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Year 2016



INTERSTATE

HOTELS & RESORTS

OUR EXPERIENCE, YOUR SUCCESS

With a platinum portfolio and a focus on its owners' success, Interstate Hotels & Resorts is the world's most prominent U.S.-based global third-party management company – spanning dynamic growth regions of the U.S. and Canada, the United Kingdom and Ireland, Western and Eastern Europe, and Russia and the CIS.

The successful overarching platform -- Interstate Intelligence -- is the capitalization of the company's extensive management team strength, custom owner deployment, intuitive service training, leading organizational structure, longstanding personal relationships, exceptional technology leadership, deep market intelligence and second to none experience managing over 425 hotels, resorts and conference centers across multiple tiers and brands. Built on integrity for more than 55 years, Interstate's unrivaled proprietary programs -- Interstate Ignition, Interstate Intellect, Interstate Integration, Interstate Insights and Interstate Intuitions -- harness and activate smart resources, all collaborating toward owner profitability.

INTERSTATE INTELLIGENCE

As the initial process toward owner success, Interstate scours its extensive bench strength of qualified associates and identifies teams for Interstate Ignition. Transition teams immediately deploy to analyze and examine the business, uncover actionable insights and take steps toward positively impacting results.

Interstate Intellect is the unparalleled talent base of more than 30,000 associates, trained through the Company's unmatched training programs, ultimately allowing for an energized and efficient deployment of personnel. Interstate also touts the most skilled, inventive minds in the industry who are the thought leaders in 18 disciplines, such as hotel operations, food and beverage, revenue strategy, e-commerce, human resources, financing and investing.

The Interstate Integration program, an optimized organizational structure tailored by owner, utilizes its collective expertise to

thoroughly analyze needs and synthesize into customized programs with dedicated geographic and tier-specialized teams.

Based upon brilliant executive vision, Interstate continually transforms itself to be fresh and relevant. With technology at the forefront of business profitability, Interstate Insights includes IHR1, a personalized, cloud-based and iPad ready business intelligence portal and dashboard, providing actionable insights that cumulate Interstate's proven market intelligence. The portal is the initial analytics tool in evaluation, providing every owner with an exclusive real-time snapshot of yield management results, P+L statements, manpower effectiveness, etc. Interstate is the only management company with an Insights technology initiative of this caliber.

As Interstate expands its reach beyond 11 countries, global growth is actually utilized as a strategy. Through Interstate Intuitions, the company leverages its global knowledge and impressive brand diversity to cross-pollinate and share ideas for hotel enhancements in every corner of the world.

Interstate Ignition

Interstate proudly boasts the most expansive, qualified bench strength in the industry. As a result, the company offers owners the ability to identify the perfect start-up team for success, based on region, asset class, specialty and more.

Every property joining the Interstate portfolio receives a transition team designed for specific needs, which is immediately deployed to execute the hotel transition, renovation, takeover, new build or repositioning. Upon deployment, the Interstate Ignition transition team utilizes market intelligence and business insights gathered by Interstate to analyze the business, examine market conditions, review demand and channel generator reports, inspect competitors, and pinpoint areas of improvement to reach profitability goals.

The resulting proposal, a detailed line-by-line comparison of actionable insights, lists areas to improve mix, reduce expenses and ultimately impact the bottom line, producing improved owner profitability. The proposal also includes recommendations on marketing and yield management and solutions to improve occupancy, rate, and RevPAR – potentially providing the owner with significant revenue growth and cost savings opportunities, greatly enhancing the bottom line.

Owners have access to a dedicated task force team comprised of 18 full-time operations, rooms, finance and sales disciplines, in addition to a proprietary talent community database of hospitality

professionals interested in working for an Interstate-managed hotel, immediately providing a tailored team to drive owner success.

Interstate Intellect

Known as the leader in the industry, Interstate's relationships and knowledge – shared among brilliant hospitality partners and its unmatched training program – results in an expansive management team and specialized talent strength of more than 30,000 associates worldwide.

