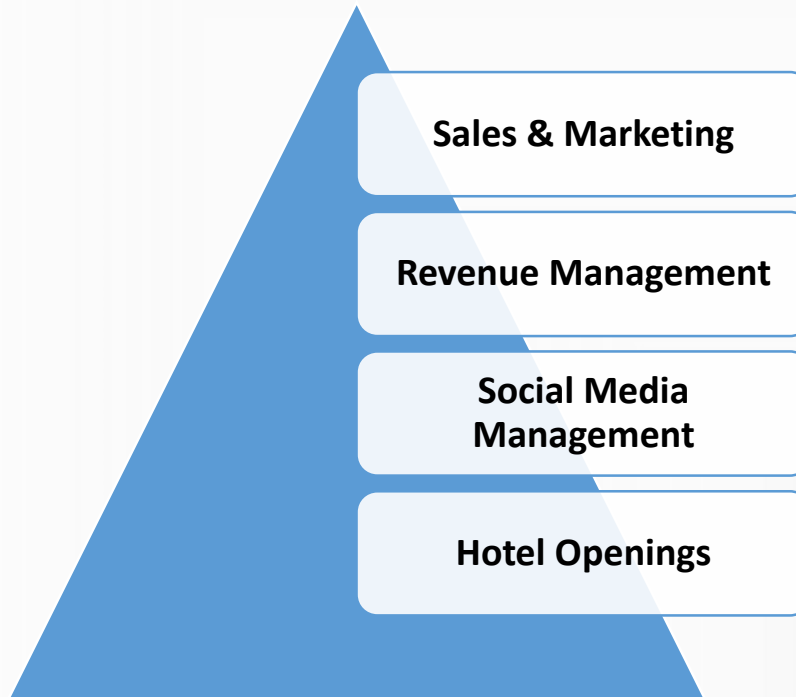


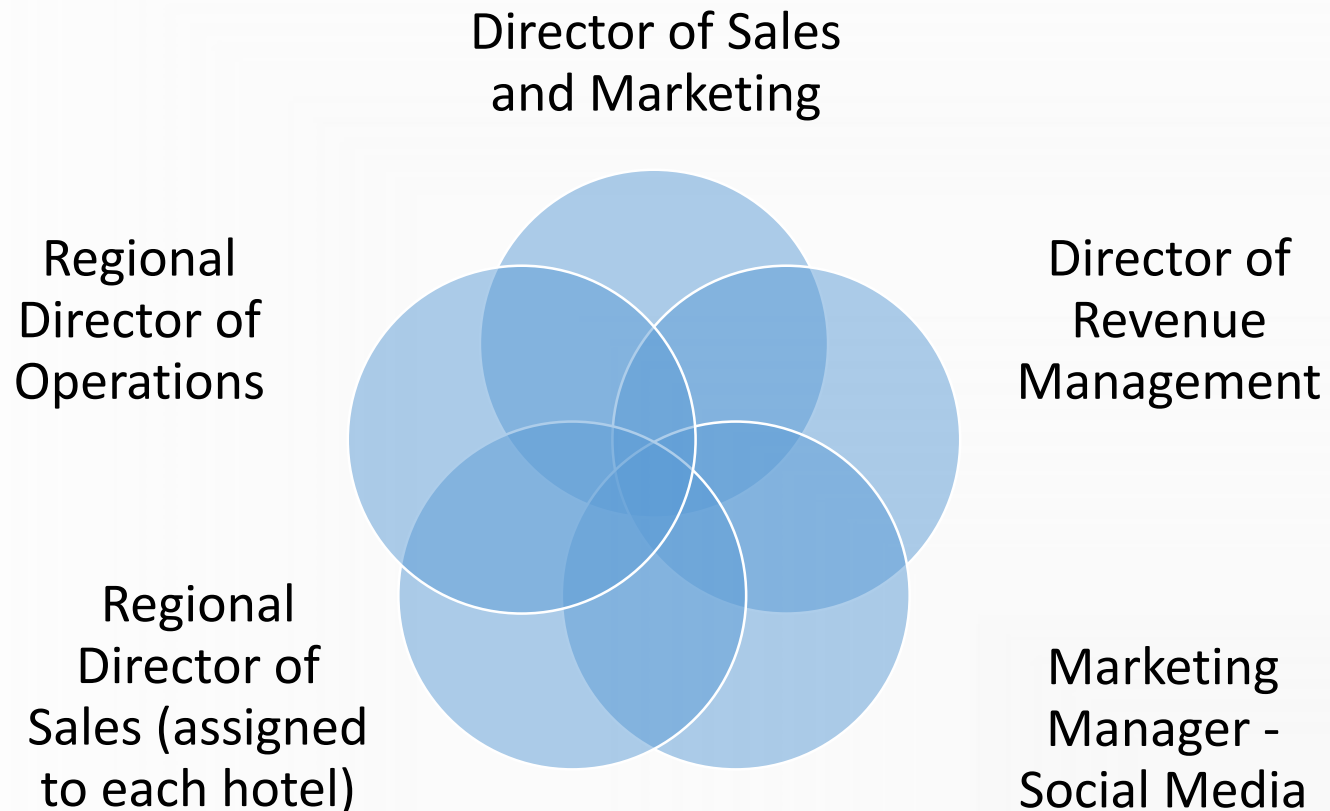


Sales and Marketing Program



Making the difference..

Strand's Sales & Marketing Team includes:



Third-Party Management: Your Winning Strategy for comprehensive sales and marketing of your hotel.



- ▶ As a hotel owner, you must protect your investment and hold your management company accountable. Strand Hospitality Services (“Strand”) understands this key business principle. That’s why we operate a hotel as if we own it.
- ▶ As an authorized Marriott, Hilton, Hyatt, InterContinental Hotel Group (IHG), Starwood, Wyndham, and Choice franchise partner, Strand focuses on quality select service and extended stay hotels. Our selective approach to third-party management considers many factors before agreeing to manage a property. We seek owners with values similar to our own. We consider location and whether the hotel ownership's commitment to stakeholders aligns with ours. With these shared priorities in place, a rewarding and successful partnership is assured.
- ▶ The following slides are a summary of Strand’s efforts with these aspects of sales and marketing.


SALES & MARKETING SERVICES

DIRECT SALES:

- Hands-On Sales Training
- Sales Blitz Coordination
- Sales Skills Training Program
- Sales Department Audit
- Action Planning by Account
- Successful Saturation of Accounts
- Contacting Competitors Top Accounts
- Automated Account Management System
- Sales Manuals/Procedure Guides Created
- Aligning of Sales Markets and Workflow Management
- Smarter Prospecting Ideas for Today's Business Climate
- Ongoing Management of Sales Processes
- Identify Top Accounts and Top Account Management



- Getting the GM on Board with Owning the Sales Process
- Getting the Most out of your Franchise Resources
- Time Management
- Hotelligence Reporting
- Company Cross Sell Program
- Motivating the Sales Department
- Hiring the Right Salesperson



TRAVEL AGENCY ACTIVITY		THE PREMIERE HOTEL				COMPETITIVE SET			
Agency	Rooms	Revenue	Average Rate	Rooms	Total	Total	Average	Rooms	Total
Grand Totals	1,228	302,320	246	(92)	97.6%	(97.2)	ps	4,504	2,572
Top 90 Agencies SubTotal	826	209,186	253	261	191.7%	68.8	ps	10,069	476

