



# Hotels

Quality Always Sells.

Development | Management | Construction

# FORWARD

## Q is for Quality

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Welcome to Q Hotels where you could say we're a little obsessed with quality. After all, Quality is in our name, at the core of our Mission Statement, drives of our procedures and forms the foundation of our guest and client doctrine; The Quality Experience.

Why is Quality so important to us? Simply, it is our sincere belief that 'Quality Always Sells' and long after a product is delivered or a service is consumed, it is Quality which continues to sell and satisfy.

In this regard, we've made Quality our focus, what we seek and demand from the relationships we develop, from the partnerships we forge, from the people we hire as well as the products we build and the services we deliver. Without this total commitment, focus and passion, we believe Quality cannot be truly achieved. William A. Foster put it best:

*"Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives."*

- William A. Foster -

Thank you for your interest in Q Hotels, we hope that we may have the privilege of providing you with The Quality Experience.

This documents aims to provide an introduction our company by outlining who we are, what we do, what we have accomplished and where we are going.

We are here to serve.

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# WHO WE ARE

## About Q Hotels

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Q Hotels is a \$35 million total hospitality development & management company with annual revenues in excess of \$9 million dollars and corporate offices in Arlington, Texas. Q Hotels was founded in 2003 by Mr. Jagdip Patel (“Jags”) and Mr. Viran Nana (“Viran”) who have a combined but highly diverse experience in the Hotel industry spanning over 50 years.

The primary purpose of Q Hotels formation was to reorganize operations and set focus on development, management and construction of Marriott, Hilton and IHG Franchised properties with ownership interests only. Prior to this reorganization of operations, Nanu Construction, Inc. was formed in 1990 to build the first Hotel and Atlantic Management was established six years later to centralize management of hotels owned by the founders.

Today, operations are structured into a tripod of specialized companies around core competences: Q Hotels is the Keystone and development arm, Fresh Q Lodging is the management arm which delivers Total Quality Management and Nanu Construction is focused on all construction aspects. In addition to reorganizing the operational structure, Q Hotels revamped the team and streamlined market focus to Upscale Select Service Marriott, Hilton and IHG Brand Hotels in Texas and California.

## Q Hotels Current Portfolio of Award Winning Hotels

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FRANCHISE	LOCATION	ROOMS	AWARD	YEAR BUILT
Fairfield Inn & Suites	Denton, TX	75	Gold Award	2009
Fairfield Inn & Suites	Denton, TX	75	Diamond Award	2008
Best Western	Denton, TX	66	Top 20 Award	2008
Fairfield Inn & Suites	Denton, TX	75	Platinum Award	2007
Holiday Inn Express	So. Arlington, TX	105	Director's Award	2006
Best Western	Denton, TX	65	Director's Award	2006

In 2005, our South Arlington Holiday Inn Express property was expanded, renovated and converted to a Holiday Inn Express Hotel & Suites. This project significantly optimized site utilization and yielded 36 additional suites which increased capacity from 66 to 102 units. A complete list of our successful hotel developments is attached.

## Mission Statement

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- Delivering The Quality Experience to each client and each guest - each time, every time, and every day.
- Actively listening and engaging all clients and all guests to better refine and redefine The Quality Experience.
- Fostering partnership with operating partners and team members to ensure The Quality Experience is successfully delivered and merited at every hotel.

## Corporate Philosophy

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- The Quality Experience comes first.
- Team centric operations - customer oriented delivery.
- Strive for profit – protect sound growth.
- Top down excellence, professionalism and ethics in all that we do.

## Position Statement

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- Geographic Focus: Texas and California.
- Brand Focus: Marriott, Hilton, and IHG.
- Market Focus: Mid-Market to Upscale Hotels, Select Service and Extended Stay Hotels.
- Capacity Target: 80-200 room properties.

## Q Hotels Companies

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COMPANY	FOCUS & RESPONSIBILITIES
Q Hotels, LLC.	Debt & Equity capital and finance sourcing.
	Franchise and Lender business development.
	Hotel ownership and Investment Group management.
Q Lodging Services	Hotel operations and management (TQM implementation).
	Hotel accounting and financial control.
	Hotel sales and marketing.
	Hotel revenue management.
Nanu Construction & Development	Portfolio Hotel renovation.
	Ownership Interest Hotel construction & design.
	Third Party construction projects.
	Site Selection and Zoning.

