



NYLO
OWN UNIQUE

XP
EXPERIENCE THE
DIFFERENCE





INTRODUCING NYLO

NYLO Hotels, LLC is the innovator and leader of an entirely new class of hotels within the lodging category described as *loft accommodations*. NYLO is a lifestyle hotel company that combines the dynamic qualities of urban residential loft-style living with the best of industry features of leading hotels around the world.

NYLO has two related lifestyle hotel brands:
NYLO, a full service, upscale hotel and
XP by NYLO, a select service, upscale hotel.



- 👁 Entrance, NYLO Plano at Legacy
- 👁 NYLO Plano at Legacy



- 🕒 Rendering of exterior, XP by NYLO
- 🕒 Rendering of lobby, NYLO Providence/ Warwick

NYLO and XP by NYLO offer a unique alternative for travelers who want a reprieve from the traditional, unemotional hotel experience and prefer a lifestyle oriented experience that offers a highly social atmosphere rich in design, art, music, energy and comfort. Both NYLO and XP by NYLO were specifically designed to appeal to both business and leisure travelers and both feature contemporary and technological amenities that better serve the guest. Above all, both NYLO and XP are fully functional hotels that have improved upon their core fundamental purpose - to provide a safe, clean, and comfortable place to sleep, work, relax and refresh.

NYLO's lifestyle hotels are based on the premise that travelers are seeking innovative design and good value. This has been demonstrated in recent years by the proliferation of chic, cutting edge and innovative design across varied industries including: retail, restaurant, residential, apparel, automotive, home furnishings, television and technology. NYLO has taken the most recent innovations of the hotel, construction and retail industries and combined them to create design driven lifestyle brands that are functional, comfortable, exciting and fun.

Until recently, the “chic phenomenon” in the hotel industry had been limited to the international gateway cities where lifestyle (sometimes referred to as “boutique”) hotels have flourished and are outperforming the traditional branded hotels. For example, in New York City, San Francisco, Chicago and Miami there are dozens of lifestyle hotels that consistently outperform more established branded hotels. The reason the lifestyle hotels had not spread to secondary markets was twofold. First, the majority of the boutique hotels in the international gateway cities were conversions. In the secondary markets, they are very limited assets available for conversion, and the assets that are available for repositioning are, for the most part, physically and/or functionally obsolete.

Second, the relatively lower average daily room rates (ADRs) in the secondary markets as compared to the ADRs in international gateway cities, coupled with the high construction costs of the purpose built lifestyle hotels made it difficult to justify the development of lifestyle hotels in the secondary markets. Prior to NYLO, no one had developed a lifestyle hotel prototype that was economically feasible to build in markets where ADRs averaged less than \$200

The most successful brands to proliferate in secondary markets in recent years have been Courtyard by Marriott (launched in 1983 and currently has approximately 700 units in the U.S.) and Hilton Garden Inn (launched in 1996 and currently has over 300 units in the U.S.). The most important reason for the success of these brands was that they did an excellent job of providing efficient prototypes to build and operate. The NYLO team approached the development of NYLO’s brands in the same fashion as these successful brands and developed efficient new build prototypes for NYLO and XP by NYLO.





NYLO BACKGROUND

NYLO and XP by NYLO are the culmination of a pro-active and comprehensive project that has been ongoing for several years. The project's objective was to develop a new category of hotels that would offer the best elements of design, amenities and service previously found only in the leading boutique hotels of the world's major gateway cities in efficient and economical new-build prototype buildings that are suitable for development on a mass market basis in suburban, secondary, and tertiary markets.

NYLO is a fully integrated hotel company that has the ability and experience to provide a full range of hotel development and management services to a project on an as need basis. NYLO is also a hotel franchise company that is able to work with owners, developers and management companies under a franchise relationship.



- ◀ Front doors, NYLO Plano at Legacy
- ▲ NYLO management team

NYLO was founded by top professionals in the hotel industry with a wide variety of specialization and over 100 years of experience in all aspects of hospitality ownership, operation and development. Each founder brought unique and valuable experience and influence to the creation of the physical product, culture and character that is NYLO. In designing hotels, the founders have carefully considered the various needs of its guests, hotel's associates and the communities in which the hotels are developed, while also maintaining a clear focus on the needs and considerations of the developers and investors who provide the funds to develop the hotels.

- ◀ Rendering of The Loft, NYLO Providence/ Warwick
- ▶ Mike Mueller, Chris Jones, Mayor Scott Avedisian and mill owner Hamp Hodges at NYLO Providence/ Warwick ground breaking ceremony





Michael Mueller, President & Chief Development Officer

Michael Mueller has been involved in the acquisition and/or development in excess of \$20 billion of hotel assets and has been active in the hotel industry for over 16 years. Michael was instrumental in the creation and dramatic growth of Starwood Hotels into one of the world's largest hotel companies. During his time at Starwood, Michael was intimately involved and/or led the formation of Starwood Hotels, the acquisition of Westin Hotels, the acquisition of ITT Sheraton, the launch of the W brand and the development efforts for all Starwood's brands. Just prior to his departure, Michael was leading the global development, acquisitions and construction for the W Hotels brand. After spending 12 years with Starwood Capital and Starwood Hotels & Resorts, Michael Mueller left Starwood in early 2004 to pursue his vision and business plan for a new breed of lifestyle hotels.

Stephane Dupoux, Designer

Michael immediately teamed up with Stephane Dupoux to begin work on the lifestyle hotel concept. Stephane is a concept designer of cutting edge restaurants, nightclubs and hotels around the globe and the recipient of numerous awards. His work includes some of the hottest venues in New York and Miami, such as the original Nikki Beach in Miami and Buddha Bar in New York. Stephane is the only founding partner that is not working full time with NYLO as he continues to pursue his passion of creating design concepts for other clients. Nevertheless, Stephane remains involved with NYLO and is currently working on the bar design for one of the planned NYLO hotels.