Throughout 55 years of operation, Interstate has been well known for its reliable, trustworthy and exceptional executives, who have built indestructible relationships with almost every hotel brand in the world. Through the relationships and vast experience, Interstate delivers limitless opportunity and profit-based idea generation for owners. Everyone from guest service managers to corporate executives receive training from a menu of more than a dozen course options, including discipline-specific tracks for sales and revenue management, F&B, finance and accounting, human resources, and leadership development.

With a blend of Interstate's global presence, involvement in 27 industry and brand advisory boards, experience operating all asset classes, segments from large brands to independent hotels, and skill in every hospitality tier, an accumulation of knowledge translates into valuable resources. Whether it's technology, finance, F&B, technical services, operations or sales, Interstate boasts accomplished subject-matter experts in 18 relevant disciplines, reaching every corner of the hospitality world, allowing owners to reap the benefits of the endless resources and relationships of Interstate and the best in the business.

Interstate Intellect represents the finest in the industry, producing a specialized, trustworthy talent community for owners and guests, led by the experts in hospitality. After comprehensive training, Interstate's proven track record of retention and career development appeals to individual owners seeking a dedicated team.

Interstate Integration

Breaking the norm of geographic clusters, Interstate Integration, the company's intelligent organizational structure, begins with a deep-dive into owner needs, considering hotel location, branded vs. independent, asset class (full-service, extended stay, select-service, resorts), and multi-tier portfolios (from economy to luxury). Owner needs are then synthesized, creating tailored programs led by dedicated regional teams with a personalized owner's perspective.

Each team provides one-on-one attention to the owner, utilizing expert intelligence, segment specialization and local knowledge, translating into better and smarter communication. Interstate operations executives deliver high quality performance, equivalent to a top executive at a smaller hotel management company.

With a five-person executive team for every 15 hotels, including experts in disciplines from operations, sales, revenue management, finance and human resources, specialists guide the owner's portfolio, strategically impacting operations and sales performance to drive optimal revenue, market share and profit metrics at each and every hotel.

Interstate Insights

As the only company of its caliber, technology is thrust to the forefront at Interstate. The company offers an exclusive business intelligence system, IHR1, to owners, providing instant access to real-time reports and information sharing, impacting profitability and the bottom line.

The system aggregates Interstate's impressive market intelligence on a cloud-based, cutting edge and completely secure mobile platform. As a result of its size, Interstate is well informed of industry activity in every single domestic market, and most emerging markets globally. While the market intelligence consistently grows, the business intelligence system aggregates, analyzes and translates insights to apply to the individual owner.

Interstate Insights provides a dedicated dashboard per owner, whether a single unit owner in a tertiary market or a multi-hotel portfolio owner, producing measurable results for owners.

Interstate's intelligence cross-pollinates, opening previously unreachable opportunities and visions for owners -- for example, cross referencing results with comparable properties, pinpointing successes and areas of improvement, and keeping every team member moving toward aligned goals – whether it's marketing and finance, sales or human resources – to impact the bottom line.

Interstate Intuitions

Interstate manages over 425 properties in every asset class, from a skyscraper in New York City to urban retreat in Dublin, and a business hotspot in downtown Atlanta and a small city paradise in Middletown,

Conn. With the strongest brand diversity in the industry, holding 50 brands in the portfolio, Interstate has the ability to bring almost any brand to any owner in any area of the world.

Through longstanding, trusted relationships, Interstate's institutional-grade systems, and steady ability to invest capital, brands are comfortable with Interstate and, as a result, no other hotel management company offers a comparable level of global diversity on a consistent basis.

Through Interstate Intuitions, Interstate translates global knowledge from its expansive, diverse portfolio into local enhancements, from service intuition and guest experiences to marketing and F&B. Knowledge also spirals outward from domestic experience to future global growth in areas like Europe.

SERVICES

Hotel Management

Interstate has mastered a successful operating strategy that combines economies of size with agility in deploying resources focused on achieving hotel owners' investment goals. These efficiencies consistently produce strong financial results, making Interstate the preferred operator of choice.

