

COASTAL HOTEL GROUP

2101 Fourth Avenue, Suite 1330
Seattle, WA 98121-2340
Phone: (206) 388-0400
Fax: (206) 388-0401
www.CoastalHotels.com

MEDIA CONTACT

Danielle Zarrella / Christy Luther
Richmond Public Relations
1411 Fourth Avenue, Suite 610
Seattle, WA 98101
Phone: (206) 682-6979
daniellez@richmondpr.com
christyl@richmondpr.com

**ABOUT
COASTAL HOTEL GROUP**

Coastal Hotel Group is a privately held, Seattle-based full-service hotel management company. Established in 1987, Coastal has earned a reputation for providing remarkable lodging choices for the discerning traveler.

Coastal Hotel Group manages boutique lodging properties in four states: Arizona, California, Kansas, and Oregon. Each hotel is unique and special, with the common attribute of personal attention to the needs, wants, and expectations of every guest.

For nine years, Coastal Hotel Group managed the 91-room AAA Four Diamond Salish Lodge & Spa in Snoqualmie (Seattle-area), Wash. During that time, Salish Lodge & Spa gained recognition as a world-class resort, named annually by *Conde Nast* and *Travel + Leisure* as one of the world's best hotels.

Coastal recently concluded the acquisitions of two properties in Oregon: Hotel Fifty in Portland (formerly Four Points by Sheraton), and The Resort at The Mountain in Welches, at the base of Mt. Hood. Both properties will undergo major renovations in 2008. Coastal Hotel Group has additional properties under development in Buda (Austin), Texas, Chelan County, Wash. and Pullman, Wash.

In 2005, Coastal Hotel Group was designated by Starwood Hotels & Resorts Worldwide as a Preferred Management Company for five of its franchise brands: Luxury Collection, Westin, Le Meridien, Sheraton, and Four Points by Sheraton.

PORTFOLIO

The Coastal Hotel Group features a rare collection of boutique hotels, resorts, charming inns, and lodges, each offering a unique getaway experience.

CARMEL LODGE San Carlos St. at 5th Ave. Rooms: 42
P.O. Box 951 Reservations: (866) 399-1552
Carmel, CA 93921-0951 www.CarmelLodge.com
Phone: (831) 624-1255
Fax: (831) 624-2576

In the heart of Carmel-by-the-Sea, **CARMEL LODGE** is just two blocks from the famed Ocean Avenue and a relaxing stroll away from Carmel Beach. Considered one of the world's most beautiful destinations, here one can explore dozens of boutiques and galleries, and choose from an eclectic collection of restaurants and taverns. The Monterey Peninsula location provides easy access to popular activities and attractions including Pebble Beach golf courses, Monterey Bay Aquarium, Carmel Valley wine country, and Big Sur. Nearly one-third of Carmel Lodge's 42 guestrooms feature partial ocean views and several have fireplaces.

CHATEAU AVALON 701 Village West Pkwy Rooms: 62
Kansas City, KS 66111-1883 Reservations: (877) 522-8256
Phone: (913) 596-6000 www.ChateauAvalonHotel.com
Fax: (913) 596-0500

Situated on twenty-eight wooded acres, **CHATEAU AVALON** is a relaxing retreat from everyday stress. Each of the Chateau's 62 guestrooms feature a whimsical and elaborately themed environment. Guestroom themes include Camelot, Egyptian Palace, Jesse James Escape, Mayan Rainforest, New York Penthouse, in addition to eighteen others. Guests can relax in a two-person chromatherapy whirlpool bath and enjoy a favorite DVD on the flat-screen television in five-channel surround sound. Custom Beau-Rev mattresses enveloped in 300-count Egyptian cotton linens are standard in each room. Guests can also savor breakfast in bed and take advantage of courtesy van service to the abundant shopping, dining, and entertainment options at Village West.

