

GUNG HO!

A publication for the associates and friends of The Generation Companies

Fall, 2005

gung ho (gung' ho')
adj. Slang motto of certain U.S. marine forces in Asia during World War II, from Chinese (Mandarin) *gonghe*, to work together (short for *gongyehesuoshe*, *gong*, work + *he*, together). Dedicated and enthusiastic!

We're Growing (our people!)

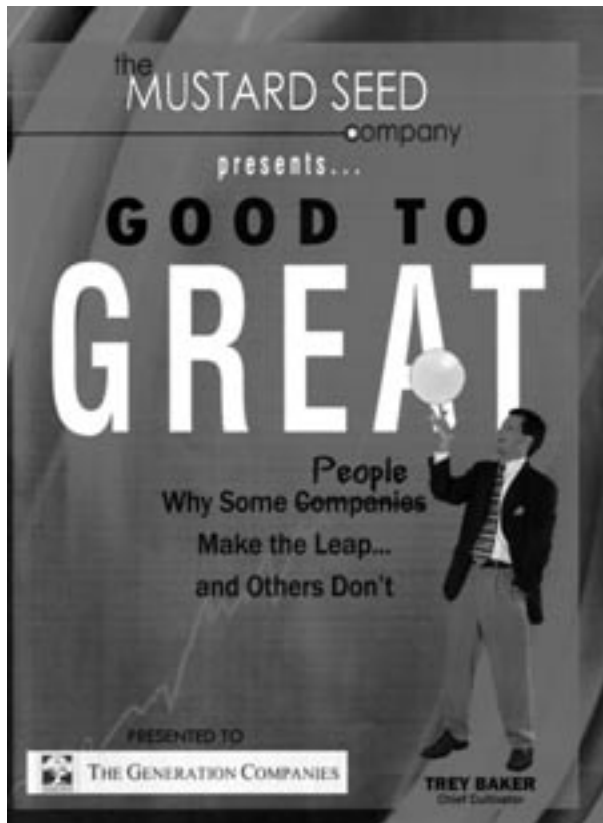
An organization is only as strong as the people who support, work and live its mission and goals. Generation is thriving, thanks to our people. Because of you, believers in our purpose and dreams, every day, in every way, we're getting better and better. In some cases, we're even achieving greatness!

The April meeting with AGMs (assistant general managers) was an intensive series of roundtable discussions and seminars aimed at grooming leaders so that Generation can maintain its commitment to promoting from within. An impressive 45% of the company's current GMs (general managers) were promoted from other positions within the company. The two-day event featured sessions on leadership development; role plays with a trainer; and roundtable discussions on building core competencies in sales, operations, financial review, coaching the hotel team, and branding. It included an overview of the company and where AGMs fit in, a video featuring GMs explaining what it took to rise in the organization, and a strategic look at the AGM career path with pointers on how to move up the career ladder with Generation.

In July, GMs gathered for a seminar that personalized the Good-to-Great principles. Entitled Good to Great: How Some People Make the Leap and Others Don't, the two-day workshop drew attendees into a conversation about what Good-to-Great concepts meant to life and how it inspired our team to achieve their goals. The GMs shared Rewarding Greatness best practices on revenue management, how to be a great sales manager, the GM/DOS relationship, and grooming your bench.



In July, Generation GMs dug deeper into the Good-to-Great principles.



All the work, focus and commitment are paying off. Rewarding Greatness isn't just a poster on the wall, it's a living, breathing way to do business at Generation. And business is strong! There are four categories in the Rewarding Greatness Program: Revenue Growth (vs. Prior Year), Housekeeping Efficiency (Minutes Per Room), Reservation Sales, and Minimized Controllable Expenses. Top-performing properties get one point per category per month, for a perfect score of four points per month. The top five leaders in the Rewarding Greatness program for the seven-month period from January to July 2005 are: Candlewood Suites/Lake Mary with a perfect 28 points, Suburban Extended Stay/Orlando with 26 points, Candlewood Suites/Durham with 24 points, Suburban Extended Stay/Jeffersonstown with 20 points and Suburban Extended Stay/Destin with 19 points. These hotels and their teams are achieving greatness—and we can prove it!

