



Advisory Services for Hotel Lenders and Servicers

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The Plasencia Group has had the pleasure of advising lenders and servicers to the hotel industry for nearly four decades, particularly during times of market and economic uncertainty such as those we are living through today. Our experts in hotel operations and asset management have lived through four separate economic downturns. We are uniquely qualified to assist you as you prepare to take ownership of a lodging asset, or more importantly, to take steps to avoid doing so.

LEVEL ONE

Loan Monitoring and Sensitivity Analysis

During a Level One analysis, the advisory team will typically have little or no access to information about the hotel or resort beyond what is granted through loan documents.

In the Loan Monitoring and Sensitivity Analysis phase, we will:

- ▶ Perform as detailed a financial analysis of property operations as possible utilizing readily available property financial information and market intelligence.
- ▶ If deemed worthwhile and feasible, complete a visit to the asset to discretely gain insight on the property's operations and physical plant.
- ▶ Acquire existing supply and demand lodging data and extrapolate pertinent information as it relates to the subject property.
- ▶ Utilize our existing market knowledge and, when possible, use our relationships with knowledgeable local industry contacts, to obtain intelligence on surrounding market and hotel demand issues.
- ▶ Acquire lodging performance data for a set of competitive hotel properties for the previous year and for current year-to-date.
- ▶ Evaluate lodging performance expectations for the balance of the given year for the subject market.
- ▶ Research economic data available for the local market and the region.
- ▶ Provide a written report to the client addressing initial findings regarding the financial viability and operating efficiency of the collateral and its ability to comply with loan covenants and service debt.

LEVEL TWO

Asset and Operations Management

In this phase, the advisory team will require more open access to information and to the property resulting from lender and borrower cooperation and communication.

In the Asset and Operations Management phase, we will:

- ▶ Develop a detailed report of findings and recommendations based on a review of historical financial data, operational and performance reports.
- ▶ Prepare recommendations for revenue generation and cost containment issues after performing a detailed analysis of revenue sources, expenses and controls, departmental operations and staffing.
- ▶ Present a market positioning statement and competitive market analysis based on sales and marketing plans, analysis of revenue management techniques, and business mix.
- ▶ Conduct a review of property operations, physical plant condition and management company contract compliance.
- ▶ Review secondary market research and conduct relevant interviews with local professionals to further understand market dynamics and possible impacts on hotel operations.
- ▶ Monitoring borrower loan compliance.

LEVEL THREE

Asset Management

As Asset Managers, the team will take a much more active role in overseeing the property, with unrestricted access, providing longer-term, ongoing asset and operational oversight, usually as a result of the asset having been taken over by the lender.

In the Asset Management phase, we will:

- ▶ Evaluate, recommend and monitor specific actions relative to all aspects of hotel performance, including revenue generation, expense management, management proficiency, brand affiliation, capital budgeting and planning.
- ▶ Interview and engage a property management firm or general manager on behalf of the client, as needed, and provide oversight of the transition process, as applicable.
- ▶ Develop performance benchmarks and financial reporting methodology.
- ▶ Develop and implement financial control point responsibilities.
- ▶ Source and engage third-party accounting services provider, as needed.
- ▶ Monitoring management's existing financial controls, policies and procedures.
- ▶ Operational oversight, including regular property visits.
- ▶ Prepare long- and near-term strategic plans regarding operations, marketing, and capital budgeting.
- ▶ Review of physical plant preventive maintenance procedures.
- ▶ Attendance at ownership meetings, especially as formal updates of financial and operational performance are presented.
- ▶ Facilitate meetings with franchisor and other constituents as needed.

ADDITIONAL ASSET LIFECYCLE SERVICES

Investment Advisory

When it comes time to take a lodging asset off the balance sheet, we can facilitate the transaction process by identifying the most likely buyers and executing the disposition efficiently and effectively. Since 1993, The Plasencia Group has been a national leader in hospitality investment transactions throughout North America and the Caribbean, working alongside dozens of lenders and institutional owners.

- ▶ We provide personalized investment services to life insurance companies, banks and pension funds, real estate investment trusts, and other owners of hotels, resorts, and golf courses throughout North America.
- ▶ Our principals have completed billions of dollars in hotel transactions in their combined careers and have executed some of the most challenging and complicated trades in the marketplace.
- ▶ We have worked with nearly every major brand, property type, operator and ownership group in the lodging investment arena.

Renovation Management and Capital Expenditure Programs

Three decades of specialization in the lodging industry means our Development Management professionals have seen it all when it comes to lodging renovation and construction projects. Not only do they rely on their specialized experience, but they stay abreast of industry trends and maintain relationships with providers of the highest quality products and services.

Our team's extensive experience in the hospitality industry, coupled with an in-depth knowledge of hotel operations, translates into proven strategies and processes to carefully manage renovation investments from project inception to completion, working diligently to protect an asset's condition and value. The firm's team of professionals is comprised of experienced problem-solvers who can provide guidance on a range of issues, including:

Our Management and Capital Expenditure Programs include:

- ▶ Pre-development planning services
- ▶ Budget and schedule management
- ▶ Brand negotiation
- ▶ Asset preservation and maintenance
- ▶ Contractor and consultant negotiation
- ▶ Procurement management
- ▶ Total project administration
- ▶ Design process management
- ▶ Project close-out



Local knowledge. National Presence. Exclusively Hospitality.

Contact us today to learn more about how we can assist you in immediately evaluating your hotel loans and minimizing your troubled asset portfolio.

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