ASHFORD
HOSPITALITY PRIME

Sofitel Chicago Water Tower – May 2016



Property Overview





Property Information:

- Location: Downtown Chicago (Gold Coast submarket)
- Rooms: 415 (including 32 suites)
- Year Built: 2002
- 12,000 sf of meeting space
- Fee simple; 32 story tower
- Segmentation: 72% transient; 28% group

Acquisition Overview:

- Purchase Price: $153mm
- Purchase Price/Key: $369,000
- Excellent Gold Coast location in a key U.S. gateway market
- High quality asset with attractive contemporary design and minimal CapEx needs

Property Overview (cont.)





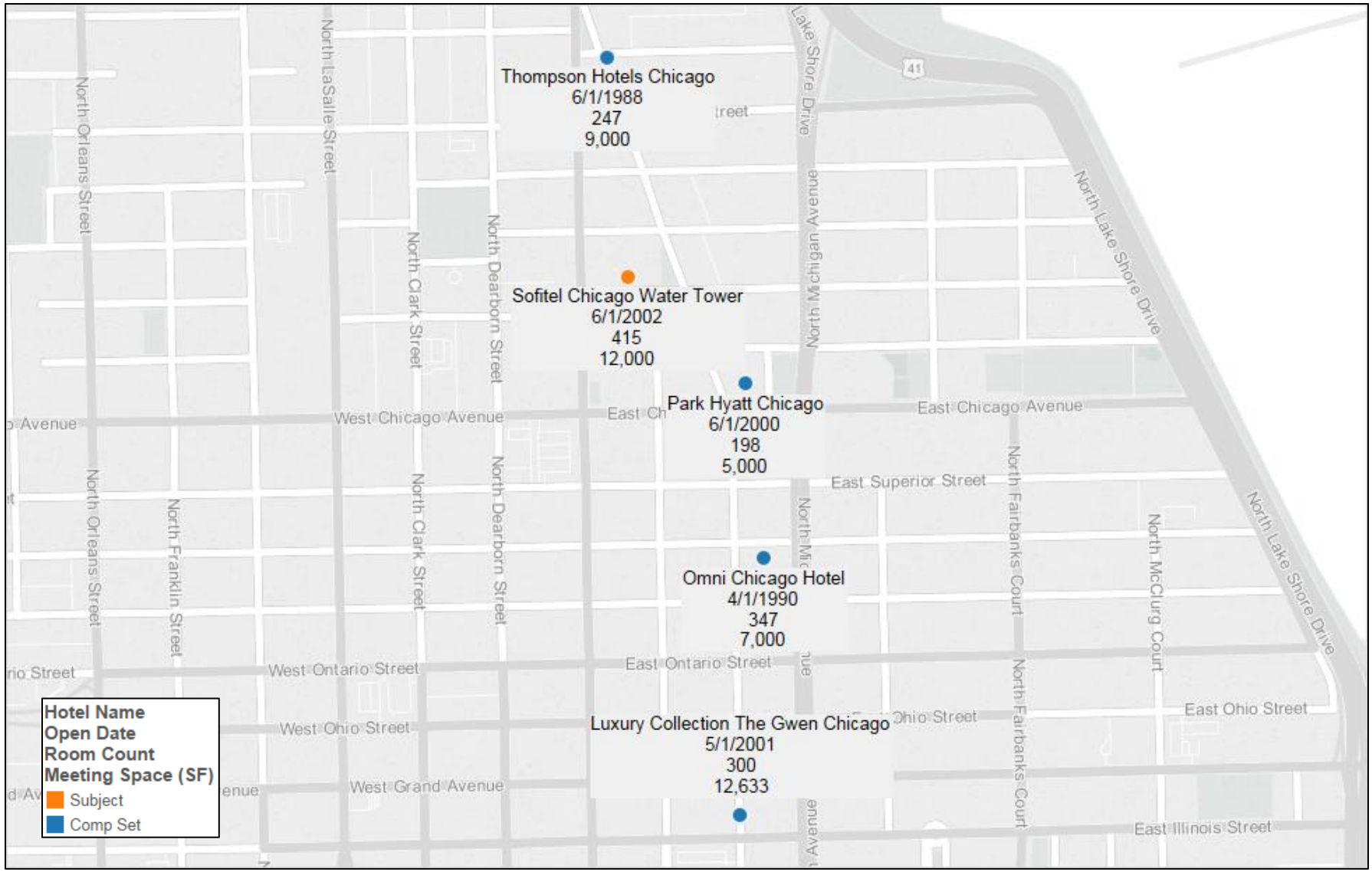
Key Accomplishments:

