

STYLISH NEW HEIGHTS FOR MID-PRICED HOTELS

Full-Service NYLO Hotels

Fact Sheet

Lofty: 1) of imposing height; 2) elevated in nature or style;
3) visionary, spacious, grand

“Lofty” sums up NYLO Hotels LLC, offering a new class of lodging that combines the dynamic qualities of residential loft-style living with the best-of-industry features of leading hotels.

The first NYLO hotel (www.nylohotels.com) opened in Dec. 2007 in Plano, Tex., a fast-growing suburb of Dallas. NYLO’s second hotel, in Providence/Warwick, R.I., makes its debut in the summer, 2008. Others are slated to open in 2009 in the following markets: Irving/Las Colinas, Tex.; Denver/Boulder, Colo; and Kansas City, Mo. (See complete listing, page 2.) NYLO is committed to having 50 hotels in expanding markets across North America by 2010 through a combination of contracted and opened properties.

All hotels will offer a unique alternative for travelers who want a reprieve from the traditional cookie-cutter mid-priced hotel experience. NYLO’s breakthrough design calls for guest lofts with soaring ceilings and *The Loft*, a high-energy gathering place that invites guests to work, meet, drink, dine, shop, check email and more. Here, travelers conduct business, socialize and relax, while enjoying a rich diversity of music, art, entertainment and cuisine.

NYLO hotels cater to business and leisure travelers. Creating a niche in the mid-scale, full-service hotel marketplace, the hotels offer the enhanced design and amenities of upscale boutique hotels. At the same time, rates are market-driven, in the \$89 - \$249-per-night range.

NEW ALTERNATIVE

High-End and Highly Affordable

NYLO Hotels are the culmination of a pro-active and comprehensive project undertaken by its executive management team, Michael Mueller, John Russell, Chris Jones, Stephane Dupoux, David Klein and Patrick O’Neil. The project’s objective, according to Michael, who left a top position at one of the world’s largest hotel companies to pursue, was: “to develop a new category of hotels that would offer the best elements of design, amenities and service found in the leading boutique hotels in the world’s major gateway cities. At the same time, the brand would feature an efficient, economical, new-build lifestyle hotel prototype suitable for development on a mass-market basis in suburban, secondary and tertiary markets nationwide.

The goal is to satisfy travelers to cities of all sizes who are seeking a more energized and entertaining experience, while at the same time not sacrificing – and in fact improving upon -- the functionality of the business hotel. The result of the years of work is NYLO Hotels. Each of the brand’s executives bring unique experiences and influences to the creation of the physical product as well as to the culture and character that is NYLO. In designing the hotels, the executive team carefully considered the future guests as well as the future employees, the communities in which NYLO Hotels will be developed, and the developers and investors who will provide the funds to create the new lifestyle hotel.

"We started from scratch," Michael explains. "NYLO partners re-evaluated all industry assumptions to create a better hotel -- better for the guest, the employees, the local community and the financial backers."

Today, NYLO Hotels LLC is a fully integrated hotel company that owns the NYLO brand and develops, owns, operates and franchises its hotels. Parties working with NYLO deal with a single entity – an arrangement specifically designed to enhance speed, flexibility and certainty of execution.

Growth of a Brand

As of May 2008, NYLO has announced five properties in high-demand business markets for its core NYLO brand. These first hotels will be owned, developed and operated by NYLO. Sites announced to date are:

City	Market	Actual/Estimated Opening
Plano	Dallas/Fort Worth	Dec. 2007
Warwick	Providence, R.I.	Sept. 2008
Irving/Las Colinas	Dallas/Fort Worth	May 2009
Broomfield	Denver/Boulder, Colo.	Late 2009
Overland Park	Kansas City, MO	Late 2009

Select Service Redone

The company continues to evolve the lifestyle hotel concept with its brand extension, XP by NYLO Hotels, launched in Jan. 2008. XP by NYLO combines the best qualities of boutique and select-service lodgings. What the core brand accomplished in the full-service segment, XP aims to deliver in this limited-service sister brand.

