

Property Information:

Acquisition Price:	\$87.0M (\$284K per room)
Location:	Philadelphia, PA
Acquired:	December 3, 2010
Rooms:	306
Type:	Upper-Upscale, Full-Service
Built/Converted:	1964; 2000

Property Amenities:

- 306 guest rooms, including 68 suites
- Historic building once housed the Philadelphia Stock Exchange
- Four-fixture bathrooms with French bathroom amenities
- Two floors totaling approximately 15,000 SF of meeting space, including the 4,500-SF Paris Ballroom
- Chez Colette, a charming brasserie offering French-style breakfast cuisine
- Liberté, a chic bar and lounge overlooking the streetscape, serving lunch and dinner
- Fitness center
- On-site indoor parking

Market Highlights:

Market Overview:

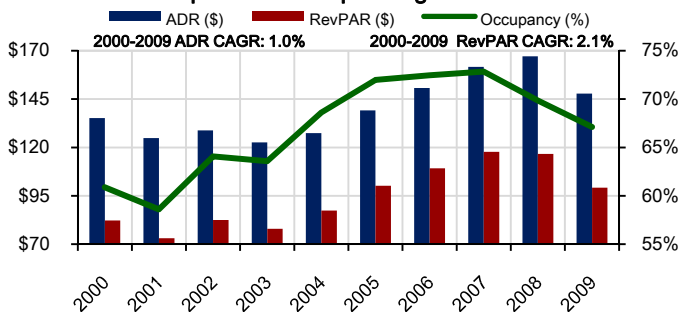
- The Philadelphia downtown submarket has office space totaling over total 40 million square feet.
- The Philadelphia Center City hotel market has a trailing twelve month occupancy of 72%, which represents a solid base for additional occupancy and rate growth.
- Convention center expansion is expected to double its available exhibition space in spring 2011 and attract more city-wide conventions.
- Well educated population with top-tier educational institutions including: University of Pennsylvania, Temple University, Villanova University and Drexel University.



Demand Generators:

- Philadelphia Convention Center is in the process of a major expansion that is projected to yield :
 - A significant increase in room nights annually
 - More than \$140 million in annual economic impact
- Large quantity of leisure demand generators:
 - Franklin Institute of Science
 - Independence Hall Visitor Center
 - Liberty Bell
 - National Constitution Center
 - Philadelphia Museum of Art
 - Philadelphia Zoo
 - African American Museum
 - Barnes Foundation
 - Pennsylvania Academy of Fine Art
- Five major professional sports teams

Philadelphia Market Operating Performance



Historical Performance and Valuation:

Estimated Discount to Replacement Cost:	30% - 35%
2009 Occupancy	77%
2009 ADR:	\$169

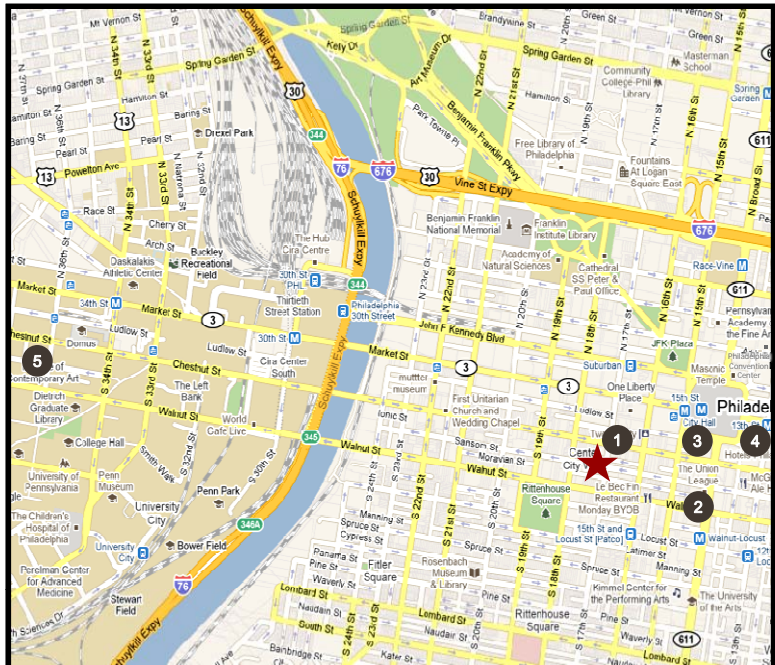
Forward 12-Month Cap Rate (Projected NOI) ⁽¹⁾ : 4.4% - 5.1%

⁽¹⁾ Based on previously disclosed forecasted net operating income after capital reserves



Competitive Set:

Hotels	Map Marker	Rooms	Year Opened
Sofitel Philadelphia	★	306	2000
Westin Philadelphia	1	294	1990
Hyatt at The Bellevue	2	172	1904
Ritz-Carlton Philadelphia	3	299	2000
Loews Philadelphia	4	581	2000
Hilton The Inn @ Penn	5	238	1999
Total (excluding the Sofitel Philadelphia)		1,584	



Investment Highlights:

Strengths

- High barriers to entry
- Premiere Center City location
- High-quality asset
- Strong market performance history
- Attractive contemporary design
- Significant discount to replacement cost

Opportunities

- Convention center expansion
- Bar/restaurant reconfiguration
- Improved cash flow through asset management
- Enhanced revenue management and positioning strategies