# WHAT WE DO

## About Q-PRESS! – Exclusive Q Lodging QC System

When it comes to customer service, the Sum is not greater than the Parts. Today's discerning and uncompromising guests will consider a partially dissatisfied or totally unsatisfied experience as equally unacceptable. To meet the challenges of delivering fail-safe high quality services consistently, Q Hotels founders Jagdip Patel and Viran Nana developed Q-PRESS! A Quality Control System for all areas of operations.

Q-PRESS! was so effective in providing on demand and automated quality control solutions that in June 2006 it was implemented at all Q Hotels properties. The following is a summary of key Q-PRESS! modules:

### Q-PRESS! Modules

MODULES	GOALS & TASKS
Team Member	Hiring the right people, maintaining a pleasant work environment and rewarding team members with praise and benefits.
	Providing the necessary tools and training to help team members achieve maximum performance.
Product Quality	Management of on-going capital expenditure program to ensure our high quality image is preserved and reflected at all times.
	Detailed and quality common area, room inspection, preventive maintenance and renovation reports.
Q Hotels Best Practices	Identifying the most effective and efficient proven solutions to common obstacles and establishing "Best Practices".
	Testing, refining and redefining "Best Practices" through successful new practices and resolutions to ensure continuity of The Quality Experience.
Operations Manual	Addresses all operations related issues such as Check-In Process, Check-Out Process, Adjustments to Folios, How to Handle Customer complaints, Housekeeping Procedures and Preventative Maintenance Procedures.
	Front Desk, House Keeping, Purchasing and Routine Maintenance Forms module.
Sales, Marketing and Revenue Management	Simplifying the flow of information and ensuring necessary information is recorded correctly for action.
	Maintain and review Guest Satisfaction Surveys.
Continuing Education	Operating Procedure Manuals Update, Enhancement and Maintenance.
	Ongoing Periodic Training Enforcement to ensure adaptation to continuous environmental changes for continued success.

## Operations

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At the heart of Q Hotels are people, processes and a strong focus on the continuous improvement of operational planning, execution, measurement, review and revision. To ensure our continued success in the hospitality industry, we are totally committed to:

- Consistent delivery of The Quality Experience to guests and clients in all our products and services from perception to consumption.
- Guidance through comprehensive Business Plans, Marketing Plans and careful financial management.
- Providing associates with rewarding careers and an environment where they can thrive and flourish in what they do.
- Maintaining a highly efficient and cohesive organization unified through vision and the adoption of quality standards and best practices throughout.

In our latest round of improvements, we have revamped our companies, implemented an associate compensation plan with profit sharing incentives, adopted associate morale boosting and team building techniques, increased accounting system efficiency, revised budgets and marketing plans and updated our standard operating procedures manuals.

## Financial

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Among the key factors which impact Hotel success are careful Financial Planning and Centralized Accounting. While all Hotel accounting procedures are currently supervised through our corporate offices, we expect the implementation of our web based accounting system which is currently underway to increase efficiency by several hundred percent.

Secure internet accessibility to our accounting system will ensure all partners, investors, and associates can obtain and deliver real time pertinent information instantly and from anywhere. In addition to financial management and control, Q Hotels actively develops and maintains the critical relationships with financial institutions required to obtain effective financing for new Hotel development, expansion and renovation projects.

## Sales & Marketing

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Strategic Marketing Plans are tailored to each individual Hotel and designed to be focused, concise and goal oriented to facilitate accurate tracking and measuring. The implementation of recommended marketing tactics is closely monitored with quarterly assessments and critical reviews.

## Training

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To ensure training is consistent, efficient and productive, departmental training is conducted periodically and as-needed through comprehensive training manuals. In addition to the adoption of skills orientated video training which encourages associates to train, we arrange for associates to attend an industry event annually. We believe this nurtures and maintains the associate's sense of career and growth.