Chris Jones, EVP Development & Construction

Chris Jones joined the team in August 2004 from LaSalle Investment Management at Jones Lang LaSalle. With Chris' extensive background in development and construction, Chris, Michael and Stephane worked tirelessly to create the NYLO concept and the prototype, which were vigorously refined several times with an eye toward efficiency, functionality and design. With Chris' experience of design and its interface with construction means, NYLO has managed to engineer a building that is truly unique in terms of both design and its construction. Chris has 15 years experience in overseeing the development of numerous real estate projects throughout Europe and the United States, including many hotel projects. Before joining NYLO, Chris led a mid-stream takeover of the development of the \$800 million Westin Diplomat Hotel in Ft. Lauderdale, Florida - a 1,060 room luxury resort project.

John Russell, CEO

The team then focused on bringing on a partner with hotel operation and marketing experience to launch the brand and John Russell certainly filled the bill. John quickly recognized the need in the marketplace for NYLO and joined the team in March 2005. As a 30+ year veteran of the hospitality industry, John has led the industry in the marketing, operations and franchise sales of a range of hotels, from economy to luxury. He has held a number of positions over the years at hotel companies including: Cendant, Days Inn, Sheraton and Carlson Companies, including the role of Chairman and CEO of the hospitality division of Cendant where he oversaw eight hotel brands and 6,500 hotels. He is also the past Chairman of the American Hotel and Lodging Association, the past President of the Hospitality Sales and Marketing Association International, and sits on several industry boards. With John on board, the team began to test the product with focus groups and made further refinements based on customer feedback.

David Klein, EVP & General Counsel

David Klein joined the NYLO team in November 2005 and brought a depth of experience in hospitality law. Prior to joining NYLO, David was an equity partner in the Phoenix office of Squire Sanders & Dempsey, an international law firm of over 800 attorneys. As a partner in the Hospitality Group, David specialized in real estate and commercial finance transactions, with most of his practice focused on hospitality and leisure for clients such as Kimpton, Starwood, Hilton, KSL and numerous hotel developers.

Patrick O'Neil, EVP Operations

Patrick O'Neil joined the NYLO team in November 2005 and brought a depth of hotel operations experience. Patrick was formerly with Starwood Hotels & Resorts, most recently acting as Director of Operations for the Sheraton New York & Sheraton Manhattan. As the son of noted hotelier Paul O'Neil, Patrick literally grew up in the hotel business. Patrick also holds an MBA degree from Harvard University. Working with Patrick, the team made further revisions to the prototypes to maximize the operational functionality and efficiency.





- 🕒 Legacy Conference Room, NYLO Plano at Legacy
- 🕒 NYLO exterior wall sign

Supporting the senior executives and advancing the NYLO brands, are a group of individuals that also bring a wealth of diverse experience in the hotel industry to NYLO:

Charles "Chick" Armstrong	Senior VP of Franchise Development
Bona Allen	Corporate Controller
Stephen Taylor	Construction Director
Tim Copella	Director of Purchasing
Amanda Emmo	Design Associate
Liz Larkin	Office Manager
Jenny Sung	Corporate Accounting Analyst

As an entrepreneurial, management owned company, NYLO's senior management team is intimately involved in every project so that each hotel project has the benefit of seasoned principals providing experience and expertise from various disciplines. Most importantly, the NYLO management team is passionate about NYLO and committed to making every project a success.



NYLO HOTEL BRANDS

NYLO has introduced two revolutionary and unique lifestyle hotel brands: NYLO and XP by NYLO. The two brands differ in price point (both development cost and ADRs), hotel facility programs, and amenities and service, but both offer guests unique, residential loft-style living with innovative design, smart style and unexpectedly affordable luxury.

The broad target category for NYLO and XP by NYLO is the transient business traveler. NYLO has been designed with this guest in mind and has all of the necessary amenities to serve the business traveler. In addition to serving the business traveler, NYLO will capture more than its fair share of leisure business because of its unique design, food and beverage offerings, fitness center, and loft accommodations. NYLO and XP by NYLO are consciously targeting a very broad demographic with the aim to be a diverse gathering place with broad appeal.



- 📍 Hanging chair, lobby of NYLO Plano at Legacy
- 📍 NYLO and XP by NYLO logos



NYLO Suite

XP King Suite

The targeted demographic are corporate travelers, men and women, 25-55 years of age. The targeted demographic is therefore, primarily made up of Generation X (age 27-40) and Baby Boomers (age 41-59) cohorts. Within the target demographic, NYLO is more specifically seeking to capture people who are active, technologically savvy and interested in arts, music, food and dining, sports and an experience beyond the tired humdrum of typical business travel.

A hallmark of both brands is the loft-style accommodations or "guest lofts". The guest lofts have over-sized windows, soaring 10-foot ceilings, exposed brick interior (a double-skin, brick external wall that allow both internally and externally exposed brick), custom-made furniture and lighting, original artwork, soft lighting and luxury bedding (including the incredibly received NYLO NYTE mattress).



⌚ XP Bathroom

⌚ NYLO Bathroom

Both NYLO and XP by NYLO also have dynamic and energetic public areas. NYLO features *"The Loft"*, a three-meal restaurant and bar that includes a library area with business center, a pool table, boutique shop and cafe. *The Loft* functions as a dining area, events venue, lounge, meeting place, cafe or living and relaxation room with free wireless internet connections. The atmosphere in *The Loft* changes throughout the day and night.

The restaurant offers an eclectic but sophisticated cuisine including several healthy options and several market driven, local taste options. *The Loft* is uniquely designed for each NYLO hotel by different leading designers and aims to combine an element of the local market with an urban experience. Some of the designers who have contributed to *The Loft* include Dupoux Design, Studio Architecture and Johnson Studios.

