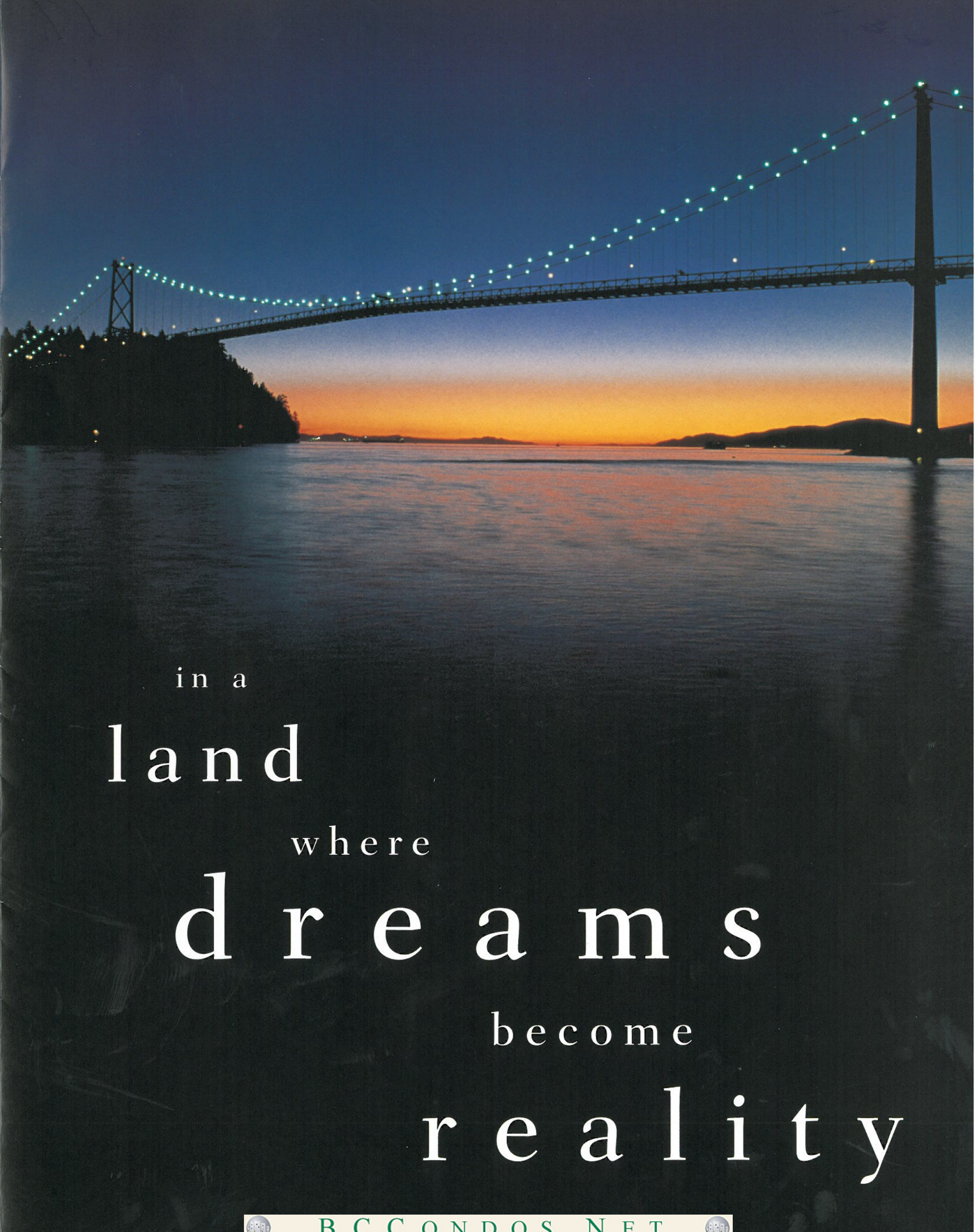
in a
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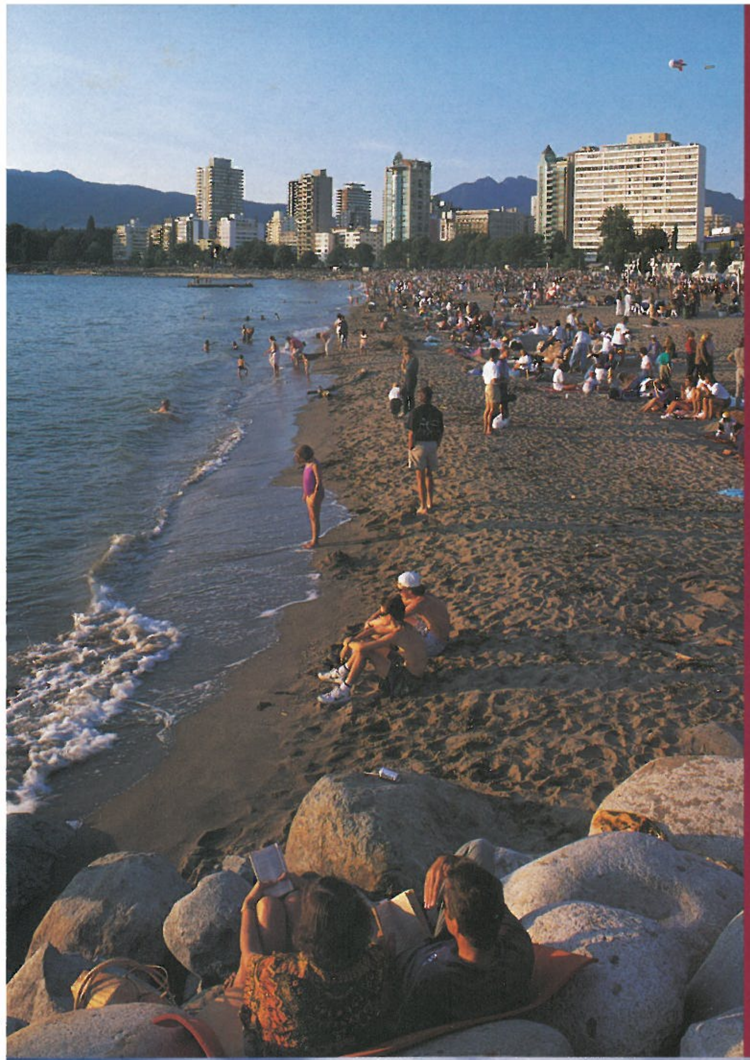