- New General Manager
- Over $750,000 in annualized cost savings
- Renegotiated parking agreement increasing hotel's revenue share by 35%
- Sofitel Chicago ranked 3rd best hotel in Chicago for business travelers by USA Today in 2015
- Sofitel Chicago ranked #1 business hotel in Chicago by Travel & Leisure in 2013
- Sofitel Pastry Chef won Jean Banchet Award for best pastry chef in Chicago
- Sofitel Executive Chef won the 2015 StarChefs Chicago Rising Star Award

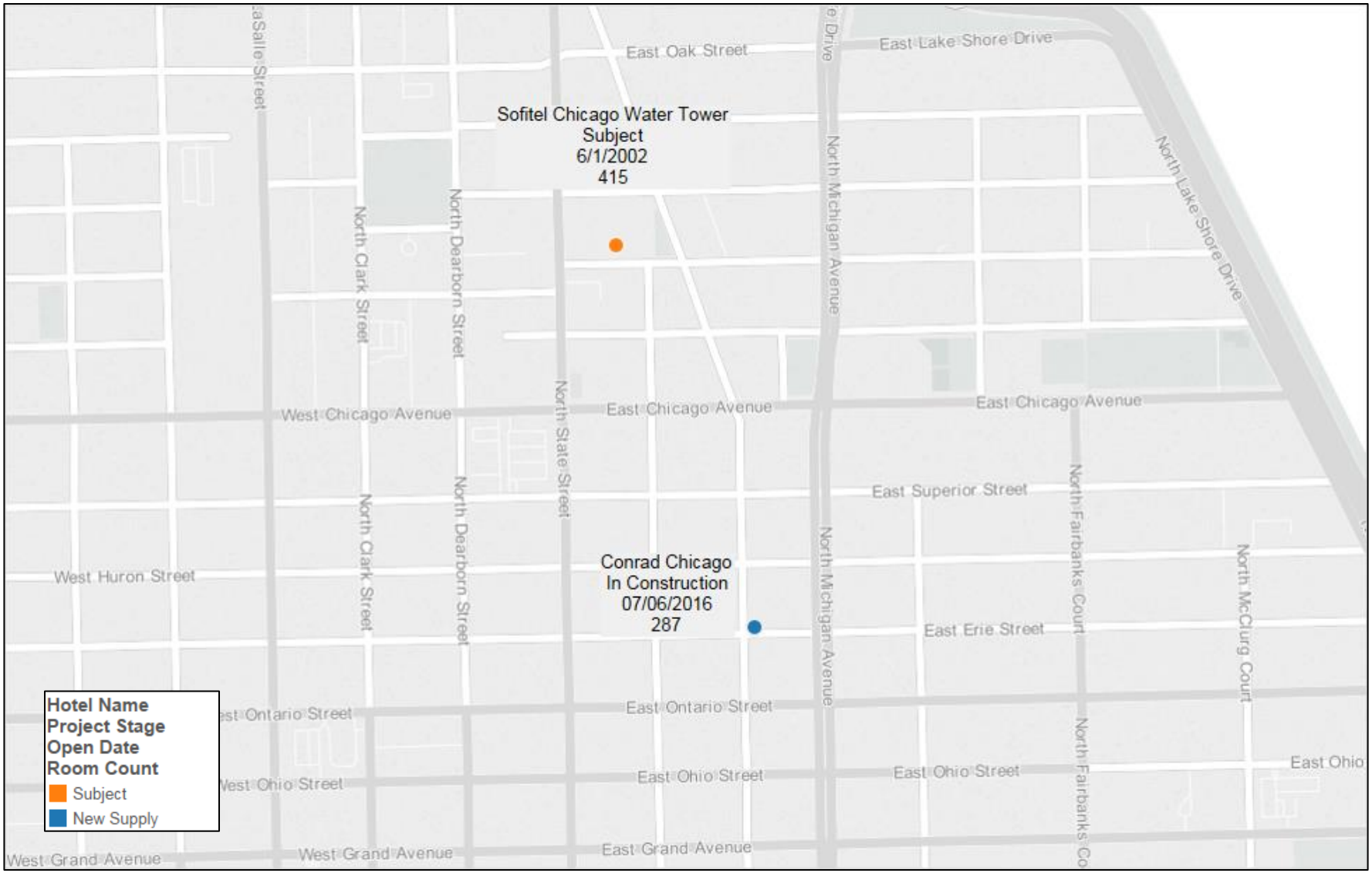
Revamped Sales Department:

