

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HOST MARRIOTT, L.P.
HMC MERGER CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS GOVERNING INSTRUMENT)

DELAWARE	7011	52-2095412
MARYLAND	7011	53-0085950
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

10400 FERNWOOD ROAD
BETHESDA, MARYLAND 20817
(301) 380-9000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

CHRISTOPHER G. TOWNSEND
GENERAL COUNSEL
HOST MARRIOTT, L.P.
HMC MERGER CORPORATION
10400 FERNWOOD ROAD
BETHESDA, MARYLAND 20817
(301) 380-9000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPIES TO:

J. WARREN GORRELL, JR., ESQ.
BRUCE W. GILCHRIST, ESQ.
HOGAN & HARTSON L.L.P.
555 THIRTEENTH STREET, N.W.
WASHINGTON, D.C. 20004-1109
(202) 637-5600

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as
practicable after the effective date of this Registration Statement.

If the securities being registered on this form are being offered in
connection with the formation of a holding company and there is compliance
with General Instruction G, check the following box.

The Registrant hereby amends this Registration Statement on such date or
dates as may be necessary to delay its effective date until the Registrant
shall file a further amendment which specifically states that this
Registration Statement shall thereafter become effective in accordance with
Section 8(a) of the Securities Act of 1933 or until the Registration Statement
shall become effective on such date as the Commission, acting pursuant to said
Section 8(a) may determine.

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Articles of Incorporation of Host REIT authorizes it, to the maximum extent permitted by Maryland law, to obligate itself to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any present or former director or officer or (b) any individual who, while a director of Host REIT and at the request of Host REIT, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her status as a present or former Director or officer of Host REIT. The Bylaws of Host REIT obligate it, to the maximum extent permitted by Maryland law, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any present or former director or officer who is made party to the proceeding by reason of his service in that capacity or (b) any individual who, while a director or officer of Host REIT and at the request of Host REIT, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise as a trustee, director, officer or partner of such corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made a party to the proceeding by reason of his service in that capacity, against any claim or liability to which he may become subject by reason of such status. The Articles of Incorporation and Bylaws also permit Host REIT to indemnify and advance expenses to any person who served a predecessor of Host REIT in any of the capacities described above and to any employee or agent of Host REIT or a predecessor of Host REIT. The Bylaws require Host REIT to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he is made a party by reason of his service in that capacity.

The MGCL permits a Maryland corporation to indemnify and advance expenses to its directors, officers, employees and agents. Host REIT will indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, Host REIT may not indemnify a director or officer in a suit by or in the right of the corporation if such director or officer has been adjudged to be liable to the corporation. The Bylaws of Host REIT require it, as a condition to advancing expenses, to obtain (a) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by Host REIT as authorized by the Bylaws and (b) a written statement by or on his behalf to repay the amount paid or reimbursed by Host REIT if it shall ultimately be determined that the standard of conduct was not met.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

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FINANCIAL STATEMENT SCHEDULES
Report of Independent Public Accountants on Financial Statement Schedules..... S-1
Schedule III--Real Estate and Accumulated Depreciation..... S-2

EXHIBITS

- 2.1* --Form of Agreement and Plan of Merger between the Partnerships and the Merger Partnerships
- 3.1* --Form of Second Amended and Restated Agreement of Limited Partnership of Host Marriott, L.P.
- 3.2* --Amended and Restated Agreement of Limited Partnership dated December 31, 1997 of Atlanta Marriott Marquis II Limited Partnership (incorporated by reference to Exhibit 2.a. of Atlanta Marquis Limited Partnership's Form 10-K for the year ended December 31, 1997)
- 3.3* --Amended and Restated Agreement of Limited Partnership dated June 12, 1989, of Mutual Benefit Chicago Marriott Suite Hotel Partners, L.P. (incorporated by reference to Exhibit 3.1 of Mutual Benefit Chicago Marriott Suite Hotel Partners, L.P.'s Form 10 filed June 12, 1998)
- 3.4* --Second Amended and Restated Agreement of Limited Partnership dated September 26, 1997 of Desert Springs Marriott Limited Partnership (incorporated by reference to Exhibit 3.2 of Desert Springs Limited Partnership's Form 10-Q for the quarter ended September 30, 1997)
- 3.5* --Second Amended and Restated Agreement of Limited Partnership dated April 3, 1997 of Hanover Marriott Limited Partnership (incorporated by reference to Exhibit 3(a) of Hanover Marriott Limited Partnership's Form 10 filed June 12, 1998)
- 3.6* --Amended and Restated Agreement of Limited Partnership dated February 7, 1990 of Marriott Diversified American Hotels, L.P. (incorporated by reference to Exhibit 3(a) of Marriott Diversified American Hotels, L.P.'s Form 10 filed June 12, 1998)
- 3.7* --Amended and Restated Agreement of Limited Partnership dated November 27, 1985 of Marriott Hotel Properties Limited Partnership (incorporated by reference to Exhibit 3.1 of Marriott Hotel Properties Limited Partnership's Form 10 dated September 29, 1986)
- 3.8* --Amended and Restated Agreement of Limited Partnership dated June 14, 1996 of Marriott Hotel Properties II Limited Partnership (incorporated by reference to Exhibit 3.1 of Marriott Hotel Properties II Limited Partnership's Form 10-K for the year ended December 31, 1996)
- 3.9* --Amended and Restated Agreement of Limited Partnership dated July 16, 1982 of Potomac Hotel Limited Partnership (incorporated by reference to Exhibit 3 of Potomac Hotel Limited Partnership's Form 10-K for the year ended December 31, 1994)
- 3.10* --Certificate of Incorporation dated April 15, 1998 of HMC Real Estate Corporation, the general partner of Host Marriott, L.P.
- 3.11* --Bylaws dated April 15, 1998 of HMC Real Estate Corporation, the general partner of Host Marriott, L.P.
- 3.12* --Articles of Incorporation of HMC Merger Corporation (to be renamed Host Marriott Corporation in connection with the REIT Conversion), dated September 28, 1998.
- 3.13* --Form of Articles of Amendment and Restatement of Articles of Incorporation of HMC Merger Corporation (to be renamed Host Marriott Corporation in connection with the REIT Conversion)
- 3.14* --Bylaws of HMC Merger Corporation (to be renamed Host Marriott Corporation in connection with the REIT Conversion), dated September 28, 1998
- 3.15* --Form of Amendments to Amended and Restated Agreements of Limited Partnership of the Partnerships
- 3.16* --Certificate of Formation dated July 28, 1998 of HMC Real Estate LLC, the general partner of Host Marriott, L.P.
- 3.17* --Operating Agreement of HMC Real Estate LLC, the general partner of Host Marriott, L.P.
- 4.1* --Form of Indenture between Host Marriott, L.P., as Issuer, and Marine Midland Bank, as Indenture Trustee, and Form of 6.56% Callable Note due December 15, 2005
- 4.3(i)* --Rights Agreement between Marriott Corporation and the Bank of New York as Rights Agent dated February 3, 1989 (incorporated by reference to Host Marriott Corporation Registration Statement No. 33-62444)
- 4.3(ii)* --First Amendment to Rights Agreement between Marriott Corporation and Bank of New York as Rights Agent dated as of October 8, 1993 (incorporated by reference to Host Marriott Corporation Registration Statement No. 33-51707)