XP by NYLO will present a streamlined lifestyle hotel experience for travelers on the go. Each of these 90- – 150-room properties will feature NYLO's signature urban loft design. 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 with grab-and-go options available 24-7; free WiFi; 24-hour, high-tech gym; state-of-the-art business center; sundries shop; meeting space; and more.

Franchise Opportunities

Both sister brands are available for third parties to own, develop and/or operate on a management or franchise basis. "For markets with an average daily rate of \$120 - \$200, our core brand is an incredible hotel," notes John Russell, NYLO's CEO. "In markets with ADRs of \$95 - \$110, XP by NYLO presents outstanding opportunities for developers and franchisees.

"There has been a groundswell of demand for our hotels from travelers, developers and franchisees," Russell continues. "NYLO launched its franchising program in late Jan. 2008. By May, we had more than 50 franchise sites in the pipeline, including international locations for both NYLO and XP by NYLO."

For more information on franchise and development opportunities, contact Michael Mueller, president and chief development officer (mmueller@nylohotels.com).

CORE BRAND: NYLO HOTELS DESCRIPTION

Unique Architectural Design

The core brand, NYLO hotels, is designed by Stephane Dupoux, a prominent designer of high-end restaurants and nightclubs. Recognized by *Hospitality Design* as one of America's Top 20 architects-designers, Dupoux has created award-winning restaurants and nightspots around the globe. Among his designs: Cielo and Buddha Bar New York, New York City; Pearl and Nikki Beach, Miami's South Beach; and Cocoon, London's Regent Street.

Dupoux' design for NYLO hotels aims to make business and leisure travel easier and far more enjoyable. Guests no longer need to travel outside the hotel for a place to meet friends and entertain clients. NYLO is an eclectic mix of upscale hotel, state-of-the-art business center and premier gathering spot, bringing the life of the city directly to travelers.

Each hotel features a striking brick-and-glass construction with concrete wings that create the appearance of a multi-building streetscape. Conveying the charm of a boutique lodging, NYLO hotels feature floor-to-ceiling windows in the lobby with recessed balconies on the top floor. At the entrance, visitors are greeted by soft lighting, discreet signage and a unique lobby with island-shaped front desk to truly engage guests immediately upon arrival.

With plans for several different new-build prototypes, NYLO is adaptable to fit any site. The modular design can be developed into buildings of three – six stories and modified to house 135 - 200 rooms. Sizes range from approximately 72,000 - 95,000 gross square feet. Depending on parking and footprint, the projects will fit on sites of 1.0 - 4.5 acres.

Bright, Airy Guest Lofts

A hallmark of NYLO hotels is its loft accommodations. Providing approximately 300 square feet of bright, airy living space, guest lofts have exposed brick walls, polished concrete floors, oversized 6 x 5-foot windows and ceilings exceeding 10 feet. Guest lofts have plush drapes and original artwork, acquired through NYLO's art competitions for local artists. (See "Medley" section, page 5). For added comfort, the décor also includes furniture in soothing bamboo hues and unique lighting, all custom-designed by Dupoux.

Each guest loft serves not only as a place to relax and sleep, but also as a state-of-the-art workplace and entertainment center. Special touches include the brand's exclusive line of Gilchrist & Soames bath amenities and the plush NYLO NYTE bed by Simmons Bedding Company. This custom bed invites a peaceful night's sleep with Beautyrest® pillow-top mattress topped with luxurious, white bedding and linens. Other furnishings include a sofa, ottoman, dresser, oversized desk and ergonomic chair. Among the high-tech amenities: large flat-screen televisions, free wired and wireless high-speed Internet access, convenient plug-ins and iPod-ready alarm clocks/sound systems.

The furniture is highly adaptable. The footrest, for example, has a detachable top that converts into a coffee table with removable tray for breakfast in bed. Offering all the style and comforts of home, NYLO furniture, lighting and other amenities are available for purchase in the hotel boutique shop or online.

NYLO suites have the same custom furnishings in larger lofts with open floor plans. Suites have dramatic, arched multi-paned windows or glass window walls, evoking the look and feel of true urban loft living.

