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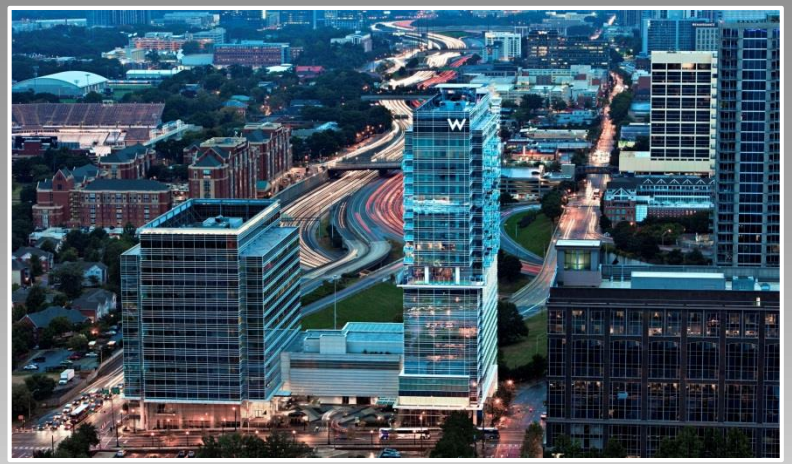

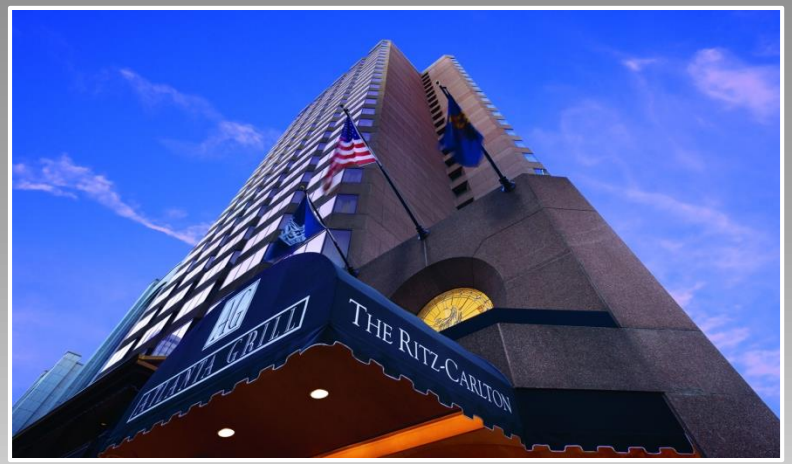

The W & The Ritz-Carlton Property Tour

Atlanta, GA – May 2017

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W Atlanta Downtown



Overview

- **Acquired in July 2015 for $56.8 million**
- **237 keys, 9,000 sq. ft. of meeting space**
- **Located in the heart of Downtown Atlanta**
- **Close proximity to the downtown and midtown demand generators: Centennial Olympic Park, the Atlanta Aquarium, AmericasMart, and the new Mercedes-Benz Stadium**

