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**Select Service Gets An Upgrade:
*NYLO Hotels Launches Brand Extension***

LOS ANGELES (Jan. 30, 2008) – Travelers looking for highly affordable, design-centric hotels have a new option: XP by NYLO Hotels. Fresh from the opening of its first property, NYLO Hotels LLC announced a brand extension today before an audience of hospitality industry elite at the Americas Lodging Investment Summit (ALIS) in Los Angeles.

XP by NYLO Hotels aims to combine the best qualities of boutique and select-service hotels. The brand extension caters to business travelers looking for mid-priced lodgings with unique design and enhanced amenities. Each property will feature NYLO's signature urban loft design, the lobby as gathering place and high-tech amenities. At the same time, rates will be well within reach at \$90 - \$110 per night.

"NYLO continues to evolve the lifestyle hotel category," says John Russell, NYLO's CEO. "There has been such a groundswell of demand for our brand from travelers and developers. We began to recognize another void in the market. What NYLO has accomplished in the full-service segment, XP will do for select-service hotels."

At the close of the year, NYLO Hotels (www.nylohotels.com) opened its first property, NYLO Plano at Legacy. Located in North Dallas, NYLO Plano is the first lifestyle loft hotel in the country, according to Russell. The path-breaking property combines the vibrant qualities of urban loft living with the amenities of leading upscale hotels. At NYLO Plano at Legacy, guests enjoy one-of-a-kind design, high-energy bar, library, game room and full-service restaurant featuring inventive Mediterranean-inspired cuisine. The concept is the creation of Michael Mueller, NYLO's president and

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chief development officer and a former senior executive with Starwood Hotels & Resorts Worldwide.

Now NYLO turns its attention to the select-service segment, again marrying high style with high affordability. Its brand extension re-imagines the traditional limited-service hotel to fit today's design-conscious travelers.

"XP by NYLO will extend the boutique lifestyle concept to a new price point and make it feasible to develop this exciting hotel in a wide variety of markets that heretofore have suffered from a lack of interesting lodgings," Mueller explains.

XP by NYLO's will cost roughly \$46,000 - \$52,000 per key for hard costs and from \$9,000 - \$13,000 per key for furniture, fixtures, equipment and operating supplies, NYLO reports. Total costs, including land and other development expenses, will be between \$88,000 and \$95,000 per key to build.

The company will build XP by NYLO Hotels in high-demand business markets across the country. The three- or four-story prototype XP by NYLO has 90 -150 rooms and sits on sites of approximately 1.8 – 2.6 acres. The economic new-build loft prototype makes the hotels suitable for development in suburban, secondary and tertiary markets. Located outside city centers, the properties will be near major roads, airports and office complexes as well as popular recreation, restaurants and retail venues.

NYLO will develop, own and operate several XP by NYLO hotels. Additional growth is planned through a combination of ownership and franchise and management agreements, now available to third parties (see page 5).

Uptown Style, Downtown Prices

"XP by NYLO's cost to build defies its aesthetics," notes Chris Jones, NYLO's senior vice president of development and construction and a 20-year veteran of hospitality and real estate development. He maintains NYLO's hands-on approach and deep understanding of hotel development has enabled the brand to incorporate exterior and interior design typically associated with much higher priced hotels.

"As an owner, operator and developer, NYLO is driven to create a better design at a more economic development cost," Jones explains. "We relied on our expertise

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across the board in hospitality and design to create this vision for a better hotel and then to execute that vision. We didn't ask others to innovate for us. You cannot delegate vision. It's that simple."

"This all-encompassing commitment – to create the vision and carry it through – has been key to what NYLO has accomplished so far," Jones says, "and it will be key to what we continue to do with XP."

Taking inspiration from the urban loft aesthetic, XP by NYLO creates a bold design with a handsome redbrick facade, soaring ceilings and flexible open space.

Amenities will go beyond what travelers expect from a traditional select-service hotel. Included in the XP experience will be: free wireless Internet service throughout the hotel, a lobby wine bar, freshly prepared breakfast buffet, high-tech gym, state-of-the-art business center, sundries/boutique shop, meeting space and more.

