

Redpoint-First Advisors, Inc. | Hotel Opportunity, LLC

A capital deployment vehicle created to provide an infusion of equity into struggling hospitality assets, by partnering with existing hotel owners to provide liquidity through a variety of unique capital structuring options.

Redpoint-FAI takes pride in our non-adversarial approach to underperforming assets. Drawing from over 100 years of combined experience in hospitality asset management, development advisory, & institutional capital placement, we believe the path to recovery requires an inclusive solution that avoids any protracted legal struggle.

With current interest rates at all-time historic lows, Redpoint-FAI has built a streamlined process to create an immediate liquidity event—providing relief to hotel operations/debt service—but also locking in significantly reduced long-term carry cost. Further, the solution we developed **allows existing owners to participate in the upside potential and recoup equity losses as markets recover.**

Fresh Equity



Provides Immediate Liquidity to Select Hospitality Assets

Non-Adversarial Approach



Inclusive Program Allows Owner Participation in Recovery

Sophisticated Capital Strategy



Innovative Ground Monetization Maximizes Value Creation



An Alliance of Industry Professionals for the Purpose of Providing Relief to the Hospitality Sector



Redpoint Capital Advisors, LLC

With 40 years of experience in commercial real estate investment banking, capital markets placement and hospitality advisory, Redpoint provides value-added services that augment development activities and enhance investment offerings—empowering project sponsors and GPs to attract institutional capital and maximize investment returns. With unparalleled access to the capital markets, risk underwriting, and strategic structuring, and having advised on over \$25B of transactions, Redpoint contributes a thoughtful and thorough understanding of the current macroeconomic environments and capital markets through value-added advisory, capital advisory and significant relationship across the hospitality ecosystem.



Hotel Asset Value Enhancement (“hotelAVE”)

Founder & CEO of Hotel Asset Value Enhancement, Inc., Michelle Russo has worked on thousands of hotel assets across the United States in her +30 years of hands-on experience with hotels, F&B, resorts, convention centers, & CRE finance. The hotelAVE team of advisors brings +450 years of hotel real estate investment, operations, asset management, & advisory experience to our clients. We work for the global “who’s who” of institutional real estate owners and lenders.



FIRST ADVISORS, INC.

First Advisors, Inc.

Founded by Gary Davis in Austin, TX, First Advisors is a boutique CRE investment, development, & consulting firm, sponsoring investments & providing development management services. Gary’s expertise stems from 47 years of participating as principal, development officer, or consultant in over \$1.7B in real estate development projects, located in twenty-seven (27) cities in Texas (including Houston, Dallas, San Antonio, & Austin), as well as development projects in thirteen (13) other states in the U.S.



AIA Terra Partners

AIA Terra Partners is an advisory firm offering fee-simple bifurcation services & custom loan solutions to maximize proceeds and reduce tax liability, having its origins as a Silverpeak subsidiary. AIA’s Founder, Dean Britton, was previously CFO of Broadway R.E. Partners & CFO of Deutsche Bank’s CMBS lending unit. Prior he developed securitization products with Nomura Securities & has a deep background in debt/equity originations, workouts, & asset management. Further, in 1992, he joined Fitch, as an early senior member of the CMBS team, and in 1995, he became head of R.E. underwriting for BlackRock Capital Finance—the predecessor of Fortress Investment Group.

RP-FAI Hotel Opportunity Investment Platform

The Hospitality market will return, it is only a question of when

- CBRE estimates US Market will return to 2019 levels by 2023
- RP-FAI will target assets valued at approximately 70% of their 2019 valuation (market dependent), where CapEx spend can create value
- Market slowdown creates opportunity to execute Property Improvement Plan (PIP) or brand repositioning without impacting day-to-day operations
- Our sophisticated capital structuring techniques lock in long-term low cost of capital, while allowing assets to be held with minimal or no leverage
- Cash-out refinance planned once certain thresholds are reached

Combined expertise from multiple disciplines drives value creation:

- Underwriting combines machine learning data-science best practices with stochastic scenario-based underwriting
- hotelAVE's market insight drives all operating pro forma projections
- Best-in-class hospitality asset management through transition
- Relationships with multiple industry-leading hotel operators
- Integrated relationships with key capital providers
- Seasoned execution informed by involvement in CRE projects valued at +\$17B across 14 states

Program centers around a lower-risk execution from lower leverage and decreased cost of capital; yet still projects a 15-18% IRR return potential