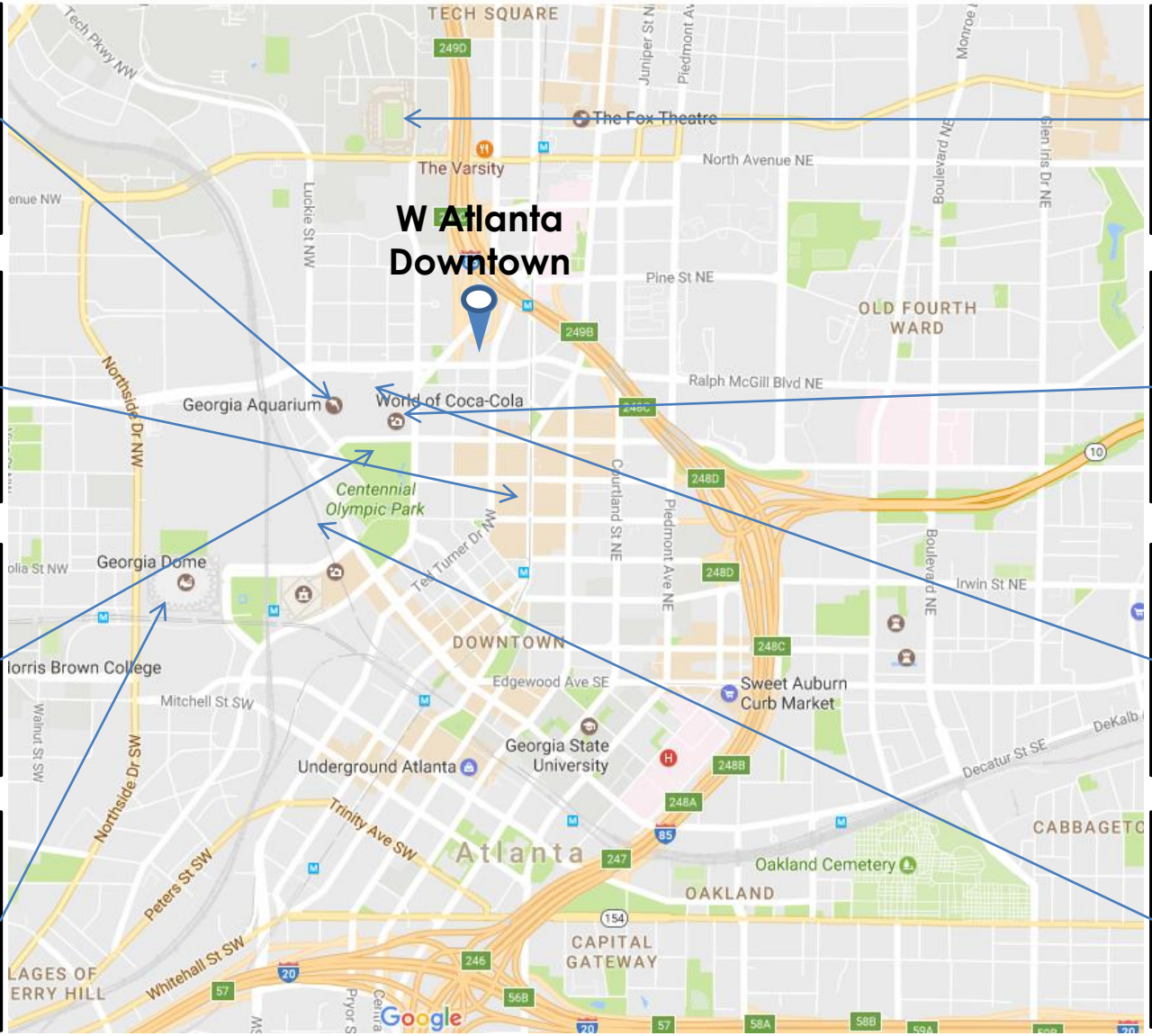
Location


Georgia Aquarium


AmericasMart


Olympic Park

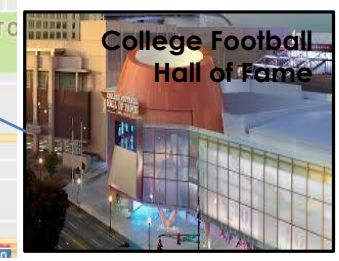

Mercedez-Benz Stadium


W Atlanta Downtown
TECH SQUARE
The Fox Theatre
The Varsity
North Avenue NE
Pine St NE
OLD FOURTH WARD
Ralph McGill Blvd NE
Georgia Aquarium
World of Coca-Cola
Centennial Olympic Park
Georgia Dome
DOWNTOWN
Edgewood Ave SE
Sweet Auburn Curb Market
Georgia State University
Underground Atlanta
Atlanta
Oakland Cemetery
OAKLAND
CAPITAL GATEWAY
Irwin St NE
Decatur St SE
Mitchell St SW
Trinity Ave SW
Northside Dr NW
Northside Dr SW
Peters St SW
Whitehall St SW
Luckie St NW
Courtland St NE
Piedmont Ave NE
Boulevard NE
Glen Iris Dr NE
Juniper St NE
Tech Pkwy NW
Ted Turner Dr NW
Walnut St SW
Google


Bobby Dodd Stadium


Civil Rights Museum


World of Coca-Cola Museum


College Football Hall of Fame

Investment Highlights

- **Replaced unprofitable restaurant manager and re-positioned restaurant**
  - **Projected annual positive GOP impact of almost $300,000**

- **New management of the on-premise digital billboard**
  - **Utilization increased from 25% to nearly 100% in 2016**
  - **More than quadrupled 2015 revenue**
  - **Projected additional revenue of $200,000 in 2017**

- **Renegotiated valet parking agreement**
  - **Estimated to contribute $190,000 in incremental annualized parking revenue**

