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Prominent Real Estate Company Recognizes the Value of CHM as Hotel Asset Manager

CHM Selected by RexCorp Realty to Asset Manage The Marriott Long Island in Uniondale, NY

BEVERLY, Mass.--(BUSINESS WIRE)--Capital Hotel Management ("CHM"), a leading hotel investment and asset management firm, today announced that it has been engaged as a hotel investment advisor to RexCorp Realty LLC ("RexCorp"), to asset manage the newly acquired Marriott Long Island Hotel & Conference Center in Uniondale, New York.

RexCorp is a Long Island-based, fully integrated, private real estate company, with approximately US\$3 billion in assets under management, including approximately 11 million square feet in 70 properties, and is one of the largest office landlords, in the New York Tri-State area.

On January 25, 2007, RexCorp entered into a joint venture with Marathon Real Estate, a global real estate investment firm that specializes in opportunity-based asset-repositioning and redevelopment, and acquired the Marriott Long Island, as part of a larger real estate portfolio and redevelopment opportunity valued at \$2 billion.

"We understand the tremendous opportunity in this asset and want to be sure we surround ourselves with a team of sector-specific experts to see it through to fruition. CHM represents an unparalleled team of lodging specialists, possessing the tools and experience in enhancing the hotel value. CHM demonstrates an innovative and effective approach to managing hotel projects, and an ability to react quickly and implement a program aimed at deriving maximum value and investment returns," said Scott Rechler, CEO of RexCorp.

The Marriott Hotel Long Island & Conference Center is situated adjacent to the Nassau Coliseum and represents one of the largest properties and major group facilities available in the county. The hotel is slated to undergo a \$21 million renovation, scheduled for completion by June 2008, which will enhance the 618 guestrooms, public areas and 27,000+/- square feet of state-of-the-art conference and function space. The Marriott Long Island offers multiple dining and entertainment outlets, an on-site spa and salon, fitness room and indoor swimming pool.

"Partnering with RexCorp on this project represents a tremendous opportunity for CHM to do what we do best – create value and optimize investment returns. Our success to date lies in our innovative approach and an ability to collaborate with the operating team to identify opportunities and create a program for implementing strategies that maximize performance, enhance value and optimize owner investment returns. This hotel possesses the fundamentals for successful repositioning – a good product, prime location and an ownership commitment to uncovering value through innovative strategies. With the Marriott brand and operating team, we foresee tremendous opportunities in the immediate future," said Ken Wilson, Chief Executive Officer of CHM.

"What makes this opportunity especially exciting is the chance to work with RexCorp. RexCorp, and its management team, has a stellar reputation in the Real Estate community and we look forward to working together," Mr. Wilson concluded.

CHM has enjoyed a successful track record since inception in 2000, and steady, controlled growth, has afforded the company an extremely loyal clientele base, which presently entrusts CHM with hotel assets representing approximately 13,500 guestrooms. Hotels currently under asset management are collectively valued at over \$5.0 billion, marking nearly 300% growth in asset value under CHM's control over the last five years.

Chad Crandell, President of CHM comments, "Our strategy has been to grow our business with a select base of clients, representing ownership interests in high-profile properties in major destination markets with

tremendous operational and/or (re)development potential. Hotel ownership in today's marketplace requires a strategic and entrepreneurial approach to truly maximize investment returns."

Capital Hotel Management, LLC (CHM)

Capital Hotel Management LLC (CHM) is an SEC registered investment advisor, a Qualified Professional Asset Manager (QPAM) and the largest independent hotel asset and investment management company operating in the U.S. today. CHM provides a full-range of acquisition and disposition expertise for its hotel investors, as well as customized strategies proven to optimize asset/portfolio value and increase overall hotel investment returns. Today, CHM actively oversees hotel portfolio and single-asset investments representing approximately 13,500 guestrooms, collectively valued at over \$5.0 billion. Hotel investments are comprised of urban landmark properties, high-profile destination resorts and convention headquarter hotels operating in major markets across the U.S. For more information on CHM, visit their website at www.chmhotel.com or contact them at (978) 522-7000.

RexCorp Realty

RexCorp is a Long Island based, fully integrated, private real estate company, with approximately US\$3 billion in assets under management, including approximately 11 million square feet in 70 properties, and is one of the largest office landlords, in the New York Tri-State area. For more information on RexCorp Realty, visit their website at www.rexcorprealty.com or contact them at (516) 506-5000.

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