- Recently upgraded Director of Sales & Marketing
- Added Group Sales Manager
- Following the personnel changes, the hotel is showing strong group pace for the remainder of the year

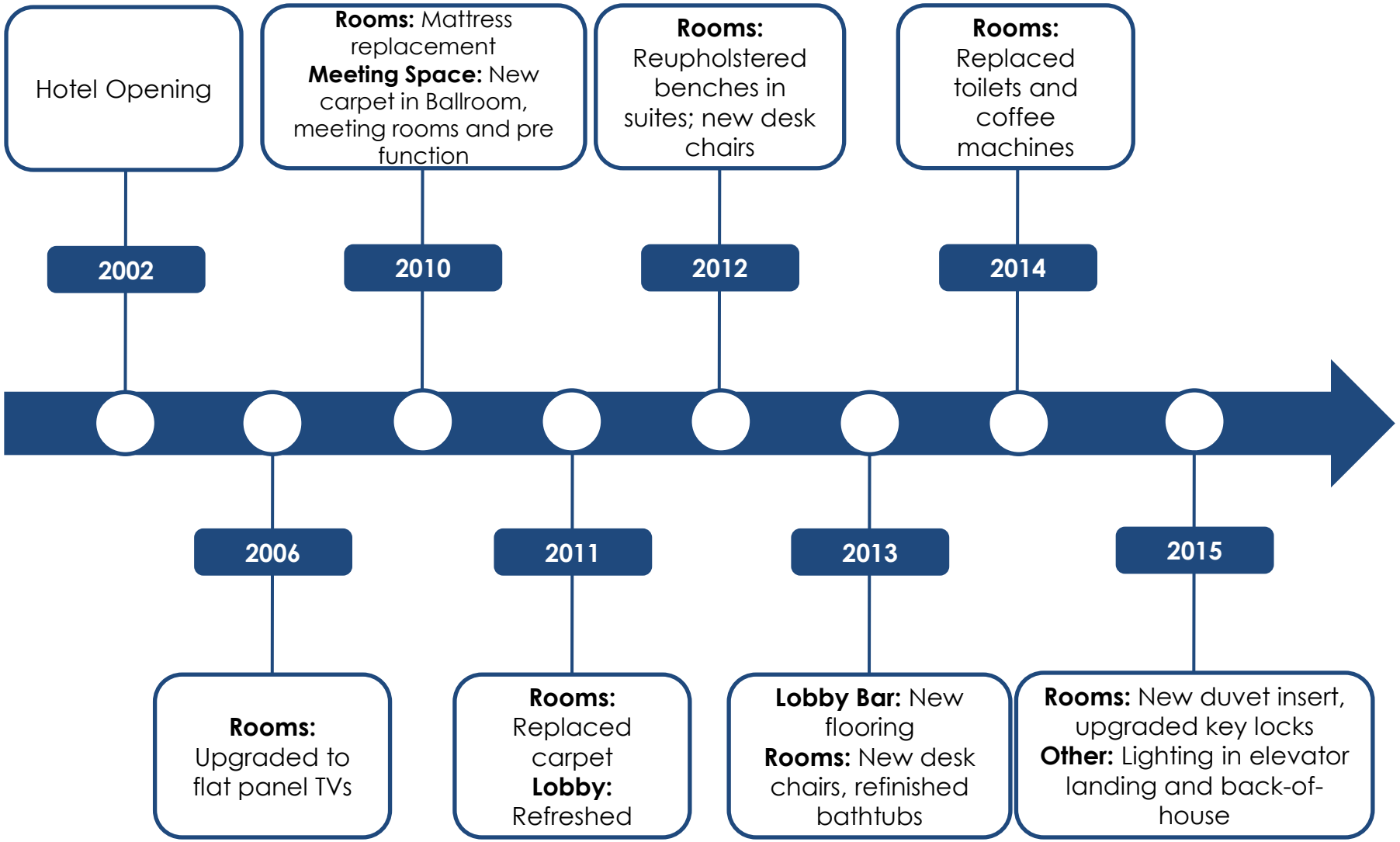
Competitive Set - Primary



New Supply – Tract Scale (Luxury)