- **Eliminated operational loss at Bliss Spa through restructuring**

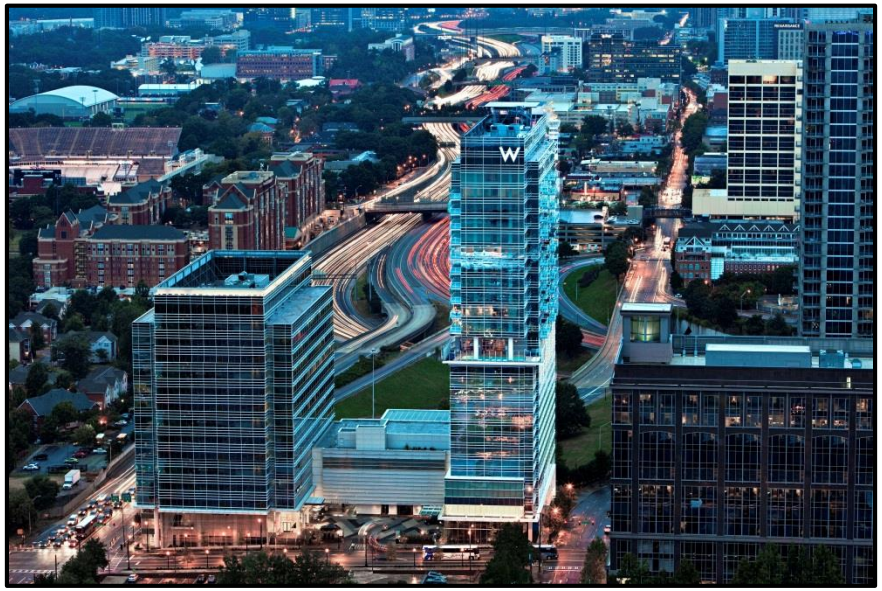
Operational Performance

2016 Performance Through First Full Year of Ownership

- **Hotel EBITDA flow-through of 157.3%**
- **Hotel EBITDA growth of 27.2%**
- **NOI growth of 33.8%**

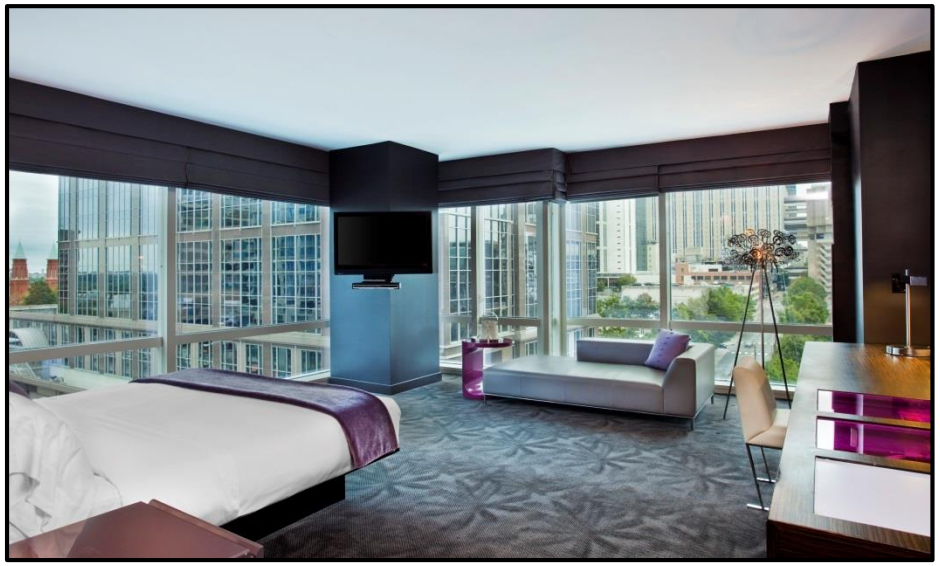
	2015	2016	*Growth*
Room Revenue	$13,665,573	$14,124,111	***3.4%***
RevPAR	$157.97	$162.83	***3.1%***
Total Revenue	$21,433,744	$22,120,138	***3.2%***
Hotel EBITDA	$3,974,909	$5,054,651	***27.2%***
NOI	$3,117,559	$4,169,845	***33.8%***

