



PROFESSIONALLY OPERATING HOTELS SINCE 1971



SUPERIOR MANAGEMENT YIELDING SUPERIOR RESULTS



CORPORATE INFORMATION

- HISTORY*** HMC was founded in 1971 as a wholly owned subsidiary of Registry Hotel Corporation as their third party operator of hotel and resort properties. The company has managed virtually every franchise affiliation and has operated in 41 different states. HMC provides a full array of hospitality industry services; each customized to its clients needs, including development, acquisition, repositioning, management and disposition of hospitality assets.
- SPECIALTIES*** We specialize in full service, limited service and extended stay assets catering to both the corporate and leisure markets throughout the United States. HMC is an approved operator of most major franchise brands as well as a proven operator of independent non-franchised assets.
- SERVICES*** Utilizing time-tested and proven strategies developed through years of service as Operators, Developers and Advisors, HMC offers a diverse selection of services to asset owners, including:
- **Property Management**
 - **Asset Management**
 - **Acquisition and Development**
 - **Investment Return Analysis**
 - **Risk Management Services**
 - **Asset Disposition**
 - **Sales and Marketing**
 - **Technology Consulting**
- THE TEAM*** HMC's staff consists of proven hospitality leaders possessing some of the best experience in the industry. HMC executives each have over 20 years' industry specific experience and expertise operating hotel assets ranging from limited service to resort conference centers.
- AWARD WINNERS*** HMC has received numerous industry and franchise awards recognizing its ability to produce superior guest service and financial results.
- CLIENT LIST*** HMC possesses a client list ranging from Fortune 500 companies to private individual owners. Many of our clients are multiple property owners that have been retained for years.



WHY HMC?

EXPERIENCE/ STABILITY

Based in Dallas since our inception in 1971, HMC is an established management company with long-term full service experience. HMC has successfully operated full and limited service, franchised and independent, hotels throughout the nation for over 30 years and has significant experience with hotel development, repositioning and renovation projects of virtually all sizes.

DEAL WITH PRINCIPALS NOT STAFF MEMBERS

With HMC you will get to deal with principals of the company, one on one regularly. HMC's owners personally oversee your asset, not just hourly staff members. We meet one on one with ownership to discuss their needs, our results, etc. We are full service, but not so large as to be inflexible or overly bureaucratic.

AWARD WINNING FRANCHISE RELATIONS

HMC has been awarded honors of distinction from most all of the franchises we operate. The majority of our Radisson properties consistently rank in the top ten of all Radisson's worldwide. Our Doubletree Hotel consistently scores a 96-98% on annual inspections with Hilton. Our Hilton Garden Inn is frequently rated in the top ten among HGI customers by Hilton's own feedback program. Honors such as these produce profits for property owners. Our relationship with the major franchises allows us to assist our owners during franchise contract and PIP negotiations, and we have been able to obtain concessions for owners that they cannot get on their own.

YIELD MANAGEMENT PROGRAMS

HMC's yield management programs ensure that each property is maximizing its full potential for revenue generation. Far too many of our competitors fail in this area and leave valuable dollars on the table. By managing the hotel's demand, every opportunity is taken to maximize revenues.

SALES TRAINING

HMC sponsors three phases of sales training each year. Unlike many companies, we also require our general managers to attend sales training. Additionally, we have programs in place for front office up-selling and closure of reservations including Transient Edge training and GIRT training. At HMC, we believe everybody is a sales asset for your property.

SALES ACCOUNTABILITY

Once trained, sales staffs need to be held accountable for production. HMC has an extensive program to measure results on an individual basis, daily, weekly and monthly. Accountability equals production.

RISK REDUCTION

HMC has the ability to place your asset under our master insurance program that provides extensive coverage at an extremely competitive price, usually unavailable to small asset owners. HMC also has a full risk management program to limit the owner's liability related to the physical plant, guests, and staff.