MARKETING:

- Customized Marketing Plans
- Billboard/Interstate Coupon Guide Analysis
- Competition Analysis (Star Report)
- Advertising Campaigns catered to your market
- Public Relations Plans
- Personalized Hotel Videos
- Resources to Market during Need Times



	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index
Current Month	63.3	73.0	86.7	158.80	161.15	98.5	100.56	117.70	85.4
Year To Date	51.2	66.9	76.5	153.93	149.83	102.7	78.76	100.25	78.6
Running 3 Month	53.7	71.3	75.2	156.59	152.71	102.5	84.04	108.95	77.1
Running 12 Month	63.7	71.5	89.0	164.37	161.72	101.6	104.68	115.70	90.5

Revenue Management - it's important..

- Strand has a Revenue Manager on Staff - Our goal of earning every dollar available makes the corporate revenue manager one of the highest profile jobs in the industry today. An effective revenue manager using the right tools can raise a hotel's average daily rate (ADR) as much as 11% within the first year of service – **most of which goes straight to bottom line profits**. With this kind of money at stake, it is important for hotel owners to make sure their hotel management company can achieve optimum results.
- The job description and responsibilities for the Revenue Manager vary between management companies and from chain to chain, but regardless of the hotel company, nearly all revenue managers perform multifunctional roles that extend far beyond optimizing room rates and forecasting group profitability. Revenue managers are fast becoming corporate leaders who chair rate strategy committees, train property managers in pricing strategies, and guide sales and marketing teams in the most effective positioning for their selling strategies and campaigns. Every decision they make affects company profitability and because of this the position demands a professional competent in their ability to manage both people as well as revenue.
- Strand's Revenue Managers have two equally important jobs to achieve their goal of maximizing revenue: (1) develop the most effective rates and strategies to increase revenue; and (2) influence our property teams to implement those rate and strategy recommendations.