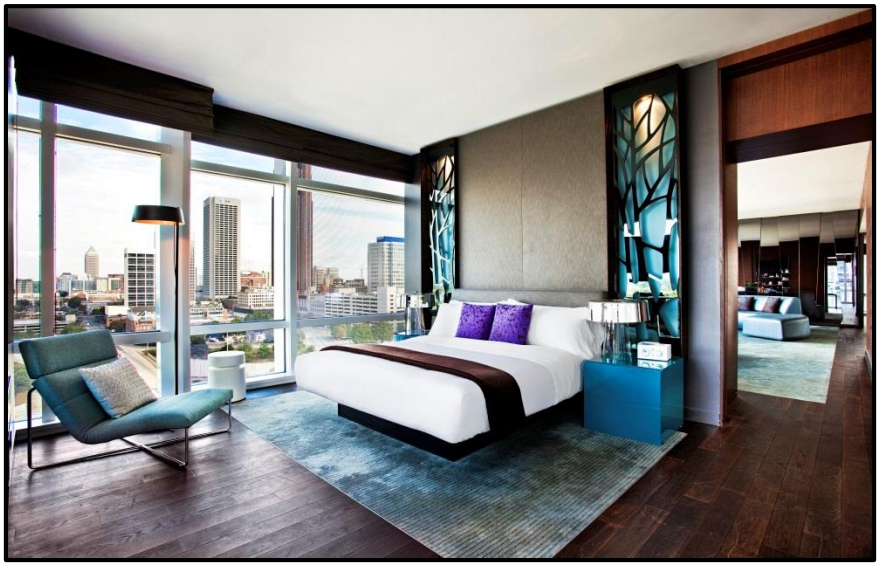
Exterior





Rooms & Bathrooms









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The Ritz-Carlton Atlanta



Overview

- **Acquired as part of the 27-Hotel Highland Portfolio transaction in 2011**
- **444 keys, 17,000 sq. ft. of meeting space**
- **Located in the heart of Downtown Atlanta**
- **Close proximity to the downtown and midtown demand generators: Centennial Olympic Park, the Atlanta Aquarium, AmericasMart, and the new Mercedes-Benz Stadium**