where the

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the streets

Hilton Suites Vancouver is positioned to become one of Vancouver's premier hotels.

Developed by MMI Properties Inc., designed to Hilton's exacting standards and to be managed by Interstate Hotels Company, a wholly owned subsidiary of Interstate Hotels Corporation – one of North America's finest hotel management companies – Hilton Suites Vancouver will be a splendid first class establishment.

Vancouver is considered by many to be one of the world's most beautiful cities and its westcoast location makes it Canada's natural gateway to the Pacific Rim.

A choice address on upscale Robson Street, combined with features that include a spectacular spa and fitness center, ample conference space, charming dining facilities and plentiful parking, will position Hilton Suites Vancouver to become a preferred choice for discerning travellers.

Purchasers of suites will acquire investment potential by owning a portion of this magnificent hotel, and will be entitled to the benefit of personal use privileges of their suites. Interstate will manage the suites according to a rental pool agreement. Purchasers will receive strata-title ownership of their suites and one designated parking stall. Purchasers will be able to use their suites for any period of time at a daily rate estimated to be on average one third of the regular daily rate. Please see the disclosure statement for all details.

For those who understand Vancouver's allure and wish to invest in a hotel operated by an experienced management company under a proven flag, Hilton Suites Vancouver offers a fine combination of recreational and investment real estate.

Hilton Suites Vancouver, an elegant, recreational real estate investment for the informed investor.