EXHIBITS

- 4.4* --Indenture by and among HMC Acquisition Properties, Inc., as Issuer, HMC SFO, Inc., as Subsidiary Guarantors, and Marine Midland Bank, as Trustee (incorporated by reference to Host Marriott Corporation Registration Statement No. 333-00768)
- 4.5* --Indenture by and among HMH Properties, Inc., as Issuer, HMH Courtyard Properties, Inc., HMC Retirement Properties, Inc., Marriott Financial Services, Inc., Marriott SBM Two Corporation, HMH Pentagon Corporation and Host Airport Hotels, Inc., as Subsidiary Guarantors, and Marine Midland Bank, as Trustee (incorporated by reference to Host Marriott Corporation Registration Statement 33-95058)
- 4.6* --Indenture by and among HMH Properties, Inc., as Issuer, and the Subsidiary Guarantors named therein, and Marine Midland Bank, as Trustee (incorporated by reference to Host Marriott Corporation Current Report on Form 8-K dated August 6, 1998)
- 4.7* --Form of Common Stock Certificate of HMC Merger Corporation (to be renamed Host Marriott Corporation in connection with the REIT Conversion)
- 4.8* --Indenture for the 6 3/4% Convertible Debentures, dated December 2, 1996, between Host Marriott Corporation and IBJ Schroeder Bank & Trust Company, as Indenture Trustee (incorporated by reference to Exhibit 4.3 of Host Marriott Corporation Registration Statement No. 333-19923)
- 4.9* --Amended and Restated Trust Agreement, dated December 2, 1996, among Host Marriott Corporation, IBJ Schroeder Bank & Trust Company, as Property Trustee, Delaware Trust Capital Management, Inc., as Delaware Trustee, and Robert E. Parsons, Jr., Bruce D. Wardinski and Christopher G. Townsend, as Administrative Trustees (incorporated by reference to Exhibit 4.2 of Host Marriott Corporation Registration Statement No. 333-19923)
- 4.10* --Guarantee Agreement, dated December 2, 1996, between Host Marriott Corporation and IBJ Schroeder Bank & Trust Company, as Guarantee Trustee (incorporated by reference to Exhibit 4.6 of Host Marriott Corporation Registration Statement No. 333-19923)
- 5.1* --Opinion of Hogan & Hartson L.L.P. regarding legality of the OP Units and the Notes being registered
- 5.2* --Opinion of Hogan & Hartson L.L.P. regarding legality of the Common Shares being registered
- 8.1* --Opinion of Hogan & Hartson L.L.P. regarding certain tax matters
- 10.1* --Amended and Restated Credit Agreement dated as of June 19, 1997 and Amended and Restated as of August 5, 1998 among Host Marriott Corporation, Host Marriott Hospitality, Inc., HMH Properties, Inc., Host Marriott, L.P., HMC Capital Resources Corp., Various Banks, Wells Fargo Bank, National Association, The Bank of Nova Scotia and Credit Lyonnais New York Branch, as Co-Arrangers, and Bankers Trust Company as Arranger and Administrative Agent (incorporated by reference to Host Marriott Corporation Current Report on Form 8-K dated September 11, 1998)
- 10.2* --Marriott Corporation Executive Deferred Compensation Plan dated as of December 6, 1990 (incorporated by reference from Exhibit 19(i) of the Host Marriott Corporation Annual Report on Form 10-K for the fiscal year ended December 28, 1991)
- 10.3* --Host Marriott Corporation 1993 Comprehensive Stock Incentive Plan effective as of October 8, 1993 (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated October 23, 1993)
- 10.4* --Distribution Agreement dated as of September 15, 1993 between Marriott Corporation and Marriott International, Inc. (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated October 23, 1993)
- 10.5* --Amendment No. 1 to the Distribution Agreement dated September 15, 1993 by and among Host Marriott Corporation, Host Marriott Services Corporation and Marriott International (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated January 16, 1996)
- 10.6* --Distribution Agreement dated December 22, 1995 by and between Host Marriott Corporation and Host Marriott Services Corporation (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated January 16, 1996)
- 10.7* --Tax Sharing Agreement dated as of October 5, 1993 by and between Marriott Corporation and Marriott International, Inc. (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated October 23, 1993)

10.8* --Assignment and License Agreement dated as of October 8, 1993 by and between Marriott Corporation and Marriott International, Inc. (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated October 23, 1993)

EXHIBITS

- 10.9* --Amendment No. 1 to the Assignment and License Agreement dated as of October 8, 1993 by and between Marriott International, Inc. and Host Marriott Corporation (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated January 16, 1996)
- 10.10* --Tax Administration Agreement dated as of October 8, 1993 by and between Marriott Corporation and Marriott International, Inc. (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated October 23, 1993)
- 10.11* --Noncompetition Agreement dated as of October 8, 1993 by and between Marriott Corporation and Marriott International, Inc. (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated October 23, 1993)
- 10.12* --Amendment No. 1 to the Noncompetition Agreement dated October 8, 1993 by and between Host Marriott Corporation and Marriott International, Inc. (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated January 16, 1996)
- 10.13* --Form of Noncompetition Agreement between Host Marriott Corporation, Host Marriott, L.P. Crestline Capital Corporation and other parties named therein
- #10.14* --Host Marriott Lodging Management Agreement--Marriott Hotels, Resorts and Hotels dated September 25, 1993 by and between Marriott Corporation and Marriott International, Inc. (incorporated by reference to Host Marriott Corporation Registration Statement No. 33-51707)
- 10.15* --Employee Benefits and Other Employment Matters Allocation Agreement dated as of December 29, 1995 by and between Host Marriott Corporation and Host Marriott Services Corporation (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated January 16, 1996)
- 10.16* --Tax Sharing Agreement dated as of December 29, 1995 by and between Host Marriott Corporation and Host Marriott Services Corporation (incorporated by reference from Host Marriott Corporation Current Report on Form 8-K dated January 16, 1996)
- 10.17* --Marriott/Host Marriott Employees' Profit Sharing Retirement and Savings Plan and Trust (incorporated by reference to Host Marriott Corporation Registration Statement No. 33-62444)
- 10.18* --Contribution Agreement dated as of April 16, 1998 among Host Marriott Corporation, Host Marriott, L.P. and the contributors named therein, together with Exhibit B
- 10.19* --Amendment No. 1 to Contribution Agreement dated May 8, 1998 Marriott Corporation, Host Marriott, L.P. and the contributors named therein
- 10.20* --Amendment No. 2 to Contribution Agreement dated May 18, 1998 among Host Marriott Corporation, Host Marriott, L.P. and the contributors named therein
- #10.21* --Form of Lease
- #10.22* --Form of Management Agreement for Full-Service Hotels (incorporated by reference to Host Marriott Corporation Registration Statement No. 33-51707)
- 12.1* --Computation of Ratios of Earnings to Fixed Charges
- 21.1* --List of Subsidiaries of Host Marriott, L.P.
- 23.1* --Consent of Hogan & Hartson L.L.P. (included in Exhibit 5.1, Exhibit 5.2 and Exhibit 8.1)
- 23.2* --Consent of Arthur Andersen LLP
- 23.3* --Consent of American Appraisal Associates, Inc.
- 23.4* --Consents of Director nominees of HMC Merger Corporation (to be renamed Host Marriott Corporation in connection with the REIT Conversion)
- 25.1* --Statement of Eligibility and Qualification of Marine Midland Bank, as Indenture Trustee (bound separately)
- 99.1* --Appraisal of Houston Marriott Medical Center Hotel by American Appraisal Associates, Inc. dated March 1, 1998
- 99.2* --Appraisal of Seattle Marriott Hotel, Sea-Tac by American Appraisal Associates, Inc. dated March 1, 1998
- 99.3* --Appraisal of Marriott's Desert Springs Resort & Spa by American Appraisal Associates, Inc. dated March 1, 1998

EXHIBITS

- 99.4* --Appraisal of Raleigh Marriott Crabtree Valley by American Appraisal Associates, Inc. dated March 1, 1998
- 99.5* --Appraisal of Atlanta Marriott Marquis by American Appraisal Associates, Inc. dated March 1, 1998
- 99.6* --Appraisal of Greensboro-High Point Marriott by American Appraisal Associates, Inc. dated March 1, 1998
- 99.7* --Appraisal of San Ramon Marriott at Bishop Ranch by American Appraisal Associates, Inc. dated March 1, 1998
- 99.8* --Appraisal of Marriott Rivercenter by American Appraisal Associates, Inc. dated March 1, 1998
- 99.9* --Appraisal of New Orleans Marriott Hotel by American Appraisal Associates, Inc. dated March 1, 1998
- 99.10* --Appraisal of Santa Clara Marriott by American Appraisal Associates, Inc. dated March 1, 1998
- 99.11* --Appraisal of Fairview Park Marriott by American Appraisal Associates, Inc. dated March 1, 1998
- 99.12* --Appraisal of Detroit Marriott Livonia Hotel by American Appraisal Associates, Inc. dated March 1, 1998
- 99.13* --Appraisal of Biscayne Bay Marriott Hotel & Marina by American Appraisal Associates, Inc. dated March 1, 1998
- 99.14* --Appraisal of Marriott's Mountain Shadow Resort & Golf Club by American Appraisal Associates, Inc. dated March 1, 1998
- 99.15* --Appraisal of Southfield Marriott Hotel by American Appraisal Associates, Inc. dated March 1, 1998
- 99.16* --Appraisal of Marriott At Research Triangle Park by American Appraisal Associates, Inc. dated March 1, 1998
- 99.17* --Appraisal of Tampa Marriott Westshore by American Appraisal Associates, Inc. dated March 1, 1998
- 99.18* --Appraisal of Albuquerque Marriott by American Appraisal Associates, Inc. dated March 1, 1998
- 99.19* --Appraisal of Fullerton Marriott Hotel by American Appraisal Associates, Inc. dated March 1, 1998
- 99.20* --Appraisal of Dayton Marriott by American Appraisal Associates, Inc. dated March 1, 1998
- 99.21* --Appraisal of Marriott's Harbor Beach Resort by American Appraisal Associates, Inc. dated March 1, 1998
- 99.22* --Appraisal of Marriott's Orlando World Center by American Appraisal Associates, Inc. dated March 1, 1998
- 99.23* --Appraisal of Chicago Marriott Suites O'Hare by American Appraisal Associates, Inc. dated March 1, 1998
- 99.24* --Appraisal of Hanover Marriott Hotel by American Appraisal Associates, Inc. dated March 1, 1998
- 99.25* --Form of Fairness Opinion of American Appraisal Associates, Inc.
- 99.26 --Questions and Answers
- 99.27* --Consent Form
- 99.28* --OP Unit Exchange Election Form
- 99.29 --Letter of Transmittal

* Previously filed.

