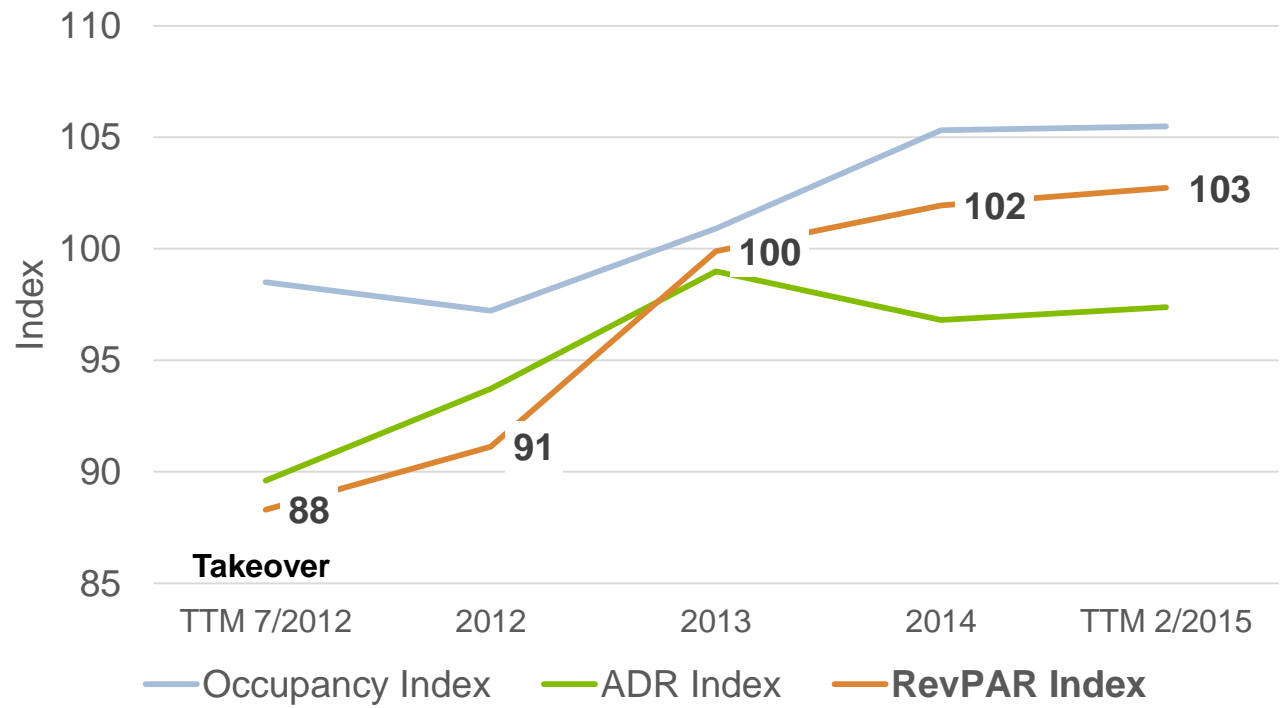


# HOTEL DEREK: IMMEDIATE OPERATING IMPROVEMENT

**Vision: improve operations and reposition the Derek through a very targeted renovation strategy and position hotel as the only boutique hotel in the Galleria submarket**

- Assumed management of 312-room hotel in mid-2012
- Invested \$4.5m (\$14k/key) in targeted areas of the hotel
- Total revenue is up 25% since 2011
- GOP is up 42% since 2011
- GOP margin improved by 510 basis points since 2011
- RevPAR index up from 88% at takeover to 2013% as of TTM 2/2015
- In-house reservation revenue: +\$1m, +\$31 in ADR
- Website revenue +19%
- Reduced reliance on opaque business by 18%
- Banquet and catering revenues increased +17%

Rapid and Continued Improvement in Market Share



# HOTEL DEREK: IMMEDIATE OPERATING IMPROVEMENT

## Rapid Optimization of Operations