Technology is only half the job..

To accomplish the first part of their job, a revenue manager needs the best technology tools available. This means utilizing the most up-to-date revenue management systems that optimizes rates based on accurate analysis of vast amounts of data, including:

- Historical demand
- Regional, seasonal and competitive influences, by property and market
- Group performance across all property profit centers
- Price sensitivity for a large number of segments and markets, and
- Demand and reservation costs across multiple sales channels
- Revise pricing recommendations anytime as new information becomes available
- Perform analysis quickly
- Deliver optimized daily rate recommendations for a portfolio of properties and their guest segments that extend out for date ranges of up to five years in the future
- Complete necessary revenue management certifications for brands and systems

Strand ensures the following effective qualities in our hotel revenue management service delivery:

1. **Relationship skills:** The best revenue managers spend as much of their time managing people and building relationships as they do managing revenue; this is an essential quality.
2. **Creative thinking:** Top revenue managers (RM) are visionaries who rely on innovative thinking to develop and implement strategies to increase hotel profitability.
3. **Effective sales ability:** Although not sales people by profession, revenue managers spend most of their day selling rate recommendations to the general managers, sales directors and Strand key marketing and sales leadership who must adopt their pricing strategies before revenue impact is achieved. With many hotels, property GMs are responsible for their hotel's profitability. Strand believes collaboration is necessary from all those involved to achieve the best results reflective of team accountability.
4. **Property management experience:** Our Revenue Management professional has an extensive property management background and understands the unique characteristics of each of their hotel's markets. This knowledge enables him to communicate their pricing and length-of-stay recommendations to GMs and their staff in ways that are more likely to be adopted.
5. **Training experience:** Because of industry typical high property turnover, good teaching skills are critical to the successful implementation of RM recommendations. Each new property manager must be educated in how RM guidelines are created and the role they play in property profitability. Hotel Managers must understand the reasons for RM recommendations
6. **Solid communication skills:** Good revenue managers are excellent communicators and listeners who are as effective in the conference room presenting their ideas to operations teams as they are using a computer.

Strand Revenue Management responsibilities includes:

Daily Room Inventory Management

Rate Management-Monitor property and competitor rates and availability

Weekly or Bi-Weekly Revenue Management Calls with Property Leadership

STR Report / Comp Set Analysis

Central Reservation / GDS Management

New Hotel Websites / Database Management

Implementation of All Brand Promotion / Standards

Property Management System Balancing

On-site training for management and hourly associates

Continued
Strand Revenue Management
responsibilities includes:

Annual Local Market Assessments

E-commerce Management

Displacement Analysis

Annual Rooms Revenue Budget and Business Plan Preparation

Distribution Channels Content and Pricing Management

Demand Review to Ensure Optimal Business Mix

Rate and Inventory Management Utilizing Brand Tools· Displacement Analysis

Market Segment Analysis

Competition Rate Positioning

High Demand Tactics utilized

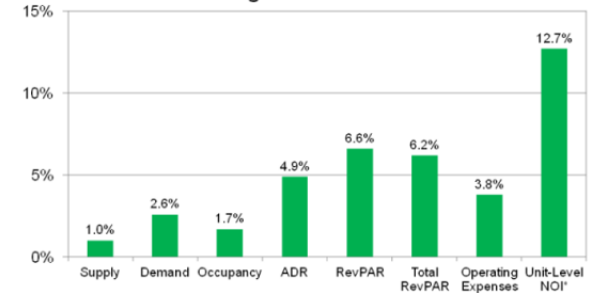
- Application of Minimum Length of stay restrictions
- Reduce group room allocations
- Reduce or close discounts
- Tighten guarantee and cancellation policies
- Raise rates commensurate with competition
- Select dates that are to be closed-to-arrivals
- Day-of monitoring to make adjustments quickly
- Next year event rate adjustments



Low Demand Tactics utilized

- Sell Value and benefits
- Offer packages
- Keep discount categories open
- Encourage upgrades
- Offer incentives for extended stay
- Remove stay restrictions
- Establish relationships with competitors for overflow referrals
- Lower rates as necessary with competitive set
- No panic pricing

**U.S. Lodging Industry
Forecast Performance**
Change: 2013 to 2014



Note: * NOI = Income before deductions for capital reserve, rent, interest, income taxes, depreciation and amortization.
Source: PKF Hospitality Research, LLC, March 2014 Hotel Horizons® Forecast report

