

RESORT ADVISORY GROUP

I N T E R N A T I O N A L

*REAL ESTATE &
RESORT ADVISORY SERVICES*



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COMPANY OVERVIEW

RESORT ADVISORY GROUP INTERNATIONAL was founded by Mr. Alain Longatte. The firm's principals include Mr. Longatte and Mr. Jason Bass, CFA. Mr. Longatte has held senior management positions for almost 35 years in real estate finance, operations, and development. Mr. Bass recently joined the firm. Mr. Bass is an economist and holds the Chartered Financial Analyst designation. He has over 17 years of economic and financial analysis experience covering a broad range of industries, including, in particular, real estate. Mr. Bass and Mr. Longatte work closely on each of the firm's engagements to guarantee that their respective and complementary skills and experience are effectively utilized.

Resort Advisory Group International provides its select clients with a wide range of strategic, operational, and financial advisory services related to lodging, residential and mixed use real estate development, redevelopment, and management activities both in the U.S. and abroad. The firm differentiates itself by providing expert integrated advisory services at every stage of the real estate asset investment, implementation, management, and operational decision-making process. The firm's core philosophy is to work side by side with its clients from the very beginning and, correspondingly, to transcend the typical client-consultant relationship to one better described as a partnership; to become a trusted member of each client's team.

Recent economic events and trends have marked a dramatic and extremely sobering end to what was an extended and unprecedented period of growth in the real estate sector. The numerous resultant challenges now facing the real estate development and investment communities, most notably illiquid capital markets, poor valuations, and weak consumer demand, pose real and serious threats to the continued viability of both existing and new developments. To effectively address these threats, one must adjust programs to be responsive to the prevailing market reality, and take advantage of resultant emerging opportunities. Objective expert thinking, sound strategic planning, creative solutions and proactive plan implementation are the building blocks for success.

Resort Advisory Group International brings its depth of knowledge and experience to bear in providing invaluable assistance towards achieving these ends. The firm takes a comprehensive and holistic approach to problem resolution to develop inventive and realizable solutions and prides itself on its singular and unwavering focus to maximize the value it adds to its clients' endeavors irrespective of marketplace challenges.

EXECUTIVE PROFILE

Mr. Alain Longatte

As the founder and President of Resort Advisory Group International Mr. Longatte has played a key advisory role on a range of engagements, most notably, the development of a luxury hotel and residences in Telluride, Colorado; the proposed development of a luxury resort in Calistoga California; several luxury resort development proposals in and around Lake Tahoe, California; the proposed development of mixed use hospitality/residential beachside in Mexico; and the redevelopment and repositioning of a condo-hotel with golf in Longboat Key Florida.

For the Telluride engagement as an example, working very closely with the developer Mr. Longatte shepherded the project through from its concept stage to near ground-break in just over a year. His ongoing contribution has not only included close oversight of the project's land planning, architectural and interior design team but he has also served as the principal negotiator in securing a favorable deal with the hotel operator for branding and management of the property and has directed broad reaching efforts to secure debt financing for the deal. Most recently he has taken a lead role in efforts to restructure the project with the current deteriorated economic environment and is working to secure the financing necessary to proceed.

Before he established Resort Advisory Group International, Mr. Longatte was President of Botany Bay Partners, LLC, a startup 400 acre luxury real estate development on the island of St. Thomas, USVI and President of Las Campanas in Santa Fe, New Mexico, a 4,800 acre up-scale resort residential development project. Prior to entering the real estate development field, Mr. Longatte spent seven years with Heitman Financial, LTD as CEO and President of the firm's Hotel Properties division. In that capacity Mr. Longatte oversaw a \$750 million portfolio of hotel investments and provided the firm's numerous pension fund and private clients with a wide range of financial advisory services focusing on the acquisition and disposition of hospitality assets.

Mr. Longatte joined Heitman after serving as Managing Director of the Regent Beverly Wilshire Hotel in Beverly Hills, California. As the hotel's Managing Director, he implemented a \$100 million renovation and orchestrated a highly successful re-opening of the property. Before the Regent Beverly Wilshire, Mr. Longatte was General Manager for the Mayfair Regent of Chicago. His extensive hospitality operations and management expertise also includes senior positions with the Registry Hotel Corp., the Meridien Hotel Corp., and Westin Hotels.

Mr. Longatte graduated from the School of Hotel administration in Paris, France. Additionally he undertook graduate coursework at Trinity College, Dublin Ireland, Universidad Autonoma de Mexico and the University of Maryland. He is fluent in French and Spanish.



EXECUTIVE PROFILE (cont.)