Words to Live By

"I love my job because when you can fix a problem, and do it with a smile, there's nothing better than that."

—Gary Hopkins, IT Coordinator, CSC



Celebrate Our People and Properties

Nice Job!

Kathrynn Charleston, Grounds Person; Phyllis Hill, GSR; Meho Cancar, Maintenance Person; and housekeepers, Miriam, Lydia and Beatriz Suburban Extended Stay/Jacksonville, FL for doing a fantastic job.

Belinda Horne, Days Inn/Goldsboro is an exceptional housekeeper who goes above and beyond the call of duty. Her rooms are always cleaned well and she continues to keep a smile on her face and a great attitude, even when given an enormous workload. She is willing to come in on her days off if needed. She covers many different aspects of the hotel operations and is a great asset to our hotel. We are glad to have her back at our property and look forward to watching her grow with the company.

Gary Hopkins, CSC, for being a great guy doing a great job. Never in a bad mood, he's always there to listen to problems and find an answer. In any gathering, he is the heart of every group.

Greg Burnes, Area Manager, Candlewood Suites-SES/Sterling, VA, a leader who leads by example. On a typical day, you might find him shoveling snow, completing maintenance tickets, or having a 15-minute conversation with a guest, probing for lead information on more business. He has a fantastic demeanor, and is always looking for ways to wow each guest. He has worked diligently on efforts to get this property a shuttle and has taken full responsibility for it as it will be a big job.

Mrs. Rosella Marshall, Laundry Attendant at Days Inn & Suites/Rocky Mount, NC. With the company 18 years, she's a team player and is cross-trained for Housekeeping, Executive Housekeeper and Inspector. She always goes the extra mile for the company, guest and fellow team members.

Suburban Extended Stay/South Raleigh, NC's Brian Langston, Maintenance goes above and beyond the call of duty to take care of the hotel—as if it's his home. He is bilingual which helps in translating with a couple of our housekeepers and guests as well. He always has a smile on his face and is eager to assist anyone who may need help.

Welcome Aboard!

Tony Conte, GM for the soon-to-be acquired Generation first, Staybridge Suites of Memphis (currently branded as Hawthorne Suites-Memphis). Tony and his wife Amy currently live in New Jersey where he is the GM for Summerfield Suites in Mount Laurel. Prior to this, he was GM of the Residence Inn in Norcross/Atlanta. He has managed several Residence Inns and Summerfields, and has participated in a number of renovation projects.

Maintenance Engineer James Donnie Keel of Days Inn & Suites/Rocky Mount, NC.

Kristin Schmidt is the new Area Sales Manager for the Suburban brands in the Fayetteville and

Greensboro markets. She'll work with Michael Fortner and Ingrid Payne to maximize sales opportunities in these areas.

Evelyn Tolson-Bailey has come on board as the new *Area Sales Manager for the Candlewood Suites/Newport News and Suburban Extended Stay Hotel in Hampton*. She most recently served as DOS of the Carlton Hospitality Group, overseeing five properties.

At Work in Our Community

Frank Jones, GM of Suburban Extended Stay/Wilmington, NC was elected president of the New Hanover County hotel/motel association for 2005-06.

During the holidays, *Faye Beddingfield, GM, Days Inn & Suites/Rocky Mount* works with Toys for Tots and is a bell-ringer for the Salvation Army. The property also supports the American Red Cross by donating linens and lamps.

Suburban Extended Stay/South Raleigh, NC participates with a group called Church in the Woods to help the homeless by providing ministry, food, and an opportunity to better themselves. The property gives the homeless a vacant room once a week to take showers and arranges for different volunteers in the community to cut hair and help the ladies with make-up so they can get pursue jobs in the community. This has been a very successful and satisfying partnership and a great service to the community and the people who live in it.