Boasting an international presence for 20 years, Interstate holds vast hotel operating experience abroad and is leading an unprecedented global expansion. Interstate intuitively replicates superior operation systems and methodologies in both established and emerging markets worldwide, including Russia, the United Kingdom, Ireland, Belgium, Hungary and Canada.

Measurable results in revenue performance, market penetration, guest satisfaction, cost management and profitability margins are the result of an intelligent management experience.

The depth of expertise crosses all industry segments, including luxury, full-service, select-service and extended-stay under all major hotel brands worldwide.

Full-Service Hotels & Resorts

Prospering through the applied experience of task force teams dedicated to the category, full-service hotels receive hands-on attention from the teams that have relationships with more major brands than any other independent management resource in the world.

Crossroads® Select-Service

Recognized as one of the premier operators in this segment, Crossroads® select-service and extended-stay properties gain advantages through management efforts tailored to the owner.

Rim Hospitality Division

Interstate's Rim Hospitality Division offers a dedicated management platform and experienced team based out of Newport Beach, California to operate a premium portfolio of branded full service, select service, extended stay and independent hotels and conference centers.

With a robust presence on the west coast of the United States, division team members are talented, dynamic, dedicated and confident in maximizing opportunities, ensuring a high level of personalized service to owners and investors.

Development

Recognized as the leader in hotel and resort investment, management, acquisition and expansion, Interstate optimizes the broad spectrum of issues related to development. With more than a century of combined team experience in creating opportunities and overcoming challenges for owners and developers, Interstate applies significant resources to investment and growth strategies at every stage of the process. Global projects span emerging markets, including hotel development projects like The Marker in Dublin, Ireland, and the DoubleTree by Hilton Hotel and Spa in Liverpool, UK.

GLOBAL SEGMENTS

Interstate Europe Hotels & Resorts

Interstate Europe has a growing footprint in the region, with 97 hotels and more than 14,600 rooms managed or under construction across the United Kingdom, Ireland, Western Europe, Eastern Europe, and Russia/CIS. Interstate Europe's regional offices are in Birmingham, Glasgow and Moscow.

United Kingdom and Ireland

Managing a growing 61 hotel portfolio under the world's leading brands, including Hilton Worldwide, InterContinental Hotels Group, Wyndham Worldwide and Accor, in addition to luxury independent hotels, Interstate offers a complete suite of hotel management services in the United Kingdom and Ireland with a U.K.-based team of hospitality professionals and a robust pipeline of hotels under development or construction.

Europe and Russia/CIS

Outside of the UK & Ireland, Interstate currently operates 17 hotels with nearly 4,200 rooms in Belarus, Belgium, Bosnia and Herzegovina, Kazakhstan and Russia.

Interstate opened the first Marriott hotel in 1995 and the first Hilton property in 2008 in Moscow. Interstate-managed properties consistently outperform the market while maintaining high brand standards and guest satisfaction results.

With a fully staffed, Moscow-based office offering comprehensive management and development services, Interstate assists owners with developing, branding and operating hotels including select-service, city-center business hotels and world-class resorts. In February 2014 Interstate opened four hotels and resorts in Sochi for the 2014 Winter Olympics.

KEY EXECUTIVES

From the boardroom at the corporate headquarters to the guest room of each managed hotel, Interstate strongly believes that its innovators make the difference. Possessing more than a century of combined experience in the industry, Interstate's leadership team is the engine that propels its clients to realize greater success at the bottom line.

Jim Abrahamson, Chief Executive Officer

Responsible for the company's overall performance and global growth of its management portfolio, Jim also serves as an executive director on the company's board of directors.

Jim joined Interstate from InterContinental Hotels Group where he was president of the Americas region, the company's largest operating unit, and previously held key leadership positions in senior management Hyatt Corporation, Marcus Corporation and Hilton Worldwide.

Currently serving as national chair of the American Hotel and Lodging Association (AH&LA) and as immediate past national chair of the U.S. Travel Association (USTA), Jim is also on the advisory board of the Cornell University Pillsbury Institute for Hospitality Entrepreneurship and the DePaul School of Hospitality Leadership..

Jim holds a degree in Business Administration from the University of Minnesota.