SERVICES

DAILY OPERATIONS

- Establishment of internal controls to safeguard assets and maximize profits
- Preparation of detailed business plans with close monitoring to ensure execution
- Development of business plan and focused management plan
- Active participation by HMC executives in the day-to-day operation
- Maximization of food & beverage profits through menu development & expense control
- Generation of cost savings through national purchasing agreements
- Reduction of health insurance costs and increased coverage through corporate group plans
- Institute labor management program to maximize productivity without eroding guest services
- Installation and monitoring of payroll control programs
- Institution of preventative maintenance program to maximize life of equipment and property
- Development of energy maintenance program to maximize efficiency
- Conduct annual operational and internal control review

PROPERTY ACQUISITION AND DEVELOPMENT

- Full due diligence
- Construction and renovation management including design assistance
- Franchise affiliation including evaluations and agreements

ASSET MANAGEMENT

- Property review - on site inspection services - asset condition analysis - franchise compliance
- Attend property management meetings for policy review and operational standards compliance
- Recommendations regarding yield management, capital improvements, franchise standards
- Full reporting to client as to findings

TAKEOVER SERVICES

- Evaluation of owner's goals and objectives
- Immediately secure and stabilize complete asset including hotel staff
- Inventories of all physical assets including FF&E, silver, glass, china, and expendables
- Analysis of cash position upon takeover
- Identification of capital investment requirements



SERVICES - CONTINUED

SALES AND MARKETING EXPERTISE

- Preparation of specific and customized marketing plan to maximize opportunities
- Closely monitor marketing plan execution and accountability
- Identification and development of cost effective advertising campaigns
- Establishment of individual sales responsibilities
- Implementation of tracking system to measure results and reward accomplishments
- Development of directed sales efforts targeting off-peak periods
- Utilization of franchise services to increase hotel sales
- Solicitation of national tour business provided on a commission basis
- Provide on-going, market specific sales training to maximize results

HUMAN RESOURCES

- Implementation of employee training and motivational programs
- Communication of key goals and objectives with all management staff
- Acquisition of wage survey to establish competitive wages and benefits by market
- Provide recurrent training for established employees
- Creation of esprit de corps among key department heads and all employees

RISK MANAGEMENT SERVICES

- Implementation of employee safety program
- Establishment of fire and disaster safety programs
- Provide risk aversion by serving as employer and acquiring liquor licenses

FINANCIAL SERVICES

- Timely delivery of detailed monthly financial reports
- Preparation of accurate monthly operational and cash forecasting
- Development of detailed operating and capital budgets
- Financial management consulting services
- Investment analysis services

DISPOSITION

- Disposition including legal counsel, closing and post closing accounting



RECENT AWARDS

PRESIDENT'S CHOICE AWARD 2002, 2003

Radisson Hotels and Resorts
Radisson Penn Harris, Camp Hill, Pennsylvania



QUALITY EXCELLENCE AWARD 2002

Holiday Inn Love Field, Dallas, Texas



TOP 100 HOTEL MANAGEMENT COMPANIES

Hotel & Motel Management
Business magazine - 2000,2001,2002,2003



QUALITY EXCELLENCE AWARD 2001

6 Continents Hotels
Holiday Inn Venice, Venice, Florida



QUALITY EXCELLENCE AWARD 2000

Bass Hotels & Resorts
Holiday Inn Love Field, Dallas, Texas



QUALITY EXCELLENCE AWARD 2000

Bass Hotels & Resorts
Holiday Inn Venice, Venice, Florida



BEST RENOVATION 2000

Doubletree Hotels & Resorts
Doubletree Club Park Central, Dallas, Texas



QUALITY EXCELLENCE AWARD 1999

Bass Hotels & Resorts
Holiday Inn Venice, Venice, Florida



DIRECTOR'S AWARD FOR EXCELLENCE 1998

Best Western International
Best Western Landmark, Denver, Colorado



QUALITY EXCELLENCE AWARD 1998

Bass Hotels & Resorts
Holiday Inn Venice, Venice, Florida



SUPERIOR MANAGEMENT YIELDING SUPERIOR RESULTS



CURRENT AND PAST MANAGEMENT

CURRENT MANAGEMENT

Fayetteville Inn, Fayetteville, NC
 Fredericksburg Inn, Fredericksburg, TX
 Hilton Garden Inn, Tulsa, OK
 Holiday Inn Venice, Venice, FL
 Holiday Inn, Amarillo, TX *
 Holiday Inn Express, Brownwood, TX
 Holiday Inn Express, Pharr, Texas

Holiday Inn Express, Sweetwater, TX
 Oberlin Inn, Oberlin, OH
 Radisson Penn Harris, Harrisburg, PA
 Radisson DFW South, Irving, TX
 Radisson Tulsa, Tulsa, OK
 Staybridge Suites, Brownsville, TX *
 Wingate Inn, Addison, TX