** To be filed by amendment.

Agreement filed is illustrative of numerous other agreements to which the Company is a party.

ITEM 22. UNDERTAKINGS.

The undersigned registrants hereby undertake as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

The registrants undertake that every prospectus (i) that is filed pursuant to the immediately preceding paragraph or (ii) that purports to meet the requirements of section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of a registrant pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act.

The undersigned registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

The undersigned hereby undertake to supply by means of a post-effective amendment to Part II of the registration statement no later than 15 days prior to the end of the Solicitation Period a copy of the signed tax opinion of Hogan & Hartson L.L.P. with respect to qualification of HMC Merger Corporation as a REIT and with respect to the treatment of the Operating Partnership as a partnership for federal income tax purposes even if it were a "publicly traded partnership" substantially in the form and to the effect of Appendix D to the prospectus/consent solicitation statement included in the registration statement.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT, THE REGISTRANTS HAVE DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON THEIR BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF BETHESDA, STATE OF MARYLAND, ON OCTOBER 14, 1998.

Host Marriott, L.P.

By: HMC Real Estate LLC,

AS GENERAL PARTNER OF HOST
MARRIOTT, L.P.

By: /s/ Robert E. Parsons, Jr.

NAME: ROBERT E. PARSONS, JR.
TITLE: PRESIDENT
HMC Merger Corporation

By: /s/ Robert E. Parsons, Jr.

NAME: ROBERT E. PARSONS, JR.
TITLE: PRESIDENT

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE -----	TITLE -----	DATE ----
/s/ Robert E. Parsons, Jr. ----- ROBERT E. PARSONS, JR.	President and Manager of HMC Real Estate LLC (Chief Executive Officer and Chief Financial Officer); President and Initial Director of HMC Merger Corporation (Chief Executive Officer and Chief Financial Officer)	October 14, 1998
/s/ Donald D. Olinger ----- DONALD D. OLINGER	Vice President of HMC Real Estate LLC and HMC Merger Corporation (Chief Accounting Officer)	October 14, 1998
/s/ Christopher G. Townsend ----- CHRISTOPHER G. TOWNSEND	Vice President and Manager of HMC Real Estate LLC; Vice President and Initial Director of HMC Merger Corporation	October 14, 1998

QUESTIONS & ANSWERS

1. IF MY PARTNERSHIP VOTES FOR THE MERGER, WHAT WILL I RECEIVE IN EXCHANGE FOR MY PARTNERSHIP UNIT?

If your Partnership votes to approve the Merger and the Merger is consummated, all of the Limited Partners in your Partnership will receive units of limited partnership interest in the Operating Partnership ("OP Units"). Each OP Unit is intended to be the economic equivalent of a Host REIT Common Share.

You can retain the OP Units issued to you in the Merger or make the following elections at any time from the beginning of the solicitation period until the 15th trading day following the closing of the Merger (the "Election Period"):

- . COMMON SHARE ELECTION: to exchange the OP Units that you would receive in the Merger for an equal number of shares of Host REIT Common Shares, or
- . NOTE ELECTION: to exchange the OP Units that you would receive in the Merger for a Note issued by the Operating Partnership (see the Answer to Question 11 below).

If you elect to retain the OP Units issued to you in the Merger, you will have the right, beginning one year after the Merger, to exchange your OP Units at any time for either Common Shares of Host REIT, on a one-for-one basis, or cash in an amount equal to the market value of such shares, at the election of Host REIT (the "Unit Redemption Right").

The following table sets forth for each Partnership, on a per Partnership Unit basis, the estimated Exchange Value for that Partnership and the estimated dollar amount of the Note that would be issued to a Limited Partner electing to receive a Note. (For a description of how these amounts were determined, see the Answers to Questions 6 and 11 below).

PARTNERSHIP	ESTIMATED EXCHANGE VALUE	ESTIMATED PRINCIPAL AMOUNT OF NOTE
Atlanta Marquis.....	\$ 45,425	\$ 36,340
Chicago Suites.....	\$ 33,133	\$ 31,149
Desert Springs.....	\$ 40,880	\$ 32,704
Hanover.....	\$123,202	\$ 98,562
MDAH.....	\$109,216	\$ 98,343
MHP.....	\$141,074	\$124,261
MHP2.....	\$237,334	\$205,140
PHLP.....	\$ 5,040	\$ 4,032

The number of OP Units that you will receive in the Merger will be determined by dividing the Exchange Value for your Partnership Interest by the average closing price on the New York Stock Exchange for the Host REIT Common Shares for the first 20 trading days following the Merger (but that price would not be greater than \$15.50 or less than \$9.50). Your OP Units, Host REIT Common Share or Note, as applicable, will be issued promptly after this determination is made.

The following table sets forth for each Partnership (on a per Partnership Unit basis) the estimated minimum number of OP Units and the estimated maximum number of OP Units, and the number of OP Units that would be issued at the midpoint between the minimum and maximum, each computed based upon the estimated Exchange Values.

	ESTIMATED MINIMUM NUMBER OF OP UNITS (\$15.50 PER OP UNIT)	ESTIMATED NUMBER OF OP UNITS AT THE MIDPOINT(1) (\$12.50 PER OP UNIT)	ESTIMATED MAXIMUM NUMBER OF OP UNITS (\$9.50 PER OP UNIT)
Atlanta Marquis..	2,931	3,634	4,782
Chicago Suites...	2,138	2,651	3,488
Desert Springs...	2,637	3,270	4,303
Hanover.....	7,949	9,856	12,969
MDAH.....	7,046	8,737	11,496
MHP.....	9,102	11,286	14,850
MHP2.....	15,312	18,987	24,982
PHLP.....	325	403	531

(1) Assumes that the average closing price of Host REIT Common Shares for the 20 trading days following the Mergers is \$12.50, the midpoint between the minimum price (\$9.50) and the maximum price (\$15.50).

For example, if the Merger closes on December 30, 1998, the Election Period would end on January 22, 1999, the period for determining the value of the Host REIT Common Shares would end January 29, 1999, and the OP Units (or Common Shares or Notes) would be distributed to the Limited Partners on or about February 5, 1999.

2. DESCRIBE AN OP UNIT.

An OP Unit will constitute a limited partnership interest in the Operating Partnership. The OP Units are structured with the intent that they be economically equivalent to the Host REIT Common Shares. All holders of OP Units will be entitled to share in cash distributions from, and in the profits and losses of, the Operating Partnership. Thus, the cash distributions per OP Unit are expected to correspond to the cash distributions per share paid by Host REIT with respect to the Common Shares. Commencing one year after the Mergers, each holder of an OP Unit will have the right at any time to exchange his OP Units on a one-for-one basis for Host REIT Common Shares or the cash equivalent thereof (at the election of Host REIT).

3. HOW DO I SUBMIT MY VOTE WITH RESPECT TO THE MERGER? HOW WOULD I EXERCISE THE ELECTION TO RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGER?

You vote with respect to the Merger by fully completing the Consent Form (YELLOW) and returning the Consent Form to the Tabulation Agent, at the following address:

Gemisys
7103 South Revere Parkway
Englewood, Colorado 80172
(Postage Paid Envelope Enclosed) or

VIA FACSIMILE

800-387-7365

prior to 5:00 p.m., Eastern time, on the last day of the Solicitation Period, which will be December 12, 1998, unless extended by the General Partners and the Operating Partnership. You will receive a written notice if the Solicitation Period is extended.

In order to vote in favor of the Merger, you must vote FOR the Merger and FOR the amendments to the partnership agreement. A vote AGAINST either the Merger or the amendments effectively will be a vote AGAINST the Merger.

If you are a Limited Partner in Atlanta Marquis, Chicago Suites, MDAH or PHLP and you either fail to return the Consent Form or return the Consent Form and abstain as to either matter, that action effectively will be a vote AGAINST the Merger.

If you are a partner in Desert Springs, Hanover, MHP or MHP 2 and return the Consent Form but abstain as to either matter, that action also effectively will be a vote AGAINST the Merger; if you do not return the Consent Form, you will not be counted for purposes of determining whether the required majority of Limited Partners is present for purposes of having a vote to approve the Merger.