Hilton Suites™
Vancouver

175 Robson Street, Vancouver
British Columbia, Canada

www.hiltonsuitesvancouver.com

For information contact us or call your professional realtor.

MMI Properties Inc.
530-355 Burrard Street, Vancouver
British Columbia, Canada V6C 2G8

Tel 1.604.801.5111
Toll Free 1.877.944.5766
Fax 1.604.801.5113

Sales Center
Suite 100-788 Beatty Street, Vancouver
British Columbia, Canada V6B 1A2

Tel 1.604.408.7401
Fax 1.604.408.7402

Hilton Suites Vancouver

Frequently Asked Questions

1. Q. How long is the Franchise Agreement with Hilton?

   A Twenty years.

2. Q. How many times can I use my suite per year?

   A Unlimited, subject to availability and prescribed notice. Please refer to Article 10 of the Hotel Management and Rental Pool Agreement for further details.

3. Q. Is there a full service spa and health facility in the hotel?

   A Yes.

4. Q. When will the hotel construction be completed?

   A It is expected that the hotel will be open for business in the summer of 2002.

5. Q. Who will be managing the hotel?

   A Interstate Hotels Company ("Interstate") of Pittsburgh will be managing the hotel. Interstate and its affiliates manage over 31,000 hotel rooms around the world. Interstate's parent, Interstate Hotels Corporation, is a public company listed on the Nasdaq Small Cap Market (IHCO).

6. Q. Is a parking stall included in the price of the unit?

   A Yes. Each unit will have a parking stall designated as limited common property of the unit. The parking stalls will be managed by the manager of the hotel.

7. Q. When is construction beginning on the hotel?

   A It is estimated that construction will begin in the fall of 2000 and complete in the summer of 2002.

8. Q. Will my mortgage payments be covered by the income?

   A The answer to this question depends on the performance of the hotel and the amount of your mortgage payments. Estimated Net Income Before Debt per suite for the first two years of operation are included for each suite on the Price List. Also included in the Information Binder are Mortgage Tables. By subtracting the estimated mortgage payments from the Estimated Net Income Before Debt, you will be able to determine the estimated income or loss.

9. Q. How long am I locked in for?

   A You can resell your unit at anytime, subject to the restrictions described in section 6.6 of the Disclosure Statement.

10. Q. When do I receive my rental pool cheques?

A Quarterly statements and annual audited statements will be provided by the manager. Net Income Before Debt (less operating and capital replacement reserves) will be disbursed quarterly.

11. Q. Do I pay the mortgage company myself or does the manager of the hotel look after that and send me the net cheque?

A The hotel manager will not deduct mortgage payments from your quarterly cheques. Each owner will make his/her own arrangements with his/her lender in this regard.

12. Q. Will I get a yearly statement for tax purposes with all deductions and income worked out for me?

A Yes, the appropriate statement will be sent to you each year.

13. Q. Do I only get the revenue from the room and parking, or do I also share revenue from the restaurant, lounge, laundry, phone, etc.?

A Owners will receive revenue from the hotel units, telephone charges, parking, laundry and in-suite television. Owners will not receive any revenue from the operation of the restaurant, spa or convention space. This is more fully described in the Disclosure Statement.

14. Q. Will the quarterly statements be audited?

A No. The cost of auditing quarterly statements is onerous and is not justifiable. Only the annual statement will be audited.

15. Q. I am an out-of-town owner. How do I know if management is doing its job and the hotel is well looked after?

A An Owner's Committee will be established to review budgets and to represent the owners in dealings with the manager. The owners will receive quarterly statements and annual audited statements with respect to the operation of the hotel rental pool.

16. Q. Can close friends use my room at my rate?

A Yes. To understand the terms of the Owner Use privileges, please refer to Article 10 of the Hotel Management and Rental Pool Agreement.

17. Q. How do I sell my suite if I choose to later?

A Section 6.6 of the Disclosure Statement outlines the procedure and requirements for reselling the suites.

18. Q. Is there a capital replacement program in place to update and maintain furnishings, fixtures and equipment? If so, who pays for it and how is it budgeted?