Allergy-Friendly Accommodations

Each NYLO hotel offers an entire allergy-friendly floor, with all guest lofts incorporating a seven-step purification system from PURE Solutions North America. Of all the lodging brands, NYLO is the industry leader, with the highest percentage of inventory dedicated to this comprehensive air purification system. NYLO Plano, for instance, has 47 allergy-friendly rooms and suites providing mountain-fresh indoor air for the health and comfort of guests.

Each NYLO PURE Room follows a seven-step process designed to kill 98 - 100% of indoor allergens and bacteria. A Class 2 medical-grade air purifier does most of the work, circulating air through filters four – five times per hour. All-natural Tea Tree Oil keeps the heating and cooling system contaminant-free, while PURE Shield, applied to every surface throughout the room, makes it difficult for bacteria, viruses and other contaminants to survive. Among the additional offerings are hypoallergenic linens and covers. To keep air fresh, all hotels are 100% smoke-free.

Allergy-friendly accommodations appeal to travelers who are sensitive to odors as well as to the 70 million Americans who suffer from allergies, asthma and other respiratory illnesses, according to estimates by the American Academy of Allergy Asthma & Immunology.

Premier Gathering Place

The heart of each NYLO is *The Loft*. With its soaring ceilings and open floor plan, this gathering spot next to the lobby invites guests from their rooms to meet friends, entertain clients, sip drinks, dine, play pool or the latest Wii Nintendo games, watch television, check email, conduct informal meetings, read a book, shop, listen to music or just hang out – all in a comfortable area that feels like a living room.

The Loft offers thoughtful amenities: a state-of-the-art business center, three-meal restaurant, bar and lounge, game room, original artwork and entertainment by local artists, boutique shop and library with plush seating. Free wireless high-speed Internet access is available throughout *The Loft*. A mixture of music, art and changing lighting gives energy to the area day and night.

The vortex of *The Loft* is the lounge, a unique gathering place, bathed in a glow of soft amber lights. Every NYLO restaurant/bar will feature a unique design that channels its locale, welcoming travelers with something different in each market. *The Loft* at NYLO Plano, for instance, captures the Texas spirit with witty urban-cowboy charm. Guests find pink cowhide scatter rugs, Plexiglas tabletops embedded with hay, chandeliers of hand-blown glass in the shape of antlers, and more. Overlooking the Pawtuxet River near the Narragansett Bay, NYLO Warwick features an equally inspired nautical decor.

In all NYLOs, *The Loft* offers flexible dining options day and night. The restaurant opens onto a terrace with water or fire feature for al fresco dining. Weather permitting, business travelers confined to all-day meetings can enjoy the outdoors bit with the comforts and amenities of an upscale hotel.

Bravo to Style

Beneath the soaring ceilings, servers, bartenders, hostesses and others dress in NYLO Wear by Daniel Vosovic. This award-winning collection for frontline workers and fashionistas is by designer, author, blogger and Bravo-TV *Project Runway* finalist Daniel Vosovic.

NYLO Wear treats guests to an ongoing fashion show. The 20-piece, mix-and-match collection includes sweaters, skirts, pants, shirts, ties, belts, bags and more. Line extensions are in the works for such accessories as luggage, handbags, robes, jewelry, belts and outerwear. Each piece features Daniel's signature clean lines and sophisticated styling. Designed to look good in the hotel, in the office or on the street, the casual apparel will be for sale in the hotel boutique shop and online.

Medley

As a social and cultural hub, *The Loft* welcomes travelers and locals with a rich diversity of art, music and cuisine.

The NYLO Visual Arts Program, for instance, showcases the creativity of the local arts scene. To celebrate the opening of each hotel, NYLO works closely with area arts groups. They encourage emerging artists to submit original artwork reflecting the spirit of their communities. Inspired works are displayed prominently throughout the hotel. They create charismatic exhibitions that invite travelers to see the community through the eyes of its artists. The works are available for purchase, with 90 percent of the proceeds going to the artist and the remainder to charity.

NYLO's line of music, called NYLO Uncovers, showcases ascendant artists too. The compilation CDs are played in *The Loft* and sold the boutique shop. To date, NYLO has produced three CDs – NYLO Uncovers, Summer, Fall and Winter. Like the artwork, these CDs of original works are designed to help launch careers, while also enhancing the richness of the NYLO experience.

