

■ CHM Government Services
Company Overview



OVERVIEW



CHM GS is a highly-experienced provider of market and financial advisory services for public entities responsible for visitor-based and mission critical real estate and programs.

MISSION

HISTORY

CHM GS brings experience and time tested tools to the public sector, leveraging a solid platform of private sector business practices.

Private Sector Business Strategies for the Public Sector

Balancing the successful management of guest services facilities with clients who have multi-faceted missions requires knowledge of the political, legal and financial landscape surrounding such assets. CHM GS has a proven history of being able to navigate through these issues while developing financially-sustainable solutions that address client needs.

CHM Government Services ("CHM GS") is a highly-experienced provider of market and financial advisory services for public entities responsible for visitor-based and mission critical real estate and programs. Our work supports the unique business relationships between private operators and public land and facility managers. We have helped numerous federal and state agencies make decisions about the future of their visitor and mission critical services and real estate assets.

With our assistance, our clients have been able to:

- Make financially-sustainable decisions about changes to visitor and mission critical services and facilities;
- Reduce dependence on appropriated funds; and,
- Develop plans for improving and maintaining visitor and mission-critical facilities.

CHM GS partners with public agencies in the United States who are responsible for visitor and mission-critical facilities and services to develop and implement sustainable strategies to operate, maintain, and improve these hospitality and recreation assets and programs. We achieve this result by applying our private sector experience, skills, tools, and networks and our understanding of policy and funding frameworks.

CHM GS was formed in December of 2007 as a subsidiary of Capital Hotel Management, LLC (CHM), the largest independent hospitality asset management and investment advisory company operating in the U.S. today. Prior to joining CHM, the Government Services core team worked together for more than a decade, most recently within the government practice for a preeminent global advisory firm. Senior principals of CHM and today's CHM GS division shared a long-standing professional relationship and realized the many synergies in services that could be realized by joining forces. Today, CHM GS brings their experience and time tested tools to the public sector, leveraging a solid platform of private sector business practices.

OVERVIEW

CHM GS business advisory solutions for public agencies span nearly every hospitality and recreation asset class, includes domestic resort, tourism and mission critical locations; and involves services to both state and federal agencies.

STRATEGIC PLANNING



MARKET ANALYSIS

Creative and effective solutions to public agency challenges.

Recreation and Hospitality Services

The CHM GS suite of services offers public sector recreation and hospitality stewards a holistic approach to visitor services and facilities management.

Active hospitality ownership means taking a strategic and proactive role in overseeing the operation of an asset, including working collaboratively with key stakeholders in the areas of:

- Strategic Planning
- Contracting
- Contract Oversight

Public sector agencies are responsible for managing several missions of varying types and priorities. While the prime mission may be to protect public lands or ensure war-time readiness, an underlying yet equally important mission to provide recreation and appropriate services to respective constituent groups exists. CHM GS has a long-standing history of taking a holistic look at the needs of these groups and identifying the appropriate services and facilities to accommodate these various demand segments. We work with our partners in the areas of architecture and design to ensure that facility development and positioning is maximized based on the internal and external factors that may affect it. We also ensure that what is proposed is tested from a financial and investment perspective to maximize, to the greatest degree possible, financial sustainability. As components of our Strategic Planning Services, CHM GS provides the following:

- Market Analyses
- Business Operations Analyses
- Business Plan Development
- Financial and Investment Analyses
- Contract Oversight

Successful ventures are grounded in a thorough understanding of the markets in which they will operate. Successful Market Analysis focuses on identifying and capitalizing on trends in the geographic market as well as the industry segment that is being considered. Comprehensive Market Analysis includes the following components:

- Competitive/Comparable Supply Analyses
- Demand Analyses
- Consumer Preference Research
- Socio, Economic and Demographic Analyses
- Industry Research and Analyses

**MARKET ANALYSIS
(CONTINUED)**

Once the requisite research and analysis is completed, perspective is gained. This allows for informed shaping of the facility and/or service strategic plan or business opportunity proposal. Ultimately, the final plan or proposal will need to be validated through financial and investment analyses to ensure it meets all the objectives of ownership.