A Yes. The capital replacement program is described in section 6.6 of the Hotel Management and Rental Pool Agreement. In a nutshell, certain amounts are put aside from the gross income each year as a reserve to cover the cost of replacing furnishings, fixtures and equipment as necessary.

19. Q. Can the owners change the management company if the cash flow is not good?

A Yes, under certain circumstances. Please refer to sections 2.3 and 2.4 of the Hotel Management and Rental Pool Agreement in this regard.

20. Q. Do I get a discount or free privileges for use of the facilities such as the spa, restaurant, lounge, conference and meeting rooms and parking when not using my unit?

A No.

21. Q. Will there be a private club for owners?

A No.

22. Q. Is a cash call possible to cover deficiencies?

A If the Gross Revenue is insufficient to cover all the costs (and operating and capital replacement reserves), a cash call could occur.

23. Q. Do I have the right to a final inspection of my suite before closing?

A Yes, there is a right to inspect the suite prior to closing. This right is described in section 5 of Offer to Purchase and Agreement of Sale.

24. Q. Can I rent my unit myself, that is, book it as my time and rent it directly to someone else?

A No. This is prohibited under section 10.6 of the Hotel Management and Rental Pool Agreement.

25. Q. Will I get a list of all the owners, so that I can get in touch with them if I want to?

A Yes.

26. Q. Is there a strata council? How does it work?

A Yes, it will be operated similar to a council for condominiums in British Columbia, subject to certain rights of the hotel manager as set out in the strata corporation bylaws attached as Exhibit C to the Disclosure Statement.

27. Q. Will there be regular meetings for owners and how often?

A There will be an annual general meeting of the owners as described in the strata corporation bylaws attached as Exhibit C to the Disclosure Statement. Meetings of the owners can also be arranged pursuant to the provisions of section 4.1 of the Hotel Management and Rental Pool Agreement.

28. Q. Is this investment fully transferable and willable?

A Yes, subject to the resale restrictions described in section 6.6 of the Disclosure Statement.

29. Q. Can I have the cheques electronically deposited to my account?

A This will be investigated; it is too early to tell if this is viable.

30. Q. What happens if my suite is never rented?

A It does not really matter which suite is rented as you are part of a rental pool and share in the overall income of the rental pool. No matter whose suite is rented, you will share in the income in the manner described in the Hotel Management and Rental Pool Agreement.

31. Q. What are the tax benefits of this investment?

A The tax benefits of this investment would be similar to the tax benefits to owning any rental property. That is, CCA, deductibility of mortgage interest, accounting costs, etc. However, as each person's situation is different, we strongly recommend that you consult with your own personal tax advisors.

32. Q. Do I have to pay for parking when I stay at my suite?

A No.

33. Q. Is there free meeting space allocated to each owner per year?

A No.

34. Q. How long in advance do I have to book to use my room at the discounted rates?

A 90 days.

35. Q. Can I choose the décor or appliances in my suite?

A No.

36. Q. Are pets allowed in the hotel?

A No.

37. Q. Can I use my suite year round and is there any cost if I do?

A Yes. The cost is based on a formula using the previous year's expenses. Roughly, it is estimated that the cost will be, on average, 33% of the regular room rack rate applicable at the time of the owner's stay. Please refer to Article 10 of the Hotel Management and Rental Pool Agreement for further details.

38. Q. Are there any other strata title owners from other projects that I may be able to talk to?

A Yes. There are a number of strata hotels in Vancouver and Whistler

39. Q. Will I be able to receive discounted rates at other Hilton Hotels?

A Not as a result of purchasing a suite. However, by joining the Hilton Honors Program you will receive benefits when you stay at Hilton branded hotels around the world, including the Hilton Suites Vancouver.

40. Q. Do I have to pay for telephone calls when I stay in my own suite?

A Yes.

41. Q. Can I leave some of my personal belongings in the suite or are there lockers or something similar for owners?

A Personal belongings may not be left in the suites. Due to space limitations there are no lockers for owners.