OVER

HOTEL FIFTY 50 Southwest Morrison St. Rooms: 140
Portland, OR 97204-3390 Reservations: (877) 505-7220
Phone: (503) 221.0711 www.HotelFifty.com
Fax: (503) 484-1417

The gateway to Portland, **HOTEL FIFTY** is conveniently located across the Morrison Street Bridge and close to downtown businesses. Undergoing a \$4 million renovation scheduled for completion in May 2008, this full-service boutique hotel is ideal for business and leisure travelers. Hotel Fifty features 140 guestrooms, including 36 River View rooms and 52 Partial River View rooms. Offering the best of both urban and scenic settings, Hotel Fifty is situated directly across the street from Tom McCall Waterfront Park, providing a popular running path and relaxing waterfront views of the Willamette River, Mt. Hood, and Portland's famous bridges. Ideal for tax-free shoppers, Hotel Fifty is on the same street as major retailers including Pioneer Place Mall and Nordstrom.

THE INN AT
OTTER CREST 301 Otter Crest Drive Rooms: 96
Otter Rock, OR 97369-9707 Reservations: (866) 869-4291
Phone: (541) 765-2111 www.InnAtOtterCrest.com
Fax: (541) 765-2047

Adjacent to refreshing forests and seascapes, **THE INN AT OTTER CREST** boasts a scenic location along the Oregon Coast. The Inn's twenty-seven buildings are comprised of 96 individual guestrooms and one- or two-bedroom condominiums, providing something for everyone. Most accommodations feature separate living and dining areas, full kitchens, wood-burning fireplaces, and private decks with unmatched panoramic views of the Pacific coastline. The Inn offers full service meeting and event facilities, ocean-view dining, and an endless array of recreation and scenic attractions appealing to both family and business travelers. Guests can walk along the beach, explore tide pools and sea caves, deep sea fish or follow whales from a charter boat, visit the Oregon Coast Aquarium, tour wineries, and savor spectacular sunsets.

LODGE ON THE
DESERT 306 North Alvernon Way Rooms: 35
Tucson, AZ 85711-2855 Reservations: (800) 978-3598
Phone: (520) 325-3366 www.LodgeOnTheDesert.com
Fax: (520) 327-5834

Renowned for its hospitality and intimate residential setting, the **LODGE ON THE DESSERT** has been a Tucson tradition since opening for business in 1936. At Lodge on the Desert, serene pathways wind among regal palms, native cacti, and manicured lawns surrounded by seasonal flowers. Many of the Lodge's 35 authentic hacienda-style guestrooms and suites feature tile-covered patios and fireplaces, creating a private enclave for guests to relax and enjoy their stay. Lodge on the Desert is a popular year-round destination with a temperate desert climate and much to see, taste, and do in Tucson.

CONTINUED

THE RESORT AT
THE MOUNTAIN

68010 E. Fairway Avenue
Welches, OR 97067-9706
Phone: 503.622.3101
Fax: 503.622.2222

Rooms: 160
Reservations: 866.407.2262
www.TheResort.com

Nestled in the western highlands of Mt. Hood just an hour east of Portland, **THE RESORT AT THE MOUNTAIN** is a premier golf, ski and meeting destination. The Resort at The Mountain will undergo \$14 million in renovations which are scheduled for guestroom completion in June 2008 and final completion in fall 2008. With an array of activities, the resort can accommodate couples, families, outdoor enthusiasts, weddings, and event groups. The resort offers 160 guestrooms, 18,000 square feet of banquet space, two restaurants, four tennis courts, 27 holes of golf, a heated outdoor swimming pool, and a professional croquet court.

UNDER DEVELOPMENT

RAVENS WING RANCH
SABINA LODGE
WSU HOTEL

Chelan County, WA
Buda (Austin), TX
Pullman, WA

Rooms: 50
Rooms: 125
Rooms: 120

Coastal Hotel Group is a privately held, Seattle-based hotel management company specializing in small luxury hotels, resorts, inns and lodges. Established in 1987, Coastal Hotel Group has earned a reputation for providing remarkable lodging choices for the discerning traveler. The Coastal collection includes a distinguished array of properties. For more information, visit www.CoastalHotels.com.

COMPANY ORGANIZATION

Coastal Hotel Group's corporate structure is designed to assist property leaders in achieving budgeted performance objectives, while allowing the necessary flexibility to respond to unforeseen market challenges and opportunities. The Seattle-based corporate team continuously reviews and carefully monitors adherence to quality assurance standards.

