

HIGH-END AND HIGHLY AFFORDABLE NYLO Hotels Launches New Lodging Category

PHOENIX (Sept. 28, 2005) – NYLO Hotels introduces a new class of hotels featuring loft accommodations, innovative design and affordable rates, the company announced today before an audience of hospitality industry elite at The Lodging Conference 2005, Phoenix, Ariz.

“Our brand is unique, offering the style and amenities of the world’s leading upscale hotels at mid-scale rates of \$115 - \$135 per night,” says John Russell, CEO of the Atlanta-based NYLO Hotels. “We’ve redefined the mid-scale segment of the market with a new generation of hotels featuring loft accommodations that are well-priced, boldly designed, dynamic and fun.”

NYLO Hotels feature a breakthrough urban-loft design, with a red-brick-and-glass construction creating the appearance of a multi-building streetscape. The sleek design continues inside the hotel in 11-foot-ceiling loft accommodations with oversized windows, exposed-brick-and-polished-concrete walls and custom-made furnishings.

The heart of each NYLO Hotel will be *The Loft*. With soaring ceilings and open floor plan, this ultra-social common area will beckon travelers from their rooms day and night. Here, guests can work, eat, talk, sip coffee, have cocktails, check e-mail, read the paper and relax in an area that feels like a living room. *The Loft’s* amenities will include: 24-hour restaurant, bar, state-of-the-art business center, free wireless internet access, comfortable working library, sundries store, game room with foosball and billiard table, and in pleasant climates a terraced area.

Additionally, NYLO Hotels will have meeting facilities with advanced technology and a fully equipped gym providing his-and-her changing rooms, showers and steam rooms.

Where No Such Hotel Has Gone Before

“NYLO Hotels are designed on the premise that travelers appreciate innovative design and good value,” notes Michael Mueller, president and originator of the idea and business plan for NYLO.

“Today’s business travelers demand -- and deserve -- hotels that are functional as well as entertaining, comfortable and fun, regardless of where they are traveling,” Mueller continues. “NYLO offers the best elements of design, amenities and service found in the leading boutique hotels of the world’s major gateway cities. At the same time, NYLO’s efficient and economical new-build prototype is suitable for development on a mass-market basis in suburban, secondary and tertiary markets.”

NYLO Hotels has several sites across the U.S. and Canada under purchase agreement and several other sites under active consideration. The company will break ground on its first hotel within the next six months and will begin construction on approximately four hotels within the coming year.

NYLO expects to have more than 50 properties open by 2010 and to grow eventually into a chain of 150 – 200 hotels. The company intends to develop, own and operate the first five or six hotels.

“Thereafter, growth will come through a combination of ownership, management and franchise agreements,” notes Mueller, who played a major role in the dramatic growth of Starwood Hotels & Resorts from its formation until 2004 and who most recently oversaw the development and acquisitions for Starwood’s W brand globally.

Serves Guests, Employees, Industry

“NYLO will offer guests a fully functional business hotel with business tools and amenities surpassing guests’ needs and expectations,” Mueller says.

“At the same time, guests will enjoy NYLO’s friendly, upbeat atmosphere and innovative design,” he continues. “What better place to relax or entertain clients than in *The Loft*, for example? Here, guests will be welcome 24/7 to work or socialize in a high-energy common area that feels like a living room.

“We went to great lengths to re-evaluate every aspect of the hotel facility program, layout and design,” Mueller notes. “We kept only the best practices and most recent innovations in the industry and added a dynamic, unique design. The result is a new category of hotels that will better serve the guest, the employee, the local community and the hotel industry.”

Bold Design

NYLO Hotels are designed by Stephane Dupoux, award-winning designer of upscale restaurants and nightclubs around the world. Among Dupoux’ designs are premier nightspots: Cielo, New York City; Pearl Restaurant and Champagne Lounge, Miami’s South Beach, and Cocoon on London’s Regent Street.

A hallmark of NYLO Hotels will be its loft-style guestrooms, providing approximately 300 square feet of living space. The bright, airy rooms will have 11-foot ceilings and oversized, 6 x 5-foot windows. Exposed-brick-and-polished-concrete walls, along with noise-insulating techniques, are designed to assure a peaceful sleep. A combination high-tech office and entertainment center, each room will have a large flat-screen television, CD and DVD technology, and free high-speed internet connections.

Furniture and lighting are custom-designed by Dupoux. Each guestroom will have a large open shower area, semi-platform king bed and sofa. The workspace will surpass the industry standard with oversized, moveable desk and ergonomic chair. For added comfort, the décor will include original artwork, plush drapes and luxury bedding.

Dupoux designed *The Loft* to be a high-energy gathering place. Its vortex, the lounge, will welcome travelers with soft amber lighting and one-of-a-kind, wood-and-plexi-glass bar. *The Loft's* mission: to provide a dynamic and comfortable space for guests to work, play, eat, drink, meet and relax. A comfortable library, custom-designed furniture and sofas swathed in soft fabrics will coax guests to linger day and night. The restaurant will offer savory, international cuisine as well as grab-and-go fare for busy guests. In each NYLO Hotel, *The Loft* will have a distinctive design, greeting travelers with innovative style in each locale.

"NYLO Hotels will be destinations in themselves, valued as much for their restaurants and bars as for their rooms," Dupoux predicts. "Guests won't need to search further for entertainment. NYLO will be the center of business travel, offering a dynamic experience for guests, their clients and local business people alike."

Economical Construction, Operations

NYLO Hotels will have 135 – 185 rooms in buildings of three, four or five stories. Plans for several different prototype buildings have been fully developed, each plan ensuring that the buildings are quick and efficient to construct. As an upscale brand at a mid-scale cost to construct, NYLO will have a per-key development cost of approximately \$90,000.

"The loft-style, new-build construction makes for substantial savings," says Chris Jones, senior vice president of development & construction for NYLO Hotels. "Exposed surfaces not only enhance design; they also conserve labor and resources, making limited use of crown moldings, drop ceilings, dry walls as well as floor and wall coverings."

The design and construction also contribute to operational savings, Jones says. NYLO Hotels will 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. These materials reduce heating and

cooling costs. Concrete also assures the hotels endure, requiring fewer repairs over time. When repairs are needed, however, many will be easier and less expensive to make because of the exposed steel conduits and piping inherent in the loft design.

“It’s actually less expensive to build a new NYLO Hotel than to buy and convert an existing property,” Jones notes. “Drawing on the founders’ vast experience, we’ve spent the past 18 months developing detailed plans and specifications. The resulting hotel prototypes will be easy and quick to construct and very attractive to developers and investors.”

‘Proven Winner’

“We’ve created a new class of hotels with a century of experience,” Russell says, referring to the depth of the founding partners’ combined experience.

“By owning and operating the first hotels, we’re putting our money where our mouth is,” he concludes. “We’re demonstrating performance, making NYLO a proven winner.”

About NYLO

NYLO Hotels offer a new class of hotels that combines the dynamic qualities of loft-style living with the best-of-industry features of leading hotel brands. The properties – featuring bright, spacious loft accommodations; state-of-the-art business center; gym, and 24-hour-healthy-alternatives restaurant and bar – will cater to business travelers seeking an energized alternative to the bland, one-size-fits-all experience typically found in mid-priced lodgings. For more information, visit www.nylohotels.com or call **404-221-0600**.

#

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