PAST MANAGEMENT

Albuquerque Convention Center Hotel,
 Albuquerque, NM
 Best Western Landmark - Denver, CO
 Caribbean Gulf Hotel - Clearwater, FL
 Clarion Hotel - Denver, CO
 Clarion Hotel Airport - Wichita, KS
 Columbia Inn - Columbia, MD
 Davenport Hotel - Spokane, WA
 Days Inn - Fort Lauderdale, FL
 Days Inn - New Orleans, LA
 Del Lago Resort & Conference Center - Lake
 Conroe, TX
 Don CeSar Resort - St. Petersburg, FL
 Doubletree Club Hotel, Dallas, TX
 Embarcadero Condominium Resort - Yaquina
 Bay, OR
 Executive Inn - Stillwater, OK
 Fort Lauderdale Hilton, Fort Lauderdale, FL
 Glade Springs Resort - Daniels, WV
 Governors Court Hotel - Denver, CO
 Grande Butte Resort - Mt. Crested Butte, CO
 Greenwood Inn - Dallas, TX
 Hawthorn Suites, Oklahoma City, OK
 Hilton Inn - Melbourne, FL
 Hilton Inn - Sioux City, IA
 Hilton Inn - Asheville, NC
 Hilton Inn - Oklahoma City, OK
 Hilton Inn - Knoxville, TN
 Hilton Inn - Amarillo, TX
 Holiday Inn - Atlanta, GA
 Holiday Inn Select Love Field, Dallas, TX
 Holiday Inn Select Cherry Creek, Denver, CO
 Howard Johnson's, Lewisville, TX

La Quinta - Denton, TX
 Las Palmas Inn - Orlando, FL
 Lighthouse Inn at Aransas Bay, Rockport, TX
 Pioneer Hotel - Tucson, AZ
 Port Royal Condominium Resort - Mustang
 Island, TX
 Quality Inn - New Port Richey, FL
 Radisson Amarillo, Amarillo, TX
 Ramada Inn - Dillon, CO
 Ramada Inn - Clermont, FL
 Ramada Inn - Tampa, FL
 Ramada Inn - Atlanta, GA
 Ramada Inn - Gastonia, NC
 Ramada Inn - Austin, TX
 Ramada Inn - Tyler, TX
 Ramada Inn - Charlottesville, VA
 Riverplace Inn, Waco, TX
 Santa Maria Hotel - Key West, FL
 Saratoga Hotel - Orlando, FL
 Sheraton by the Sea - Jekyll Island, GA
 Sheraton Center Hotel - Charlotte, NC
 Sheraton Hotel - Shreveport, LA
 Sheraton Inn - Ventura, CA
 Sheraton Inn - Dallas, TX
 Sheraton Inn - El Paso, TX
 Sheraton Miramar - Fort Walton Beach, FL
 Sonesta Beach Resort - Orlando, FL
 Sunbird Golf Community - Chandler, AZ
 Velvet Cloak Inn - Raleigh, NC
 Venture Inn - Hilton Head, SC
 Wade Hampton Hotel - Columbia, SC
 Wichita Royale Hotel - Wichita, KS

* New construction currently under development



CASE STUDY

HOLIDAY INN SELECT LOVE FIELD – DALLAS, TEXAS

Condition at Acquisition: January 2000

- Grossly under performing in market despite substantial renovation and repositioning.
- Lack of management direction resulting in poor employee morale and retention, substandard cleanliness, poor internal controls and no established marketing effort.
- Accumulating bad debts.
- Marketing dollars being thrown at ineffective programs without any accountability tracking.
- Poorly run food and beverage operation.
- Capital dollars being spent in the wrong areas.
- Expensive and poorly managed employee benefit program.

Strategy for Turnaround:

- Replaced Sales Director and under performing sales managers with highly motivated and trained professionals.
- Developed sales and marketing plan to target surrounding and new markets.
- Established effective cost control and operational programs to maximize profits while increasing guest services and customer satisfaction.
- Redesigned the food and beverage operation from an aesthetic and operation viewpoint to increase guest captures and profitability.
- Developed capital spending plans to focus dollars to areas that would drive revenue growth and guest satisfaction.

