safety issues and systems were functional and at code
 - Held employee meetings to review status of the hotel and ease their concerns
 - Inspected all mechanical and building systems
 - Hired permanent General Manager, Director of Sales and Sales Manager
 - Corrected operational, cleanliness and maintenance issues
 - Closed one building (155 units) to consolidate resources
- Negotiated a franchise agreement with Choice Hotels
- Settled outstanding property insurance claims
- Increased Revenues and produced a GOP of \$182,146 for the trailing twelve months as of June 2011
- Maintained compliance with Brand QA Standards

Case Studies

Investment Management

In 2005 Paramount Hotel Group's portfolio of managed properties consisted of 30 hotels. Subsequent to 2005, Paramount Hotel Group and their capital partners stopped acquiring hotels. Transaction activity was at a fevered pace and pricing was at record levels. Our investment analysis of the general market and individual property offerings yielded a sell recommendation on a significant number of hotels within the portfolio. Over the course of the next two years, 2006 and 2007, 25 hotels were sold at what turned out to be premium prices. Paramount's capital partners greatly benefitted from Paramount's highly attuned sense of market timing.

Properties Sold:

- Olympus Hospitality Portfolio (19 Fairfield Inns and 3 Park Inns)
- Hampton Inn- Rock Hill, CT
- Ramada Hotel- Rochelle Park, NJ
- Howard Johnson- Clifton, NJ

Fast forwarding to mid-2011, Paramount is once again focusing on growth. Market conditions now appear favorable for increases in operating performance. Selecting a management company that can best guide a hotel into recovery and maximize profitability, is Paramount's forte and reputation. The depth of expertise within Paramount Hotel Group and its subsidiary Hospitality CPM provides hotel owners with a significant resource in support of their existing portfolio, hotel acquisitions or new construction.

Why Use Paramount Hotel Group

- ❑ Short and Long Term Contract Agreements
- ❑ Owner Mentality – Sense Of Urgency
- ❑ BookMyGroup
- ❑ Hospitality CPM
- ❑ Industry Reputation For Honesty And Integrity
- ❑ Rapid Response
- ❑ Communication
- ❑ Senior Staff Involvement
- ❑ Diversity Of Expertise
- ❑ Flexible Management
- ❑ Disposition Experience With Individual Assets And Portfolios

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