IF YOU WANT TO ELECT TO RECEIVE COMMON SHARES OR A NOTE, YOU NEED TO COMPLETE AN OP UNIT EXCHANGE ELECTION FORM (BLUE) AND RETURN IT TO THE TABULATION AGENT AT ANY TIME PRIOR TO 5:00 P.M., EASTERN TIME, ON THE 15TH TRADING DAY FOLLOWING THE EFFECTIVE DATE OF THE MERGERS. You can return the OP Unit Exchange Election Form with your Consent Form, but you are not required to do so. In addition, you are permitted to submit an OP Unit Exchange Election Form even if you do not return a Consent Form or if you return a Consent Form but vote against the Merger.

If you submit an OP Unit Exchange Election Form prior to the end of the Election Period, you are free up until the end of the Election Period to revoke any election made previously (and make a new election) so long as the Tabulation Agent receives written notice of such action prior to the end of the Election Period. Once the Effective Time of the Mergers has occurred, the Operating Partnership will give you notice of when the Election Period will expire.

4. WHAT ARE THE RISKS TO ME IF I APPROVE THE MERGER?

The risk factors associated with the Mergers are described in several sections of the Consent Solicitation, including the "Summary--Risk Factors," "Risk Factors," and "Conflicts of Interest." Some of these risk factors are:

- .Substantial Benefits to Related Parties
- .Absence of Arm's Length Negotiations
- .Other Conflicts of Interest
- .No Opportunity to Benefit from Crestline Stock
- .Exchange Value May Not Equal Fair Market Value of the Partnerships' Hotels
- .Inability of Limited Partners Who Retain OP Units to Redeem OP Units for One Year

- .Value of the Notes Will be Less than the Exchange Value
- .Election of Common Shares or Notes is a Taxable Transaction
- .Cash Distributions May Exceed Cash Available for Distribution; Reduced Cash Distributions for Certain Limited Partners
- .Timing of the REIT Conversion
- .Fundamental Change in Nature of Investment
- .Uncertainties as to the Size and Leverage of the Operating Partnership
- .Lack of Control over Hotel Operations and Non-Controlled Subsidiaries; Dependence upon Crestline
- .Requisite Vote of Limited Partners of Partnerships Binds All Limited Partners
- .Inability to Obtain Third-Party Consents May Have a Material Adverse Effect
- .Exposure to Market and Economic Conditions of Other Hotels
- .No Limitation on Debt
- .Ownership Limitations
- .Effect of Subsequent Events upon Recognition of Gain
- .Sale of Personal Property May Result in Gain to Limited Partners in Certain Partnerships
- .Failure of Host REIT to Qualify as a REIT for Tax Purposes; Failure of the Operating Partnership to Qualify as a Partnership for Tax Purposes
- .Change in Tax Laws

5. WHAT ARE THE BENEFITS TO ME IN PARTICIPATING IN THE MERGER?

The General Partners believe that the Mergers provide substantial benefits to the Limited Partners. Those benefits include:

- .Liquidity
- .Regular Quarterly Cash Distributions
- .Substantial Tax Deferral for Limited Partners Not Electing to Exchange OP Units for Common Shares or Notes
- .Risk Diversification
- .Reduction in Leverage and Interest Costs
- .Growth Potential
- .Greater Access to Capital
- .Public Market Valuation of Assets

6. HOW WAS THE ESTIMATED EXCHANGE VALUE OF A PARTNERSHIP UNIT DETERMINED?

The method used for determining the estimated Exchange Value of a Partnership Unit is described in several sections of the Consent Solicitation, including the "Summary--Determination of Exchange Values and Allocation of OP Units," "Risk Factors" and

"Conflicts of Interest." In addition, there is an entire section, "Determination of Exchange Values and Allocation of OP Units," beginning on page 79 of the Consent Solicitation with an overview. We encourage you to review this information as more fully described in the Consent Solicitation.

The Exchange Value of each Partnership is equal to the greatest of its Adjusted Appraised Value, Continuation Value and Liquidation Value.

Adjusted Appraised Value. The General Partners retained American Appraisal Associates, Inc. ("AAA") to determine the market value of the hotels owned by each of the Partnerships as of March 1, 1998 ("Appraised Value"). The Adjusted Appraised Value of each Partnership equals the Appraised Value of its hotel(s) (adjusted as of the end of the "accounting period" ending not less than 20 days before the Mergers), adjusted for lender reserves, capital expenditure reserves, existing indebtedness (including a "mark to market" adjustment to reflect the market value of such indebtedness), certain deferred maintenance costs, deferred management fees and transfer and recordation taxes and fees.

Continuation Value. The Continuation Value for each Partnership was arrived at through the use of estimates prepared by AAA for the Partnership of the discounted present value, as of January 1, 1998, of the limited partners' share of estimated future cash distributions and estimated net sales proceeds (plus lender reserves), assuming that the Partnership continues as an operating business for twelve years and its assets are sold at the end of 2009 for their then estimated market value.

Liquidation Value. The Liquidation Value for each Partnership is the General Partner's estimate of the net proceeds to limited partners resulting from the assumed sale of the Partnership's hotel(s) as of December 31, 1998, each at its Adjusted Appraised Value (after eliminating any "mark to market" adjustment and adding back the deduction for transfer and recordation taxes and fees, if any, made in deriving the Adjusted Appraised Value) less (i) estimated liquidation costs, expenses and contingencies equal to 2.5% of Appraised Value and (ii) prepayment penalties or defeasance costs, as applicable.

The Exchange Value is the highest of the three valuations. The following table sets forth for each Partnership (on a per Partnership Unit basis) the estimated Adjusted Appraised Value, estimated Continuation Value, estimated Liquidation Valuation, and the resulting estimated Exchange Value.

	ESTIMATED ADJUSTED APPRAISED VALUE	ESTIMATED CONTINUATION VALUE	ESTIMATED LIQUIDATION VALUE	ESTIMATED EXCHANGE VALUE
Atlanta Marquis.....	\$ 41,570	\$ 45,425	\$ 402	\$ 45,425
Chicago Suites.....	\$ 33,133	\$ 24,184	\$ 31,149	\$ 33,133
Desert Springs.....	\$ 40,880	\$ 33,536	\$ 27,617	\$ 40,880
Hanover.....	\$123,202	\$ 98,090	\$ 88,474	\$123,202
MDAH.....	\$109,216	\$ 89,340	\$ 98,343	\$109,216
MHP.....	\$140,032	\$141,074	\$124,261	\$141,074
MHP2.....	\$237,334	\$211,263	\$205,140	\$237,334
PHLP.....	0	\$ 5,040	0	\$ 5,040

As described above in the answer to Question 1, the number of OP Units that you will receive as a result of a Merger (or Host REIT Common Shares if you elect to receive Common Shares in connection with the Merger) will be determined based upon the final Exchange Value for your Partnership Interest (which will be determined prior to the closing of the Mergers) and the average closing price for Host REIT Common Shares on the New York Stock Exchange for the 20 trading days following the Merger (but in no event will it be less than \$9.50 or greater than \$15.50 per OP Unit). This pricing mechanism has the effect of fixing the minimum and maximum number of OP Units to be issued in the Mergers.

The General Partners believe that the value of the OP Units allocable to the Limited Partners in each Partnership on the basis of the Exchange Value established for that Partnership represents fair consideration for the Partnership Interests held by the Limited Partners in that Partnership and is fair from a financial point of view.

7. WHAT WILL THE FEDERAL INCOME TAX EFFECT OF THIS TRANSACTION BE FOR ME?

The Mergers are not expected to result in the immediate recognition of taxable income or gain by an "original" Limited Partner (i.e., a Limited Partner who purchased his Partnership Interest at the time the Interests were originally offered for purchase and who has retained those Interests since that time) who does not elect to receive the Common Shares or a Note in connection with the Merger (except for a small amount of ordinary income that might be recognized by the Limited Partners in Atlanta Marquis, Desert Springs, MHP and PHLP resulting from the sale of certain personal property by each such Partnership). If you are not an "original" Limited Partner, you need to review with your tax advisor the specific tax consequences to you of the Merger.

- . IF YOU RETAIN YOUR OP UNITS FOLLOWING THE MERGER, there are a variety of future events and transactions that could cause you to recognize part or all of the taxable gain deferred at the time of the Merger. These events could include, for example, your exercise of your Unit Redemption Right, a sale by the Operating Partnership of one or more of the Hotels owned by your Partnership, or a repayment or other reduction of part or all of the nonrecourse debt secured by the Hotels owned by your Partnership.
- . IF YOU ELECT TO RECEIVE EITHER COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGER, you will be considered to have made a taxable disposition of your OP Units and will recognize taxable gain equal to the sum of the fair market value of the Common Shares received (or the principal amount of the Note), plus your "share" of the Operating Partnership's liabilities (as determined for federal income tax purposes), less your adjusted basis in your Partnership Interest.
- . IF YOU ELECT TO RECEIVE COMMON SHARES, the gain likely would be recognized at the time your right to receive Common Shares becomes fixed (which would be January 22, 1999, if the Mergers occur on December 30, 1998).
- . IF YOU ELECT TO RECEIVE A NOTE, the taxable disposition likely would be deemed to occur when the Mergers are completed (which currently is expected to be December 30, 1998), but you may be able to elect to use the "installment method" to defer the recognition of at least a portion of the gain attributable to receipt of a Note.

