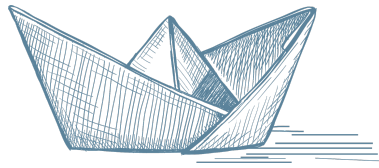


# LATITUDE

LATITUDE COLLECTION | FALL 2020



## THE CASE FOR INVESTING IN INDEPENDENT HOTELS & RESORTS

*Creating long term value for investors through targeted real estate acquisition,  
renovation and repositioning in proven niche market*

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### EXECUTIVE SUMMARY

Private real estate has long been recognized as a valuable component of a balanced investment portfolio. Within this sector, Independent Luxury Hotels & Resorts are a proven long-term niche play with market resilience, strong asset appreciation as well as cash-on-cash dividend income. Real Estate values appreciate slowly over time, and private investments are less volatile than public markets. They are illiquid, but the long-term investment view is positive and has proven to be less procyclical. Owning luxury hotels across countries and key destinations spreads the portfolio risk.

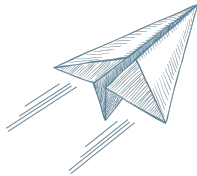
Latitude Collection offers 30+ years of international management, investment and development experience. As owner/operators, we are committed to investing in all of our hotels & resorts for alignment with our co-investors.

Up until COVID, the independent hotel sector was growing and the outlook for the hotel industry as a whole was strong. The most recent (2019) Lodging outlook from Hospitality Directions US suggested the potential continued momentum this year, with a record occupancy rate (66%), an uptick in commercial transient demand, and ADR and RevPAR both on the upswing. Today forecasts vary widely by market, with the opportunity for a gradual return to those levels starting mid 2022. Ironically that works with our investment timing to acquire properties, hotel market analysis, legal approvals, engineering assessments, new designs for the profit centers, product improvements and renovation.

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# RISK FACTORS OF PRIVATE REAL ESTATE



*Our investment plan addresses the eight primary risk factors of private real estate investment. As owners/operators, Latitude Collection is committed to the long-term win for all investors.*

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## **GENERAL MARKET RISK**

Private real estate investment offers reduced volatility and portfolio diversification.

## **ASSET LEVEL RISK**

The profile of independent upscale hotels and resorts is in the top quartile of its market.

## **IDIOSYNCRATIC RISK**

Latitude Collection has decades of experience in construction, entitlement, historic asset investments, profit center design and marketing.

## **LIQUIDITY RISK**

We are able to meet short term financial demands with our range of investors with long-term hold profiles.

## **CREDIT RISK**

Underwriting assets in upscale and luxury segments with proven market performance and accretive earnings upside.

## **REPLACEMENT COST RISK**

Classic, independent hotels appreciate over time, versus chain properties which depreciate and lose market share to newer versions of branded chain hotels. We focus on the asset class, location and sub-market performance.

## **LEVERAGE RISK**

We are conservative in our debt levels - with a long-term view and anticipation of economic cycles, our investments are 55-65% leverage. Return on equity is both short- mid term cash on cash and more importantly - underlying asset appreciation.

## **STRUCTURAL RISK**

Our investments are LP friendly with our shared investment philosophy – we are co-investors as the GP/Sponsor with defined preferred returns, fees and promotes based on strong performance that is mutually beneficial.

# THE COMPETITIVE EDGE OF INDEPENDENT HOTELS & RESORTS

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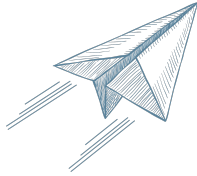
Travel industry trends continue to show a steady rise in demand for experience-based luxury travel, and thus the hospitality landscape is changing, for travelers as well as investors. Investors who once deemed flagship brands a lower-risk, higher-return are realizing that independent/boutique hotels are appreciating assets better positioned to deliver the lifestyle-focused quality and experience that today's traveler demands.

Independent hotels' nimble structure gives them a competitive edge in the current ever-changing consumer market. With big data, market analysis, and direct-to-consumer digital marketing readily available, Latitude Collection develops cost-effective, cloud-based systems, and personalized marketing that streamline business operations. We are able to upgrade assets based on market demands in a way that branded corporate hotels cannot. Key for Value-Add investments is expertise in designing and operating new profit centers — restaurants, rooftop entertainment bars, retail, spas, residences, catering, custom private clubs, and dining.