Samuel (Ted) Knighton, President and Chief Operating Officer

A 25-year veteran of Interstate, Knighton is responsible for overseeing and integrating operations for the company's more than

425 hotels. Prior to his current position, he served as Interstate's president of hotel operations, responsible for the North American portfolio – the company's largest region.

Knighton has experience in Interstate's Crossroads® division – encompassing the select-service, extended-stay and mid-market segments – operations-full service hotel division and investment fund/joint venture portfolio.

Prior to joining Interstate, he served as vice president of operations for Radisson Hotels and has also worked for Hyatt Hotels Corporation. He holds a degree in Hotel Administration from Cornell University.

Leslie Ng, Chief Investment Officer

With a broad range of experience in real estate investment and finance, Ng oversees all global investment and acquisition activity, as well as new business development worldwide.

Prior to joining Interstate, he worked with Patriot American Hospitality, where he played an instrumental role in growing Patriot to one of the largest hotel companies worldwide. Other companies include The Continental Companies and Tobishima Associates, Ltd.

Ng holds a Civil Engineering degree from The Cooper Union and an M.B.A. in Finance from the Wharton School, University of Pennsylvania.

Carrie McIntyre, Chief Financial Officer

Responsible for oversight of the Interstate's corporate and hotel accounting, treasury, tax, financial planning and analysis, asset management, internal audit and risk management functions, McIntyre spent her early career in corporate controller and senior accountant positions for publicly held companies and a top accounting firm.

McIntyre joined MeriStar Hotels & Resorts, a predecessor company to Interstate, in 2001 as vice president and corporate controller and held subsequent positions with increasing responsibilities in finance, strategic financial planning and analysis, risk management and treasury functions.

McIntyre has extensive experience in treasury, risk management, investor relations, strategic financial planning and capital market activities, securing or refinancing over \$500 million in credit facilities during her tenure.

McIntyre holds a Bachelor of Science degree in Accounting from Virginia Polytechnic Institute and State University, Virginia (Virginia Tech).

Erica Hageman, Executive Vice President and General Counsel

Responsible for the oversight of the Company's legal and compliance functions, Hageman previously served as senior vice president and assistant general counsel, responsible for the oversight of Interstate's corporate mergers and acquisitions, management agreements, joint ventures and corporate litigation.

Prior to joining Interstate in 2008, Hageman was an associate with the Washington D.C. office of Eckert Seamans Cherin & Mellott.

Hageman is active in the hospitality industry and legal affairs. She currently serves as a member of the Association of Corporate Counsel; American Bar Association; Washington Metropolitan Area Corporate Counsel Association; American Hotel & Lodging Association; and is a member of the Bar in Georgia (inactive), Washington, D.C., and Virginia (2003).

Hageman holds a Juris Doctorate degree from The George Washington University Law School and holds a Bachelor's degree from the University of Florida.

James Lamb Chief Information Officer

With more than 30 years of IT experience, Lamb is responsible for the design and delivery of innovative technical and business solutions to meet the diverse needs of Interstate and its global hotel portfolio.

Prior to joining Interstate, Lamb held a variety of IT positions within the hospitality industry, including senior vice president of information technology/chief information officer for Global Hyatt Corporation and chief information officer for Le Méridien Hotels & Resorts. In addition, he spent 16 years working for IT services firms, EDS and later Perot Systems, where he was responsible for creating solutions to meet the needs of clients in the manufacturing, publishing, financial, and travel and leisure industries.

James received a Bachelor of Science in Business Administration from East Carolina University.

Interstate's Senior Leadership Team:

George Brennan *Executive Vice President, Sales & Marketing*

Kenneth McLaren *Executive Vice President, International Operations*
Edward Blum *Executive Vice President, Development & Acquisitions*
Mark LeBlanc *Executive Vice President, Development & Acquisitions*
Bill Deller *Executive Vice President, Hotel Finance-North America*
Darren Brennan *Executive Vice President, International Finance*

Jenny Zhan *Executive Vice President and Chief Accounting Officer*
Russ Cox *Executive Vice President, Operations-Rim Hospitality Division*
Aaron Greenman *Executive Vice President, Acquisitions and Development-Europe*

FROM STARTUP TO STARDOM

From relatively humble beginnings in 1960, Interstate has evolved to become a leader in the hospitality industry. Once the owner of a single property in Erie, Penn., the company expanded internationally and is now recognized as the leading U.S.-based dedicated hotel management company. Along the way, the company has forged partnerships with major brands in the industry and earned a reputation for high-quality, performance-based operations.