## Insurance

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To ensure the critical protection and necessary coverage is obtained as well as significant savings are achieved through volume buying, Q Hotels only works with top rated insurance companies.

## Construction

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Through Nanu Construction, the construction arm of Q Hotels, we bring considerable extensive experience and a solid proven track record of success in ground-up construction and renovation projects. In ground up construction alone, Nanu Construction has built 35 Hotels since 1990 comprising of 23 ownership interest developed Hotels (15 of which were sold over time) and 12 Hotels constructed for other developers. Currently, there are 3 Hotels under management and 5 under development with land purchased and plans underway. To ensure project success, we adhere to strict policies:

- We bring our own experience in project coordination, on-site supervision, innovation and excellent quality controls.
- Every project must undergo careful planning, cost containment and regular quality assurance inspections.
- Every renovation project must be carefully coordinated with the property franchisor to ensure compliance with established guidelines.
- We only partner with architects, engineers and sub-contractors who are reputable and committed to our goal of delivering complete customer satisfaction from start to finish.
- All project team members must strive to ensure every project is completed on time and under budget.



## WHERE ARE WE GOING?

### Future Goals and Plans

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To achieve long-term value and strategic relationships, we aim to develop multiple projects from Marriott International, Inc., Hilton Hotels, and Intercontinental Hotels Group. Focus will be on High-End, Upscale and Select Service Hotels. Each development will be funded on a project-by-project basis through a combination of debt financing and private equity contributions.

To pave the way and streamline the realization of these objectives, our new organization structure will allow for the principals and managing members to maintain common management and ownership.

### Current Projects in Progress

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FRANCHISE	LOCATION	RM	MEETING SPACE	OPEN
Marriott Springhill Suites **	Fort Worth, TX	98	2011	2011
Embassy Suites - Las Colinas **	Las Colinas/Irving, TX	175	5,500 sq ft	2011
Holiday Inn & Conference Center **	So. Arlington, TX	130	14,500 sq ft	2011
Candlewood Suites **	So. Arlington, TX	90		2011

## CO-OWNERS AND FOUNDERS

### JAGDIP ('Jags') PATEL

#### Q HOTELS CHAIRMAN

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For over 34 years, Jagdip Patel has been highly active in the operation and ownership of various franchise type properties as well as a recognized member and chairman of prominent industry organizations and committees.

He is currently the Texas representative of the American Hotel & Lodging Association. In his former capacity as Director at Large for AAHOA, he chaired the Membership Growth and Benefits Committee and was actively involved in the planning and organization of annual AAHOA conferences. Mr. Patel has been actively involved in the Texas Hotel & Motel Association (TH&MA) and also served as Chairman.

“Jags” brings over 3 decades of formidable tried-tested-proven innovative and entrepreneurial know-how to Q Hotels, as well as a wealth of resources, relations, and a stellar reputation. He provides vision, leadership and the critical close working relationship with our operating partners (associates) and team members that makes it possible for Q Hotels to achieve and sustain growth.

### VIRAN NANA

#### Q HOTELS, NANU CONSTRUCTION PRESIDENT & CEO

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For over 29 years Viran Nana has been and continues to be a hands-on Hotel Industry construction expert having completed nearly 3 dozen ground-up construction projects.

For Q Hotels, Mr. Nana applies his expertise in feasibility and market area evaluation, hotel site selection, site specific feasibility, site acquisition, purchase contract negotiation, coordination and direction of all development professionals, architecture and engineering, review and approval of civil engineering and architectural plans. Sub-contractor construction contract closeout and punch list completion as well as all phases of major hotel renovations are also his responsibilities. In addition, he also assists with obtaining permanent and construction financing and works very closely with “Jags”.

“Viran’s” highly structured, first-hand extensive project knowledge and strong get-it-done-now approach has been key to completing projects on-time and under budget.

## A WORD FROM OUR CHAIRMAN

### LET'S WORK TOGETHER!

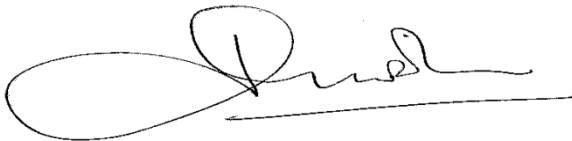
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Thanks for allowing us this opportunity to introduce you to Q Hotels. Now that you have some idea about who we are and what we do – what do you think?