Property Enhancements

Suburban Extended Stay/Wilmington, NC completed a total renovation of all guest rooms this spring, repainting all the walls and putting in new drapes and carpet in every room.

Congratulations!

Jane Deagle, who has faithfully served as *Weekend Manager at Candlewood Suites/Richmond* for the last 4 years, was recently promoted to *GM of the Candlewood Suites/Newport News*.

Gary Hopkins is our new *Information Technology/Telecom Coordinator*. He'll tele-commute from his new home in Charlotte, with weekly visits to the CSC office.

Ingrid Payne has added a new property to her responsibilities. She'll continue her tradition of excellence as *GM of both the Suburban Extended Stay Fayetteville and Greensboro*.

Michael Wilkinson, formerly Assistant Manager for Suburban Extended Stay/Jefferson town, has joined the CSC team in RTP as *Suburban Brand Coordinator*. But his more important role is "new husband"—he just got married.

Martha Smith, who has served for four years as DOS of Candlewood Suites/Richmond, will be the new *Area Sales Manager* for both the *Candlewood Suites and Suburban Extended*

Stay in Richmond. Martha will be recruiting a Sales Coordinator to her team soon.

Laura Conway, Director of Sales, Candlewood Suites/Lake Mary, FL on the arrival of your newest family member this summer. Laura, Steve and their son Matthew have been working with the Russian authorities on adopting a beautiful four-year-old little girl named Leah. Love flows throughout the Conway family home and they are excited about sharing that love with such a sweet and innocent soul. Pictures of Leah have been hanging up in Laura's office for 3 to 4 months, so the rest of us here at Lake Mary are just as excited to welcome Leah to Florida and into the hotel business!!

Candlewood Suites/Dulles-Sterling, VA achieved an impressive QAR of 89.2%.

Happy Anniversary!

Suburban Extended Stay/Hampton, VA celebrates the following employees: Jeff Surret (1 year), Celina Colbert (2 years), Barbara McPherson (2 years), Kathrin Rogers (3 years), and Mary Rice (1 year).

Days Inn & Suites/Rocky Mount, NC appreciates the dedication of Rosella Marshall, Laundry (18 years); Billy Jackson, Maintenance/Security (3 years); Vicky Sessoms, Housekeeping (1 year); Nikki King, GSR (3 years); Monica Whitted, GSR, (1 year); Cynthia Williams, Housekeeper, (10 years); Patricia Willams, Dining Room Hostess, (9 years); Vanessa Williams, Housekeeper, (2 years); Glenda Williams, Housekeeper (1 year).

Keisha Hardman (1 year), *Suburban Extended Stay/Greensboro*.

Employee Profile: Gary Hopkins

Gary Hopkins is not your average geek. While his idea of a good time is figuring out why a computer network is down and bringing it back on-line, his greatest satisfaction comes from helping others. "I love my job because when you can fix a problem for somebody, which is a big emergency for them at that moment, and do it with a smile, there's just nothing better than that," he muses. Hopkins, in the hospitality business and information technology for 15 years, is Generation's IT Coordinator. His job is to, well, make everyone else's job easier. He works with vendors on site searches, design and purchase of computer systems, and, once installed, makes sure all of the IT high-speed connections run smoothly. He helps the properties with their back office and guest room computer and telephone connection problems like broken printers, downed systems and viruses. He keeps the CSC network humming and maintains the remote security system. Oh, and then there's lunch at 4 p.m. Hopkins just laughs—and that easy laugh is what makes him a success and a valued member of the Generation Team.

"This is the day that the Lord has made, and I shall rejoice in it," he enthuses. "You have to



be happy to be of service, to do your task joyfully. My task is Information Technology and I'm happy about it. There's no need to panic about anything, we'll get it fixed, and enjoy the process." While Hopkins likes learning about new technology and discovering ways for technology to satisfy guests, and so, help the company succeed, he feels Generation gives him more than just the opportunity to learn and explore. "This is an up-and-coming, positive hospitality service," he states. "It's not just hotels, it's service. I appreciate Generation because it puts the right people in the right places to be successful, giving everybody the opportunity to be and do their best."