Results:

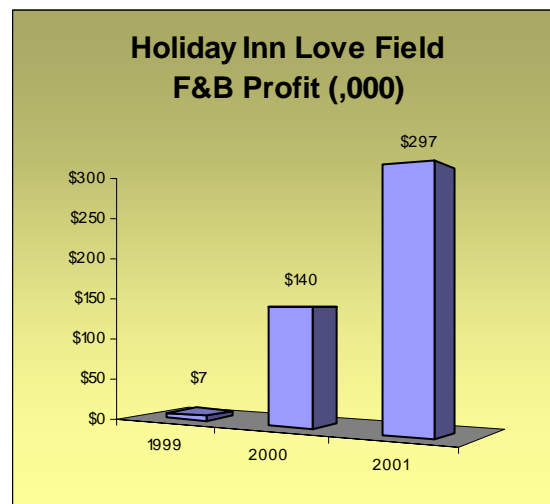
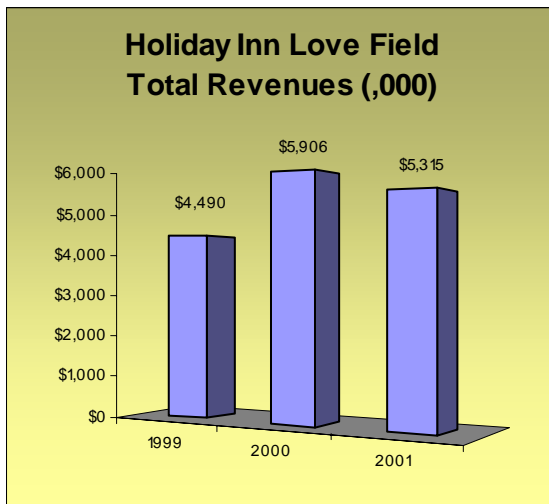
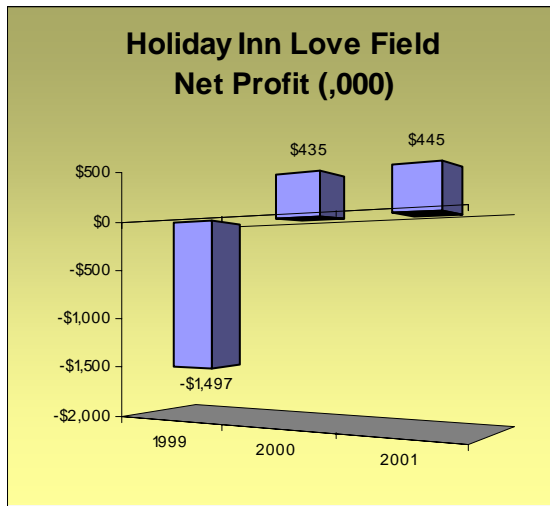
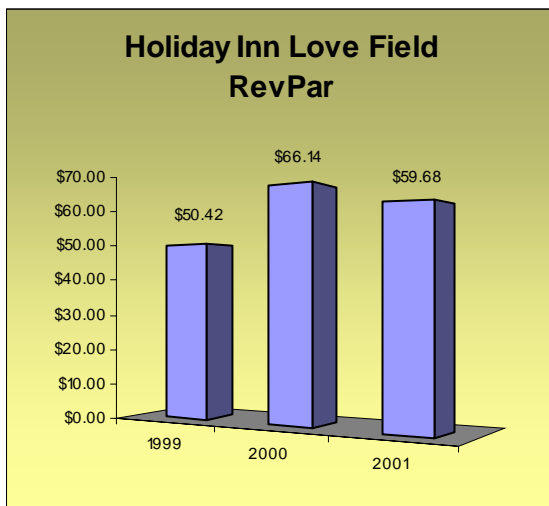
- Increased total revenues by over \$1,400,000 in less than one year.
- RevPAR increased by 131% within one year.
- Increased food and beverage revenues while lowering cost margins, resulting in an increased profitability by over \$130,000 in one year.
- Increased Income Before Fixed Charges (IBFC) in first full year of management (2000) by \$1,089,000. IBFC was \$809,000 (18%) in 1999 and was increased to \$1,898,000 (32.1%) in 2000.
- Increased NOI by over \$1,093,000 in the first year.
- Property received Bass Hotel & Resort's Quality Excellence Award for 2000 evidencing total guest satisfaction.