1960s – 1970s

Interstate was founded in May 1960 in Pittsburgh, with Milton Fine and Edward Perlow purchased the Capri Motel in Erie, Penn. In the early 1970s, Interstate began its long partnership with Marriott, and the company continued its strategy to develop, own and operate hotels. By the end of the decade, the company owned and operated four hotels and 1,800 rooms in four states.

1980s

Interstate experienced rapid growth in the 1980s, developing its 16th Marriott-branded property by 1986: the Pittsburgh Airport Marriott. The decade also saw the genesis of other prominent hotel companies, which served as the foundation of today's Interstate. By decade's end, Interstate operated 29 hotels and more than 10,300 rooms in 15 states, of which 25 were Marriott-branded.

1990s

This political decade was marked by a number of significant events for the industry as a whole. For Interstate, this included the formation of Crossroads Hospitality, international expansion, and significant growth of its hotel portfolio. In the 1990s, Interstate also achieved an initial public offering (IPO). The company was subsequently acquired by Patriot American Hospitality, which later spun off as an independent management company. Toward the end of the decade, Interstate operated 230 hotels.

2000s

The first decade of the new millennium provided substantial opportunities for Interstate. In 2002, Pittsburgh-based Interstate Hotels Corporation and Washington, D.C.-based MeriStar Hotels & Resorts merged to form Interstate Hotels & Resorts. By the end of the decade, Interstate announced it would be acquired by a joint venture between Thayer Lodging and Jin Jiang Hotels. In between, the company executed on a strategic growth plan through hotel investments along with an intensified international expansion, ultimately holding interests in 56 properties and operation in seven countries.

In 2010, Interstate celebrated an anniversary milestone, “Exceeding Expectations for 50 Years,” and has embarked on another decade of success with renewed energy to deliver excellence to customers and carry out its vision to be the leading, independent, multinational hotel operator worldwide.

In 2016, Interstate was strategically acquired by Kohlberg & Company from Thayer Lodging and Jin Jiang International Hotels, further positioning the Company to enrich its value proposition in the hotel and hospitality industry, with enhanced global relationships and access to capital resources benefiting its third party management model.

PROPERTY SPOTLIGHTS

Sochi Marriott Krasnaya Polyana

Gorky Gorod, Russia

Marriott International’s first hotel in Gorky Gorod, the Sochi Marriott Krasnaya Polyana Hotel opened just weeks before thousands of international visitors descended upon the city. The five-star hotel is spread over seven floors with 428 rooms and suites, situated within walking distance of world-class ski slopes and adjacent to the state-of-the-art Media Center. The hotel is located at the center of the new year-round ski resort and houses a luxury spa, as well as indoor and outdoor pools.

Streamsong Resort

Streamsong, Florida

With two critically acclaimed golf courses, Streamsong Resort sits on 16,000 acres, emphasizing a contemporary design with state of the art conference facilities and two signature restaurants. The 228-room resort features world-class bass fishing, a sporting clays facility, grotto-style spa, stunning vistas, wildlife and more in a natural Florida setting.

Powerscourt Hotel, Autograph Collection

County Wicklow, Ireland

The elegant retreat showcases Palladian-style architecture and offers guests a host of luxurious amenities including a 20-metre Swarovski crystal-lit indoor pool. The hotel features two championship level golf courses and a 30,000-square foot luxury spa by ESPA.

The Marker

Dublin, Ireland

Currently in development, this new urban style hotel overlooks Grand Canal Square and will feature 187 luxury guestrooms, spa, infinity-edge pool, bar, Brasserie Restaurant, rooftop garden and ballroom/banqueting facilities.