Furthermore, a proven independent hospitality enterprise like Latitude Collection has experience across Value Add, Opportunistic and Trophy Asset investments, with conservative maturation, and an appealing sponsor/owner-operated business model and GP/JV investment structure. We offer lower management fees (5-6% vs. franchise + marketing/service/booking fees of flag properties that can total 14%+)

# THE HOTEL MARKETPLACE STUDIES & RESOURCES

## *Shifting Demographics and Consumer Demand*



*Luxury consumption has shifted away from goods and towards experiences such as travel, events and gastronomy, which has been growing 5-7% faster than luxury goods. The following reports and studies offer insights in the shifting demographics and consumer demand in the hotel marketplace.*

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*As consumer preferences evolve and as the “boutique hotel” emerges as an attractive, authentic experience for travelers, the independent (or perceived as independent) hotel is likely a product type that will continue to rise in popularity in the United States. With more hotels maintaining unique styles and marketing as independent, the option of a more flexible, short-term agreement with an independent hotel company would be expected to appeal to owners and operators in the years to come.”* – HVS Fall 2019

*“The recognizable brand and comfort of a franchise hotel once served as a dependable anchor for travelers in a new and unfamiliar city, however today’s luxury traveler is digitally briefed on a new destination, and seeks design-driven, authentic experiences, not standardized familiarity, when choosing lodging. Millennial luxury travelers seek life enrichment, creativity, and rejuvenation – boutique hotels specialize in offering unique local flavor and tailored experiences. Even the larger players recognize this trend away from formulaic to distinctive.”*  
– KATHERINE MELCHIOR-RAY, VP, HYATT HOTELS

*“We know that for our guests, intuitive service, exquisite linens, and curated wine lists are the common denominator, not the differentiator. Time is a luxury for guests—they want to be sure that theirs is well spent...Rather than seeking value in terms of deals or discounts, they consider whether price reflects the distinctive quality, craftsmanship and service that they expect.”*  
– SKIFT “THE RISE OF LOCAL IN HOSPITALITY.”

*For the first time ever, this year our business to independent hotels exceeded that to chain hotels. Bespoke, fabulous, mostly family-run luxury hotels are what clients seek most today. As brands consolidate or grow, their value proposition and consistency in delivery is diluted. You can see this in other areas of luxury as well, with micro-boutiques and micro-labels being the new hot thing. Everyone has a Gucci; how cool to be different!*

*In the travel space, real luxury travelers are not motivated by points; rather seek out 'the best option in a destination [for them] (and not by brand!) and options that feel most local with a sense of place. Independents are best positioned to stand out and have been succeeding in gaining significant market share in this space.*

*The luxury consumer today wants luxury that is approachable rather than stuffy. People want buzz-worthy, socially savvy luxury that is sophisticated and flawless, but also doesn't take itself too seriously. Today's luxury is about quality with comfort and connection; it is about bringing in a local community and inclusion -- not exclusion. To survive today you need to make your brand exclusive, but to also feel warm, relaxed, human and not all that serious.*

**– JACK EZON, PRESIDENT OF OVATION TRAVEL & EMBARK BEYOND, FOR LUXURY VACATION TRAVEL TRENDS 2018**

*“The luxury needle is moving from Maslow's second hierarchical need (“esteem”) where consumer luxury has traditionally lived, to the top spot (“self determination”) where people want to realize their full potential. What is their value proposition to the world?*

*What are their values? Their character?”*

**– GREG OATS, SKIFT**

# THE VALUE PROPOSITION

*The Latitude Collection offers a strong hotel value proposition. Rather than being a commoditized 'brand' building with beds and pretty furniture, Latitude delivers a true experience for all senses and a platform for which guests can experience their surroundings and have needs anticipated.*

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## **PERSONALITY**

We own and embrace our personality and culture, and we are not being shy to let it shine in all that we do even if it does not appeal to everyone. “Make it meaningful, mindful and memorable. Remember, memory becomes an embedded part of the product and service delivery.” That is what guests take home and relish forever. -- (*Accenture Global Pulse Survey*)

## **PERSONALIZATION**

We are creative in all that we do. We focus on innovating with low cost, high emotional impact surprises and experiences.

## **POSITIONING**

Taking a clear position within a market is key to success. A younger generation of guests don't trust large brands – they find them too greedy, selfish or detached from reality. Latitude is making sure we are clear on what we are (and what we are not) and embracing it in all we do.

## **MESSAGING**

We focus on our guests as their own influencers and on highly focused micro-influencers. We provide artisanship and bespoke experiences.

## **SENSE OF PLACE**

We wholly embrace our destinations in design, service approach and our gastronomy. It is fundamental to bring in the local community to our restaurants and make guests feel immersed in a destination rather than removed as tourists.