Favorite way to spend a Sunday afternoon: Wrestle with my son (unless it's time to watch golf on TV!).

Favorite movie: Thief

Place he'd love to travel to: Morocco

Favorite Dessert: Lemon Icebox Pie

Why he fell in love with his wife: Her character

One thing he wants his son to learn from him:

It will take hard work to be a servant of Christ, but stay the course. Your rewards will happen in the end, but the blessings come every day.



The Sterling Hotel Campus, Generation's 253-suite extended stay hotel park near Washington DC, recently celebrated its grand opening. Present at the ribbon-cutting ceremony, which celebrated the joint development of two hotels on a single hotel campus, Candlewood Suites/Sterling and Suburban Extended Stay Hotel of Sterling, were, left to right: Paul and Victoire Loseau; Mike and Mary Adair; Susan and Mark Daley Jr.; Mark Daley III, President of The Generation Companies; Craig Williams, GM of Suburban Extended Stay/Sterling; Greg Burnes, Area Manager; Laila Oinas, GM of Candlewood Suites/Sterling; Jessica Demchik, OM of Candlewood Suites/Sterling; Karina Binkley, SM of the Sterling Hotel Campus; and Laurie Madalena, Director of Sales for the Sterling Hotel Campus.

international patient advocacy organization and I simply had to drop that work as there was no Internet access either. And I had taken a bad fall when trying to see if my mother had fallen. It was physically arduous and emotionally wrenching.

When I got home to Reston, within 2 hours, my home air conditioning went out, and my home computer was not allowing me to retrieve and respond to 529 emails that had accumulated. Having already spent three weeks without air conditioning and email access, this was about the last straw. It was then I used started calling hotels.

Because I am legally blind and cannot read the phone book, I called information asking for numbers of hotels in Reston/Herndon. After over an hour of trying to find a room for under \$200 (actually, I was looking for \$100. Ha!), I found the Herndon Candlewood Suites. James said they had some rooms ready for immediate occupancy and that they could even send a car service! No credit card was requested and nothing was said about it not being check-in time yet. I packed in my now-rehearsed 30 minutes and was delighted to find a limo sedan waiting for me at the exact time I said I could be ready. I was embarrassed to be so hot, sweaty, and nearly incoherent. The cost of the car service was astonishingly low. Peter Hutchins greeted me at the desk. I have only one eye, can't see well out of the other, am legally blind, and use a white cane to get around. Registration was amazingly easy and swift, and Peter even noticed a Holiday Inn Priority Member card in my wallet and informed me Candlewood Suites is a member of that consortium and applied my card to my registration. He then showed me around the snack shop, carried my bag to my room,

showed me how to use the magnetic key, and even helped me set up my laptop. He told me where to get a sandwich and, when I had showered and started to go to the nearby shop, he said he was going to get his lunch there too and would accompany me. I would not have found the shop without his help. He helped me know what food was available (I couldn't see the overhead menu), informed me that buying sodas at the hotel would save 50%, waited with me, and accompanied me back to my room. When the hotel phone system misbehaved, I was truly frustrated because I had a very important telephone appointment at 2:00. I went to report the problem at the front desk and Peter gave me his hotel cell phone to make my calls, saving me extra cell phone expenses.

I've been in many situations in which extra help would have made a huge difference. Peter and the Candlewood Suites were the exception to an unfortunate trend in our society to do the least required and never go out of your way. Peter and his entire staff showed concern, discernment about what makes life difficult for a legally-blind person, and cared about one who had literally had just about everything possible go wrong.

I encourage you put a letter of commendation in Peter's file, and to offer him whatever acknowledgment and reward is available to outstanding operating partners. I shall come back here again (hopefully by choice, not necessity) and I shall be telling everyone I know about this establishment. Good management knows who to keep and how to keep them. I hope that Peter will receive the reward he deserves.

*Most appreciatively,
Carol W.
Reston, VA*



Gary Hopkins with his wife Renita and son JaVon.