Stepping into the lobby, travelers will find an elegant, airy space, with 20-foot ceilings, huge windows and an expansive open floor plan. Plush sofas will surround a giant, floor-to-ceiling brick fireplace. Guests will opt for personalized registration at the front desk. Or, they will check in themselves at kiosks that also print out airline boarding passes.

Extra Plush

Each guest loft will emphasize comfort and style, with custom interiors by the NYLO in-house design team. "Hotels can be isolating," Jones explains. "We go to great lengths to make our properties relaxing."

Guest lofts will feature 10-foot ceilings, exposed brick walls and contemporary furnishings. Sunlight will pour through windows that take up most of an entire wall. With an average size of approximately 265 square feet, each room or suite will feature the exclusive XP by NYLO bed dressed in luxury linen, throw and fabric headboard. Contemporary pendant lighting, hanging from ceilings, will cast a warm glow. Among the other furnishing and accents: an oversized desk, ergonomic chair and original artwork. For work and diversions, guest will enjoy free WiFi, iPod docking station and 32-inch, wall-mounted flat panel TV.

Select Service Redone

“Our research shows many travelers today zip in and out of town for meetings, with little time to linger at the hotel,” Jones notes. “Still, they want something more than a clean bed and quick check-out. They’re looking for a richer experience -- a hotel with all the conveniences and a lot of personality.”

That understanding is fundamental to XP by NYLO, on a mission to deliver a streamlined boutique experience for travelers on the go.

The heartbeat of each hotel will be its lobby. Here, the wine bar will be a cozy place to relax with colleagues and friends around the fireplace that reaches 20 feet high. Mornings, the lobby breakfast buffet promises to be a popular option, with its selection of gourmet coffee and teas, fresh fruit, eggs, cereals, pastries and more. For busy travelers, healthy grab-and-go fare will be available 24-7, including sandwiches, wraps, soups and salads.

Around the corner, the state-of-the-art business center will be opened round-the-clock. In addition to complimentary use of computers, the business center will offer free printing, scanning, faxing and photocopying services.

For small meetings, the high-end select-service hotels will house a 500-square-foot meeting room with state-of-the-art audio and visual equipment. Located next to the lobby, the space will have oversized windows, plush drapes and seating capacity for up to 25 people.

Also just off the lobby will be a high-tech, 24-hour gym and a sundries shop. Transcending the limits of limited-service, XP by NYLO will have many complimentary offerings. Among these extra perks: free bottled water; free hotel-wide, high-speed WiFi; and free local and long distance domestic phone calls.

Cost-Defying Aesthetic

“NYLO has created a design-driven hotel at a cost-per-room to build that takes people by surprise,” Jones notes. “We realized substantial savings with our original NYLO prototype. Our brand extension carries these savings still further.”

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XP by NYLO, for instance, is a smaller property, which translates into lower land costs. While many of the original NYLOs will be five stories, XP by NYLO will house four stories or less. This smaller scale makes possible the brand extension's cost-effective glass-brick-and-wood construction.

As with its sister brand, XP by NYLO's new-build loft aesthetic contributes to additional building and operational savings. Like all NYLOs, the brand extension will have the latest mechanical, electrical and plumbing systems for lower energy costs. The brick façade and walls not only contribute to a unique hotel design; they also help stabilize temperatures, further reducing heating and cooling expenses. Exposed surfaces cut costs for materials as well, making limited use of wall and floor coverings, crown moldings and drop ceilings. The exposed steel piping and conduits, in turn, translate into quicker, easier maintenance and repairs.

"These savings are reinvested into XP by NYLO's enhanced design and amenities," CEO Russell points out. "The result is a high-design hotel with 24-hour business center, free WiFi, inviting bar and not-to-be-missed décor -- all for about \$100 per night. It's a unique offering. There's nothing out there quite like this."

For more information, NYLO will have an XP by NYLO model room in Atlanta, where the company is based. In keeping with the original plan, both NYLO hotels and XP by NYLO are available now for third parties to own, develop and/or operate on a management or franchise basis. To find out more, contact Michael Mueller, the president and chief development officer, at mmueller@nylohotels.com or via mail to: NYLO Hotels LLC; attention: Michael Mueller; 260 Peachtree St., N.W.; Suite 2301; Atlanta, GA, 30303.

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.

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