CASE STUDY - CONTINUED

HOLIDAY INN SELECT LOVE FIELD – DALLAS, TEXAS

Charts/Statistics



HMC BEGAN MANAGING PROPERTY JANUARY OF 2000

SUPERIOR MANAGEMENT YIELDING SUPERIOR RESULTS



PRINCIPALS **LEO E. SPRIGGS, PRESIDENT/CHIEF EXECUTIVE OFFICER**

As President and Chief Executive Officer of Hospitality Management Corporation, Leo E. Spriggs is responsible for developing business relations to expand HMC's portfolio of managed *properties* and assisting each owner of an HMC managed property in achieving their investment objectives. In addition, he oversees the business daily operations of each of HMC's managed properties and coordinates all communications between HMC and each property owner.



Mr. Spriggs has over 20 years of experience in new hotel openings, renovations, market repositioning, franchise changes and ongoing hotel operations. Over that time he has supervised lodging facilities ranging from 22 to 520 rooms in locations throughout the continental United States.

Immediately prior to his current position with HMC, Mr. Spriggs served as Vice President of Operations with Metro Hotels Corporation where he was in charge of 14 full service hotels. Before joining Metro Hotel Corporation, Mr. Spriggs held the positions of Vice President-Operations and Vice President-Food and Beverage where he supervised the operations of numerous upper mid market full service hotels, as well as luxury four and five star resorts.

BILL SULLIVAN, EXECUTIVE VICE PRESIDENT/CHIEF FINANCIAL OFFICER

Bill Sullivan, as Chief Financial Officer, is responsible for the complete financial activities of HMC including the procurement and administration of all corporate and property group insurance programs, retirement benefit programs, loss prevention systems, and liquor licenses. Additionally, Mr. Sullivan's responsibilities include federal and state tax administration/reporting, attorney relationships, lease negotiations, banking relationships and corporate financing arrangements. Mr. Sullivan assists with developing new client relationships and facilitates the development process by acting as the chief financial liaison to the property owners during the evaluation of prospective acquisitions. Mr. Sullivan also serves as HMC's Director of Information Systems and is directly involved in the selection and installation of new telecommunication systems, local area networks, property management systems and other information systems.



Mr. Sullivan possesses an extensive and diverse background with over 18 years of hospitality industry experience as a financial professional. Prior to joining HMC he spent 13 years with Metro Hotels in a variety of corporate and property positions. Most recently he served as Vice President of Property Accounting where he was responsible for the financial operation of 16 hotels and over \$80 million in total revenues. Prior to that, Mr. Sullivan held various regional and management positions in the hospitality industry.



DANIEL J. KILLIAN, EXECUTIVE VICE PRESIDENT ACCOUNTING

Daniel Killian, as Executive Vice President Accounting, is responsible for the comprehensive financial reporting package completed for all HMC managed properties. In addition to reviewing and overseeing the monthly, quarterly, and annual reporting, inclusive of variance analysis, to owners and lenders, Mr. Killian directs the preparation of all annual budgets, along with analysis of monthly and quarterly forecast of future operating results and cash management. He also is responsible for the procurement and maintenance of all bank account activity, credit card processing, payroll processing, sales/occupancy/payroll tax reporting, licenses, permits, equipment leases, and maintenance contracts for all managed and newly acquired properties.



Mr. Killian visits each hotel to conduct a detailed inspection of the physical property, as well as to coordinate the performance of the accounting internal control audit program. This includes a thorough examination of all accounting practices and documentation, as well as the procedures for all departments that impact the profitability of each hotel's operation.

During his 19 years experience in the hospitality industry, Mr. Killian has served in a diverse range of positions from the service level to the management level. Prior to joining HMC, Mr. Killian spent 9 years with Metro Hotels, most recently as the Corporate Director of Hotel Accounting overseeing the centralized accounting operations for 9 hotels within their portfolio.

OFFICERS

TOM CLANCY, VICE PRESIDENT SALES & MARKETING

As Vice President of Sales and Marketing, Tom oversees the national sales and marketing efforts of HMC and directs the sales teams at each of our properties. He is responsible for increasing sales and delivering positive financial results for the owners of all HMC managed hotels by developing successful sales and marketing efforts at each property.

Tom brings over 25 years of sales and marketing experience in the hotel industry. Prior to joining HMC, he was Regional Vice President of Sales with LaQuinta Inns, Inc. where he was responsible for all direct sales efforts of the company, including the National Sales Organization. Before joining LaQuinta, Tom was the Vice President of Sales with MeriStar Hotels and Resorts and previous to that was Vice President of Sales and Marketing with Metro Hotels in Dallas, Texas. He has also held corporate-level sales and marketing management positions with Guest Quarters Hotel Company (now part of DoubleTree Hotels/Hilton Corp.), and Aircoa. Tom began his hospitality career as National Sales Manager with Registry Hotel Corporation, HMC's former parent corporation.