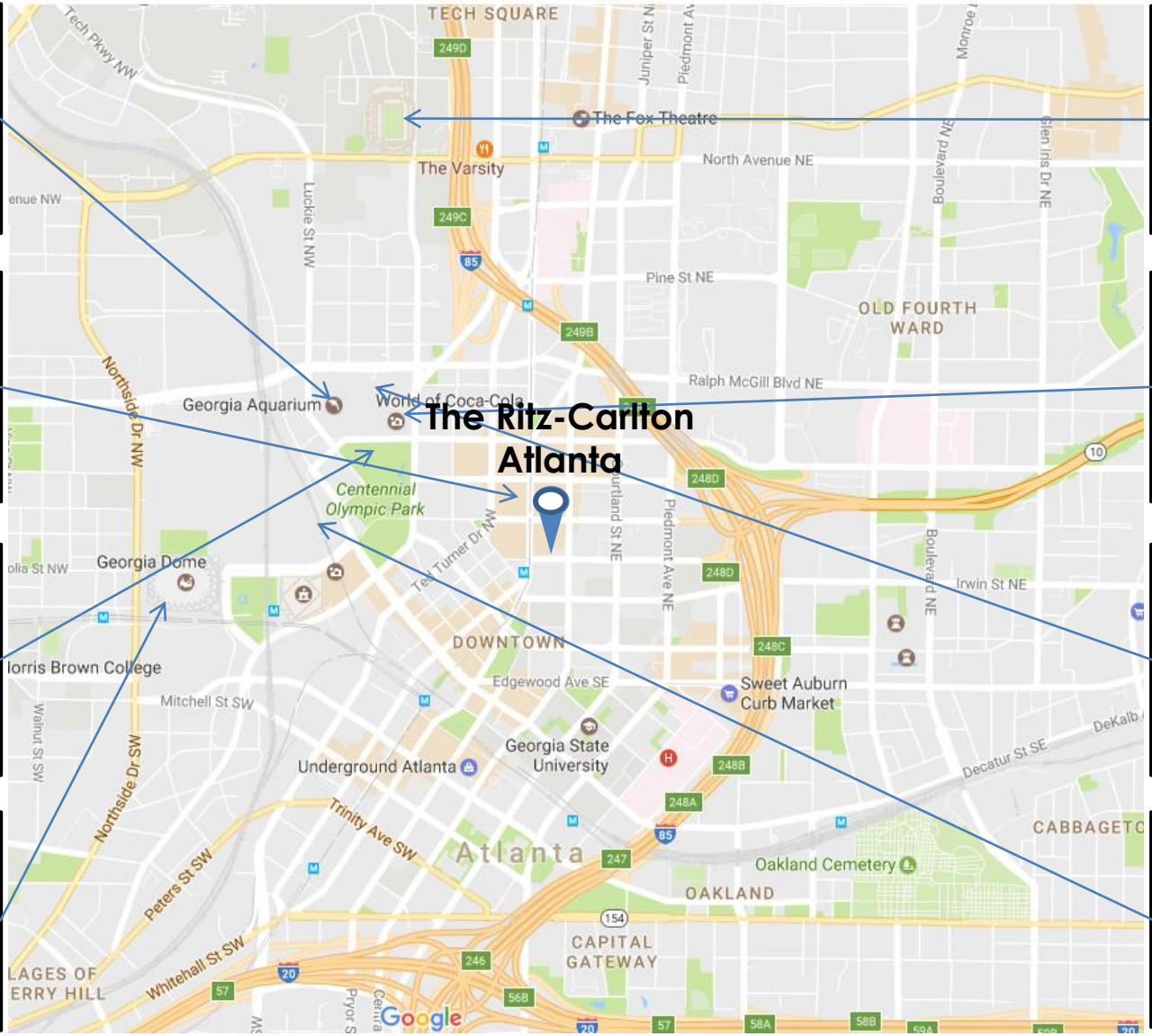
Location







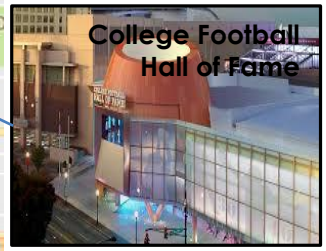












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Investment Highlights

Completed

- **Recently completed restaurant renovation**
- **Expanded/updated gift shop into upscale retail market**

Upcoming

- **Extensive $21 million guestroom renovation scheduled for Q4 2017**
- **Expanding Ritz Carlton Club Lounge**

Completed Restaurant Renovation









Completed Restaurant Renovation (cont.)









Upcoming Guestroom Renovation

- **Guestrooms**
  - **Carpet and wall vinyl**
  - **Soft and case goods**
  - **Drapery**
  - **Artwork**
  - **HDTVs (wall mount in King rooms)**
  - **Entry tile (King rooms only)**

- **Bathrooms**
  - **Shower conversions(King rooms only)**
  - **Vanities and electric mirrors (King rooms only)**
  - **Floor tile (King rooms only)**
  - **Wall vinyl**

