

Building Success



MIDAS

MANAGEMENT • DEVELOPMENT • CONSTRUCTION



Combined, Midas consists of 60 years in hotel development, hotel management and hotel refurbishment. The executives of Midas have developed, opened, and managed numerous properties. These brands include Crowne Plaza, Four Points by Sheraton, Holiday Inn, Holiday Inn Express, Hampton Inn, Comfort Inn, Ramada Inn, Super 8 & Fairfield by Marriott. Midas has often turned an underperforming property into a financial success for third-party ownership.

Midas Hospitality provides professional hotel management as well as financial management and reporting for its clients. Midas is a leader in technology and the executive team is recognized as innovators in the hotel industry. Third party management and refurbishment services are provided by Midas. We provide daily online reporting, thus allowing your ownership team access to daily financial data.

The Hotel Industry is complimented by a host of great brands and investment options. At Midas, our experienced team recognizes that your investment dollars have many options. Because we want repeat investors, our growth strategy caters to those that appreciate aggressive, yet selective investment criteria. Dan Marak, MAI and J.T. Norville, CPA will work closely with you to create an investment that will meet your requirements for both a tax and return perspective.



Our investments gravitate towards what Midas executives would expect for returns on their dollars. We make every attempt to locate projects with either “A” brands or “A” locations. But we also think outside the box and look at “B” brands if they have “A” locations.

We are debt service coverage driven in selecting hotels. We like our projects at stabilization to cover 1.40 to 1.80 times the projected NOI. If the debt service can support a shorter amortization period without reducing coverage below 1.40, we tend to support that business model. Comfortable debt service coverage allows a cushion by which dividends can be free flowing at year-end. It also lends support for capital replacements as needed. Thus, all MIDAS projects have the potential for high return multiples.

We generally look for those projects that have project Internal Rate of Returns’ ranging from 20%-40%. However, we are more likely to look at the cash-on-cash returns annually. Because IRR’s are heavily influenced by a project’s reversion upon sale, we are more focused on the annual “cash dividend” for the investment dollars based on the projects operational performance. We would be disappointed not to provide an annual cash-on-cash return in the teens for the third party investors. Due to our experience with Cost Segregation, some investors enjoy these returns on a tax-deferred basis.

Because our investments are thoroughly scrutinized prior to raising capital, we can discuss with confidence what yield you might expect on your investment. In addition, depending on your specific tax situation, we will make every attempt to meet a tax advantaged return for each investor.



Midas Construction and Design understands Price and Value. We have our own portfolio and can appreciate below budget renovations. We treat your project with the same scrutiny as one of our own hotels. Our services include anything from turnkey building to small projects like renovating corridors.

Midas Construction and Design is well known regionally. Recent projects in 2006 include hotels in Nebraska, Illinois, Missouri and Kansas. Midas Construction and Design was one of 25 Construction Companies recognized by *Hotel Business*, in the July 2006 publication.



Here is a short list of projects which our team has been involved.

1. Holiday Inn Express Branson	144 rooms	<i>opened 2001</i>
2. Hampton Inn Lincoln	75 rooms	<i>opened 2000</i>
3. Holiday Inn Riverport	175 rooms	<i>opened 2001</i>
4. Holiday Inn Express – Lincoln	63 rooms	<i>remodeled 1999</i>
5. Holiday Inn Express – Beatrice	70 rooms	<i>remodeled 2005</i>
6. Holiday Inn Poplar Bluff	117 rooms	<i>opened 2005</i>
7. Holiday Inn Express, Shiloh, IL	80 rooms	<i>opened 2003</i>
8. Holiday Inn Express, KC, MO	109 rooms	<i>remodeled 2006</i>
9. LaQuinta Inn, OP, KS	145 rooms	<i>remodeled 2006</i>
10. Super 8 Union, MO	50 rooms	<i>opened 2003</i>
11. Super 8 Poplar Bluff, MO	63 rooms	<i>remodeled 2004</i>
12. Comfort Inn Poplar Bluff	58 rooms	<i>remodeled 2005</i>
13. Candlewood Suites, O’Fallon, IL	79 rooms	<i>opened 2006</i>
14. Candlewood Suites, Lincoln, NE	85 rooms	<i>opened 2006</i>
15. Holiday Inn Airport, STL	400 rooms	<i>remodeled 1994</i>
16. Holiday Inn West, STL	250 rooms	<i>remodeled 1993</i>
17. Holiday Inn Downtown, Lincoln	230 rooms	<i>remodeled 1996</i>

A leader in exterior painting nation wide, Midas C&D can meet with your team to make the project a success financially in the beginning by providing you a detailed budget. Your guests will appreciate the improvements. These value added services are just a phone call away. Please contact us to discuss your renovation needs. You can visit us on the web at www.midashospitality.com



ACCOUNTING & VALUATION SERVICES

Our accounting software is the latest in technology and is internet-based, which allows us to analyze revenue and labor daily in order to make management decisions quickly. Because we are first and foremost a return driven company both for ourselves and our partners, we make a strong case for a Cost Segregation Study on profitable projects.

A cost segregation study properly classifies real property in between structural and non-structural. The study allows owners to reclassify 39-year property to 15, 7 & 5-year property, which substantially accelerates tax depreciation and defers income taxes. All hotels built, acquired or renovated since 1987 can qualify for this benefit. Midas Hospitality works

closely with third-party engineers

& consultants to help facilitate a cost segregation study for your property.

JT Norville, CPA can oversee this service for third party clients as well as those within our family of hotels managed.



In addition, Dan Marak, MAI can assist in any valuation services. Dan has provided these services to many institutional lenders and developers. Mr. Marak's real estate experience is broad. Advisory services include tax appeal, feasibility studies, market analysis, site selection, highest and best use studies, franchise selection, investment analysis, impact analysis, refinance analysis and many other assignments. Geographic coverage is National with emphasis on the Midwest.

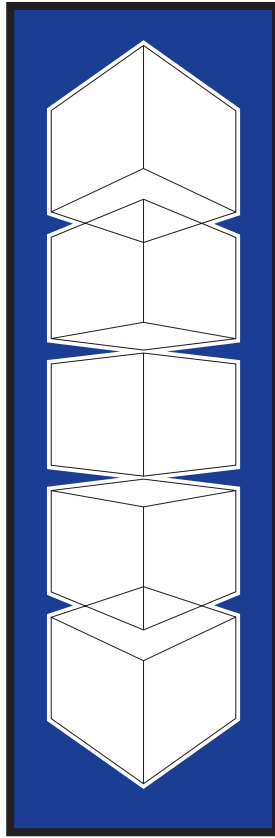


At Midas we want our investment partners and third party management contracts to be successful. We take great pride in our communication with our partners. We ensure the client is as excited about results as we are in providing services.

Our hotels tend to have many things in common —

- smiling employees
- clean uniforms
- consistent expectations
- accurate reporting
- above market returns
- operational expenses below market levels
- penetration levels above market

Midas is one of the fastest growing management, design and construction and ownership companies in the Midwest. We take pride in our early success yet focus on the future. We hope we can be of service to your needs in the near future.



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