JANE UNDERWOOD, DIRECTOR OF HUMAN RESOURCES

Jane Underwood is responsible for the efficient administration and management of the Human Resources function at the HMC Corporate office and at each of HMC's managed properties. This includes overseeing property Human Resources Administrators, recruiting, training and orientation, employee database maintenance, wage/benefit administration, compliance with statutory requirements, participation in property transitions and new hotel openings, and the execution of employee relation activities, in order to provide each property with the personnel, guidance and support necessary to achieve their customer service and business objectives.



Jane brings over fifteen years of diverse experience in the hospitality industry. Prior to joining the HMC team, Jane provided administrative support to the Chief Operating Officer of Metro Hotels for over three years, and for the five years prior to that was Executive Office Manager at the Hilton DFW Lakes Executive Conference Center in Grapevine, TX. During her tenure at the property level, Jane interfaced with all levels of hotel management and served as Chairperson of the Employee Council, representing the employees at Executive Committee meetings, voicing their concerns and suggestions. To further her human resources development and education, Jane periodically attends human resources seminars and holds a certificate of completion in the Fundamentals of Human Resources Management from the Society for Human Resources Management (SHRM).

JOHN O'CONNOR, DIRECTOR OF OPERATIONS

John O'Connor, is responsible for the operations oversight of HMC's hotel's. This includes ensuring tight cost controls in all areas of a hotel's operation, assisting the hotel team in forecasting future revenues and expenses for ownership, regular guidance and direction in developing strategies to improve customer service, reviewing financial results and expectations, team training and employee motivational. In addition, John visits each of his properties on a regular basis, conducting sales meetings and detailed property inspections. He also oversees capital/renovation projects and will work with ownership and hotel management in directing these projects.



John brings 22 years of experience to HMC, nearly 10 years as a hotel General Manager. He most recently spent two years as the General Manager of the Doubletree Club Dallas, an HMC managed property. Prior to joining HMC, John was a General Manager for 4 different Holiday Inn properties, all managed by Winegardner & Hammons, Inc (WHI). John was also a General Manager for Harrison Conference Services (now ARA Harrison), Food & Beverage Director for Guest Quarters Suite Hotel (now part of Hilton Hotels) and began his post-college career as a management trainee for the Stouffer Hotel Corporation (now Marriott).



REFERENCES - CLIENT

Ken Beall -	Bridge Partners 5 Civic Plaza Suite 320 Newport Beach, CA 92660 (949) 718 - 6333 (949) 718 - 6330 - Facsimile	Hilton Garden Inn, Tulsa, OK Radisson Inn, Tulsa, OK Radisson Inn, Amarillo, TX
Mark Depker -	Hall Financial Group 6801 Gaylord Parkway Suite 100 Frisco, TX 75034 (972) 377 - 1117 (972) 377 - 1174 - Facsimile	Radisson DFW South, Irving, TX
Steve Klein -	Penn Lodge Partners, L.P. 2950 Buskirk Avenue # 312 Walnut Creek, CA 94596 (925) 256 -9448 (925) 256 -1635 - Facsimile	Radisson, Harrisburg, PA
Ron Watts -	Oberlin College 173 West Lorain Street Oberlin, OH 44074 (440) 775 - 8428 ext. 355 (440) 537 - 3124 - Facsimile	Oberlin Inn, Oberlin, OH
Daniel Wenz -	Croesus Capital Partners 7557 Rambler Road Suite 932, LB 30 Dallas, TX 75231 (214) 704-6433 (214) 521 - 1251 - Facsimile	Fredericksburg Inn, Fredericksburg, TX



REFERENCES - INDUSTRY

Greg Aden - Regional Director Franchise Sales & Development	InterContinental Hotels Group 2300 Creekridge Drive McKinney, TX 75070 (972) 562 - 9833 (972) 562 - 6618 - Facsimile
Mike Cowell - Vice President Development	Radisson Hotels & Resorts 2800 Cedarview Drive Austin, TX 78704 (512) 443 - 1020 (512) 443 - 5239 - Facsimile
Stan Jacobs - Regional Director	Hilton Hotels Corporation Providence Towers 5001 Spring Valley Road Suite 400W Dallas, TX 75244 (972) 383 - 2771 (972) 588 - 7528 - Facsimile



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