## **OLD FASHIONED HOSPITALITY**

A key focus of Latitude is taking a relevant approach to good old fashioned hospitality with the goal of becoming best in class in our destinations. We are seizing the opportunity being lost by big brands. Our guests are truly touched by humans who care and anticipate needs, and this will create an unbreakable loyalty and move it beyond irrelevance. Yes, hospitality – the real kind, not the SOP-laden, structured, robotic kind. Our GM's and key department heads become integral personas in the hotel. High-net-worth travelers want to meet the GM and feel important. This is becoming less common at brands whose GM's have become asset managers and stay locked behind closed doors working engulfed in spreadsheets and emails.

## **LOYALTY**

Lastly, but most importantly is the opportunity to build cultish-loyalty that transcends marketing plans, ad buys and loft client acquisition budgets. Loyalty is bred when hotels are able to build deeper relationships with their guests because their brand identity is truly more congruent with their target customers and lifestyles. It is the people to people, the touching of the heart that breeds true loyalty in the luxury space. That is what created the “Amanjunkie”

# BEST IN CLASS SYSTEMS

## *Leaders in Proprietary Systems and Operations*

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Independent hotels operators have been proven to upgrade investments superior to branded hotels. While franchise hotels have proven operating and marketing systems, which appeals to lenders, these systems are typically a one-size fits all model, and coupled with sky-high property-improvement-plan costs, can often hinder the ability to adjust to market demand. Streamlined distribution models help level the playing field, and now that big data, market analysis, and direct-to-consumer digital marketing is readily available to smaller operators, the infrastructure and scalable systems that once benefited franchise operators is becoming less an advantage than an obstacle. Latitude Management Systems are our proprietary cloud-based full complement of operating, data management, accounting, website SEO, sales & marketing tools, daily systems & controls. They are customizable and interface with the key property management systems.

This is not anecdotal. According to the HVS 2017 Capital Study, “independent hotels that are well capitalized and well operated outperform chain hotels and command a strong and sustained presence in their competitive markets.” These properties have a RevPAR (revenue per available room) that is 31% higher than their upscale competitors. Room rates at US boutique hotels averaged \$221 a night in 2017, 74% higher than the overall industry average, according to STR.

Up until COVID, the independent hotel sector was growing and the outlook for the hotel industry as a whole was strong. The most recent (2019) Lodging outlook from Hospitality Directions US suggested the potential continued momentum, with a record occupancy rate (66%), an uptick in commercial transient demand, and ADR and RevPAR both on the upswing. Current forecasts are varied by market, with a gradual return to those levels in 24-36 months. Ironically that works with our investment timing to acquire, design the improvements and renovation.

The efficiency of online inventory distribution has allowed our sector to play at a higher rate level than the brands even three years ago. All things being equal, the upscale consumer behavior change and responsive distribution models have allowed independent hotels to thrive as market leaders.



# LATITUDE COLLECTION *vs* BRANDS

## *Competitive Edge For Independent Hotels*

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### **MARKETING TRENDS & GENERATIONAL SHIFTS**

Millennials and Gen Z are seeking unique, boutique or historic hotels with their own identity. The contemporary traveler prioritizes local experiences over material indulgences – the most successful hotel and loyalty programs must go beyond the traditional points and discounts system (*HBR-AS, Study of US Business Executives*)

### **WEBSITE DESIGN & MARKETING REACH**

Unlike many independent operators that must rely primarily on OTAs to compete with chain hotel loyalty bases, we boast 75-80% direct bookings. Our expertise in website design, SEO, Google Ads and analytics position us for maximum visibility.

### **FINANCIAL PERFORMANCE**

Independent Hotels with robust Food & Beverage programs and multiple profit centers outperformed all other US Lifestyle and Soft Brand segments in both EBITDA per occupied room and RevPAR (*Boutique Hotel Report 2020, Highland Group*)

### **RANGE OF MARKETS**

Boutique travelers seeking local experiences are increasingly drawn away from major metros – a unique opportunity for transactions and operators in secondary and tertiary markets, especially those that offer cultural excursions and connections to nature.

### **LATITUDE STRUCTURE**

Our nimble structure provides a competitive edge in the current ever-changing consumer market. With big data trends, market analytics and initiatives driven by the property level readily available, Latitude is able to adapt in real-time. We focus on the complete guests' communications cycle, starting with setting expectations and excitement before the visit with our Happiness Halo concept.

### **ROOMS MERCHANDISING**

Latitude specializes in proven up-selling tools, Channel Management, GDS distribution, and Metasearch.

### **BEST IN CLASS SYSTEMS**

The Latitude Collection has developed cost-effective, cloud-based systems; direct-to-consumer, personalized digital marketing; real-time revenue management; and continuous improvement programs that streamline business operations.

### **VALUE ADD - ASSET INVESTMENTS**

We effectively upgrade assets based on market opportunities in a way that branded hotels cannot. The key for value-add investments is expertise in designing and operating new profit centers such as restaurants, rooftop entertainment bars, retail, spas, residences, catering, custom private clubs, and dining.

