

**Property Information:**

Acquisition Price:	\$51.2M (\$271K per room)
Location:	Downtown Seattle, WA
Acquired:	April 7, 2011
Rooms:	189
Type:	Upper Upscale, Full-Service
Built:	1969
Converted to a Hotel:	1997

**Historic Performance and Valuation:**

Estimated Discount to Replacement Cost:	30% - 35%
2010 Occupancy	81%
2010 ADR:	\$147
Forward 12-Month Cap Rate (Projected EBITDA) <sup>(1)</sup> :	5.5% - 6.0%
Forward 12-Month Cap Rate (Projected NOI) <sup>(1)</sup> :	4.5% - 5.0%

<sup>(1)</sup> Based on previously disclosed forecasted net operating income after capital reserves ("NOI") and previously disclosed forecasted hotel earnings before interest, taxes, depreciation and amortization ("EBITDA")

**Property Amenities:**

- 189 guestrooms, including 45 suites
- Over 6,000 SF of meeting space spread across 9 meeting rooms, including the 2,160-SF Paris Ballroom
- Sazerac, a 135-seat, award winning, three-meal-a-day, stand-alone restaurant and bar featuring southern-style cuisine
- Fitness center
- Full-service business center
- On-site, below grade parking



(Sazerac Restaurant)



(Lobby)



(Guest Room)

**Market Highlights:**

**Market Overview:**

- Proven history of strong recovery from market downturns with a compounded annual RevPAR growth of 9.4% from 2003 through 2007
- Downtown Seattle has over 33 million square feet of office space
- Most populous city in the northwest United States
- Highly diverse employment base with notable concentrations in the technology, industrial and service industries



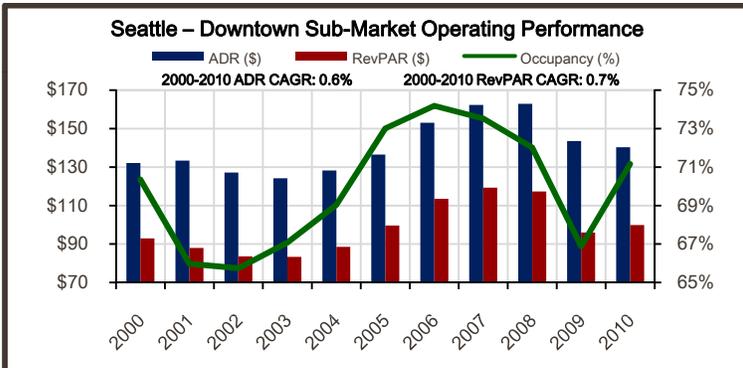
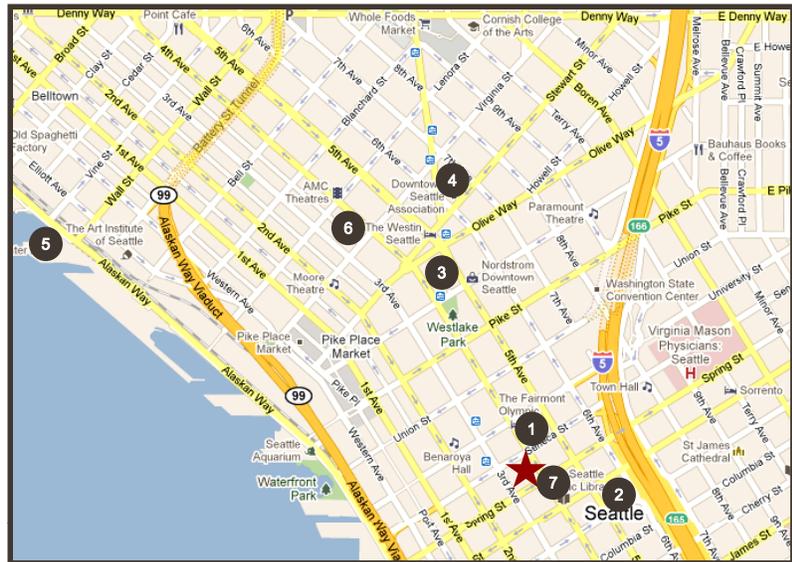
(Exterior)

**Demand Generators:**

- Strong corporate environment with three Fortune 500 Companies
  - Headquarters of Amazon.com, Nordstrom and Starbucks
  - Five largest and highest-quality office towers within 5 blocks of the hotel
- Washington State Convention Center
- Tourism:
  - Seattle Waterfront
  - Seattle Aquarium
  - Seattle Art Museum
  - Pioneer Square
  - Seattle Center
- Home of the Seattle Mariners and Seattle Seahawks
- Port and cruise ship terminals

**Competitive Set:**

Hotels	Map Marker	Rooms	Year Opened
<b>Hotel Monaco Seattle</b>	★	<b>189</b>	<b>1997</b>
Fairmont Olympic Hotel	1	450	1924
Renaissance Seattle Hotel	2	553	1978
Mayflower Park Hotel	3	160	1927
Hotel Max	4	163	1935
The Edgewater	5	223	1962
Hotel Andra	6	119	1926
W Hotel Seattle	7	424	1999
<b>Total (excluding Hotel Monaco Seattle)</b>		<b>2,092</b>	



**Investment Highlights:**

**Strengths**

- Strong and growing coastal market with excellent fundamentals
- Unique boutique product
- Consistently successful restaurant / bar
- Seattle is a gateway city to Asia
- Significant discount to replacement cost

**Opportunities**

- Hotel NOI down approximately 50% from the prior peak
- Comprehensive rooms renovation
- Planned convention center expansion
- No new immediate hotel supply
- Improved cash flow through asset management and best practices