Guests Speak Out

Our business begins and ends with guests, their experiences at our properties, how they're treated, whether or not they come back. This column features guest comments and letters about our hotels. Enjoy!

To Whom It May Concern,
On August 8, 2005, I found myself in the midst of my whole world collapsing. I had just returned to my home in Reston after spending 3 weeks with hospitalized and infirm parents who do not have central air conditioning in their home. I had left my home with 30 minutes notice to pack for an indefinite stay. I run an

Advice From the Pros: Growing Leaders, Generating Leads, Rewarding Greatness

- Hire for long-term team players
– Nelson Aliaga, GM, Suburban Extended Stay-Jacksonville, FL
- In order to get employees to grow into leaders, we ask them to cross-train in other departments. Employees learn to respect each other's positions.
– Frank Jones, GM of Suburban Extended Stay/Wilmington, NC
- In the past, our 3rd shift person's opportunity for Lead Generation has not been there. So, we purchased a tape recorder and our 3rd shift person heads out between 1 and 2 a.m. He drives about 4 minutes down the road to a motel strip. As he drives the lots, he records the companies and phone numbers off of the trucks and is back to the property within 20 minutes. He fills out the Lead Sheets when he returns; the first week he received 20 Leads!
– Lynn Folsom, Suburban Extended Stay/Hampton, VA
- I feel feedback to the employees is vital. The sales manager ALWAYS follows up with the employee as to where those leads are going. We also post the Lead Generation dollars and celebrate it. In terms of Rewarding Greatness, we are posting the HSKP MPR results and congratulating the staff daily during the team meeting. My advice? You MUST keep talking about it, updating posters and signs, or people will forget about it.
– Laila Oinas, GM, Candlewood Suites/Dulles-Sterling, VA
- Regular team and coaching meetings are important, whether it is one-on-one, or the entire group. Also, keeping the team informed as to where you are on each path of the journey works.
– Faye Beddingfield, GM, Days Inn & Suites/Rocky Mount, NC

Our Core Values

Core Value: Growth

By H. Mark Daley

Let's consider these synonyms for "growth": advance, amplify, bud, develop, enlarge, expand, extend, increase, mature, cultivate, nurture. This list creates a sense for what we mean when we say that growth is something we value as a company. Too often those of us primarily responsible for the financial side of the company are tempted to think of growth in terms of simply making more money than we did before, or growing larger in terms of the number of hotels and total revenues. While these are important aspects of growth, we would be missing much of what this core value has to offer if we stop there.

Let's go back to the list of synonyms. We can advance as a company by consistently delivering higher levels of customer service. We can amplify what we are doing by communicating better with our guests, our vendors and our investors. We can bud as a company by developing our team members to get them ready to take on more responsibility internally. We can develop ourselves professionally by making the most of training and educational opportunities. We can enlarge ourselves personally by not just serving our guests because it is our job, but because we care about them as people. We can expand others by inspiring them to think of their vocation as a calling that can be used for a higher purpose. We can extend ourselves as a company by reaching out to the local communities to which we all belong. We can increase our effectiveness on the job by finding ways to be more efficient and productive. We can mature as people by adopting a mind-set that views life on earth as temporary. We can cultivate our souls by humbling ourselves before our Creator. And we can nurture others by giving them love much like what we would like to receive. The list can go on and on.

Each of the "we can" sentences using the synonyms for growth above can be re-read as "we can grow" (if you really want this to sink in, try it). And as much as we might like to think we can simply maintain who we are as a company, the reality is that most things that are not growing are (here come the antonyms) atrophying, contracting, decaying, diminishing, shrinking, stagnating. These in turn lead to the direst ultimate results of destroying and killing. Is it too extreme to say that if we collectively refuse to grow as a company, to highly value growth with all its implications that we are ultimately choosing to destroy ourselves? I don't think so, especially given how competitive our economy has become. So, let's all embrace growth as a core value—and enjoy the benefits!

Generation has more than 2800 rooms and \$150 million in real estate assets under management, and employs over 350 associates at 23 properties.