Mr. Jason Bass, CFA

Mr. Bass joined Resort Advisory Group International following three years with Warnick + Company, a hospitality and recreation consultancy based in Phoenix Arizona and with offices in New York, Chicago and Los Angeles. While with Warnick + Company Mr. Bass was responsible for much of the firm's financial and economic research and analysis activities. His most recent project work with Warnick +Company included performance of financial and statistical analyses to calculate lost income for a condo-hotel management contract dispute and associated arbitration; development of a staffing and an financial model to be used as a tool to reprogram, reposition, and/or streamline the distressed operations of a beachside resort hotel on the Big Island of Hawaii; the assemblage of a highly flexible financial model to evaluate feasibility and financing strategies for a planned master-planned community in the Caribbean to include several hotels, multiple residential developments, a casino, marina and championship golf course; the construction of a model to evaluate alternative capital stack scenarios for the acquisition, tear down and rebuild of a luxury hotel and residences in New York City; hotel and residential development planning and financial evaluation for a beachfront parcel in Mexico; performance of due diligence for the acquisition of a hotel, restaurant and retail operation in Mexico; and redevelopment planning, positioning, and feasibility assessment for an Orlando convention hotel.

Before Warnick + Company Mr. Bass was a consultant with Dornbusch Associates, an economic consulting firm focused on real estate, water and natural resource development and management services. As a principal with Dornbusch, Mr. Bass performed a broad range of economic and financial analyses. Specific projects included the income-based valuation of the lodging, food & beverage, and retail concession facilities at the South Rim of the Grand Canyon; determination of the potential local economic and tax/fee benefits of the then proposed five star Montage Hotel and Residences in Beverly Hills California, which opened in late 2008; the prospective valuation of a proposed privately held mixed-use lodging, retail and entertainment complex in Tusayan, Arizona, just outside the Grand Canyon, and the monetary damages due several Indian tribes from the misappropriation of their land and water resources. For his work on the Grand Canyon valuation, Mr. Bass was designated an expert and provided several hours of direct and rebuttal testimony in an arbitration to determine the contractually required capital recovery due the concessionaire from the National Park Service at the pending end of the term of the concessionaire's contract to operate the concession (which generates approximately \$70 million a year in revenues). Following that effort he co-authored a paper regarding the methodologies employed for the valuation which he helped to present to the Counselors of Real Estate (CREs) at their annual convention. (www.ishc.com/library/2006/NationalParkarticle.pdf).

Mr. Bass has been designated an expert for a number of other legal matters for which he has provided written expert opinions and affidavits, been deposed, and testified in mediation, arbitration, and in court.

EXECUTIVE PROFILE (cont.)

During a portion of his time with Dornbusch Associates, Mr. Bass also served as CFO of a high-end boutique residential and commercial property development and construction firm, Maven Properties. In that capacity Mr. Bass was responsible for the financial components of the firm's operations. Specific duties included management of accounting systems, tax return preparation, vendor/client contracting, and real property acquisition.

Mr. Bass joined Dornbusch Associates after working for over four years as a consultant with two separate litigation support practices, first with Ernst and Young in San Francisco and then with a small firm, EconomInc in Berkeley, that eventually merged with Law and Economics Consulting Group (LECG). With both firms Mr. Bass performed numerous and varied market, operational, and financial analyses and assisted in court to calculate or to refute monetary damages claims in mostly the banking, construction, energy, high technology, real estate, and apparel sectors.

Mr. Bass graduated from the University of California at Berkeley with a B.Sc. in Resource Economics. He completed his Master degree in Resource Economics at the University of California at Davis with an emphasis in quantitative methods. Additionally he has taken PhD level courses in micro economic, econometric and information economic theory at the University of British Columbia, Vancouver Canada. He received the Chartered Financial Analyst (CFA) designation from the CFA Institute in 2003 and holds a real estate sales license in the State of Arizona. He is proficient in French and Spanish.



SERVICES

RESORT ADVISORY GROUP INTERNATIONAL works closely with its clients to assist with all aspects of the real estate investment, operational, and development planning, implementation, and management process.

Asset Reengineering & Management Services

Resort Advisory Group International provides a full menu of services well suited to deal with the numerous legal, operational and financial challenges created by the current economic crisis (more info). The firm's principals have the expertise and resources to develop the best action plan and ensure its effective implementation.

- **Operational/Capital Assessment and Restructuring**
Performing property-specific and portfolio-wide operational and financial investigations and developing associated programs to improve performance on a going-forward basis.
- **Project Positioning Evaluation and Programming**
Reviewing planned or existing programs to evaluate their suitability. Developing repositioning strategies and programs to adjust to market reality and monitor subsequent progress and performance. Assisting with value engineering processes.
- **Litigation Support/Expert Witness Services**
Providing a full range of analysis, presentation, and testimonial support in litigation matters, particularly expert operational, market, and financial analysis to evaluate contracts, performance, and quantify or refute monetary damage claims.
- **Partner Sourcing**
Assisting in the solicitation of and negotiation with new debt and equity partners to provide much needed capital to stabilize planned or going concern operations.
- **Workouts / Debt and Contract Renegotiation**
Evaluating sustainable financing exposure. Negotiating with lenders, capital partners and vendors to enhance cash flows and avert financial distress.
- **Financial Analysis**
Developing comprehensive, flexible and user-friendly financial models to evaluate project return and risk sensitivities to changes in anticipated project timing, scale, operational performance positioning, programming, financing and absorption among numerous influencing variables.
- **Asset Management**
Providing expert financial and operational oversight of going concern operations to guide revenue generation, expense management and market positioning activities. Acting as representative for ownership in its relationship with management.