LODGING OPERATIONS

Together with property general managers, Coastal's President & CEO Yogi Hutsen and other senior leaders establish standards and action plans to ensure consistent quality of room-related products and services. The corporate team takes a hands-on approach in working with general managers to achieve approved budgets.

FOOD & BEVERAGE OPERATIONS

Coastal Hotel Group has the experience and expertise to optimally position and market hotel food and beverage outlets. Corporate leaders work with associates on property to deliver superior products complemented by exceptional service. The ongoing functional tasks related to servicing restaurants, lounges, and banquet rooms are directly supervised by senior hotel associates.

SALES & MARKETING

At Coastal Hotel Group, the foundation of Sales & Marketing is an unwavering belief that "what gets measured, gets done." The goal is to grow revenue by 1) encouraging current guests to spend more, 2) influencing past guests to return, and 3) acquiring more guests like these.

Annual objectives and strategies are geared to achieve optimum financial targets. Effective execution draws upon eCommerce, direct marketing, public relations, and direct sales, plus tactical advertising and promotion, together with associate training and development. And because Coastal looks at sales and marketing as an investment rather than an expense, each initiative is thoughtfully developed with a projected return.

To facilitate property sales and marketing programs, Coastal has developed several strategic alliances involving various eCommerce initiatives, database management, reservations sourcing, public relations, and advertising. Coastal's Senior Vice President Sales & Marketing, Corporate Director of Revenue Management, and National Director of Sales oversee these partnerships and provide direct support to the field.

FINANCE & ACCOUNTING

Accounting, treasury, and control functions are managed at the Coastal corporate office by Peter LaFemina, Chief Financial Officer, and Tatiana Beiting, Corporate Controller. These responsibilities include financial analysis and planning, management of information systems, budgeting, payroll processing, preparation of financial statements, tax planning, and general accounting.

OVER

HUMAN RESOURCES

Coastal Hotel Group's corporate office coordinates activities relating to employment - development of personnel policies and procedures, administration of benefit programs, and on-site training. Recruitment of property-specific associates below department manager is handled by the hotel leadership team. Associate satisfaction surveys are administered annually to ensure the well-being of valuable human resources.

One of the most reliable predictors of long-term revenue growth is guest satisfaction. CHARM (Coastal Hotels Acquisition and Retention Marketing) is a highly successful sales, marketing, and operations tool. CHARM is presented to and reinforced among all Coastal associates, from general managers to hourly associates. Every associate understands his/her importance in acquiring and retaining each guest through exceptional service. Guest satisfaction surveys are utilized to celebrate successes and identify opportunities for improvement.

KEY PERSONNEL

YOGI HUTSEN

President & Chief Executive Officer

A thirty-plus year hospitality professional, Yogi Hutsen provides the overall strategic vision for Coastal Hotel Group. Working directly with hotel owners and general managers, Hutsen ensures each hotel operates within company standards to deliver a unique guest experience and optimum profitability.

Before joining Coastal, Hutsen was Chief Operating Officer at Noble House. There he created a "culture of excellence" among diverse Four and Five-Star resorts. Hutsen also held senior management positions with Starwood Hotels & Resorts Worldwide and ITT Sheraton, including Vice President of Operations - Washington and Oregon and General Manager of the Seattle Sheraton and the Sheraton Tucson El Conquistador Resort.

Hutsen is a graduate of Indiana University with a degree in Urban and Regional Development.

ED SCHWITZKY

Senior Vice President Sales & Marketing

With over twenty-five years in hospitality sales and marketing, Ed Schwitzky's experience provides the basis for formulating and executing precisely targeted, integrated corporate marketing plans and strategies. Schwitzky works closely with hotel leaders to exceed marketing and sales goals, facilitating alternative solutions as well as providing fresh insights into direct marketing, advertising, eCommerce, and public relations.

During twenty-one years with Westin Hotels & Resorts as marketing director for venerable resorts such as the Arizona Biltmore and The Westin La Paloma Resort & Spa, Schwitzky developed a reputation for maximizing top-line performance and carefully managing budgets. Additionally, Schwitzky held sales and marketing leadership positions for several independent lodging properties and provided consulting services for resorts throughout the United States and in Europe.