Any gain that you recognize if you elect to receive Common Shares or a Note in connection with the Mergers (or other income recognized as a result of the Mergers) can be offset by unused passive activity losses that you may have either from your investment in your Partnership or from other investments.

The tables on pages 8 and 9 show for each Partnership the estimated gain to an "original" Limited Partner owning one Partnership Unit who purchased the Partnership Unit for cash if the Limited Partner elects to receive Common Shares or a Note in connection with the Mergers (together with the hypothetical federal income tax that would be owed if such gain simply were to be multiplied by the maximum federal income tax rate applicable to gain of that type).

The tables on page 10 show for each Partnership the estimated gain to an "original" Limited Partner owning one Partnership Unit purchased pursuant to the installment payment plan if the Limited Partner elects to receive Common Shares or a Note in connection with the Mergers (together with the hypothetical federal income tax that would be owed if such gain simply were to be multiplied by the maximum federal income tax rate applicable to gain of that type).

The table on page 11 shows for each Partnership, on a per Partnership Unit basis, the estimated unused passive activity loss carryforwards that an "original" Limited Partner would have as of December 31, 1998.

The information in these tables is derived from the information set forth in the Supplement for your Partnership to the Consent Solicitation Statement under the caption "Federal Income Tax Consequences--Tax Treatment of the [Your Partnership] Limited Partners Who Exercise Their Right to Make the Common Share Election or the Note Election" and "Federal Income Tax Consequences--Tax Treatment of [Your Partnership] Limited Partners Who Hold OP Units Following the Merger--Impact on Passive Activity Losses of an Investment in a Publicly Traded Partnership," and certain key assumptions that are described in the Supplement under the caption "Federal Income Tax Consequences--Assumptions Used in Determining Tax Consequences of the Merger." It is essential that you review the information in these sections of the applicable Supplement and the assumptions set forth (or referenced) therein in conjunction with the tables on the following pages.

THE SPECIFIC TAX ATTRIBUTES OF A PARTICULAR LIMITED PARTNER COULD HAVE A MATERIAL IMPACT ON THE TAX CONSEQUENCES OF THE MERGER, AND THE SUBSEQUENT OWNERSHIP AND DISPOSITION OF YOUR OP UNITS, COMMON SHARES OR NOTES. THEREFORE, IT IS ESSENTIAL THAT YOU CONSULT WITH YOUR OWN TAX ADVISORS WITH REGARD TO THE APPLICATION OF THE FEDERAL INCOME TAX LAWS TO YOUR PERSONAL TAX SITUATION (PARTICULARLY IN CONNECTION WITH A DECISION WHETHER OR NOT TO ELECT TO RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGERS), AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION.

ESTIMATE (ON A PER PARTNERSHIP UNIT BASIS) OF TAXABLE GAIN RECOGNIZED BY AN "ORIGINAL" LIMITED PARTNER WHO PAID CASH FOR HIS PARTNERSHIP UNIT AND WHO ELECTS TO RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGERS.

	COMMON SHARE ELECTION			NOTE ELECTION		
	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX
ATLANTA MARQUIS						
Capital Gain.....	\$ 57,478	20.0%	\$11,496	\$ 48,393	20.0%	\$ 9,679
(S) 1250 Gain....	137,463	25.0%	34,366	137,463	25.0%	34,366
(S) 1245 Gain....	4,131	39.6%	1,636	4,131	39.6%	1,636
Total.....	\$199,072		\$47,497	\$189,987		\$45,680
CHICAGO SUITES						
Capital Gain.....	\$ 75	20.0%	\$ 15	\$ 0	20.0%	\$ 0
(S) 1250 Gain....	10,176	25.0%	2,544	8,267	25.0%	2,146
(S) 1245 Gain....	887	39.6%	351	887	39.6%	351
Total.....	\$ 11,138		\$ 2,910	\$ 9,154		\$ 2,498
DESERT SPRINGS						
Capital Gain.....	\$ 27,478	20.0%	\$ 5,496	\$ 19,302	20.0%	\$ 3,860
(S) 1250 Gain....	19,008	25.0%	4,752	19,008	25.0%	4,752
(S) 1245 Gain....	1,252	39.6%	496	1,252	39.6%	496
Total.....	\$ 47,738		\$10,743	\$ 39,562		\$ 9,108
HANOVER						
Capital Gain.....	\$ 34,934	20.0%	\$ 6,987	\$ 10,294	20.0%	\$ 2,059
(S) 1250 Gain....	14,352	25.0%	3,588	14,352	25.0%	3,588
(S) 1245 Gain....	1,036	39.6%	410	1,036	39.6%	410
Total.....	\$ 50,322		\$10,985	\$ 25,682		\$ 6,057

To be reviewed together with the information set forth in the Supplement to the Consent Solicitation for your Partnership under the captions "Federal Income Tax Consequences--Tax Treatment of the [Your Partnership] Limited Partners Who Exercise Their Right to Make the Common Share Election or the Note Election" and "Federal Income Tax Consequences--Tax Treatment of [Your Partnership] Limited Partners Who Hold OP Units Following the Merger--Impact on Passive Activity Losses of an Investment in a Publicly Traded Partnership," and certain key assumptions that are described in the Supplement under the caption "Federal Income Tax Consequence--Assumptions Used in Determining Tax Consequences of the Merger."

ESTIMATE (ON A PER PARTNERSHIP UNIT BASIS) OF TAXABLE GAIN RECOGNIZED BY AN "ORIGINAL" LIMITED PARTNER WHO PAID CASH FOR HIS PARTNERSHIP UNIT AND WHO ELECTS TO RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGERS.

	COMMON SHARE ELECTION			NOTE ELECTION		
	GAIN	MAXIMUM TAX RATE	HYPOTEHTICAL FEDERAL TAX	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX

MDAH [1]						
Capital Gain.....	\$ 24,073	20.0%	\$ 4,815	\$ 13,200	20.0%	\$ 2,640
(S) 1250 Gain....	32,941	25.0%	8,235	32,941	25.0%	8,235
(S) 1245 Gain....	6,352	39.6%	2,515	6,352	39.6%	2,515
	-----		-----	-----		-----
Total.....	\$ 63,366		\$15,565	\$ 52,493		\$13,391
	=====		=====	=====		=====
MHP2						
Capital Gain.....	\$104,750	20.0%	\$20,950	\$ 72,556	20.0%	\$14,511
(S) 1250 Gain....	70,652	25.0%	17,663	70,652	25.0%	17,663
(S) 1245 Gain....	3,269	39.6%	1,295	3,269	39.6%	1,295
	-----		-----	-----		-----
Total.....	\$178,671		\$39,908	\$146,477		\$33,469
	=====		=====	=====		=====
PHLP						
Capital Gain.....	\$ 0	20.0%	\$ 0	\$ 0	20.0%	\$ 0
(S) 1250 Gain....	52,287	25.0%	13,072	51,279	25.0%	12,820
(S) 1245 Gain....	3,605	39.6%	1,428	3,605	39.6%	1,428
	-----		-----	-----		-----
Total.....	\$ 55,892		\$14,499	\$ 54,884		\$14,247
	=====		=====	=====		=====

[1] If the Limited Partner elected to reduce his basis in his MDAH Partnership Unit in lieu of recognizing cancellation of debt income in 1993 then the estimated total tax would be \$16,493 and \$14,318 for Limited Partners who elect to receive Common Shares and a Note, respectively.

To be reviewed together with the information set forth in the Supplement to the Consent Solicitation for your Partnership under the captions "Federal Income Tax Consequences--Tax Treatment of the [Your Partnership] Limited Partners Who Exercise Their Right to Make the Common Share Election or the Note Election" and "Federal Income Tax Consequences--Tax Treatment of [Your Partnership] Limited Partners Who Hold OP Units Following the Merger--Impact on Passive Activity Losses of an Investment in a Publicly Traded Partnership," and certain key assumptions that are described in the Supplement under the caption "Federal Income Tax Consequences--Assumptions Used in Determining Tax Consequences of the Merger."

ESTIMATE (ON A PER PARTNERSHIP UNIT BASIS) OF TAXABLE GAIN
 RECOGNIZED BY AN "ORIGINAL" LIMITED PARTNER WHO PURCHASED HIS
 PARTNERSHIP UNIT ON THE INSTALLMENT PLAN AND WHO ELECTS TO
 RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGER.