**BUSINESS OPERATIONS
ANALYSIS**

Extensive experience and proven track record for developing and implementing sustainable strategies to operate, maintain and improve hospitality and recreation assets and programs on behalf of our clients.

CHM GS is often called upon when ownership is having an issue with its facilities or programs. Poor performance can be the result of circumstances within or outside of the control of Ownership and/or Management. Our approach is to provide an objective assessment of the way in which a facility or service is being operated, the results of which form an action plan for change. Specific services contained within this service include:

- Business Plan Review and Critique
- Management Team Assessment
- Support Services Analyses
- Organizational Structure Review
- Historical Financial Analyses
- Detailed Operating Department Reviews
- Sales and Marketing Plan Review

**BUSINESS PLAN
DEVELOPMENT**

Businesses often fail as a result of a poorly developed and executed business plan. CHM GS has been retained to assist Federal and State clients with developing sound business plans that set the foundation for success. In many cases we are brought in when a business is failing or not performing up to the expectations of Ownership. CHM staff takes a holistic view at all the issues relevant to a sound and profitable business and develops a plan that is actionable and executable. In many cases, the work steps followed mirror that of our Business Operations Analyses and culminate with the development of a plan. We focus on understanding the "As-Is" state so we can develop a plan that allows the business to aspire to the "Desired State".

FINANCIAL ANALYSIS



When underwriting a business transaction, an important component in testing the viability of a project is to complete a prospective financial analysis. This analysis allows a business owner or operator to assess whether the operation's income producing ability is sufficient to meet its cost and, if applicable, its debt service obligations. Additionally, it provides a baseline to evaluate sensitivity analyses on revenue and expenses in light of future economic trends.

CHM GS has performed thousands of such analyses for recreation, hospitality and mission critical operations. We have evaluated the prospective financial performance of singular operations as well as complex, full-service facilities. We rely on market analysis and historical performance to the extent available. We also leverage a database of public and private sector financial performance information we have built over the years, which reflects actual facility operations on Federal and State lands and for private sector land uses.

INVESTMENT ANALYSIS



CHM GS employs a discounted cash flow analysis approach in evaluating the degree to which a specific investment opportunity meets client return expectations. Once a prospective financial analysis has been completed, we work to determine the upfront and on-going investment requirements of the business opportunity. We then work to evaluate the risks associated with the investment and operations. In many cases, these can include an element of risk related to natural resources, mission, construction, economic or other risks.

CHM GS have completed these analyses for a host of recreational and hospitality-related assets. Our analysis is objective and actionable. We have developed proprietary models that allow us to make real-time changes to assumptions so our clients can immediately see the possible effects of these changes. Our models incorporate a fully integrated approach to investment analysis and project feasibility and have been lauded by our clients for their simplicity in what is often a very complex transaction.

CONTRACTING

The public sector has specific laws and regulations which govern how it can provide recreation, hospitality and mission-critical services and facilities to constituency groups. Additionally, public policy and political influences can impact the way these services and facilities can be delivered to market. CHM GS has experience in reviewing and understanding these legislative and regulatory procedures and guiding clients through a process that allows them to achieve their objectives. As a component of our Contracting services, CHM GS provides the following services:

- Service Provider, Operator, and Brand Selection Services
- Request for Proposal and Prospectus Development
- Lease Structuring

CONTRACT OVERSIGHT



Despite all the good work that may go into strategic planning and contracting, without comprehensive contract oversight, the risk that the operation may not perform as intended increases. CHM GS has adopted many private sector asset management techniques in the delivery of public sector contract oversight. Owners of these business-intensive assets cannot be expected to be trained and educated in all that is required to operate a successful foodservice or lodging facility. CHM GS acts as a public sector Owner's representative, ensuring that goals and objectives are well-represented and remain a focus in the day-to-day operation of these facilities. Services offered as part of Contract Oversight include:

- Operating Budget Development/Review
- Cost Containment Monitoring
- Capital and Maintenance Planning and Execution
- Revenue Generation Monitoring
- Service/Facilities Evaluation

OVERVIEW



Instant Access To Expertise

CHM GS is an approved provider of services accessible to a wide-variety of government and public agencies through various contracting vehicles in place

Federal agencies have at their disposal various contracting mechanisms for obtaining management consulting services. These include both contract vehicles that apply across agencies and specific Indefinite Delivery Indefinite Quantity ("IDIQ") that are issued by specific agencies.

CHM has been awarded a General Service Administration Federal Supply Schedules for Financial and Business Advisory Services (FABS) for Special Item Number 520-1. This vehicle provides solutions for various financial dilemmas through a wide range of financial services, giving federal agencies direct access to commercial vendors who can thoroughly address the needs of the federal financial community. The FABS Schedule Special Item Number 520-1 covers the following financial and business advisory services:

- SIN 520-1: Assisting agencies on cross cutting issues, asset marketability, program development, trust or other monetary fund management/benefit administration, equity monitoring, originations, and address any other considerations regarding the acquisition, management and/or resolution of an asset.

CHM also holds a National Recreation Program Business Advisory Service Indefinite Delivery Indefinite Quantity ("IDIQ") Contract with the United States Forest Service (AG-02NV-C-09-0004) for the period 2009 to 2014. This sole source IDIQ provides all Forest Service units the ability to use this contracting vehicle.

CHM holds a National Park Service Prospectus Development and Business Advisory Support Services Indefinite Delivery Indefinite Quantity ("IDIQ") with the National Park Service Commercial Services (Concessions) Program for the period 2009 to 2014. The award of this IDIQ continues over a decade of service to the NPS Commercial Services Program.

CHM has a strategic relationship with several large commercial management consulting firms which allows CHM GS to leverage their IDIQ vehicles for work within the Department of Defense, U.S. Air Force Services Agency.

For information on accessing or obtaining specifications of CHM GS contracting vehicles, please contact us at 978.232.3608 or visit www.chmgov.com.

ALL GOVERNMENT AGENCIES

DEPARTMENT OF AGRICULTURE— U.S. FOREST SERVICE

DEPARTMENT OF THE INTERIOR— NATIONAL PARK SERVICE

DEPARTMENT OF DEFENSE— U.S. AIR FORCE SERVICES

OVERVIEW

SENIOR MANAGEMENT TEAM

The Value Of CHM Lies In Its People

CHM is comprised of a cohesive team of professionals, offering a complete suite of market, financial and investment advisory services to public sector agencies responsible for hospitality, recreation and mission-critical asset and programs.

The CHM GS team is comprised of innovative, hospitality real estate professionals, offering a broad range of expertise, with over two centuries of combined experience. Our diverse background affords an unparalleled level of resources to draw upon enabling us to provide public agencies with the most comprehensive suite of service available today.

Ken Wilson, Chief Executive Officer (CEO), co-founded CHM in September 2000 and has since grown the company’s portfolio of asset-managed hotels by 300%, to an aggregate book value of more than \$5.0 billion in hospitality real estate. Under Mr. Wilson’s leadership, CHM expanded to include a new Government Services division established to address the specialized needs of public-sector hospitality real estate owners. Mr. Wilson has 30 years of experience encompassing all aspects of hospitality real estate investment and ownership. As CEO, Mr. Wilson is responsible for raising and negotiating equity and debt financing, negotiation of purchase and sale agreements in support of asset acquisition and disposition, advising on workout strategies and bankruptcies, and participating in hotel management/franchise company selection and key contract negotiations. He has sourced direct deals and developed creative partnerships/ownership structures, has been involved in the review of more than 300 hotel investment deals and has negotiated contracts on behalf of ownership groups with every major brand operator resulting in increased owner control and more favorable fee structures. Public sector experience includes strategic planning and providing expert witness testimony for the Department of Defense and congressional testimony on leasehold surrender interest and possessory interest for the National Park Service. Mr. Wilson serves as the company visionary and practice leader for CHM, whose strategic insight extends to the properties in our portfolio, specifically in the areas of strategic planning, operation, development/master planning and investment strategies.