42. Q. Can I opt out of the rental pool?

A No. In order to ensure that the hotel runs efficiently, it is not possible to allow owners to opt out of the rental pool.

43. Q. Can I deduct my stay off of my rental pool cheque?

A No, payment must be made by the owners when they stay in the hotel.

44. Q. Do I remain in the rental pool if I am using my own suite?

A No. An owner receives no income from the rental pool for the days on which the owner is staying in the hotel.

45. Q. Are the deposits refundable if I decide not to proceed?

A The deposit is refundable if you elect to rescind the purchase agreement within three days after the later of the date the purchase agreement is entered into or the date on which you receive a copy of the Disclosure Statement. The deposit is also refundable if you do not waive the financing condition as set out in section 4 of the purchase agreement.

46. Q. What are the restrictions for a foreign purchaser?

A Very little for the purchase of the unit, but when disposing of the unit the non-resident will be subject to Canadian income tax on any gain and will be required to comply with the provisions of section 116 of the *Income Tax Act* (Canada) which provide for the prepayment of such tax. Non-resident purchasers should discuss this issue with their lawyer or accountant.

47. Q. Could you please explain to me how you calculate the amount I will pay as an owner to occupy my unit per night?

A As described in Schedule 4 of Grant Thornton's Financial Projection attached as Exhibit L to the Disclosure Statement, the formula is based on the previous year's expenses. For the first two years, the base cost to stay in the suite is calculated using the estimated expenses for the second year of operation (2004), being $5,607,000. These expenses are divided by 365 nights per year and 175 suites in the hotel. This number equals $88 and is the base cost for an owner staying in his/her suite. The average room rate is considered to be $184 so if the average rate for the suite is $184 for a regular guest in the hotel, the owner would pay $88. If the average room rate at the time of the owner's stay is more than $184 (which it probably will be in the peak months), the owner's rate will increase marginally. The reason for the increase is that the franchise fee payable to Hilton and the management fee payable to Interstate are calculated as a percentage of gross revenue. Hilton and Interstate are willing to allow an owner to use his/her suite as long as their fees are calculated based on what the suite would normally earn during that time. The examples used in the Grant Thornton Projection are $300 and $400 per night average room rates. If the average room rate is $300 for the suite, an owner would have to pay an additional $9, which would total a cost of $97 to the owner for the night ($88 plus $9). If the average room rate is $400 for the suite, an owner would have to pay an additional $16, which would total a cost of $104 ($88 plus $16).

48. Q. Will I need a lawyer to close my unit and how much will it cost?

A Yes, you will need a lawyer to complete your purchase. We have made arrangements with Ernie Hee of Hee & Associates who is willing to represent purchasers for approximately $500, plus disbursements and taxes. If you are planning to finance your purchase of a unit, you will also have to pay the legal fees and disbursements of your bank. Mr. Hee can be reached at (604) 683-1100.

49. Q. Who insures the furniture in the unit? Who is responsible to replace something in the unit if it is damaged or stolen?

A The manager of the hotel will, on behalf of the owners, take out and maintain insurance in accordance with section 13.1 and Schedule D of the Hotel Management and Rental Pool Agreement. Such insurance will include coverage for stolen or damaged furniture by hotel guests.

50. Q. What kind of protection will I be afforded in case of leaks or other damage caused from construction defects (i.e. leaky condo problems)?

A The Developer will arrange for warranty coverage for the hotel units as follows:

I. two year material and labour warranty;
II. five year building envelope warranty; and
III. 10 year structural defects warranty.

The following are answers to a number of questions that we have been asked by potential purchasers of hotel units in the Hilton Suites Vancouver. The answers to these questions must not be construed as an offering, as the offering is only made by the disclosure statement. There are risks associated with this type of investment. Any investor considering this investment should consult the disclosure statement, a copy of which may be obtained by contacting MMI Properties Inc. at 1-604-408-7401 or toll free at 1-877-944-5766.