NYLO's healthy-alternative restaurant serves breakfast, lunch and dinner daily in sophisticated, contemporary cuisine. Grab-and-go and traditional sit-down meals are available. Among the options: fresh salads, sandwiches, flatbreads, steak, fish, chicken, eggs, omelets, gourmet coffees, teas, and more. Serving fresh local ingredients, the restaurants draw travelers and locals alike.

Between traditional mealtimes, the versatile menu works round-the-clock. No need to go to bed hungry because of a delayed flight, late meeting or night on the town. Guests enjoy healthy snacks and warm meals at 3:00 in the morning, for example, or any time they choose.

In the restaurant, savvy folks share so they can sample everything. NYLO's spotlight-catching menu invites guests to savor their meals in an assortment of small plates that fully satisfy. The inventive tasting menu is a good way to enjoy an array of tasty creations. Mix-and-match small plates yield interesting combinations for full-course meals to please all palates. For diners sampling solo or with tasting partners, the flavorful fare shines amidst the high-energy atmosphere and convivial service.

Welcoming Front Desk

NYLO's unique loft design continues into the lobby, with high ceilings, polished concrete floors and a gigantic glass window wall. During the day, sunlight floods the area. At night, the scene changes, treating guests to an ongoing display of nearby lights.

At NYLO hotels, there is no waiting in long lines at check-in. Guests enjoy express check-in at self-service kiosks. Or, they opt for personalized check-in at an approachable front desk shaped like an island to make it easier for staff to provide assistance when needed.

Behind the reception area, a large display of original artwork treats travelers to a preview of the local landscape. The art highlights area offerings, such as nearby ballparks, arenas, restaurants, clubs, museums, stores, historical landmarks and more.

Tech-Friendly Amenities

Technology enhances guests' stays, from the moment they walk through the front door, through checkout and all the way to the airport.

At lobby kiosks, guests not only have the option of speedy self check-in and out. They also print boarding passes for a more convenient overall travel experience. For travelers who prefer personalized check-in and out, NYLO's user-friendly software allows more time for guest interaction.

To personalize travel, NYLO is among the first brands to have a centralized property management system that allows all hotels to speak directly to each other. That means if a NYLO Plano guest requests a room away from the elevator with extra blankets, allergy-friendly pillows and three roses on the nightstand, for instance, these amenities will be in the room ready and waiting automatically when he or she checks into any other NYLO hotel. Guests won't even have to ask.

Tech amenities in guest lofts enable guests to further customize their travel. In addition to large flat-screen televisions, rooms have MP3 capabilities and convenient plug-ins. Like *The Loft*, guest lofts offer secured wired and wireless Internet access. Business travelers work wherever they want – sitting at the desk or on the couch or propped up in bed – tailoring their workspace to suit their style. (For more on tech amenities, see High-Tech Gym, page 7.)

'Passion, Service, Design & Fun'

Want to know where to find the best jazz in town? Need directions or a unique gift to bring home to your daughter? Or, maybe you crave an amazing sushi bar seldom seen on the pages of travel guides. While NYLO hotels put the necessities and entertainment within easy reach, the staff also lends a hand. They provide assistance with everyday needs as well as an insider's guide to the hot spots and hideaways that define the city's culture and social scene.

The NYLO culture is based on the words, Passion, Service, Design and Fun. Part of the hotels' distinctive experience is the personable, upbeat and energetic people going out of their way to make each guest's stay comfortable and enjoyable.

Eco-Friendly.

All NYLO hotels will incorporate renewable energy. Wind power, for example, supplies approximately half of NYLO Plano's energy needs. For Energy Star certification, the hotel also has one of the most robust, Web-based utility-managed software systems available to track conservation and cut consumption.

In guest lofts, air conditioning units turn on automatically when guests enter and shut off automatically when they leave. Additional green features include recycled paper in desk pads and folio binders. NYLO's exclusive line bath and body products comes in recycled bottles. The pure botanicals are biodegradable and DEA-free with no chemical preservatives like Paraben.