# GROWTH SECTOR

## *A New Era of Acquisition Opportunities*

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### **A WORD ON TIMING**

We believe that this is an unprecedented opportunity to acquire distressed hotels and resorts given the unprecedented impact of COVID and the ongoing financial impact across the world. We have a strategic, disciplined approach to acquisition underwriting and have structured our management and financial resources to be in a position to respond rapidly with few covenants, transparent due diligence, financial risks and upside analyses.

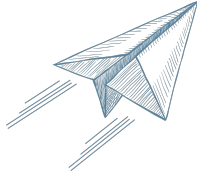
According to 2019 Zion Market Research, the expected value of the global luxury hotels market by 2021 was \$195 billion. With the current COVID and economic impact on travel, that is likely now 2023-24. In this gradually returning potential growth market, The Latitude Collection seeks to acquire historic properties that are typically off-market and family-owned, found through our long-term industry contacts. Our value-added strategy takes these neglected properties with historic character, good bones, and located in a prime tourist destination and upgrades them with new rooms, spas, amenities, and restaurants.

With more than 60% of the Historic Hotels of America expected to go through generational change in the next five years, we are poised for this investment opportunity. Where feasible, adding residential components with fractional ownerships to a hotel / resort is another way we seek to reduce capital costs and increase annual returns.

The Latitude Collection acquisition strategy is property by property, with a goal of expanding our portfolio of distinguished boutique owner-operated hotels/resorts to 30 properties in the next five years.

# MARKET RISKS AND MITIGANTS

## *Low Volatility in Private Real Estate*



*Private real estate in general tends to be less volatile investment, but as always, there are risks.*

*While the hotel industry forecast remains strong, investment risks include an anticipated increased supply of hotel rooms that may reduce yield for two to three years. Other risks include increased capital costs due to rising interest rates, which could impact property valuations; however, this likely long-term record low interest rates market is now a plus for acquisitions.*

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### **HOTEL SUPPLY**

An increased supply of hotel rooms in some markets may reduce room yield for 2-3 years. We have strategies for expanded demand sources, with adjustment with increased demand.

### **REAL ESTATE INVESTMENTS**

A mid-year report from Fitch Ratings predicts that steady employment growth and disciplined bank construction lending should keep hotel demand ahead of supply increases for most property types, allowing for modest occupancy gains and low-to-mid single-digit growth.

*(Fitch Mid-Year 2020 Lodging Report)*

### **TARGET AUDIENCE**

Affluent travelers value particular, unique, diverse, individual hotel and travel experiences over the prospects of cashing in on chain hotel points. Millennials have a preference for independent hotels with personality.

### **CONSUMER DIRECT REACH**

Over 60% of bookings are direct through the hotel's website.

### **MARKETING PARTNERSHIPS**

American Express Platinum Global Travel, Virtuoso, Lawyers Travel and Tablet Hotels provide over 15% of rooms demand.

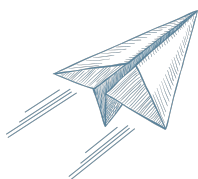
### **SALES TEAMS**

Centralized reservations for individual guest bookings and group inquiries are planned for 2022. Each property has trained sales professionals.

### **OFFSET OF BRAND AFFILIATION**

We are operating without the costs and constraints of a traditional chain affiliation, including flexibility in design, amenities, local food & beverage offerings and budgets that are defined for each property. 40% of Millennials do not see value in loyalty programs.