At XP, the gathering area and heart of the hotel is the lobby, which is an elegant yet energetic space with 20-foot ceilings, large windows and exposed brick. Plush furnishings and a fireplace warm up the loft style space. The lobby has been designed to serve multiple purposes throughout the day. The focal point for the lobby is a large desk that serves multiple purposes: reception, bar or an area to work on a laptop. A full breakfast is served in the mornings and grab-and-go fare is available the rest of the day and night.

NYLO



Overview

Class	Full Service, Upscale
Number of Keys	150 - 200
Average Key Size	320 s.f.
Average Rates	\$120 - \$165
Rack Rates	\$150 - \$250
Primary Competitive Brands	Marriott, Sheraton, Hilton, Westin, Doubletree
Secondary Competitive Brands	Aloft, Hyatt Place, Courtyard by Marriott, Hilton Garden Inn

Amenities

F&B Area	+/- 3,500 s.f.
F&B Service	Three meal restaurant, bar & cafe
Meeting Facilities	2,000 - 10,000 s.f.
Fitness Center	900 - 2,100 s.f. fitness center with his and her changing rooms & steam and sauna room
Other/Optional	ballroom, courtyard, pool optional

Buildings and Sites

Gross S.F.	80,000 - 105,000 s.f.
Gross S.F./Key	500 - 525 s.f.
Land Size	3.5 - 4.0 acres
Frame	Tunnel form concrete
External Wall System	Double brick masonry
Construction Period	10 -12 months

Costs Per Key

Hard Construction Costs	\$68,000 - \$74,000
Room FFE & OSE	\$10,000 - \$12,000
Public Area FFE & OSE	\$4,000 - \$5,000
IT	\$2,000 - \$3,000
Total FFE & OSE	\$16,000 - \$20,000
Costs/Key*	\$84,000 - \$94,000
Total Costs/Key**	\$120,000 - \$165,000

* Costs include only hard costs, FFE and OSE

** Total costs include hard costs, FFE, OSE, site work, A&E, soft costs, financing and land (all in)



XP

Overview

Class	Select Service, Upscale
Number of Keys	90 - 140
Average Key Size	265 s.f.
Average Rates	\$90 - \$120
Rack Rates	\$125 - \$165
Primary Competitive Brands	Aloft, Hyatt Place, Indigo, Cambria Suites, Courtyard, Hilton Garden Inn
Secondary Competitive Brands	Hampton Inn, Holiday Inn Express

Amenities

F&B Area	+/- 2,500 s.f.
F&B Service	Full breakfast, grab-n-go lunch and dinner, bar
Meeting Facilities	500 - 2,000 s.f.
Fitness Center	500 - 1,000 s.f. fitness center
Other/Optional	courtyard, pool optional

Buildings and Sites

Gross S.F.	40,000 - 58,000 s.f.
Gross S.F./Key	400 - 425 s.f.
Land Size	1.8 - 2.5 acres
Frame	Tunnel form concrete or stick
External Wall System	Double brick masonry wall
Construction Period	9 - 11 months

Costs Per Key

Hard Construction Costs	\$46,000 - \$52,000
Room FFE & OSE	\$5,000 - \$7,000
Public Area FFE & OSE	\$2,000 - \$3,000
IT	\$2,000 - \$3,000
Total FFE & OSE	\$9,000 - \$13,000
Costs/Key*	\$54,000 - \$65,000
Total Costs/Key**	\$85,000 - \$110,000



ONLY @ NYLO

NYLO and XP by NYLO are not merely hotel brands - they deliver an attitude, an aesthetic, and a point of view. At NYLO the heartbeat of innovative design, smart style, and unexpectedly affordable luxury is further empowered and presented through the ONLY @ NYLO program. ONLY @ NYLO is a combination of distinctive lines and programs that make up the NYLO character. Through a marriage of music, art, fashion, and functionality ONLY @ NYLO creates a singular vision that's unmistakably NYLO.



- 🕒 NYLO Wear runway show at NYLO Plano
- 🕒 NYLO Music, fall volume 1 cover



NYLO Wear

Associates at NYLO Hotels wear custom designed apparel by Daniel Vosovic, the fan favorite designer from the Emmy-nominated *“Project Runway.”* Called NYLO Wear, the 20-piece collection is designed to look good in the hotels, in the office and on the street. The versatile, mix-and-match clothing line includes sweaters, skirts, pants, shirts, ties, belts, bags and more. Guests will enjoy seeing smart, cutting edge fashions that provide the perfect balance of style and comfort. The apparel is also available for guests to buy in the hotel’s boutique shop located in *The Loft*.





Endeavour Bow by Michael Eudenbach (NYLO Providence/ Warwick Art Contest) 

NYLO Wear sketch by Daniel Vosovic 

Heidi Klum & Daniel Vosovic 

NYLO Music & NYLO Uncovers

NYLO's compilation CD, "*NYLO Uncovers*", spotlights up-and-coming musicians from across the country and internationally. The CD's aim is to help launch careers of musicians by providing broad exposure for their music while enhancing the richness of the NYLO experience. Thus far, three CDs have been compiled: *NYLO Uncovers Summer, Fall and Winter, Volume 1*. NYLO Music is played in *The Loft* and available for purchase at NYLO and XP by NYLO Hotels' boutique shops or at the NYLO website. The artists are selected from all over the world, but an effort is made to include artists from the local markets where NYLO hotels are constructed. The artists are featured live at the hotel's opening parties. NYLO Uncovers provides NYLO's guests access to a variety of artists that they otherwise might have never discovered and this provides the artists great exposure to a wider audience.

