



Denihan Hospitality Signs Management Agreement with Ark Partners for Two NYC Properties

Deal Comes on the Heels of Denihan's Announcement of Aggressive Growth Plan; Increases Company's Manhattan Portfolio to 11 Upper-Upscale and Luxury Boutique Properties

NEW YORK - March 19, 2012 - Denihan Hospitality Group today announced the signing of a management agreement with Ark Partners for two hotels, The Mansfield and The Franklin, located in New York City's Midtown and on the Upper East Side, respectively. With the addition of these two assets to its portfolio, Denihan will own and/or manage a collection of 11 boutique luxury and upper-upscale hotels in New York City, making it the largest boutique owner/operator in Manhattan.

According to David Duncan, president of Denihan, the addition of these properties is part of the company's overall strategy to double the size of its portfolio within the next five years. With these two new management contracts, Denihan now owns and/or manages a total of 15 properties. The company's current Manhattan portfolio includes five hotels managed under the Affinia brand; The James New York, which opened in SoHo in 2010; luxury independents The Surrey and The Benjamin; as well as the Eastgate Tower, which is operated as an affiliate.

"We are delighted to be adding these boutique properties to our Manhattan portfolio, providing our loyal customers with offerings in new neighborhood locations in Midtown and the Upper East Side," Duncan said. "As a Manhattan-based hospitality company with 50 years of experience of hotel ownership in the city, we know New York, and we are proud to be associated with Ark, who we consider like-minded partners who understand the value of Denihan's operations platform."

In discussing the transaction, Ark's Chairman, Brad Reiss, noted, "We have known the Denihans for several years, during which time we have developed a mutual trust and admiration for our respective business practices and company cultures. As an owner of boutique hotels in some of Manhattan's most prestigious locations, we can think of no better New York management partner."

Located at 12 W. 44th street along the famed Club Row, The Mansfield is housed in a historic Beaux-Arts building originally constructed in 1903. Located just off Fifth Avenue and close to Bryant Park, Rockefeller Center and Radio City Music Hall, the hotel features the M Bar, a popular Midtown gathering spot in the heart of the theatre district. The 126 guest rooms and suites feature details such as Aveda bath products, iPod docks, and plush pillow-top mattresses. Common spaces, such as The Mansfield's stately Club Room, invoke the opulence of the early 20th Century. The Mansfield was named to Zagat's list of 'Top U.S. Hotels, Resorts and Spas' in 2008. For more information, please visit www.mansfieldhotel.com/.

The Franklin is an intimate, 50-room hotel nestled in the heart of the Upper East Side at 164 E. 87th street, between Lexington and Third Avenues. It is in close proximity to Museum Mile – just a 10-minute stroll to the Guggenheim Museum and Central Park – and near the boutiques and cafes of Madison and Lexington Avenues. The hotel is appointed with details suggestive of a European boutique,



with guest rooms featuring 100 percent Egyptian cotton linens, pillow-top mattresses, Bvlgari bath products, and Frette cotton terry bathrobes. Guest rooms also feature original photographic works by internationally acclaimed fashion photographer Deborah Turbeville. The hotel's intimate setting provides its guests with a hospitality alternative that is quiet, private and highly personalized. For more information, please visit www.franklinhotel.com/.

About Denihan Hospitality Group

Denihan Hospitality Group is a privately-held, full-service hotel management and development company that owns and/or operates 15 boutique hotels in major urban markets in the U.S. Over the past 50 years, the Denihan family has built a world-class lodging investment platform within the boutique hotel space, creating value by acquiring, repositioning and managing independent hotels.

The Denihan portfolio includes properties operating under The James and Affinia Hotels brands, as well as Manhattan luxury independents, The Surrey and The Benjamin, and affiliates including the Royal Palm in Miami. Denihan's hotels include an impressive list of chef-driven restaurants and bars, including Iron Chef Geoffrey Zakarian's The National Bar and Dining Rooms at The Benjamin; David Burke Kitchen at The James New York; Daniel Boulud's Café Boulud at The Surrey; David Burke's Primehouse at The James Chicago; Art Smith's Art and Soul at the Liaison Capitol Hill, an Affinia hotel in Washington, D.C.; and Marcus Samuelsson's C-House at Affinia Chicago.

The company's uniquely guest-centric approach, refined through three generations of Denihan leadership, has made it an industry leader in hospitality, property and restaurant development, as well as hotel operations, management and marketing. In 2011, Denihan was named to Inc. Magazine's 500|5000 list of Fastest Growing Companies for the third year in a row, where it topped the list of full-service hotel companies.

More details can be found at www.denihan.com.

About Ark Partners

Headed by Chairman/CEO Brad M. Reiss and President John Yoon, Ark Partners is a New York City-based real estate investment company founded in 2002 engaging in the acquisition, ownership, development, repositioning and asset management of a broad range of real estate in various national and international markets. In addition to The Mansfield and The Franklin hotels, Ark also owns the Shoreham Hotel in New York City, Tryp Quebec Hotel Pur in Quebec City, Canada and the Embassy Row Hotel in Washington, DC. Ark is currently in construction and development of a 250-room luxury lifestyle hotel at 120 W. 57th Street in Manhattan, anticipated to open in 2013. More details can be found at www.arkpartners.com.