	COMMON SHARE ELECTION			NOTE ELECTION		
	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX
DESERT SPRINGS						
Capital Gain.....	\$ 27,277	20.0%	\$ 5,455	\$ 19,101	20.0%	\$ 3,820
(S) 1250 Gain....	19,008	25.0%	4,752	19,008	25.0%	4,752
(S) 1245 Gain....	1,252	39.6%	496	1,252	39.6%	496
Total.....	\$ 47,537		\$10,703	\$ 39,361		\$ 9,068
HANOVER						
Capital Gain.....	\$ 24,640	20.0%	\$ 4,928	\$ 0	20.0%	\$ 0
(S) 1250 Gain....	12,246	25.0%	3,062	12,246	25.0%	3,062
(S) 1245 Gain....	1,036	39.6%	410	1,036	39.6%	410
Total.....	\$ 37,922		\$ 8,400	\$ 13,282		\$ 3,472
MDAH [2]						
Capital Gain.....	\$ 25,022	20.0%	\$ 5,004	\$ 14,149	20.0%	\$ 2,830
(S) 1250 Gain....	32,941	25.0%	8,235	32,941	25.0%	8,235
(S) 1245 Gain....	6,352	39.6%	2,515	6,352	39.6%	2,515
Total.....	\$ 64,315		\$15,755	\$ 53,442		\$13,580
MHP						
Capital Gain.....	\$ 66,487	20.0%	\$13,297	\$ 49,674	20.0%	\$ 9,935
(S) 1250 Gain....	133,537	25.0%	33,384	133,537	25.0%	33,384
(S) 1245 Gain....	10,808	39.6%	4,280	10,808	39.6%	4,280
Total.....	\$210,832		\$50,962	\$194,019		\$47,599
MHP2						
Capital Gain.....	\$103,840	20.0%	\$20,768	\$ 71,646	20.0%	\$14,329
(S) 1250 Gain....	70,652	25.0%	17,663	70,652	25.0%	17,663
(S) 1245 Gain....	3,269	39.6%	1,295	3,269	39.6%	1,295
Total.....	\$177,761		\$39,726	\$145,567		\$33,287

[2] If the Limited Partner elected to reduce his basis in his MDAH Partnership Unit in lieu of recognizing cancellation of debt income in 1993 then the estimated total tax would be \$16,682 and \$14,508 for Limited Partners who elect to receive Common Shares and a Note, respectively.

To be reviewed together with the information set forth in the Supplement to the Consent Solicitation for your Partnership under the captions "Federal Income Tax Consequences--Tax Treatment of the [Your Partnership] Limited Partners Who Exercise Their Right to Make the Common Share Election or the Note Election" and "Federal Income Tax Consequences--Tax Treatment of [Your Partnership] Limited Partners Who Hold OP Units Following the Merger--Impact on Passive Activity Losses of an Investment in a Publicly Traded Partnership," and certain key assumptions that are described in the Supplement under the caption "Federal Income Tax Consequences--Assumptions Used in Determining Tax Consequences of the Merger."

If you purchased your Partnership Unit at the time of the original offering for your Partnership and the Partnership Unit has been your only investment in a passive activity, your estimated passive activity loss carryforward, per Partnership Unit, as of December 31, 1998, would be as follows:

PARTNERSHIP -----	PASSIVE ACTIVITY LOSS CARRYFORWARD ----- (PER PARTNERSHIP UNIT)
Atlanta Marquis.....	\$127,233
Chicago Suites.....	\$ 4,384
Desert Springs	
Partnership Unit acquired for cash.....	\$ 2,110
Partnership Unit acquired under the installment plan..	\$ 9,179
Hanover.....	\$ 0
MDAH	
Partnership Unit acquired for cash.....	\$ 12,096
Partnership Unit acquired for cash and Limited Partner elected to reduce his basis in lieu of cancellation of indebtedness.....	\$ 28,656
Partnership Unit acquired under the installment plan..	\$ 35,483
Partnership Unit acquired under the installment plan and Limited Partner elected to reduce his basis in lieu of cancellation of indebtedness.....	\$ 40,635
MHP.....	\$ 1,217
MHP2.....	\$ 0
PHLP.....	\$ 0

8. WHY DOESN'T THE PARTNERSHIP JUST SELL THE HOTELS TO HOST OR ANOTHER PURCHASER, INSTEAD OF MERGING OUR PARTNERSHIP INTO THE OPERATING PARTNERSHIP?

A sale of the Partnership's assets would result in the liquidation and termination of each Partnership. A sale would result in each Limited Partner, as well as Host Marriott, recognizing a substantial tax gain, and receiving proceeds approximating the Liquidation Value, which in each case is significantly less than the Exchange Value.

9. WHY IS HOST MARRIOTT CORPORATION CONVERTING TO A REIT?

Host Marriott Corporation believes that the REIT structure, as a more tax efficient structure, will provide improved operating results through changing economic conditions and all phases of the hotel economic cycle. In this regard, Host believes the REIT Conversion, which will reduce corporate-level taxes and the need to incur debt to reduce taxes through interest deductions, will improve its financial flexibility and allow it to continue to strengthen its balance sheet by reducing its overall debt to equity ratio over time. As a REIT, Host believes it will be able to compete more effectively with other public lodging real estate companies that already are organized as REITs. Host also believes that the REIT conversion will make performance comparisons with its peers more meaningful.

By becoming a dividend paying company, Host believes its shareholder base will expand to include investors attracted by yield as well as asset quality. In addition, the adoption of the UPREIT structure is expected to facilitate tax-deferred acquisitions of other quality hotel properties.

10. WHY IS THE OPERATING PARTNERSHIP LEASING THE HOTELS? WHAT IS CRESTLINE? WILL I RECEIVE ANY CRESTLINE STOCK?

Under current federal income tax law, REITs are not permitted to derive revenues directly from the operation of hotels. Therefore, the Operating Partnership will lease its hotels to Crestline. Crestline currently is a wholly owned subsidiary of Host, but Crestline will become a separate public company when Host distributes the common stock of Crestline and other consideration to Host's existing shareholders and the Blackstone entities in connection with the REIT Conversion. This distribution will be done in connection with Host's required distribution of its accumulated earnings and profits in order to qualify as a REIT. Shares of Host REIT and Crestline will be separately traded securities, and the two companies will operate independently.

The Limited Partners will not receive any Crestline stock in connection with the Mergers. The pricing mechanism for the Mergers--which is based upon the average closing price for Host REIT Common Shares for the 20 trading days following the Mergers (all of which will be after the Crestline stock has been distributed)--is designed to ensure that your OP Units are fairly valued after giving effect to Host's distribution of the Crestline stock to its shareholders.

11. WHAT WILL BE THE TERMS OF THE NOTE IF I ELECT TO RECEIVE A NOTE?

The Notes will be direct, senior unsecured and unsubordinated obligations of the Operating Partnership. The Notes will mature on December 15, 2005, or approximately seven years following the Mergers. The Notes will bear interest at a fixed rate of interest equal to 6.56% per annum. Interest will be payable in arrears on each June 15 and December 15, commencing on June 15, 1999. The principal amount of the Notes with respect to each Partnership will be equal to the Liquidation Value, or if greater, 80% of the Exchange Value for your Partnership Interest. (See the Answer to Question 1 for these amounts.) For a table showing the estimated principal amount of the Notes with respect to each Partnership, on a per Partnership Unit basis, see the Answer to Question 1.

12. I CURRENTLY OWN A VERY ILLIQUID INVESTMENT; WILL THIS CHANGE IF I VOTE FOR THE MERGER?

Your Partnership Units are relatively illiquid investments. Although there may be a limited resale market for your Partnership Units, the trading volume is thin and the recent average trading prices of the outstanding Partnership Units in each of the Partnerships are less than the estimated Exchange Value for the Partnership Units. The Merger will offer you liquidity because you can elect to exchange OP Units received in the Merger for Common Shares. In addition, if you elect to retain your OP Units following the Mergers, you will have

the right at any time, commencing one year following the Mergers, to exchange your OP Units, on a one-for-one basis, for Host REIT Common Shares or the cash equivalent thereof, at the election of Host REIT.

13. DO ALL EIGHT PARTNERSHIPS NEED TO VOTE "FOR" A MERGER FOR THE TRANSACTION INVOLVING MY PARTNERSHIP TO BE COMPLETED?

No. Each Partnership votes individually on the transaction, and no Merger is conditioned upon the consummation of any other Merger.