# COMPARISON OF FINANCIAL PERFORMANCE

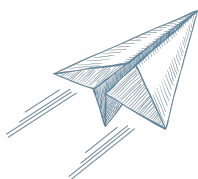


INDEPENDENT BOUTIQUE HOTELS WITH HIGH F&B REVENUE  
LUXURY

SOFT BRAND COLLECTION UPPER UPSCALE &

Revenue	Percentage of Revenue	Per Room Occupied	Incremental Lift	Revenue	Percentage of Revenue	Per Room Occupied
Rooms	54.0%	\$284	16.3%	Rooms	62.4%	\$244
Food	25.0%	\$132	99.6%	Food	16.8%	\$66
Beverage	13.6%	\$72	138.1%	Beverage	7.7%	\$30
Other Operated Departments	7.4%	\$39		Other Operated Departments	13.1%	\$51
<b>Total Revenue</b>	<b>100.0%</b>	<b>\$525</b>	<b>34.3%</b>	<b>Total Revenue</b>	<b>100.0%</b>	<b>\$391</b>
<b>Departmental Expenses</b>				<b>Departmental Expenses</b>		
Rooms	25.5%	\$72		Rooms	26.7%	\$65
Food & Beverage	65.9%	\$144		Food & Beverage	76.1%	\$86
Other Operated Departments	41.7%	\$9		Other Operated Departments	68.0%	\$15
<b>Total Departmental Expenses</b>	<b>43.0%</b>	<b>\$226</b>	<b>35.7%</b>	<b>Total Departmental Expenses</b>	<b>42.6%</b>	<b>\$167</b>
<b>Undistributed Operating Expenses</b>				<b>Undistributed Operating Expenses</b>		
Administrative & General	8.0%	\$42		Administrative & General	8.2%	\$32
Marketing (excluding franchise fees)	6.9%	\$36		Marketing (excluding franchise fees)	7.3%	\$29
Information Systems & Telecommunication	1.4%	\$7		Information & Telecommunications	1.4%	\$6
Utility Costs	2.8%	\$15		Utility Costs	2.8%	\$11
Property Operation & Maintenance	3.0%	\$16		Property Operation & Maintenance	4.0%	\$15
<b>Total Undistributed Expenses</b>	<b>22.4%</b>	<b>\$118</b>		<b>Total Undistributed Expenses</b>	<b>25.6%</b>	<b>\$100</b>
<b>Gross Operating Profit</b>	<b>34.6%</b>	<b>\$182</b>	<b>46.1%</b>	<b>Gross Operating Profit</b>	<b>31.8%</b>	<b>\$124</b>
Management Fees	3.2%	\$17		Management Fees	2.8%	\$11
<b>Income Before Fixed Charges</b>	<b>31.4%</b>	<b>\$165</b>		<b>Income Before Fixed Charges</b>	<b>29.0%</b>	<b>\$114</b>
<b>Selected Fixed Charges</b>				<b>Selected Fixed Charges</b>		
Taxes	1.3%	\$7		Taxes	2.5%	\$10
Insurance	0.6%	\$3		Insurance	1.0%	\$4
Rent	0.9%	\$5		Rent & Non-Operating Income	2.4%	\$9
<b>EBITDA / Net Operating Income</b>	<b>28.6%</b>	<b>\$150</b>	<b>65.7%</b>	<b>EBITDA / Net Operating Income</b>	<b>23.2%</b>	<b>\$91</b>

# COMPARISON OF FINANCIAL PERFORMANCE



INDEPENDENT BOUTIQUE HOTELS WITH HIGH F&B REVENUE

SOFT BRAND COLLECTION UPPER UPSCALE & LUXURY

	<b>Totals</b>	<b>Incremental Lift</b>		<b>Totals</b>
Occupancy:	79.9%	<b>8%</b>	Occupancy:	7%
ADR:	\$284	<b>16%</b>	ADR:	\$244
RevPAR:	\$227	<b>26%</b>	RevPAR:	\$180
TrevPAR:	\$420	<b>45%</b>	TrevPAR:	\$289
GOPPAR	\$145	<b>58%</b>	GOPPAR	\$92
<b>Data Year</b>	<b>2019</b>		<b>Data Year</b>	<b>2018</b>
<b>Props:</b>	<b>14</b>		<b>Props:</b>	<b>58</b>
<b>Rooms:</b>	<b>2,067</b>		<b>Rooms:</b>	<b>10,812</b>