Chad Crandell is the President and co-founder of CHM, leading provider of asset management and advisory to both private and public-sector hospitality real estate owners. Mr. Crandell is responsible for overseeing all corporate functions, including the Government Services division, focusing on client support, business development and team resources. With extensive experience in structuring fair and equitable agreements pertaining to hospitality real estate ownership, Mr. Crandell plays an active role in all contract negotiations, as well as advises on key operational challenges, including risk mitigation, capital planning and expenditures and investor-funded capital projects. Mr. Crandell served as the past President of HAMA (Hospitality Asset Managers Association), is a spokesperson for CHM and active advocate on hospitality ownership and industry issues, participating and routinely speaking at all major conferences.



*Ken Wilson
CEO*



*Chad Crandell
President*

MANAGEMENT TEAM

SENIOR MANAGEMENT TEAM (CONTINUED)



Geoffrey Baekey
Senior Vice President
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Mr. Crandell's public sector expertise includes providing advisory services to municipal, state and federal agencies in the areas of planning/development, funding strategies, RFP development, management selection and asset management. Mr. Crandell is regularly quoted in industry articles and has authored a number of chapters and case studies published as part of industry text books. Mr. Crandell is a member of the International Society of Hospitality Consultants and holds a Counselors of Real Estate distinction.

Geoffrey Baekey, brings over 23 years of experience with both private and public sector hospitality clients with a wide-variety of visitor-based assets, supporting his current role as Senior Vice President at CHM. Mr. Baekey serves as the CHM Government Services division leader, responsible for the strategic direction and financial performance of the practice, client management, service delivery and quality control. For the past ten years, Mr. Baekey has spearheaded the redesign of key business processes for the National Park Service and United States Air Force Services Headquarters and United States Air Force Air Staff. Other selected public and private sector clients include, the United States Fish and Wildlife Service, United States Forest Service, United States Army, Marriott International, Starwood Hotels and Resorts, Palm Restaurant Corporation, Burger King and numerous financial institutions relative to their hospitality and real estate issues. Mr. Baekey also possesses extensive experience in commercial and resort lodging, recreation and food and beverage strategic planning, asset management, business development and operational analysis. For the past eight years, he has served as the principal point-of-contact for the Director of the National Park Service Commercial Services Group and Senior Project Manager in spearheading the redesign of key business processes for the National Park Service Commercial Services Group where he was responsible for enhancing returns in excess of 100%.



Margaret Bailey
Senior Vice President
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Margaret Bailey brings 20 years of hospitality operations and consulting experience to CHM, concentrated in advising public sector clients on their hospitality and recreational real estate holdings. Ms. Bailey has performed and oversees market, financial and investment analyses for a wide-variety of visitor-based operations. Additionally, she has developed strategic policy guidance and provided implementation support on concessions, pricing and other operational best practices. Visitor-based experience includes lodging, food and beverage, retail, ski areas, campgrounds and day-use activities such as picnic areas, trails and visitor centers. In her capacity as a Senior Vice President, Ms. Bailey serves as a division leader for CHM's Government Services group, focused on serving the business advisory needs of municipal, state and federal land management agencies including the U.S. Forest Service and National Park Service, as well as state park agencies and municipalities. The focus of her efforts is on adapting private sector business best practices for public agencies managing visitor services in natural, cultural and historical environments.

OFFICE LOCATIONS

CHM Government Services

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