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Marshall Hotels & Resorts, Inc. Adds 10 Management Contracts in 2009

Signs First Contract in 2010, Expects to See Active Year

SALISBURY, Md., February 25, 2010—Officials of Marshall Hotels & Resorts, Inc., a leading, Maryland-based hotel management and services company, today announced the company added 10 management contracts in 2009, including six previously unannounced properties in the fourth quarter, and that it has inked its first contract in 2010. The properties include branded and independent, upper-upscale and limited-service hotels and resorts.

The company's first 2010 contract is for the 118-room Cavalier Inn on the University of Virginia campus in Charlottesville. In addition to managing, Marshall will oversee an extensive renovation and upgrade to the property.

“We expect that 2010 will be a year of transition as lenders finally stop extending and start foreclosing on properties, which in turn will increase transaction flow and change of ownership and management,” said Michael Marshall, president and CEO of Marshall Hotels & Resorts, Inc. “We have noticed that a large number of lenders are ramping up their REO departments.”

Marshall added that the 2010 first half will continue to be a challenge for operators. “We think that occupancy is bottoming out, and we intend to raise rates aggressively as demand outpaces supply growth,” he said. “We continue to focus on operating efficiencies and more targeted sales and marketing efforts. There are still a great number of hotels that don’t know how to operate in this environment, which gives us a strong competitive advantage.”

Two hotels in the company’s management portfolio were sold in 2009. “While we hate to see properties leave, we were gratified that they were sold at substantially higher prices than the value when we took over management.”

2009 Fourth Quarter Property Additions

The company added six new management contracts in the 2009 fourth quarter:

- 321-room, under construction Sheraton in Brooklyn, N.Y.
- 173-room, under construction aloft in Brooklyn, N.Y. Both properties are expected to open in the 2010 second quarter. Marshall now manages 11 properties in New York City.
- 197-room Four Points by Sheraton, New Carrollton, Md.
- 137-room Calypso Cay resort in Kissimmee, Fla.
- 116-room Comfort Suites Harbor View. Suffolk, Va.
- 97-room Super 8, Louisville Airport, Ky. Marshall is both receiver and operator of the property.

2010 Outlook

“We look forward to another year of strong, positive growth,” Marshall said. “We are working with several acquisition funds that are in the formation stage and will provide sourcing and due diligence services. Many of our existing owners also are looking to acquire over the next 18 months. We are focusing on properties east of the Mississippi, as well as gateway cities in the western half of the country. We also have had discussions with hotel investors in South America.”

About Marshall Hotels & Resorts, Inc.

Salisbury, Md.-based Marshall Hotels & Resorts, Inc. is celebrating 30 years as an operating company. It has special expertise in operating three- and four-star branded hotels and resorts, averaging 100 to 500 rooms, in urban and central business districts, suburban/drive-to and resort locations. In addition, the company has a proven track record managing independent resort and unique urban properties. The company has managed a wide array of leading hotel brands, including Hilton, Starwood, InterContinental Hotel Group, Hyatt, Choice and Wyndham. Additional information about Marshall Management may be found at the company's Web site: www.marshallhotels.com.