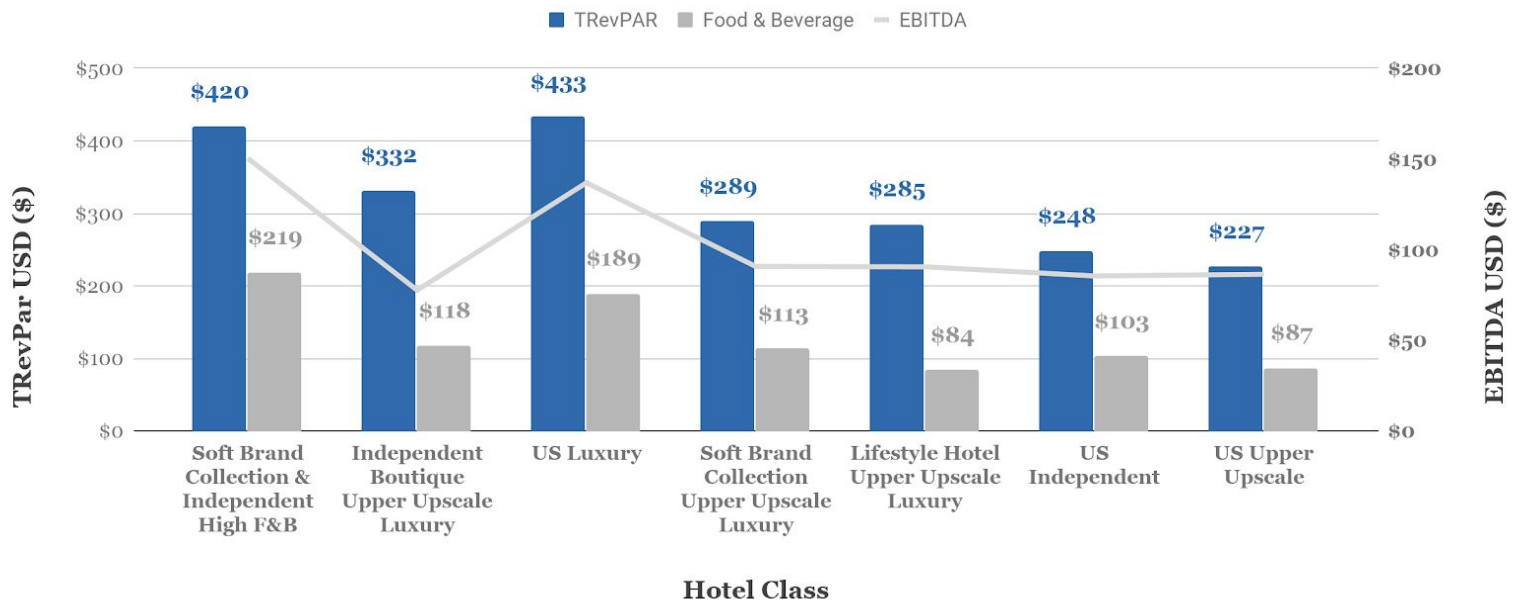
*Source: [The Boutique Hotel Report 2020 ~ The Highland Group](#)*

In addition to offering reduced fees and personalized value when compared to brand operators – with a focus on Food & Beverage and multiple profits centers, we have the potential to outperform financially as well.

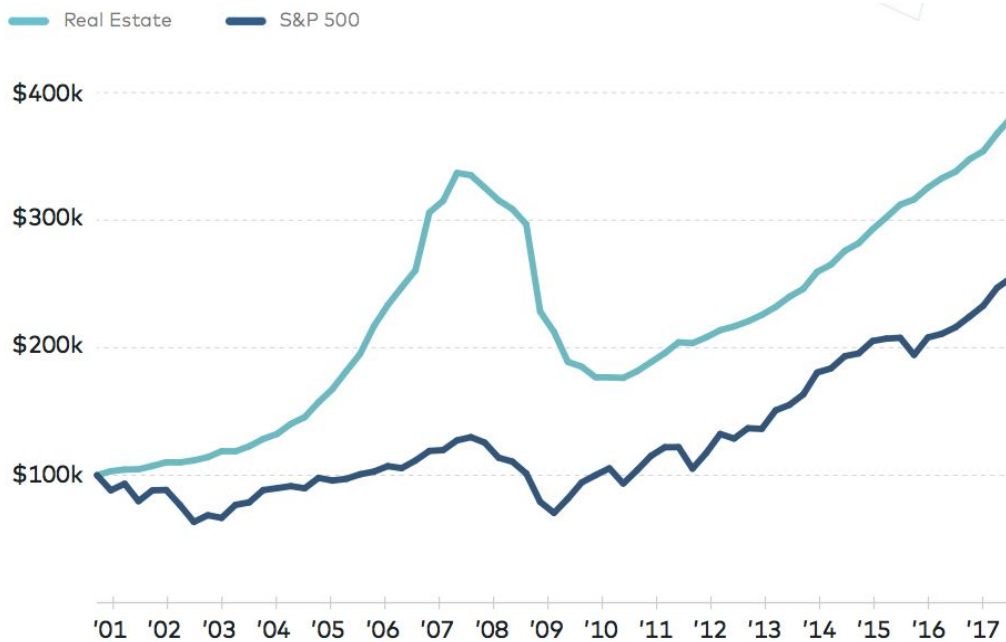
According to the Highland Group’s 2020 Boutique Hotel Report, based on a 2019 study, on average Independent Hotels with robust Food & Beverage programs outperformed all other US Lifestyle and Soft Brand segments in both EBITDA per occupied room and RevPAR

<b>Hotel Class</b>	<b>RevPAR</b>	<b>Food &amp; Beverage</b>	<b>TRevPAR</b>	<b>EBITDA</b>	<b>Average Rooms</b>
<b>Soft Brand Collection &amp; Independent High F&amp;B</b>	<b>\$227</b>	<b>\$219</b>	<b>\$420</b>	<b>\$150</b>	<b>148</b>
<b>Independent Boutique Upper Upscale Luxury</b>	<b>\$215</b>	<b>\$118</b>	<b>\$332</b>	<b>\$78</b>	<b>255</b>
US Luxury	\$248	\$189	\$433	\$137	275
Soft Brand Collection Upper Upscale Luxury	\$180	\$113	\$289	\$91	186
Lifestyle Hotel Upper Upscale Luxury	\$203	\$84	\$285	\$91	206
US Independent	\$149	\$103	\$248	\$86	177
US Upper Upscale	\$146	\$87	\$227	\$86	379