NYLO Art

Every NYLO showcases the creativity of local artists. NYLO works closely with arts groups in each of the markets in which it develops a hotel to encourage emerging artists to enter an art competition and submit original paintings and photography reflecting the spirit of the community. The management team then chooses the winners of the competition whose art is displayed in the guest rooms, corridors, meeting areas and *The Loft*. The NYLO art program aims to both enhance the aesthetic ambiance of the hotels and provides a showcase for talented new artists.

Green Features

Wind power supplies approximately half of the energy needs of NYLO's inaugural property, and the brand remains focused on expanding its eco-friendly approach in future hotels. NYLO's Green construction and operation policies calls for using the most energy efficient building materials and techniques, including a minimum of 50% recyclable materials. For instance, with its narrow thermal range, the brand's concrete and brick construction reduces electricity usage for heating and cooling. Desk pads and folio binders use recycled paper, and bath amenities come in recycled bottles and have no chemical preservations like Paraben.

- 🕒 NYLO bath amenities in recycled bottles
- ▶ NYLO room featuring allergy friendly PURE filtration system





Allergy Friendly Guestrooms

Each NYLO offers an entire allergy friendly floor, with all guestrooms incorporating a comprehensive, seven-step purification system from Pure Solutions North America. Of all the lodging brands, NYLO is the industry leader, with the largest percentage of inventory dedicated to this comprehensive air purification system. Each NYLO Pure Room receives a certified purification treatment, has a medical grade air purifier, hypo allergenic bedding and more. NYLO's Pure rooms are designed to enhance any guests' experience but can deliver even greater comfort for the millions of travelers that are sensitive to odors or suffering from allergies, asthma or other respiratory illness. NYLO also takes pride in providing a 100% smoke free environment throughout all of the NYLO hotels.

Club NYLO

At NYLO, the guest recognition program is every bit as unconventional as the hotels. Club NYLO is a program that rewards frequent guests, builds relationships with customers through direct communication and compelling offers, and aids the company in building an expansive customer database. NYLO's loyalty strategy rests on three key pillars: 1) *Stealth*: under the radar, unexpected, 2) *Surprise and Delight*: respond to customer's expectations in unusual ways, and 3) *Lifestyle*: respond to customer's desire to have a refuge from the rigors of the road and maximize personal comfort and productivity.

Tech-Friendly Amenities

Free WiFi is available throughout NYLO hotels. Guest lofts have free wireless and wired high-speed internet access, 32-inch flat screen TV's with high definition programming and an iPod compatible audio system. The brand's high-tech, 24-hour gym houses top of the line Life Fitness cardio equipment. Guests plug in their iPods and control playlists and watch movies from the equipment's large integrated LCD screens.

- 📺 Fitness Center, NYLO Plano at Legacy
- 📶 Free bottled water and WIFI in every room





No Nickel and Diming

All NYLO hotels have numerous complimentary amenities including: bottled water in the guestrooms, local and domestic long distance phone calls, WiFi throughout the entire hotel and Ethernet in guestrooms, fax and copying services, parking (depending on market) and shuttle service to area shopping, dining, entertainment and the airport (depending on market).

NYLO NYTE

The guest feedback on the NYLO NYTE bed has been fantastic and it is only available at NYLO. NYLO worked with Simmons to develop the best bed in the industry - NYLO NYTE - which is a 15.5" Beautyrest pillow-top, custom mattress. The NYLO NYTE mattress is topped with: triple sheeting made of 100% combed cotton from the finest single ply yarn, finished to create the softest, most durable, high thread count sheet of its type; the highest quality "down like" pillows and blankets manufactured with non-allergenic micro-fiber fill and a high thread count; and a custom 100% cotton coverlet. All linens, blankets, and pillows are made by Harbour Linen - the nation's premier manufacturer of quality linens.



NYLO EXPANSION & GROWTH

NYLO has set the goal of having 50 hotels open or under construction by early 2011. This includes both NYLO and XP by NYLO hotels.

NYLO's growth plan will be accomplished by simultaneously pursuing two avenues:

1. Corporate owned, developed and operated hotels, and
2. Franchise agreements with third party owners, developers and operators.



🕒 Plano Conference Room, NYLO Plano at Legacy

🕒 NYLO Plano at Legacy, under construction (opened Dec. 2006)



As a core part of its business plan, NYLO made the strategic decision not to launch the franchising until it had developed, constructed and operated at least a few corporately owned hotels in order to fully understand the product from a developer's perspective. As a result, the first six hotels listed below are all corporate owned, developed, and managed hotels.

City	Brand	Keys	MSA	Opening
Plano	NYLO	176	Dallas/ Fort Worth, TX	December 2007
Warwick	NYLO	163	Providence/ Warwick, RI	August 2008
Irving	NYLO	200	Dallas/ Fort Worth, TX	April 2009
Overland Park	NYLO	160	Kansas City, MO	September 2009
Broomfield	NYLO	176	Denver/ Boulder, CO	March 2010
Durham	XP	127	Raleigh/ Durham, NC	January 2010

NYLO will continue to corporately develop, own and operated additional hotels going forward; however, franchising will play an increasingly significant role in the brand's growth. NYLO first made the brands available for franchising in February 2008 and has filed a franchise disclosure document (FDD) in 47 states and is therefore licensed to sell franchises in 47 states. Interest in the NYLO brands has been extensive from both hotel developers and other real estate developers at large. The NYLO team is currently exploring dozens of sites with third party developers and franchisees across the country for both NYLO and XP by NYLO. The majority of NYLO's growth in the future will be accomplished through the franchising program.

Third party developers recognize the need for a fresh and exciting lifestyle hotel product that is economical to build. The product has been especially well received as an amenity for lifestyle retail centers as well as suburban office markets and airport markets. Additionally, several developers are pursuing locations in central business districts and downtown areas of large metropolitan cities.