A graduate of the University of Missouri-Columbia, Schwitzky earned a BA in Psychology and an MS in Public and Community Service.

OVER

PETER LAFEMINA

Chief Financial Officer

Peter LaFemina has more than twenty-five years of financial management experience in the hospitality and gaming industries. Utilizing a collaborative approach to planning, operations support, and change management, Peter provides strategic direction and oversees all corporate finance functions.

Prior to joining Coastal, LaFemina directed a private Las Vegas-based consulting practice concentrating in project finance, development, and analysis for clients throughout the United States, Mexico, and Central America. LaFemina's previous roles include Chief Financial Officer for a publicly traded gaming and entertainment company, Vice President of Finance for Harrah's Las Vegas Resort & Casino, and Corporate Director of Financial Planning & Analysis for Primadonna Resorts. LaFemina also spent fifteen years with ITT Sheraton in various senior financial management positions and was twice named Controller of the Year.

LaFemina received his degree from Cornell University's School of Hotel Administration and passed the Certified Public Accountant and Certified Management Accountant examinations.

MANAGEMENT SERVICES

Financial performance of the properties under Coastal Hotel Group's management is the barometer for success. Owners of Coastal hotels understand that consistently providing guests with an excellent product and exceptional service at a premium price is essential to driving bottom-line results.

In addition to property management, Coastal's experienced leadership provides hotel owners and investors a full suite of hospitality and business services:

OPERATIONS

- Asset Management
- Project Management
- Acquisition
- Operations Analysis
- Development
- Design
- Property Improvement Planning
- Renovation
- Quality Assurance
- Guest Satisfaction

REVENUE MANAGEMENT

- Market Segmentation
- Price Positioning
- Mix Management
- Channel Distribution
- Forecasting
- Reservations Shopping Calls

FINANCE & ACCOUNTING

- Financial Analysis and Planning
- Profit Improvement
- Budgeting
- Forecasting
- Expense Management
- Capital Planning and Investment

MARKETING

- Diagnostic Evaluation
- Market Research/Analysis
- Positioning
- Branding
- Marketing Planning and Budgeting
- Incentive Compensation
- eCommerce
- Database Management
- Customer Relationship Marketing
- New Guest Acquisition

SALES

- Sales Operations Analysis
- Direct Sales Support
- SMART Planning
- Consortia/National Account Management
- Teleprospecting
- Database Clean-up
- Sales and Catering Shopping Calls

HUMAN RESOURCES

- Task Force
- Recruiting
- Associate Satisfaction
- Performance Management
- Training and Development

PHILOSOPHY

Success in the hospitality industry is dependent upon a purposeful and continuous balancing of priorities:

MARKETCENTRIC – *Coastal Defines the Market*

Establishing and maintaining a competitive edge requires an ongoing assessment of market conditions. This process defines the types of customers Coastal must attract, the essential products and services, and the occupancy and rate to be expected from premium market positioning.

ASSOCIATECENTRIC – *Coastal Inspires Its Associates*

Both guest and owner relations are positively impacted in the way Coastal inspires its associates. Fully engaged associates want and need to know what is expected, appreciate feedback, and value empowerment. Consequently, Coastal is committed to associate training and development at all levels, from hourly associates to property leaders.

GUESTCENTRIC – *Coastal Exceeds Guest Expectations*

Coastal Hotel Group caters to the lodging, dining, and entertainment desires of discriminating individuals, families, and groups traveling on business or for pleasure. Understanding and responding to the needs, wants, and expectations of each guest is accomplished through associate training, measuring results, and re-training — the result of which is enthusiastic service delivery by empowered associates.

OWNERCENTRIC – *Coastal Delivers Returns to Owners*

Just as Coastal Hotel Group's associates and guests have specific expectations, hotel owners, investors, and lenders count on Coastal to achieve superior returns on investment. Improvements are invariably the product of change. And Coastal's budget process is based on a philosophy that planning for change influences the outcome. Rather than rely strictly on past performance and current conditions to predict the future, Coastal targets optimum results or what could be.

As a result, the mission of Coastal Hotel Group is to exceed the expectations of fellow associates, guests, and investors while benefiting the communities in which we live and work.