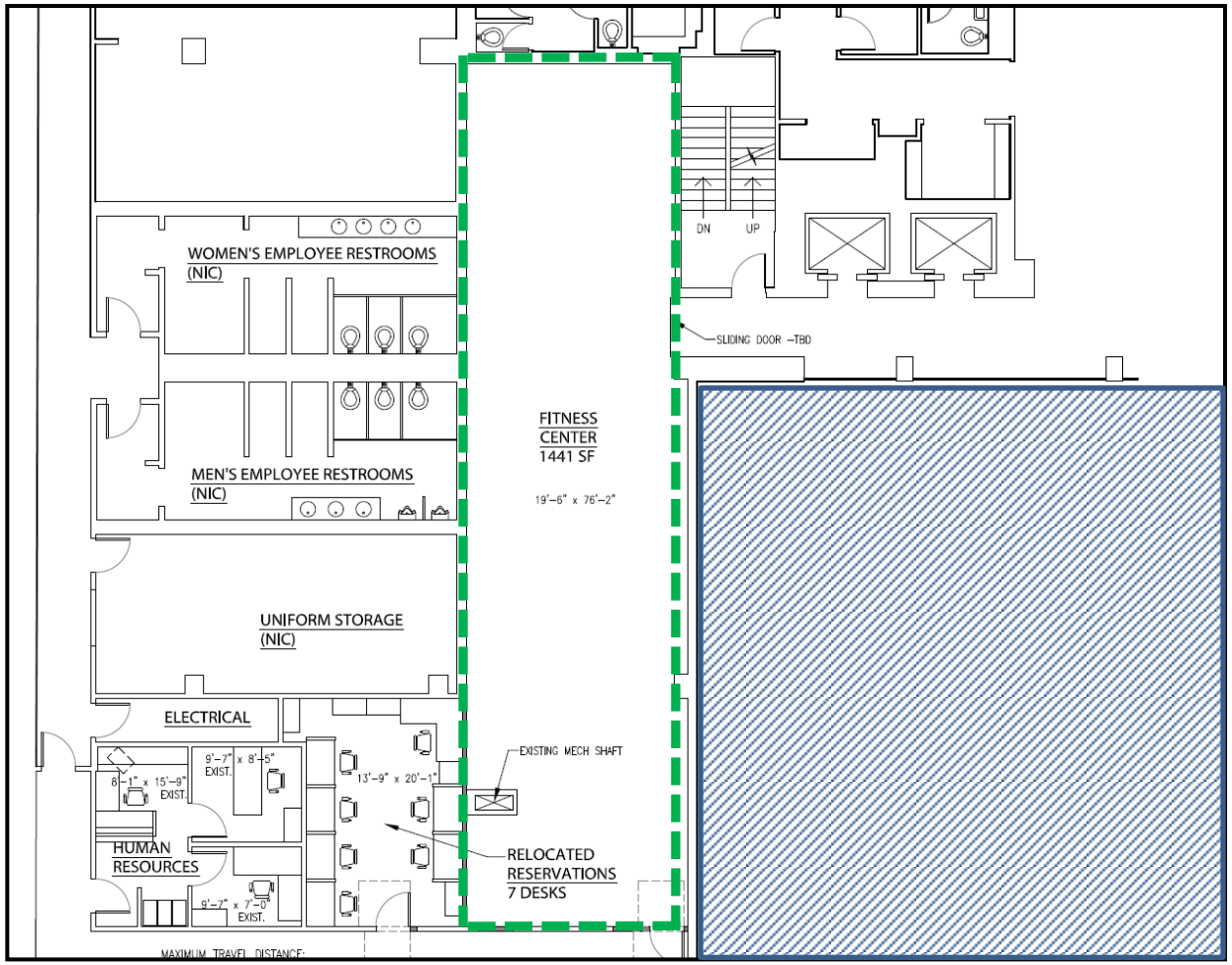


CapEx History



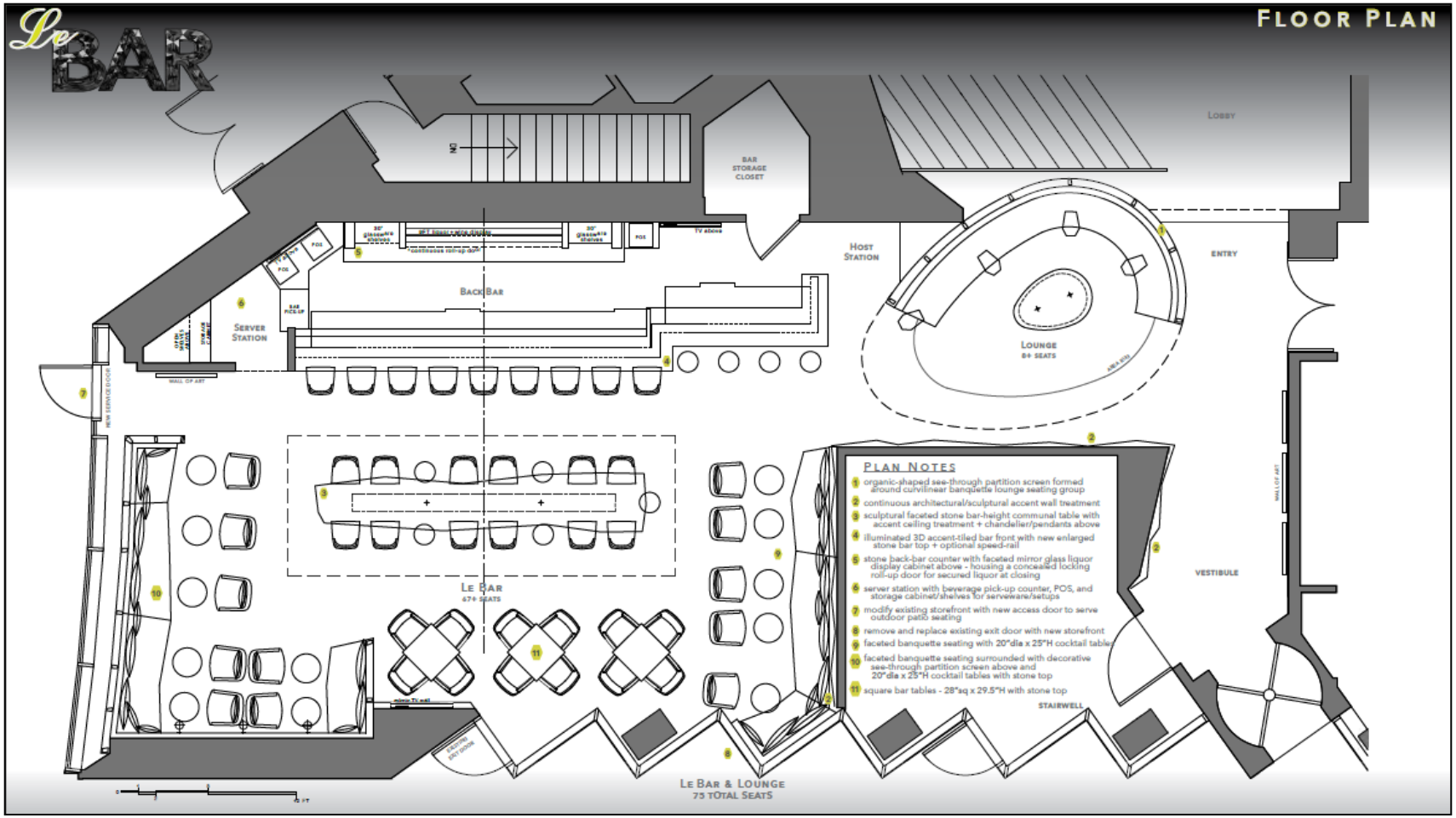
Fitness Center Expansion

Increasing footprint from current 781 sq. ft. to 1,441 sq. ft., **2nd largest in comp set**