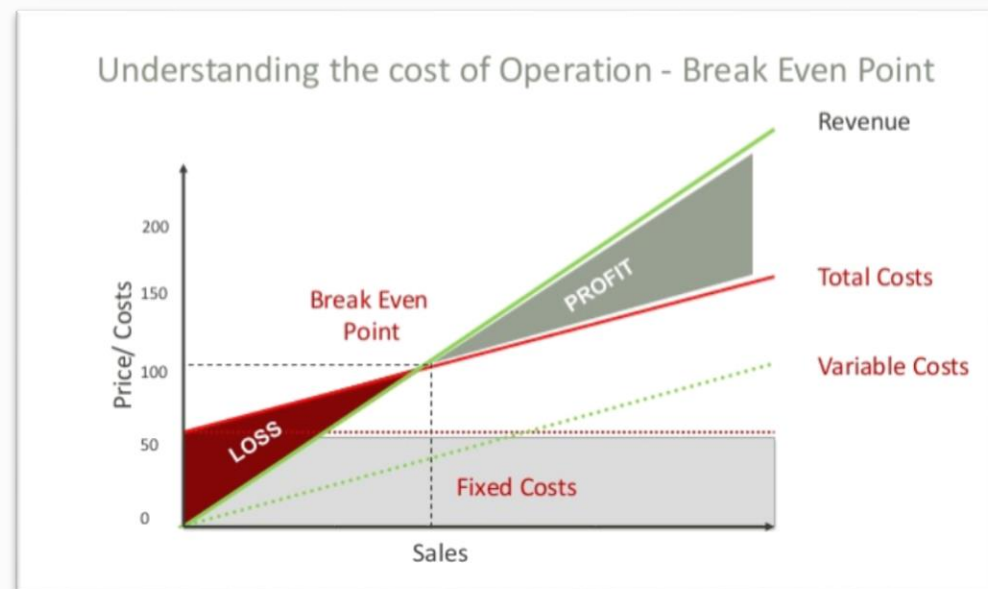
Marketing Manager - Social Media

- Strand employs a Marketing Manager responsible for Social Media.
- Social Media: Create and maintain Facebook, LinkedIn, Twitter (as needed), Google Business/Plus (as needed and requested by the property).
- Assist with OTA sites: Updating photos and information, audits for property contents and working with each hotel for their specific needs.
- Website Optimization Assistance for Branded and independent hotels. Create new independent websites for newly acquired properties or current properties.
- Hotel Press Releases to recognize achievements, awards or changes.
- Creation of Marketing Materials, including: Sales flyers, business flyers, rack cards, coupons, gift certificates, sales letters, grand opening invites, and business cards.
- Analysis of utilization of brand tools where applicable to maximize online and social media
- Systems developed to address online reputation of hotels
- Social Media Consultation
- Search Engine Optimization
- Pay Per Click Search Engine Marketing Campaigns



Typical GM/RDOS Conference Call Agenda

- Forecast, Pickup, Groups
- Review opportunities in STR Report
- Market Vision
- Demand/Turndowns/Denials
- Ecommerce Rankings
- Arrivals
- Market Conditions
- Demand Generator Changes
- In-house Guest Leads
- Prospecting Activity
- Top Accounts/Hit Lists



New Hotel Openings Sales & Marketing

- Completion of all Brand pre-opening paperwork relating to: property database building forms,
- Rate loading forms, website info forms. Many times this information is well over 200 pages of information needing completion.
- Ensure descriptions in website maximize search ability.
- Determine website link opportunities to hotel from CVB, City, Attractions, Tour Operators, Chamber, Target Companies
- Market research to identify demand generators.
- Market Competitive Analysis to determine proper positioning of rates. Determine Special Events and pricing.
- Determining key decision makers at those demand generators and beginning the process of building relationships. Goal is to make 10-12 images and impressions on key decision makers before opening.



Strand Revenue Management



continued...

- Recruit, Hire, and Train GM on the sales process and establish goals, set up sales plans and establish sales expectations. Help provide sales leads that generates initial sales plan.
- Build community awareness by sending out a press release for ground breaking, new GM announcement, hotel opening and ribbon cutting ceremony announcements.
- Work with D.O.T. to get signage established (if applicable)
- Establish relationships with the local Chamber of Commerce and Convention and Visitors Bureau (where applicable)
- Determine timetables and evaluate costs for publications that the hotels will need to have to be visible to various target audiences that will be visiting the area (Military Base Directory, Yellow Pages, CVB Visitor Guide, Group Travel Guides, etc)
- Work with AAA to provide listing information, rates, advertising(if applicable)
- Assist in getting property phone number, fax etc. Set up a procedure to check voicemail on a regular basis and follow-up with potential guest/group inquiries.



*We welcome you to the Strand Development family
of associates, owners & investors..*



Proven Excellence in Hospitality Management since 1969.