- **Corridors**
  - **Carpet / wall vinyl / lighting**

Operational Performance

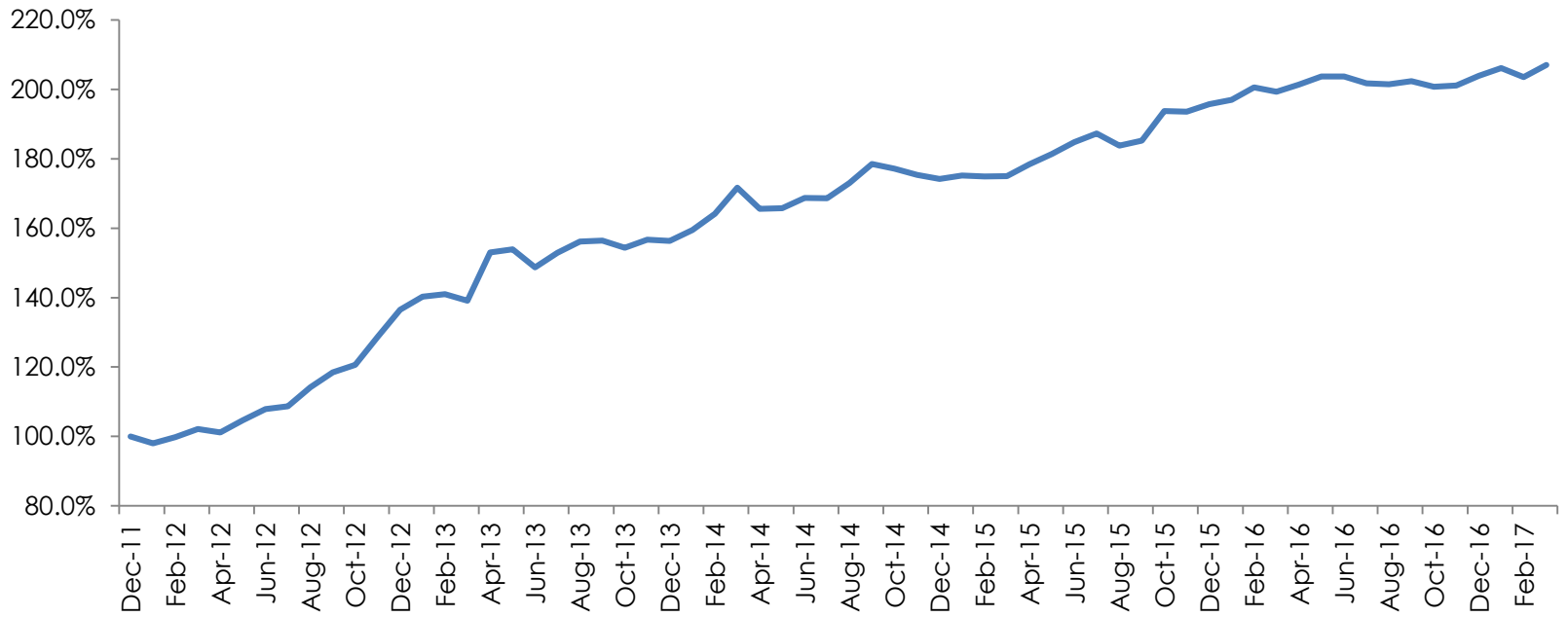
2016 Performance

- **Hotel EBITDA flow-through of 176.2%**
- **Hotel EBITDA growth of 22.1%**
- **NOI growth of 30.6%**

	2015	2016	*Growth*
Room Revenue	$25,958,430	$26,906,082	***3.7%***
RevPAR	$160.18	$165.57	***3.4%***
Total Revenue	$39,344,706	$40,397,063	***2.7%***
Hotel EBITDA	$8,377,110	$10,231,644	***22.1%***
NOI	$6,288,951	$8,211,790	***30.6%***

Operational Performance (cont.)

Rolling 12-Month Indexed GOP Margin



	2010	TTM Mar 2017	Increase (BPS)
RPI	117.9	140.1	**2,220**
GOP Margin	11.4%	29.6%	**1,822**
EBITDA Margin	8.0%	25.3%	**1,735**

GOP margin has <u>nearly tripled</u> over past 6+ years

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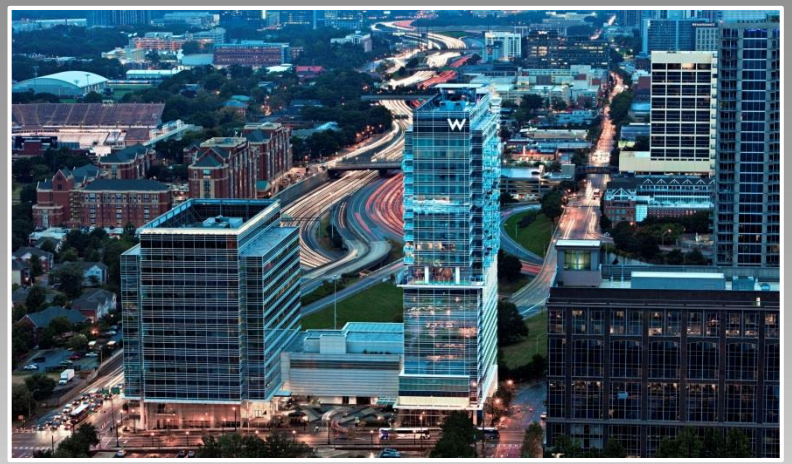

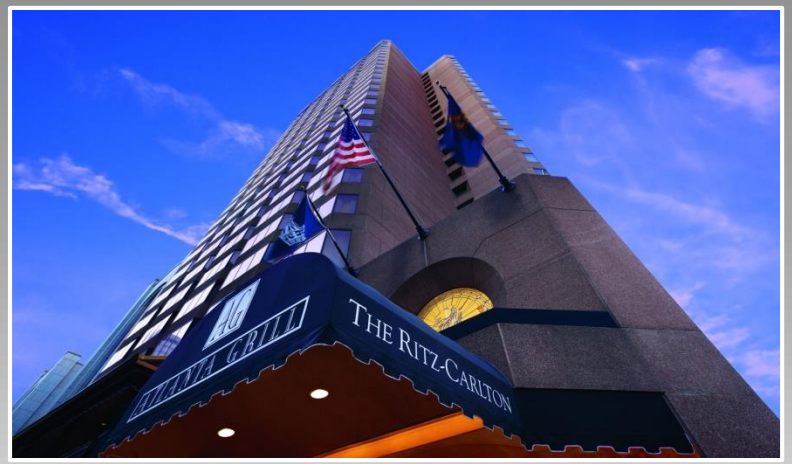

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