The development community appreciates that NYLO has “put its money where its mouth is” and made the decision to corporately develop several hotels prior to franchising. They also understand that the NYLO management team approaches each project not only as a brand, but also as hotel owners, operators and developers. This approach has enabled NYLO to understand the need for flexibility and the delicate balance of considerations each project must make for the hotel guests, the hotel operator, the investor, the developer and the communities in which the hotels will operate.

NYLO offers developers and franchisees an innovative concept that is efficient to construct and the personal support of its experienced senior management team.

◀ Rendering, NYLO Broomfield

◀ Reception desk, NYLO Plano at Legacy





NYLO PROTOTYPE BUILDINGS


NYLO worked on the prototype buildings for several years before it even started to build the first hotel. A substantial amount of time, thought and experience went into every aspect and every inch of the prototype buildings to make the buildings efficient and functional and to create NYLO's cutting edge design aesthetic. Taking inspiration from the urban residential loft, NYLO's buildings represent bold design with striking brick facade's, soaring ceilings and flexible open space.



- 🕒 Entrance, NYLO Plano at Legacy
- 🧱 Brick panel construction



Courtyard, NYLO Plano at Legacy 

Rendering of exterior, XP by NYLO 

The structure is poured in place, tunnel formed concrete, polished and left largely exposed throughout the hotel. The concrete surfaces together with large, oversized windows, soaring 10-foot ceilings and the exposed brick external walls complete the loft “shell”. The guest loft is furnished with custom furniture and artwork, avoiding any expensive “built-in” pieces or pieces that require extensive on-site carpentry. The external brick wall system is a double brick panelized system that can be built on-site or off-site. The double brick system allows for the inside of the external wall to be exposed in the hotel and creates a uniquely warm and lofty environment. This wall system was developed by NYLO and is only marginally more expensive than alternative methods that don’t deliver any aesthetic enhancement.

Practicality and design strike a balance throughout NYLO and XP by NYLO. The loft is an enduring design with inherent simplicity that fits in and is additive to just about any location. The brick and concrete construction not only lends authenticity and charm, but makes for quiet rooms, durable construction and with its narrow thermal ranges lowers heating and cooling costs. The polished concrete floors are aesthetically attractive, practical and easy to clean. Exposed conduits and sprinklers provide significant economic savings and make for easy repairs. House-keeping attendants require less time to clean a NYLO room than a typical hotel room due to the design considerations such as the concrete floors.

NYLO's buildings utilize proven construction techniques and are quick to construct. The first two NYLO hotels in Plano, Texas and Warwick, Rhode Island had construction periods of 12 months (from shovel in the ground to open for business). Future hotels will improve upon this time scale with goals of 10 months for NYLO and 9 months for XP by NYLO.

The NYLO buildings are sturdy, institutional quality structures with surprisingly efficient development costs. NYLO's ability to approach development from the perspectives of a developer, owner and operator drove the NYLO team to create a better design at a more economic development cost than buildings of less quality or attractiveness. NYLO was able to capitalize on construction and design savings from its highly efficient use of space, construction techniques and the lack of, or reduced use of, sheetrock, drop ceilings, crown moldings and other traditional finishes by reinvesting these savings into amenities like *The Loft*, and other items that market research reveals are most important to the guests, such as the NYLO NYTE mattress, luxury linens and custom furnishings.

NYLO is prepared to offer all franchisees technical assistance regarding the construction means and methods to the extent necessary or desired.

The hotels have also been designed to operate efficiently - one associate can serve multiple roles from convenient locations in the hotel. For example, in *The Loft*, one associate can serve from the bar, wait a table or receive the boutique. At XP, one representative can provide multiple services from the centralized lobby bar, including reception, F&B services, sundry service, printing and faxing.

Furthermore, NYLO has significantly reduced the construction risk by virtue of the prototype model. Lenders will appreciate that NYLO has built the same or very similar building several times in a variety of markets across the country and has a track record of costs and of being on time and on budget. Furthermore, franchisees will be able to benefit from NYLO's relationship with several of the major sub-contractors (for example; concrete, brick external wall system and glass).

NYLO's lifestyle hotels are efficient to build and operate yet offer a dynamic and fun place to stay that exceeds the fundamental requirements of a business hotel. This translates to a low cost per key, high average rates and superior returns on investments.





RESERVATIONS NYLO

A question that is often asked of NYLO is, "how does a hotel that is part of a small chain like NYLO fill the rooms?" Few people realize that the world of hotel reservations has changed so much in the past few years. The fact is, NYLO has the ability to fill its rooms through all the venues and channels available to any hotel, including hotels that are part of large chains. This is primarily true for two reasons: 1) the rise of third party distribution providers, and 2) the widespread acceptance and use of the internet as a means of booking rooms.




NOT JUST A BUSINESS HOTEL. A TRUE DEPARTURE. At last, a destination for business travelers where high style and high affordability are given equal attention. Where your need for productivity is held in perfect balance with your desire for relaxation. Where a low carbon footprint meets service that goes above and beyond. And where the unexpected always comes standard. For more information or to book your reservation at NYLO Plano at Legacy, please visit NYLOhotels.com.



- ◀ Advertisement for NYLO Plano at Legacy
- ◀ Preston Conference Room, NYLO Plano at Legacy



 NYLO standard king guestroom

Reservation Systems

NYLO has an agreement with SynXis (www.synxis.com) to provide distribution (reservation) services. SynXis, owned by Sabre, is the industry leader in distribution and technology services. SynXis captures more bookings, through more channels (From travel agencies to corporations, to online leisure customers) than any other central reservations system (CRS) provider, including the large chains like Starwood, Hilton and Marriott. SynXis, with six global offices, is the preferred provider of reservation products and services for over 10,000 hotel properties in over 100 countries representing over 750,000 hotel rooms.

