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## **NYLO Hotels Launches Franchising Program**

### ***High Design Means Low Development Costs***

**LOS ANGELES (Jan. 30, 2008)** – NYLO Hotels, the first loft lifestyle hotel brand to open in the United States, announced today that franchise opportunities are available for its core brand, NYLO hotels, as well for its new brand extension, XP by NYLO Hotels.

NYLO partners made this announcement to industry insiders during the Americas Lodging Investment Summit (ALIS) in Los Angeles.

“We’ve done what we said we would do and built the first properties ourselves,” says John Russell, CEO, NYLO Hotels. “Our flagship property opened on time and on budget. We know NYLO is cost-effective to build. People who visit our first hotel can see its new service culture is highly effective too.

“NYLO is a breakthrough yet proven brand that can succeed in high-demand business markets across the country,” Russell continues. “Now it’s time for developers and franchisees to take advantage of this unique opportunity.”

Officially opened for franchising, NYLO ([www.nylohotels.com](http://www.nylohotels.com)) enters its second phase of growth with registered Uniform Franchise Disclosure Document. In addition to franchising the upscale full-service NYLO hotels, it is registered to sell franchises for the select-service sister brand, XP by NYLO Hotels. Overseeing franchising will be industry veteran Michael Brown, who joined the company earlier this month as vice president of franchise development.

“NYLO has significantly reduced development costs,” Brown points out. “As a new brand, it faces few barriers. With full-service and select-service offerings, NYLO is a fit for virtually any high-volume domestic business market. I’m delighted to be part of a company with such tremendous opportunity for growth.”

NYLO is committed to having 50 hotels opened or under contract nationwide by 2010. The first property, NYLO Plano at Legacy, made its debut in December 2007 in North Dallas. A second hotel, NYLO Warwick, opens this summer near Providence, R.I. Additionally, NYLO will break ground early next year in Las Colinas, Tex., also in suburban Dallas. Another groundbreaking is scheduled for April 2009, this one in Broomfield, Colo., in the Denver/Boulder high-tech corridor.

“NYLO will continue to own, develop and manage both our core brand and brand extension,” notes Michael Mueller, NYLO’s president and chief development officer. “In keeping with our business plan, we’re making the hotels available now to third parties on a development, management or franchise basis. NYLO is experiencing an outpouring of interest across the board, from consumers, developers and potential franchisees. The timing is right for this breakthrough brand.”

### **What Travelers Want**

NYLO answers the call from a new generation of travelers who are open to new ideas and sensitive to design. The brand stamps out cookie-cutter predictability, replacing it with a bold urban loft design, lobbies as social hubs and tech-friendly amenities. The newly constructed hotels feature high ceilings, exposed brick walls, expansive windows and free wireless Internet access throughout each property.

Full-service hotels with upscale offerings comprise the core NYLO brand. NYLO Plano, for instance, has a three-meal restaurant with Mediterranean-inspired cuisine, lively bar, library, game room, 24-hour business center, high-tech gym, large courtyard, pool, exclusive Gilchrist & Soames bath amenities and custom NYLO NYTE bed by Simmons Bedding Company. Part of NYLO Plano’s singular charm is its Dallas-meets-South-Beach-meets-Soho décor. In common areas, pod chairs hang from the ceilings. There are pink cowhide scatter rugs and chandeliers with glass in the shape of antlers. Staffers are friendly and fashionable in NYLO Wear by Daniel Vosovic, the Bravo-TV “Project Runway” alum.

Now an approach that has proven successful for NYLO’s full-service hotels is headed for select-service in the form of XP by NYLO Hotels. The brand’s management

has re-imagined the traditional limited-service lodging in light of what it has learned from boutique hotel design.

For today's busy travelers, XP by NYLO offers a streamlined lifestyle hotel experience. Lobbies will have 20-foot ceilings, huge windows, and flexible open floor plans. Guestrooms will be warm and welcoming, with exposed brick walls, contemporary furnishings and sunlight streaming through windows that take up most of an entire wall. Pushing the limits of limited-service, XP by NYLO amenities will include: a cozy lobby wine bar, freshly prepared breakfast buffet, free WiFi, high-tech gym, state-of-the-art business center, sundries shop, meeting space and more.