Multi-Functional Meeting Areas

Every NYLO Hotel offers at least three 250-square-foot boardrooms, each seating up to 10 people. Retractable walls make the rooms expandable into one 750-square-foot conference room with the capacity for conference or classroom seating. Used separately or combined as a single-function area, the boardrooms have the latest projection and audio-visual equipment. Like the lobby and *The Loft*, conference rooms feature a giant glass wall. Guests will have the option of opening the drapes and bringing a bit of the outdoors into their meetings.

High-Tech Gym

NYLO's 24-hour fitness center makes it easy for guests to continue their exercise regimens on the road, with the same high-end cardio equipment found in the best gyms and health clubs in the country. The gym houses steam rooms, shower, changing rooms and a fully equipped workout area with high-end cardiovascular fitness equipment from global leader, Life Fitness. Mixing exercise and entertainment, guests plug their iPods into the equipment and control playlists from the console. They watch television and iPod-delivered movies and listen to the radio from the equipment's FM radios and large, integrated LCD screens with touch technology.

In addition to seamless iPod integration, the innovative equipment offers Virtual Trainer, USB memory stick connectivity and visually appealing workout landscapes. A mini workout display enables fitness buffs to monitor their progress while viewing entertainment.

Other Services/Amenities

- Free local and long distance domestic phone calls
- Free wired and wireless Internet usage
- Free bottled water in each guest loft
- Free faxes, printouts, photocopies and scanning services
- Free shuttle service to area shopping, dining and entertainment
- On-site guest laundry
- Safe deposit box in each guest loft

EASY, ECONOMICAL CONSTRUCTION

NYLO prototypes are designed to be economical and easy to construct. Exposed surfaces not only enhance the design; they also reap savings. The hotels conserve time and

materials, making limited use of crown moldings, drop ceilings, dry walls as well as floor and wall coverings. These savings are reinvested into other areas of the facility for higher quality construction, guest lofts, bar and gym and bedding.

The new-build, loft-style construction also contributes to operational savings. NYLO hotels have state-of-the-art technology as well as advanced mechanical, electrical and plumbing systems for lower energy and operating costs. The same concrete and brick that lends charm to the design also translate to savings. With their low thermal ranges, these materials reduce heating and cooling costs. Concrete also assures the hotels endure, requiring fewer repairs over time. When repairs are needed however, many are easier and less expensive to make because of the exposed steel conduits and piping inherent in the loft design.

The Loft features an open floor plan. Employees can see from bar to kitchen to library and boutique shop, enabling them to service multiple areas during off-peak hours. Throughout the hotel, space is multi-functional. A work area by day, the library doubles as an overflow bar at night. The dining area does double duty too, as a restaurant during meal hours and as rentable event space the rest of the day.

GEOGRAPHICAL MARKETS

NYLO Hotels is actively looking to expand across the United States and Canada. Several prototype buildings are fully developed and ready for construction. NYLO is seeking to acquire sites of 1.0 - 4.5 acres in established business markets of all sizes. Preferably, the sites should be near at least two of the following: 3+ million square feet of office space, an existing hotel supply of 1,000+ hotel rooms, a regional or lifestyle retail center/corridor and an airport. For information on presenting site opportunities, partnerships and joint ventures, visit the Development page at www.nylohotels.com.

COMPANY EXECUTIVES

John Russell, Chief Executive Officer
Michael Mueller, President and Chief Development Officer
Chris Jones, Executive Vice President – Development & Construction
Patrick O’Neil, Executive Vice President, Operations; General Manager, NYLO Plano
David Klein, Executive Vice President and General Counsel

CONTACT INFORMATION

NYLO Hotels, LLC
260 Peachtree Street, N.W., Suite 2301
Atlanta, Georgia 30303
Telephone: 404.221.0600; Toll Free: 866.206.NYLO
Fax: 404.221.0060
Web: www.nylohotels.com

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**Media Contacts: Sharlet Brennan or Noel Perkins, Ypartnership, 407-875-1111
Sharlet.Brennan@ypartnership.com, Noel.Perkins@ypartnership.com**