14. ON PAGE 136 OF THE CONSENT SOLICITATION, HOST ESTIMATES THAT THE DISTRIBUTIONS PER OP UNIT DURING 1999 WILL BE APPROXIMATELY \$0.84 PER OP UNIT (ASSUMING THE MERGER OCCURS IN 1998). IF THIS ESTIMATE IS CORRECT, HOW MUCH CASH WOULD A LIMITED PARTNER OWNING ONE PARTNERSHIP UNIT RECEIVE FOR 1999, AND HOW DOES THAT COMPARE WITH THE DISTRIBUTION FROM MY PARTNERSHIP FOR 1997 AND 1998?

Based upon preliminary estimates of Host REIT's taxable income for 1999, the Operating Partnership currently estimates its initial annual distribution will be approximately \$0.84 per OP Unit (\$0.21 per quarter) during 1999, a portion of which may come from borrowings. Distributions are expected to be paid in January, April, July and October of each year, except that the first distribution in 1999 is expected to be paid at the end of February if the REIT Conversion is completed in 1998. The actual amount of cash distributions that you would receive for 1999 if you were to retain the OP Units issued to you in the Mergers would depend upon the number of OP Units issued to you in the Merger with respect to your Partnership Interest. The Answer to Question 1 explains how that number will be determined.

If Host's preliminary estimate of \$226 million of cash distributions by the Operating Partnership during 1999 proves accurate but the Operating Partnership's cash available for distribution were only equal to its estimated cash available for distribution (\$163 million) and estimated cash from contingent rents (\$54 million) during 1999, then the Operating Partnership would be required to borrow approximately \$9 million (or \$0.04 per OP Unit) to make such distributions. Moreover, if estimated cash from contingent rents were less than \$54 million, then the Operating Partnership also would be required to borrow any such shortfall in order to make such distributions. While the Operating Partnership does not believe this will be necessary, it believes it would be able to borrow the necessary amounts under its credit facility or from other sources and that any such borrowing would not have a material adverse effect on its financial condition or results of operations.

The following table sets forth for each Partnership, on a per Partnership Unit basis, the actual cash distributions made from operations during 1997 and the actual and expected distribution levels from operations during 1998, as well as three alternative expected distributions that would be made with respect to OP Units for 1999 if the Mergers and the REIT Conversion occur (assuming that the Mergers occur on December 30, 1998), computed assuming that the OP Units are valued for purposes of the Mergers at \$9.50 (the minimum price), \$15.50 (the maximum price), and \$12.50 (the midpoint between the minimum price and the maximum price).

	ESTIMATED 1999 DISTRIBUTIONS FOLLOWING THE MERGERS (2)				
	1997 DISTRIBUTION	ACTUAL AND EXPECTED 1998 DISTRIBUTIONS(1)	AVERAGE SHARE PRICE \$9.50	AVERAGE SHARE PRICE \$15.50	AVERAGE SHARE PRICE \$12.50
Atlanta Marquis.....	\$ 0	\$ 5,000(3)	\$ 4,017	\$ 2,462	\$ 3,053
Chicago Suites.....	0	0	2,930	1,796	2,227
Desert Springs.....	25,000(4)	2,500	3,615	2,215	2,747
Hanover.....	0	0	10,894	6,677	8,279
MDAH.....	3,453	0	9,657	5,919	7,339
MHP.....	7,700	16,000	12,474	7,645	9,480
MHP2.....	29,880	27,164	20,985	12,862	15,949
PHLP.....	0	0	446	273	339

(1) Represents actual cash distributions made through August 20, 1998 and expected cash to be distributed during the period from August 21, 1998 through December 31, 1998.

(2) Based upon preliminary estimated annual distributions during the twelve months ending December 31, 1999 of \$0.84 per OP Unit. Limited Partners are cautioned that this amount may change, and the changes may be material. See "Distribution and Other Policies--Distribution Policy," in the Consent Solicitation. Does not include amounts, if any, to be distributed by the Partnerships from third and fourth quarter 1998 operations which will be distributed by the Partnerships before June 1, 1999.

(3) Represents a distribution of \$5,000 per Partnership Unit from excess funds that had been accumulated for refinancing costs.

(4) Represents a return of capital of approximately \$25,000 per Partnership Unit.

15. IF I HAVE FURTHER QUESTIONS, WHOM CAN I CONTACT?

As noted above, the General Partners encourage Limited Partners to consult with their own financial and tax advisors regarding this transaction. If you or your advisors have questions, please contact the following:

FOR QUESTIONS REGARDING THE MERGER OR HELP IN COMPLETING THE CONSENT FORM (YELLOW) OR OP UNIT EXCHANGE ELECTION FORM (BLUE), CONTACT THE INFORMATION AGENT:

Shareholder Communications Corporation 800-733-8481 ext. 445

TO SPEAK TO A REPRESENTATIVE OF THE GENERAL PARTNER OR HOST MARRIOTT CORPORATION, CALL:

301-380-2070

QUESTIONS & ANSWERS

1. IF MY PARTNERSHIP VOTES FOR THE MERGER, WHAT WILL I RECEIVE IN EXCHANGE FOR MY PARTNERSHIP UNIT?

If your Partnership votes to approve the Merger and the Merger is consummated, all of the Limited Partners in your Partnership will receive units of limited partnership interest in the Operating Partnership ("OP Units"). Each OP Unit is intended to be the economic equivalent of a Host REIT Common Share.

You can retain the OP Units issued to you in the Merger or make the following elections at any time from the beginning of the solicitation period until the 15th trading day following the closing of the Merger (the "Election Period"):

- . COMMON SHARE ELECTION: to exchange the OP Units that you would receive in the Merger for an equal number of shares of Host REIT Common Shares, or
- . NOTE ELECTION: to exchange the OP Units that you would receive in the Merger for a Note issued by the Operating Partnership (see the Answer to Question 11 below).

If you elect to retain the OP Units issued to you in the Merger, you will have the right, beginning one year after the Merger, to exchange your OP Units at any time for either Common Shares of Host REIT, on a one-for-one basis, or cash in an amount equal to the market value of such shares, at the election of Host REIT (the "Unit Redemption Right").

The following table sets forth for each Partnership, on a per Partnership Unit basis, the estimated Exchange Value for that Partnership and the estimated dollar amount of the Note that would be issued to a Limited Partner electing to receive a Note. (For a description of how these amounts were determined, see the Answers to Questions 6 and 11 below).

PARTNERSHIP - - - - -	ESTIMATED EXCHANGE VALUE	ESTIMATED PRINCIPAL AMOUNT OF NOTE
- - - - -	- - - - -	- - - - -
Atlanta Marquis.....	\$ 45,425	\$ 36,340
Chicago Suites.....	\$ 33,133	\$ 31,149
Desert Springs.....	\$ 40,880	\$ 32,704
Hanover.....	\$123,202	\$ 98,562
MDAH.....	\$109,216	\$ 98,343
MHP.....	\$141,074	\$124,261
MHP2.....	\$237,334	\$205,140
PHLP.....	\$ 5,040	\$ 4,032

The number of OP Units that you will receive in the Merger will be determined by dividing the Exchange Value for your Partnership Interest by the average closing price on the New York Stock Exchange for the Host REIT Common Shares for the first 20 trading days following the Merger (but that price would not be greater than \$15.50 or less than \$9.50). Your OP Units, Host REIT Common Share or Note, as applicable, will be issued promptly after this determination is made.

The following table sets forth for each Partnership (on a per Partnership Unit basis) the estimated minimum number of OP Units and the estimated maximum number of OP Units, and the number of OP Units that would be issued at the midpoint between the minimum and maximum, each computed based upon the estimated Exchange Values.

	ESTIMATED MINIMUM NUMBER OF OP UNITS (\$15.50 PER OP UNIT)	ESTIMATED NUMBER OF OP UNITS AT THE MIDPOINT(1) (\$12.50 PER OP UNIT)	ESTIMATED MAXIMUM NUMBER OF OP UNITS (\$9.50 PER OP UNIT)
Atlanta Marquis..	2,931	3,634	4,782
Chicago Suites...	2,138	2,651	3,488
Desert Springs...	2,637	3,270	4,303
Hanover.....	7,949	9,856	12,969
MDAH.....	7,046	8,737	11,496
MHP.....	9,102	11,286	14,850
MHP2.....	15,312	18,987	24,982
PHLP.....	325	403	531

(1) Assumes that the average closing price of Host REIT Common Shares for the 20 trading days following the Mergers is \$12.50, the midpoint between the minimum price (\$9.50) and the maximum price (\$15.50).

For example, if the Merger closes on December 30, 1998, the Election Period would end on January 22, 1999, the period for determining the value of the Host REIT Common Shares would end January 29, 1999, and the OP Units (or Common Shares or Notes) would be distributed to the Limited Partners on or about February 5, 1999.