With boutique hotels abundant in gateway cities, the sister brands are planned for fast-growing suburban, secondary and tertiary markets, where land is less expensive. Outside city centers, NYLO's high-demand business markets will be close to major airports, roads, office complexes, restaurants, recreation and retail venues.

"For markets with an average daily rate of \$120 - \$200, our core brand is an incredible hotel," Russell notes. "In markets with ADRs of \$95 - \$110, XP by NYLO presents outstanding opportunities for developers and franchisees."

### **Costs Dive, Ceilings Soar**

NYLO Plano validated a new design and construction process, realizing dramatic savings in development and operating costs, according to Chris Jones, NYLO's senior vice president of development and construction. The result is a new class of lodging that combines a mid-priced hotel stay with the high-concept creativity of a boutique property.

All NYLO hotels are built from scratch. The core brand properties use tunnel-form construction. While this technique has been relied upon for years in other industries, it is new to lodging. NYLO Plano rooms, for instance, were formed six at a time, with cement poured into forms that can be re-used hundreds of times.

"Tunnel-form construction knocks an entire month off a project, making for significant labor savings," explains Jones, who developed the technique for NYLO. "Plus, the hotels' brick facades are much less expensive than other approaches, like using a glass skin exterior."

NYLO's urban loft aesthetic not only lends charm, but also adds to the savings. Polished concrete floors and exposed-brick walls, for example, help stabilize indoor temperatures for lower heating and cooling costs. Beneath soaring ceilings, the exposed piping and ductwork reduce material costs and ease maintenance and repairs. NYLO reinvests these savings into each hotel's high-end but highly affordable design and amenities.

The core brand hotels range in size from 72,000 – 95,000 square feet with three – six stories and 160 – 200 rooms. They feature polished concrete floors and numerous floor-to-ceiling window walls. XP by NYLO Hotels will be 40,000 -- 58,000 square feet with three – four stories, housing 90 - 150 rooms. As a smaller property, the brand extension carries NYLO savings to next level, with lower land costs and even more cost-effective construction and design.

### **New Idea with Long History**

NYLO's innovative approach draws on more than a century of combined hospitality experience.

Brand visionary Michael Mueller, a former senior Starwood Hotels & Resorts executive, played a key role in the growth of that company. John Russell was chairman and CEO of the Cendant Hotel Division and a chairman of the American Hotel & Lodging Association. Chris Jones is a 20-year veteran of the real estate development industry. Formerly a senior executive with Jones Lang LaSalle, he oversaw multi-faceted projects for many of Europe's leading investors and banks. Patrick O'Neil, senior vice president of operations and general manager, NYLO Plano, has spent a lifetime living in and running some of the world's most noted hotels. General counsel David Klein is a former equity partner at Squire, Sanders & Dempsey, LLP, where he served as lead partner on transactions for many of the world's leading hotel owners and operators. Designer Stephane Dupoux is responsible for some of the most stylish restaurants and clubs in gateway cities across the globe (e.g. Cielo and Buddha Bar, New York City; Cocoon, London; Pearl and Nikki Beach, Miami's South Beach).

However, credentials are only part of the story. "We're basically fun people serving fun people," Russell says. "NYLO is a small company. There's always someone

there to answer a question and lend a hand. Franchisees and developers work with a single entity, an arrangement specifically designed to increase speed, flexibility and certainty of execution.”

For more information on franchising, contact Michael Brown, the vice president of franchise development, at [mbrown@nylohotels.com](mailto:mbrown@nylohotels.com).

**About NYLO Hotels**

Atlanta-based NYLO Hotels offers a new class of hotels that combines the dynamic qualities of urban residential loft-style living with the best-of-the-industry features of leading hotel brands. The properties will feature bright, spacious loft accommodations; state-of-the-art business center; gym, and 24-hour, healthy-alternative restaurant and bar. They will cater to business and leisure travelers seeking an energized alternative to the bland, one-size-fits-all experience typically found in mid-priced lodgings. The first NYLO hotel opened the end of 2007 in Plano, Tex., a fast-growing suburb of Dallas. The brand is headed up by a team of hospitality veterans with more than 100 years of combined experience. For more information, visit [www.nylohotels.com](http://www.nylohotels.com).

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