## Financial Performance By Hotel Class



### PRIVATE REAL ESTATE GENERATES HIGH ABSOLUTE RETURNS



Upscale Independent Hotels generate both dividend income, and Value Add investments generate significant asset appreciation.

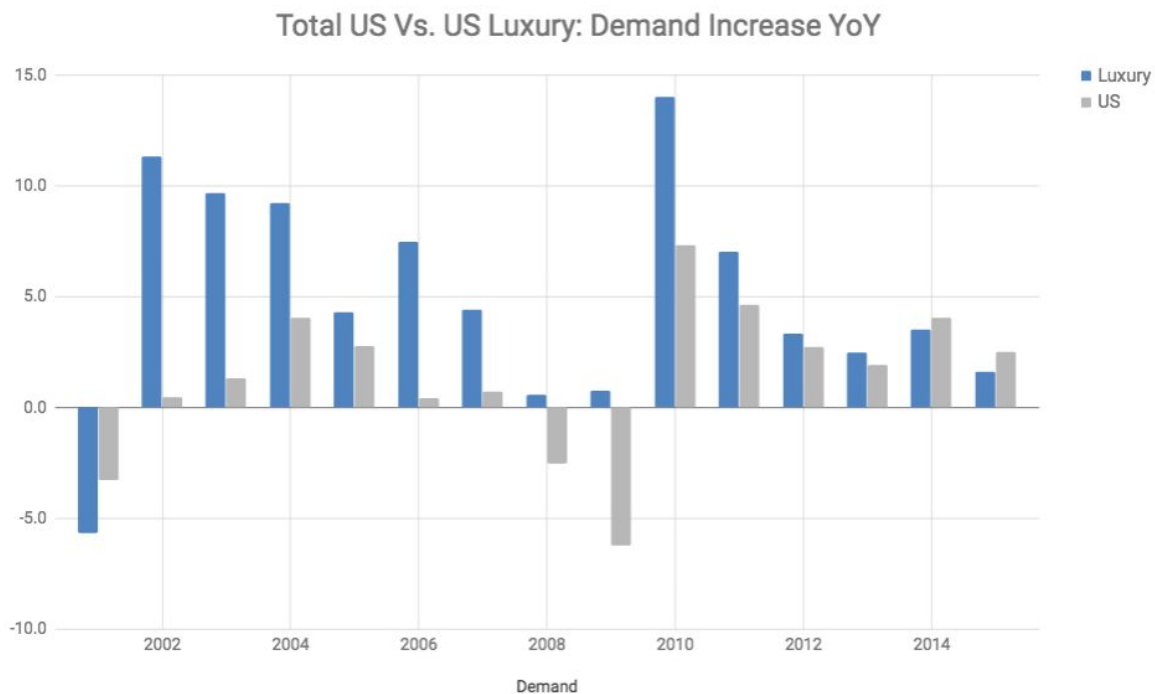
\$100k investment in Private Real Estate beginning in 2001 vs S&P 500

# AMELIORATION OF RECESSION RISKS

We believe these risks are able to be mitigated by continued growth in the affluent traveler base, coupled with the fact that this target audience is seeking and values the product we deliver—a hotel experience with unique flavor and personality. The affluent traveler market stays relatively strong even during economic downturns, and historically has been the first to return to city center hotels and resorts.

Studies have shown, more and more of these travelers are choosing independent hotels that deliver a unique experience over cashing in on brand ‘points’. According to a 2018 Travel Daily News survey, 39% of Millennials don’t see value in hotel brands’ loyalty programs.

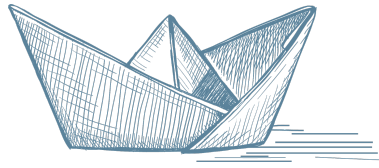
## US LUXURY & UPPER UPSCALE HOTELS GREAT RECESSION REBOUND SOONER AND STRONGER GROWTH THAN CHAIN HOTELS



**Private Real Estate is US Tax Efficient** -- after-tax yields are significant. Income is often shielded through depreciation and Section 179 benefits, investment appreciation. Potential for ongoing tax deferrals through the 1031 Exchange provision.