SynXis' customers include casinos (Harrah's Entertainment), Resorts (L'Auberge de Sedona), Chains (Dolce International), Independent Hotels (Wilshire Grand Hotel & Centre) and Hotel Management Companies (Interstate Hotels & Resorts.)

The SynXis system works with the hotel to allow guests to reserve rooms in the following ways:

Voice & Telephone

NYLO's 1-800 reservation number and each NYLO hotel's local telephone number is published on the NYLO website, local advertisements, etc. NYLO takes reservations in-house (the phone rings through to the hotel) and at night the calls roll-over to SynXis which answers the calls and makes the reservation. Every NYLO hotel has 24-hour/365 day telephone coverage.

Locally Negotiated Rates (LNRs)

Locally negotiated rates (which includes group negotiated rates and other “contracted” business) are “preferred rates” negotiated directly with local companies and other organizations. Most of the LNRs are negotiated on an annual basis and the rate is based on the expectations of a minimum number or room nights the company will demand during the year. Some LNRs are negotiated on an ongoing, every day basis with individuals, groups and companies for events or special occasions such as a wedding or meeting.

Once an LNR rate is negotiated, the attendees, associates or covered guests are provided a “rate code” and can book via telephone, through a travel agent or the NYLO website. The rate code will automatically provide them a pre-approved rate. The process is very simple and it all runs through SynXis.

In each market, NYLO aggressively focuses its sales efforts on the local transient demand generators such as corporations, conference centers, event venues and organizations. These efforts are done locally by trained sales people who work hard to develop good relationships and negotiate LNRs with local businesses and the community. The sales effort goes well beyond negotiating the LNR and the relationship must be ongoing; the covered guests, the associates that book their rooms, and the travel agents that work with the company that have the LNR need to be made aware of the LNR and the benefits of staying at a NYLO Hotel. Whether part of a large or small chain, all hotels compete on a level playing field when vying for contract business and each other is only as good as its sales team, service and product.

Global Distribution System & Travel Agents

Travel agents can access rates at NYLO and XP by NYLO hotels through the GDS (Global Distribution System). The GDSs that NYLO is participating with include, among others: ABC Companies, BCD, Carlson Wagonlist Travel, CCRA, Custom/Hickory Travel Systems, RADIUS and TRAVELSAVERS.

Internet

Internet bookings originate from two sources: 1) the NYLO website (www.nylohotels.com) on which there is a reservations page (NYLO booking engine) that is powered by and linked with SynXis and allows for direct, easy and immediate booking, and 2) third party websites such as Expedia, Orbitz, Travelocity and several others, where each NYLO hotel is posted on these sites. The third party websites are also linked in with the reservations system and NYLO can turn this business on or off as needed to maximize the revenue. NYLO can turn on and offer rooms during soft periods, or turn off during stronger periods but remain visible on the third party websites and thereby the third party websites serve as a marketing tool to create awareness.

Walk In

Each NYLO hotel has 24-hour per day, 364 days per year front desk coverage to immediately accommodate any guests that walk in to the hotels.





Lifestyle suite, NYLO Plano at Legacy 

NYLO website, featuring online booking 

NYLO Website

People come or are directed to the NYLO website in one of three ways:

1. Direct to NYLOhotels.com

Guests that have stayed with NYLO before, have read an article or advertisement about NYLO, or who are otherwise already familiar with NYLO will most likely book directly through the NYLO website or one of 35+ other domains that link directly to the NYLO website (for example, xphotels.com).

2. Partner or Referring Website

Referring websites include websites to third parties that list hotels in the market (e.g. local convention of visitors bureau) as well as other websites that promote events, products, destinations or other items whereby it is in the promoter's best interest to advertise and/or promote the NYLO hotel. These websites will list refer their users to the NYLO hotel. For example, there are several lifestyle oriented sites that seek to attract an upscale lifestyle clientele to their site and thus seek to make their users aware of new restaurants, bars, hotels etc.

3. Organically from Search Engines

The largest portion of NYLO's traffic comes from search engine such as Yahoo and Google, where people will simply go to www.google.com and enter key phrases such as "hotels in Plano, TX" in the search window, hit enter and see what appears. NYLO has retained internet marketing experts (Milestone Internet Marketing, Inc.) to help optimize NYLO's visibility and "hits" from the search engines. Milestone accomplishes two main objectives for NYLO: 1) traditional search engine optimization whereby Milestone actively manipulates/links data and key words on the internet that results in NYLO hotels appearing at the top or in prime locations on the screen when results from search engines, like Yahoo and Google, are displaced; and 2) "pay-per-click" marketing in which NYLO buys key words on the search engines. Milestone is a full-service internet marketing solution provider for the travel and hospitality industry. It currently works for 650 hotels nationwide driving over \$85 million in annual revenue. Milestone's clients include several major lodging brands (e.g. Choice Hotels, Best Western International, and Hilton) and some of the largest management companies (e.g. Davidson Hotels and Interstate Hotels and Resorts).



PROPERTY: NYLO Plano at Legacy

NUMBER OF NIGHTS: 1

PROMO/GROUP/IATA CODE:

ARRIVE: (MM/DD/YYYY)

ADULTS: 1

CHECK AVAILABILITY

CHILDREN: 0

CLOSE

[NYLO HOME](#) | [LOCATIONS](#) | [NYLO DIFFERENCE](#) | [NYLO LIFE](#) | [ClubNYLO](#) | [ABOUT NYLO](#) | [CONTACT US](#)

AT LAST, A HOTEL AS UNIQUE AS YOU ARE.

Welcome to NYLO Hotels, a groundbreaking concept that completely redefines urban-style lodging. Modern, but with a timeless sense of hospitality. High-design, but highly affordable. Outside the mainstream, but right in the middle of everything. Business, but never as usual.