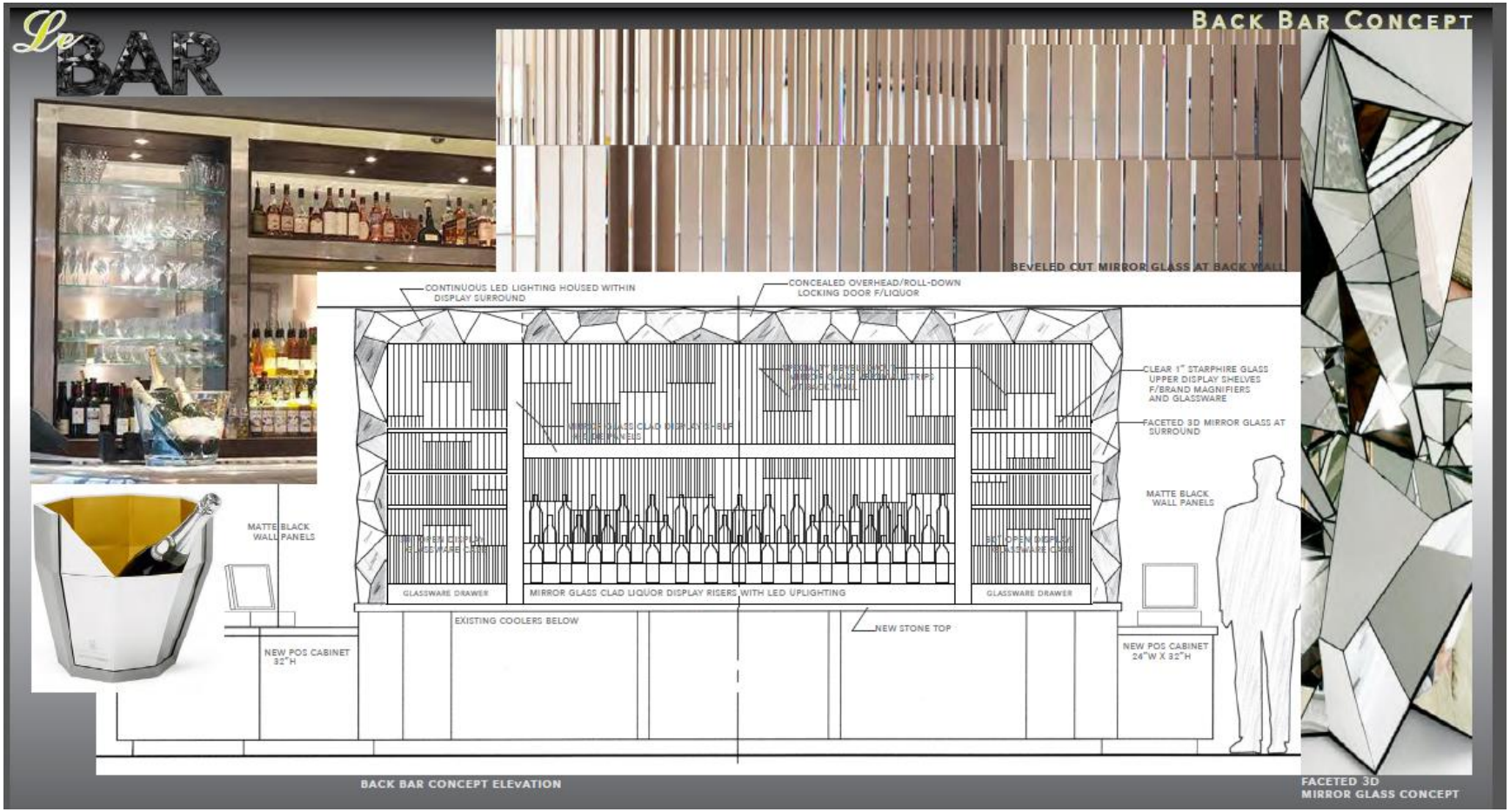


Lobby Bar Repositioning

Ashford to invest **$515k** to reposition Le Bar and increase seating by 35%, scheduled to begin Nov. 2016



Lobby Bar Repositioning (cont.)



Rooms Renovation Scope

Ashford to invest **$13.9mm** or **$33.5k per key**, to renovate all 415 guestrooms, scheduled to begin Sep. 2017

- New guestroom desks and minibar cabinets (new minibars with outside tray)
- New guestroom chair and ottoman to match Barcelona chairs
- New carpet, drapery and roller shade
- New bed frame and headboard
- Touch up existing nightstands and nightstand lamps (new lampshades)
- New guestroom artwork
- Remove guestroom wall covering and paint
- Remove guestroom bath wall covering and paint
- New lighting in guest bath vanity mirror
- New TVs