# THE LATITUDE MANAGEMENT TEAM

*A Partnership of Experience, Talent and Passion*



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The Latitude Collection is a partnership between innovative owner/operators Dean Porter Andrews, Paul Clark and Norman MacLeod, all of whom have a proven track record in senior management of global hotels and resorts. Their two companies The Latitude Collection and De Havilland have come together in a strategic alliance to enable the combined platform to develop and manage five - star hotels globally, and drive high investor returns.

The inspiration for this collaboration, and indeed the original idea was formed from the teams close association with the late, great, James B Sherwood, who created Orient Express Hotels and put the world famous, Venice - Simplon Orient Express train back on the rails. Mr Sherwood sold his trophy collection of hotels to Louis Vuitton in 2018, for \$3.2 billion, a business he had started from scratch in 1984, when he acquired the Cipriani in Venice. Sherwood had contacted the team post the LVMH sale, to look at a variety of hotels and our team agreed to work with Jim on a number of projects, in Italy, Argentina, the UK, US and South Africa.

The team is well versed in five - star luxury and delivery. Latitude Management is a JV entity with North American and UK teams. Dean ran all of Orient Express operations in North and South America and the Caribbean, and brings a wealth of experience in acquiring and running five - star hotels as well as hotels and residential development. Paul has always worked in the luxury hospitality space, in both hotels and airlines. He is the ex CEO of Virgin Hotels, Head of Finance Voyager Group (Virgin Atlantic Airways) and CEO, De Vere Hotels. Norman was the senior operating officer with Starwood Hotels and Resorts, overseeing its acquisition and rebranding of Westin Hotels, and is now the CEO of Hay Creek Hotels and Restaurants, an established operator of historic boutique hotels based in New England. The team currently owns/manages (17 properties), with others in the pipeline.

Their combined expertise includes financing and managing acquisitions (IPO and Secondary offerings) of more than 70 global properties, and overseeing new builds, renovations, expansions, and rebranding properties for the finest hotel brands in the world. They have a proven track record in executing operating strategies to deliver stable returns to investors.

They have teams of well - known industry professionals, all of whom have worked in five - star hotel companies, including Omni, Forte, Virgin, De Vere, Firmdale Hotels and of course, Orient Express Hotels.



# THE LATITUDE MANAGEMENT MODEL

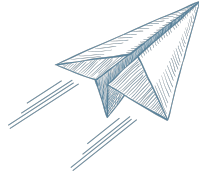
## *Regional Management Strategy*

*Latitude Collection leverages proprietary, cloud-based operating systems and controls and key luxury marketing and PR partnerships. Our streamlined centrally managed, regional and property-level management support systems are designed for international expansion and growth.*



# LATITUDE'S DEAL FLOW

*Steps to Create Maximum Profits for LP's*

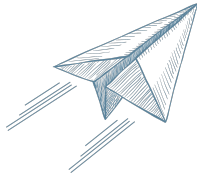


*Our Latitude Collection partners have proven expertise and a conservative underwriting discipline for the acquisition and management of independent hotels and resorts. The process relies on solid and transparent due diligence principles and a comprehensive approach for each phase of the investment lifecycle, benefitting from the 'hands on' partners' experience & discipline with over 30-years of hospitality investments management.*



# BUILDING OUR INVESTMENT PORTFOLIO

*What Latitude the Operator/ Sponsor is Looking For*



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## **DESTINATIONS**

Hotels located in urban centers and luxury leisure destinations with barriers to entry and strong potential appreciation

## **PORTFOLIO DIVERSIFICATION**

Balance of city center hotels, primary and secondary markets, resorts and hotel/residences. Geographical range

## **UPGRADEABLE ASSETS**

Historic and Boutique hotels acquired below replacement price -- renovate -- rebrand -- reposition. Prime properties neglected by owners with potential for upgrades with new rooms, spas and restaurants

## **MARKET POSITION**

4 to 5 Stars - Significant upside in room rates, demand by market segment & overall Revenue per Available Room

## **VALUE ADDED INVESTMENTS**

Hotels with potential for repositioning through creating new profit centers - residences, catering, clubs, rooftop bars

## **NEXT GENERATION APPEAL**

Upper-Upscale Independent Hotels that reflect their destination and have lifestyle offerings are market leaders

## **UPSCALE RESTAURANTS**

Hotel differentiation through locally focused restaurants in destinations with a culinary heritage

## **RESIDENTIAL CLUBS**

Hotels and resorts with a newly integrated residential component will significantly reduce the capital investment

## **MANAGEMENT ALIGNMENT**

The Latitude Collection's Management company has invested equity and a vested interest in profits, asset returns & building the collection

## **OFF-MARKET DEALS**

The team has the ability to source properties with ownership transitions and fund close acquisition.