For a quick overview on what makes NYLO a truly one-of-a-kind destination, click the [STAY](#) and [WORK](#) buttons below.

Ready to stay unique?

Click on the [BOOK](#) button above to reserve your room or meeting space.



LET YOUR PORTFOLIO LIVE A LITTLE.

SALES, PROMOS & P.R. NYLO

NYLO's sales strategy is a "boutique" approach whereby NYLO's local sales people, at the hotel level, are actively developing direct, personal relationships with the businesses in the local community. Additionally, all associates are specifically trained to be sales people on the front line so that the sales and marketing process does not end when a guest books a reservation, but rather, is a continuing effort to establish and maintain an ongoing relationship with the guest.



Franchise advertisement for NYLO and XP by NYLO ◀

NYLO meeting room amenities ▶



OWN UNIQUE

High design meets high affordability at the full-service NYLO and the select-service XP by NYLO. Discover two truly unique loft hotel opportunities. And add some excitement to your franchise. Email franchiseinfo@NYLOhotels.com today.

The NYLO sales program focuses on the metro market areas surrounding each NYLO hotel. The specific targets are companies and organizations that create significant incoming business travel and are in need of a hotel that fits the requirements of their preferred hotel program and the desires of their guests. Each NYLO hotel has a director of sales (DOS), a sales manager, and possibly a sales coordinator that is responsible for negotiating LNRs and maintaining the LNR relationship, generating group business and booking banquet/catering business.

In specific months, airport billboard, magazine and newspaper campaigns are launched for local awareness and reservations call-to-action. The DOS is responsible for local advertising, promotions, and local public relations.

- ▶ Lust, Life & Learn by Nicole Morrow (NYLO Plano at Legacy Art Contest)
- ▶ Advertisement for NYLO Plano at Legacy



NYLO PLANO AT LEGACY • 8201 PRESTON RD • PLANO, TX 75024 • 972.624.6990 • NYLOhotels.com/plano



NYLO works with the most progressive advertising agencies in each market it enters. For example, in Plano, NYLO retained Launch, a Dallas based advertising agency that is creative and thinks outside the box when creating advertisements for NYLO. Launch's other clients include Paris Las Vegas, Rent-A-Center, and Fogo de Chao Brazilian Steakhouse.

At NYLO the local community serves as a component of NYLO's sales efforts. Each hotel is "localized" to be a unique, special place that the local residents and businesses are proud to have in their community. NYLO accomplishes this in part through its unique architecture and design and by incorporating a local dimension into the design of *The Loft*. In addition, NYLO establishes itself as the local hotel of choice via efforts such as community involved promotional events, featuring local musicians on the NYLO Uncovers CD, featuring local artists in the NYLO art program and featuring NYLO wear in the boutique. NYLO is a firm believer in and actively encourages each hotel and its associates to become active participants in the community and local charities that support the community. By establishing NYLO as the "hotel to experience" NYLO is fortunate to receive the added support of the local residents and their word-of-mouth support.

NYLO's promotional efforts are specifically aimed at its broad target demographic, but with a focus on those persons who appreciate music, design, art, lifestyle, standing out, comfort, energy, entertainment. NYLO is seeking those persons who want to enjoy themselves while traveling and make an experience out of it.

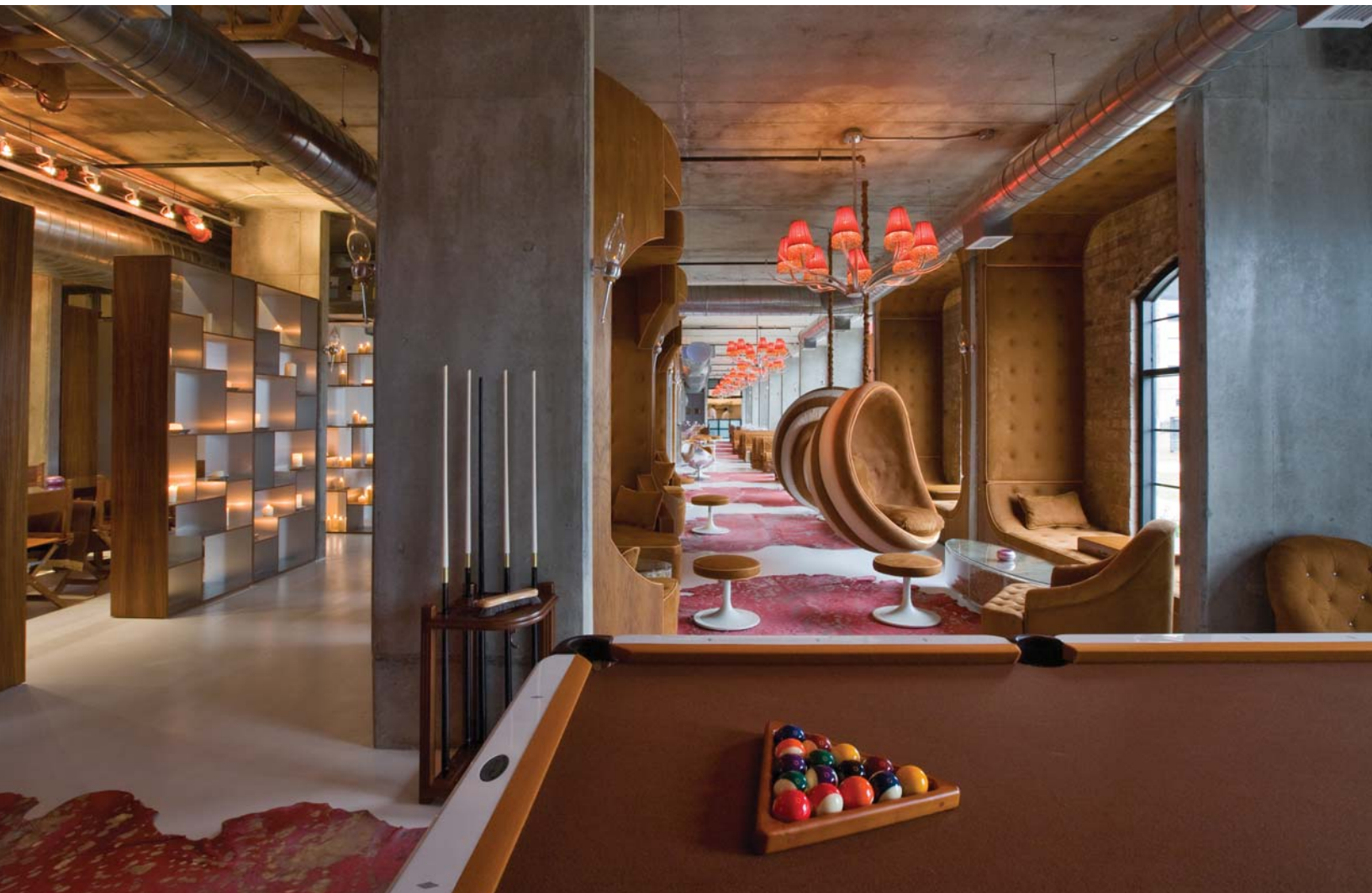
NYLO targets these persons specifically by:

- Promotions with local bars & restaurants
- Promotions with food & beverage vendors
- Promotions with local arts institutions & organizations (e.g. museums, galleries, concert halls)
- Promotions with local music venues
- Package offers to guests such as tickets to music, art or restaurants in the area
- Sports promotions

NYLO focuses on events at the hotel to take advantage of each hotel's unique spaces, atmosphere and design. For example, in Plano, the courtyard is a perfect venue for weddings, movies in the evening, live music, art shows and fashion shows. Plano offers a weekly "Movie Under the Stars" each Thursday in the Courtyard and regularly has a DJ play for happy hour. Special events such as the Cinco de Mayo pool party with a live band are routinely organized and publicized. All of these events have and will continue to generate revenues, but they also create a "buzz" and offer local public relations opportunities by way of attractive influential leaders in the community and press coverage.

👉 *The Loft* game area, NYLO Plano at Legacy

▶ Hospitality Lighting Magazine, featuring NYLO Plano at Legacy





Maintaining a good brand image and relationships with the media is a key aspect of NYLO's sales and marketing strategy. NYLO works with Orlando based Ypartnership, one of the largest advertising and public relations firms in the United States specializing in travel related industries including tourism, lodging and hospitality and travel products and services. The firm offers strategic planning, web design, sales promotions, market research and marketing services.

Its clients have included Universal Studios theme parks, Marriott Vacation Club International, Caesar's Palace and Walt Disney Parks & Resorts.

For NYLO, Ypartnership's main goal is to create public awareness for the brand by communicating with the media on an ongoing basis to ensure that NYLO's press and message to the public is accurate, consistent, relevant, timely, and superior to that of other competitors. Please visit the NYLO website under "About NYLO" to see some samples of NYLO press.

Additionally, NYLO retains a creative local public relations firm in each market it enters. Houston based Vollmer has been retained for the NYLO Hotel in Plano and Providence based Regan Communications has been retained for the NYLO Hotel in Warwick. These firms supplement the DOS's local efforts and augment the national public relations efforts to create both national and local television, radio, magazine and newspaper press.

NYLO also leverages its press coverage by working closely with its partners. For example, NYLO's design partners (e.g. Daniel Vosovic, Stephan Dupoux and Bill Johnson) and its association with musicians and artists via NYLO Uncovers and the NYLO art program, which provide publicity opportunities directly to NYLO's target market and have directly enhanced brand awareness. Art, design and music enthusiasts are regular in tune with press created by designers. Consequently, they in turn also learn about NYLO. See for yourself by visiting www.danielvosovic.net and looking under the "Press" section.

Headquarters

NYLO Hotels, LLC
260 Peachtree Street N.W.
Suite 2301
Atlanta, GA 30303

p: 404.221.0060
f: 404.221.0060

www.NYLOhotels.com

NYLO Management Team

John Russell, CEO
Michael Mueller, President & Chief Development Officer
David Klein, EVP & General Counsel
Chris Jones, EVP Development & Construction
Patrick O'Neil, EVP Operations
Charles "Chick" Armstrong, Senior VP Franchise Development
Bona Allen, Corporate Controller
Stephen Taylor, Construction Director
Tim Copella, Director of Purchasing
Amanda Emmo, Design Associate
Jenny Sung, Corporate Accounting Analyst
Liz Larkin, Office Manager

Telephone

404.574.6015
404.574.6018
404.574.6017
404.574.6016
972.936.9090
404.574.6027
404.574.6011
404.574.6020
404.574.6026
404.574.6021
404.574.6023
404.574.6019

E-mail

jrussell@nylohotels.com
mmueller@nylohotels.com
dklein@nylohotels.com
cjones@nylohotels.com
poneil@nylohotels.com
carms@nylohotels.com
ballen@nylohotels.com
staylor@nylohotels.com
tcopella@nylohotels.com
aemmo@nylohotels.com
jsung@nylohotels.com
llarkin@nylohotels.com

Questions/Information Regarding

Debt or Equity Investment Inquiries
Hotel Site Development Opportunities
Hotel Franchise Information
Suppliers/ Vendors
Employment Opportunities
Art Submissions
Music Submissions
Marketing/ Public Relations
Contractors & Sub Contractors
Design & Architecture

Contact

Michael Mueller
Michael Mueller
Chick Armstrong
vendor@nylohotels.com
careers@nylohotels.com
Amanda Emmo
Michael Mueller
John Russell
Chris Jones
Chris Jones