What can we do for you? Can we work together? Are you ready for The Quality Experience?

My assurance to you is that we have one of the best teams in the industry for developing and managing great Quality Select Service Hotels. My commitment to you is that I will earn your trust and confidence. My offer to you is that I will directly develop our relationship.

I look forward to personally hearing from you.

A handwritten signature in black ink, appearing to read 'Jags Patel', with a long horizontal flourish extending to the right.

#### Jags Patel, Chairman

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## EXHIBIT 1: Hotels Managed & Under Development

FRANCHISE	LOCATION	RM	OPEN	STATUS
DEVELOPED AS LIMITED PARTNERSHIP & Q HOTELS OPERATED				
Holiday Inn Express	Dallas, TX	89	2010	Managed
Courtyard by Marriott	Fort Worth, TX	104	2009	Managed
Fairfield Inn & Suites	Denton, TX	75	2006	Managed
Holiday Inn Express	Arlington, TX	104	1995	Managed
DEVELOPING AS LIMITED PARTNERSHIP & DEVELOPMENT PROCESS UNDERWAY				
Marriott Springhill Suites **	Fort Worth, TX	98	2011	Plans **
Embassy Suites - Las Colinas **	Las Colinas/Irving, TX	175	2011	Plans **
Holiday Inn & Conference Center **	So. Arlington, TX	130	2011	Plans **
Candlewood Suites **	So. Arlington, TX	90	2011	Plans **

\* Under Development

\*\* Land Purchased and Plans Underway

## EXHIBIT 2: Hotels Built then Sold & Build for Fee

FRANCHISE	LOCATION	RM	OPEN	STATUS
<b>DEVELOPED AS LIMITED PARTNERSHIP THEN SOLD</b>				
Comfort Inn - Decatur	Decatur, TX	45	1991	Sold - 1994
Holiday Inn Express	Weatherford, TX	50	1993	Sold - 2002
Best Western Inn & Suites	Arlington, TX	66	1995	Sold - 2005
Best Western Inn & Suites	Ft. Worth, TX	66	1996	Sold - 2003
Hampton Inn	Ft. Worth, TX	66	1997	Sold - 2000
Holiday Inn Express	Hillsboro, TX	60	1997	Sold - 2004
Holiday Inn Express	Terrell, TX	60	1997	Sold - 2001
Hampton Inn	Weatherford, TX	50	1998	Sold - 2002
Super 8 Motel	Arlington, TX	50	1999	Sold - 2004
Best Western Inn & Suites	Lake Worth, TX	50	2002	Sold - 2003
Best Western Inn & Suites	Mineral Wells, TX	50	2002	Sold - 2003
Marriott - Springhill Suites	Grapevine, TX	111	2005	Sold - 2006
Marriott - Courtyard	Denton, TX	102	2006	Sold - 2006
Days Inn - Dallas	Dallas, TX	50	2006	Sold - 2006
Hampton Inn & Suites	Burleson, TX	85	2008	Sold - 2008
<b>DEVELOPED FOR THIRD PARTIES &amp; CONSTRUCTION PROFIT</b>				
Comfort Inn - Dallas	Dallas, TX	55	1993	Completed
Best Western Inn & Suites	Desoto, TX	60	1994	Completed
Days Inn - Terrell	Terrell, TX	60	1994	Completed
Comfort Inn	San Antonio, TX	70	1995	Completed
Comfort Inn	Richardson, TX	68	1996	Completed
Country Inn & Suites	Ft. Worth, TX	70	1998	Completed
Microtel Inn & Suites	Ft. Worth, TX	58	1998	Completed
Comfort Suites	Ft. Worth, TX	90	2000	Completed
Days Inn - Decatur	Decatur, TX	65	2002	Completed
La Quinta Inn & Suites	Richland Hills	80	2009	Completed
Comfort Suites	Richland Hills, TX	72	2009	Completed
Hampton Inn & Suites	Forrest Hill, TX	88	2009	Constructed