DoubleTree by Hilton Hotel and Spa Liverpool, UK

Liverpool, UK

Boasting a Corinthian architectural heritage and stunning original features, the 87-room DoubleTree by Hilton Hotel and Spa Liverpool is the ideal venue for business events and special occasions. Centrally located, guests enjoy easy access to Liverpool ONE – an extensive shopping, dining and leisure complex, and popular attractions, including ACC Liverpool Conference Centre and Echo Arena.

Courtyard and Residence Inn New York Manhattan/Central Park

New York, New York

Recognized at the Americas Lodging Investment Summit (ALIS) as the 2013 Development of the Year, the stacked 378-room Courtyard hotel and 261-suite Residence Inn hotel in midtown Manhattan is the tallest single-use hotel in North America. Just steps away from Central Park, the 68-story building offers guests convenient access to Carnegie Hall, the Broadway Theater District, Fifth Avenue, Rockefeller Center and Radio City Music Hall.

The Roosevelt Hotel

New York, New York

The classic New York experience, The Roosevelt Hotel opened in 1924 at the height of the jazz age and is considered a prominent landmark in midtown Manhattan. With more than 1,000 rooms and 30,000 square feet of meeting space, the hotel features a rooftop bar and lounge – Mad46 – boasting skyline views.

The Seelbach Hilton Louisville

Louisville, Kentucky

Appearing on the National Register of Historical Places, this AAA Four Diamond luxury hotel is a landmark Kentucky gem, inspiring F. Scott Fitzgerald to use The Seelbach as the backdrop for Tom and Daisy Buchanan's wedding in *The Great Gatsby*. The hotel

features a recent \$12 million renovation, 321 guestrooms, 33,000 square feet of meeting space and AAA Five Diamond restaurant, The Oakroom.

Laguna Cliffs Marriott Resort & Spa

Dana Point, California

Echoing the beauty of the Pacific Coast, the resort's red-roofed, Victorian-style architecture caps the cliffs above the bay. Laguna Cliff features 378 guestrooms, The Spa at Laguna Cliffs, 50,000 square feet of meeting space, two restaurants and a 2,500-square-foot fitness center.

Hyatt Vineyard Creek Hotel & Spa

Santa Rosa, California

Savoring the charm of a Tuscan villa set in the heart of Sonoma Wine Country, this AAA Four Diamond hotel features the award-winning Brasserie Restaurant and full-service spa, Le Carré. With 155 guestrooms and 40,000 square feet of meeting space, the Mediterranean style hotel is a short drive to more than 200 Sonoma wineries, the Pacific Coast and Napa Valley.

CORE VALUES

From the beginning, Interstate has held fast to a set of core values that shaped how the company evolved and prospered. Interstate believes in delivering excellence. This unwavering commitment to the founding beliefs that guide the company helps hotel owners succeed in any marketplace, through any economic cycle.

Act with integrity

Acting in a manner that befits Interstate's position as an industry leader.

Be a team player

Bringing every contributor together for the betterment of all.

Embrace others' differences with respect

Valuing the insight of each individual and treating them as an important member of the team.

Deliver excellence

Delivering excellence is the cornerstone of each and every effort, each and every day.

Promote innovation

Striving not just to meet, but exceed the industry in all Interstate does.

Communicate openly and often

Facilitating conversations and the exchange of ideas.

Be of Service

Delivering exceptional service to our guests, fellow associates and communities in which we live and work.

**AWARDS &
ACCOLADES**

The Post 200, *The Washington Post*, 2013

Corporate Hotelier of the World, *HOTELS*,
Thomas F. Hewitt, Chairman of the Board, 2012

Top Third-Party Hotel Management Company, *Hotel Management*,
2012 – 2016

Top Hotel Company, *Hotel Management*, 2013- 2015

Top Hotel Management Company, *Hotel Business*, 2010 – 2015

Top Owners & Developers, *Hotel Business*, 2014 – 2015

Top Hotel Management Company, *Lodging Hospitality*,
2010 – 2012 (*publication no longer in circulation)

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