SERVICES (cont.)

Development & Redevelopment Services

Resort Advisory Services International provides a full menu of services specifically tailored to assist property owners, investors and lenders with all aspects of the real estate development process. The firm's principals have the expertise and resources to guide a project's development or redevelopment from its inception through completion.

- **Investment Opportunity Identification**
Helping locate superior investment opportunities through comprehensive market research, due diligence, and comparative financial evaluation.
- **Entitlements**
Managing the development permit and other entitlement application process as well as negotiating with public entities and developing supporting analyses to solicit favorable public development terms.
- **Programming**
Guiding the development and redevelopment conception process, including associated selection of, and coordination with, architects, engineers and land planners, among other technicians.
- **Economic and Fiscal Impact Evaluation**
Performing research and performing input-output modeling and other techniques to evaluate the potential local employment, government tax and fee, and other economic impacts of real estate development and redevelopment proposals. Providing necessary support and testimony in associated public review and decision-making proceedings.
- **Feasibility Assessment/Valuation**
Coordinating and providing critical review of financial, market and operational feasibility, positioning, and valuation studies.
- **Financial Analysis**
Developing comprehensive, flexible and user-friendly financial models to evaluate project return and risk sensitivities to changes in anticipated project timing, scale, operational performance positioning, programming, financing and absorption among numerous influencing variables.
- **Project Financing**
Helping to secure both equity and debt financing from institutional and private sources. Finding the right partners!
- **Contract Management**
Assisting with the solicitation, negotiation and management of contracts with A&E, construction, brand, management and real estate sales and marketing firms.
- **Construction Management**
Acting as a liaison between the client investor and architecture and construction team through all stages of the planning and development process and providing associated value engineering services.
- **Acquisition and Sale of Assets**
Providing advisory support to marketing, due diligence, and negotiation activities for asset acquisitions and dispositions.



SERVICES (cont.)

Investment Advisory Services

Resort Advisory Services International provides a full menu of services specifically tailored to assist investment groups, hedge funds, insurance companies and others with all aspects of the real estate asset investment process. The firm's principals have the expertise and resources to help identify, acquire and manage stand-alone and mixed use lodging and residential assets as a complement to any diversified portfolio of investments.

- **Investment Opportunity Identification**
Helping locate superior investment opportunities through comprehensive market research, due diligence, and comparative financial evaluation.
- **Due Diligence**
Conducting thorough investigations of relevant asset-specific information to assess value and risk and make appropriate recommendations on how best to proceed with each acquisition opportunity. We believe that no stone should remain unturned.
- **Bidding and Acquisition Negotiation**
Assembling packages to bid on targeted assets and subsequently assisting with negotiations to achieve the most favorable terms.
- **Asset Management**
Providing expert financial and operational oversight of portfolio assets to guide revenue generation, expense management and market positioning activities to maximize returns and value.
- **Asset Disposition**
Making recommendations regarding the best timing and terms for real estate asset disposition. Assisting with the marketing and sale of those assets.

PROJECTS

Current Projects



Homewood Mountain Resort at Lake Tahoe, CA USA

Resort Advisory Group International provides a range of advisory services for this 5-star Hotel and Residential project located on 1,250 acres overlooking Lake Tahoe. The ski-in ski-out project is to include a lake front village with a marina, restaurants and retail.



Calistoga's Glider Port Re-Development Project at Calistoga, CA USA

Resort Advisory Group International provides full advisory development services for this upscale 60 acre redevelopment project in the heart of Calistoga, California, which includes hotel, residential, spa and retail components.

Past Projects



Rosewood Telluride Resort and Residences at Telluride, CO USA

Resort Advisory Group International has taken a lead role in this project since its inception. The firm is providing full development services for this 5-star, 450,000 s.f. project in the Town of Mountain Village/Telluride Colorado. The ski-in ski-out property will be comprised of 75 hotel rooms and suites, a 12,000 s.f. spa, restaurants and bars, retail space and 68 ultra luxurious residences that will be able to participate in a hotel-managed rental program.



The Preserve at Botany Bay USVI, USA

The Preserve is an upscale resort/residential development on 380 acres located on the Island of St Thomas, USVI. Alain Longatte, Founder and President of Resort Advisory Group International, was responsible for creating the original concept for a 5-star Resort Hotel and Residences with Private Club on this secluded preserve. He also successfully moved the project through the entitlement process.



CONTACT

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