Rooms Renovation – King Room Design

KING A FFE SELECTIONS



BUILT-IN SOFA WITH PENDANTS CONCEPT



ACTIVITY TABLE



CREDENZA FOR BEVERAGE CENTER, COFFEE, BEHIND DOORS, TV ABOVE



DESK CHAIR-CASTERS OPTIONAL



BATH VANITY MIRROR

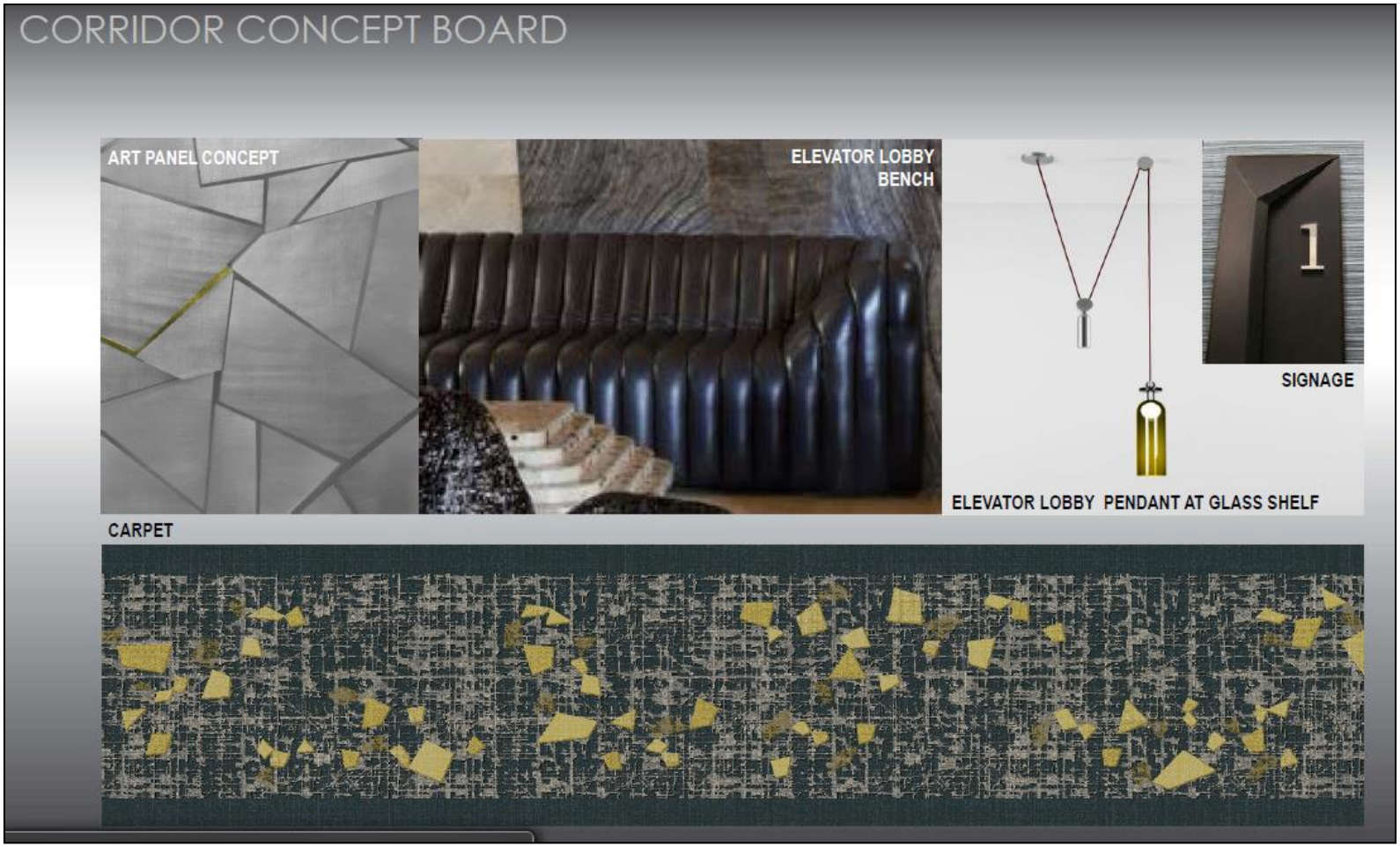


UPHOLSTERED PANEL APPLIED TO MILLWORK, NIGHTSTAND, AND LAMP

Rooms Renovation – King Room Design (cont.)



Rooms Renovation – Corridor Design



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