2. DESCRIBE AN OP UNIT.

An OP Unit will constitute a limited partnership interest in the Operating Partnership. The OP Units are structured with the intent that they be economically equivalent to the Host REIT Common Shares. All holders of OP Units will be entitled to share in cash distributions from, and in the profits and losses of, the Operating Partnership. Thus, the cash distributions per OP Unit are expected to correspond to the cash distributions per share paid by Host REIT with respect to the Common Shares. Commencing one year after the Mergers, each holder of an OP Unit will have the right at any time to exchange his OP Units on a one-for-one basis for Host REIT Common Shares or the cash equivalent thereof (at the election of Host REIT).

3. HOW DO I SUBMIT MY VOTE WITH RESPECT TO THE MERGER? HOW WOULD I EXERCISE THE ELECTION TO RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGER?

You vote with respect to the Merger by fully completing the Consent Form (YELLOW) and returning the Consent Form to the Tabulation Agent, at the following address:

Gemisys
7103 South Revere Parkway
Englewood, Colorado 80172
(Postage Paid Envelope Enclosed) or

VIA FACSIMILE

800-387-7365

prior to 5:00 p.m., Eastern time, on the last day of the Solicitation Period, which will be December 12, 1998, unless extended by the General Partners and the Operating Partnership. You will receive a written notice if the Solicitation Period is extended.

In order to vote in favor of the Merger, you must vote FOR the Merger and FOR the amendments to the partnership agreement. A vote AGAINST either the Merger or the amendments effectively will be a vote AGAINST the Merger.

If you are a Limited Partner in Atlanta Marquis, Chicago Suites, MDAH or PHLP and you either fail to return the Consent Form or return the Consent Form and abstain as to either matter, that action effectively will be a vote AGAINST the Merger.

If you are a partner in Desert Springs, Hanover, MHP or MHP 2 and return the Consent Form but abstain as to either matter, that action also effectively will be a vote AGAINST the Merger; if you do not return the Consent Form, you will not be counted for purposes of determining whether the required majority of Limited Partners is present for purposes of having a vote to approve the Merger.

IF YOU WANT TO ELECT TO RECEIVE COMMON SHARES OR A NOTE, YOU NEED TO COMPLETE AN OP UNIT EXCHANGE ELECTION FORM (BLUE) AND RETURN IT TO THE TABULATION AGENT AT ANY TIME PRIOR TO 5:00 P.M., EASTERN TIME, ON THE 15TH TRADING DAY FOLLOWING THE EFFECTIVE DATE OF THE MERGERS. You can return the OP Unit Exchange Election Form with your Consent Form, but you are not required to do so. In addition, you are permitted to submit an OP Unit Exchange Election Form even if you do not return a Consent Form or if you return a Consent Form but vote against the Merger.

If you submit an OP Unit Exchange Election Form prior to the end of the Election Period, you are free up until the end of the Election Period to revoke any election made previously (and make a new election) so long as the Tabulation Agent receives written notice of such action prior to the end of the Election Period. Once the Effective Time of the Mergers has occurred, the Operating Partnership will give you notice of when the Election Period will expire.

4. WHAT ARE THE RISKS TO ME IF I APPROVE THE MERGER?

The risk factors associated with the Mergers are described in several sections of the Consent Solicitation, including the "Summary--Risk Factors," "Risk Factors," and "Conflicts of Interest." Some of these risk factors are:

- .Substantial Benefits to Related Parties
- .Absence of Arm's Length Negotiations
- .Other Conflicts of Interest
- .No Opportunity to Benefit from Crestline Stock
- .Exchange Value May Not Equal Fair Market Value of the Partnerships' Hotels
- .Inability of Limited Partners Who Retain OP Units to Redeem OP Units for One Year

- .Value of the Notes Will be Less than the Exchange Value
- .Election of Common Shares or Notes is a Taxable Transaction
- .Cash Distributions May Exceed Cash Available for Distribution; Reduced Cash Distributions for Certain Limited Partners
- .Timing of the REIT Conversion
- .Fundamental Change in Nature of Investment
- .Uncertainties as to the Size and Leverage of the Operating Partnership
- .Lack of Control over Hotel Operations and Non-Controlled Subsidiaries; Dependence upon Crestline
- .Requisite Vote of Limited Partners of Partnerships Binds All Limited Partners
- .Inability to Obtain Third-Party Consents May Have a Material Adverse Effect
- .Exposure to Market and Economic Conditions of Other Hotels
- .No Limitation on Debt
- .Ownership Limitations
- .Effect of Subsequent Events upon Recognition of Gain
- .Sale of Personal Property May Result in Gain to Limited Partners in Certain Partnerships
- .Failure of Host REIT to Qualify as a REIT for Tax Purposes; Failure of the Operating Partnership to Qualify as a Partnership for Tax Purposes
- .Change in Tax Laws

5. WHAT ARE THE BENEFITS TO ME IN PARTICIPATING IN THE MERGER?

The General Partners believe that the Mergers provide substantial benefits to the Limited Partners. Those benefits include:

- .Liquidity
- .Regular Quarterly Cash Distributions
- .Substantial Tax Deferral for Limited Partners Not Electing to Exchange OP Units for Common Shares or Notes
- .Risk Diversification
- .Reduction in Leverage and Interest Costs
- .Growth Potential
- .Greater Access to Capital
- .Public Market Valuation of Assets

6. HOW WAS THE ESTIMATED EXCHANGE VALUE OF A PARTNERSHIP UNIT DETERMINED?

The method used for determining the estimated Exchange Value of a Partnership Unit is described in several sections of the Consent Solicitation, including the "Summary--Determination of Exchange Values and Allocation of OP Units," "Risk Factors" and

"Conflicts of Interest." In addition, there is an entire section, "Determination of Exchange Values and Allocation of OP Units," beginning on page 79 of the Consent Solicitation with an overview. We encourage you to review this information as more fully described in the Consent Solicitation.

The Exchange Value of each Partnership is equal to the greatest of its Adjusted Appraised Value, Continuation Value and Liquidation Value.

Adjusted Appraised Value. The General Partners retained American Appraisal Associates, Inc. ("AAA") to determine the market value of the hotels owned by each of the Partnerships as of March 1, 1998 ("Appraised Value"). The Adjusted Appraised Value of each Partnership equals the Appraised Value of its hotel(s) (adjusted as of the end of the "accounting period" ending not less than 20 days before the Mergers), adjusted for lender reserves, capital expenditure reserves, existing indebtedness (including a "mark to market" adjustment to reflect the market value of such indebtedness), certain deferred maintenance costs, deferred management fees and transfer and recordation taxes and fees.

Continuation Value. The Continuation Value for each Partnership was arrived at through the use of estimates prepared by AAA for the Partnership of the discounted present value, as of January 1, 1998, of the limited partners' share of estimated future cash distributions and estimated net sales proceeds (plus lender reserves), assuming that the Partnership continues as an operating business for twelve years and its assets are sold at the end of 2009 for their then estimated market value.

Liquidation Value. The Liquidation Value for each Partnership is the General Partner's estimate of the net proceeds to limited partners resulting from the assumed sale of the Partnership's hotel(s) as of December 31, 1998, each at its Adjusted Appraised Value (after eliminating any "mark to market" adjustment and adding back the deduction for transfer and recordation taxes and fees, if any, made in deriving the Adjusted Appraised Value) less (i) estimated liquidation costs, expenses and contingencies equal to 2.5% of Appraised Value and (ii) prepayment penalties or defeasance costs, as applicable.

The Exchange Value is the highest of the three valuations. The following table sets forth for each Partnership (on a per Partnership Unit basis) the estimated Adjusted Appraised Value, estimated Continuation Value, estimated Liquidation Valuation, and the resulting estimated Exchange Value.

	ESTIMATED ADJUSTED APPRAISED VALUE	ESTIMATED CONTINUATION VALUE	ESTIMATED LIQUIDATION VALUE	ESTIMATED EXCHANGE VALUE
Atlanta Marquis.....	\$ 41,570	\$ 45,425	\$ 402	\$ 45,425
Chicago Suites.....	\$ 33,133	\$ 24,184	\$ 31,149	\$ 33,133
Desert Springs.....	\$ 40,880	\$ 33,536	\$ 27,617	\$ 40,880
Hanover.....	\$123,202	\$ 98,090	\$ 88,474	\$123,202
MDAH.....	\$109,216	\$ 89,340	\$ 98,343	\$109,216
MHP.....	\$140,032	\$141,074	\$124,261	\$141,074
MHP2.....	\$237,334	\$211,263	\$205,140	\$237,334
PHLP.....	0	\$ 5,040	0	\$ 5,040

As described above in the answer to Question 1, the number of OP Units that you will receive as a result of a Merger (or Host REIT Common Shares if you elect to receive Common Shares in connection with the Merger) will be determined based upon the final Exchange Value for your Partnership Interest (which will be determined prior to the closing of the Mergers) and the average closing price for Host REIT Common Shares on the New York Stock Exchange for the 20 trading days following the Merger (but in no event will it be less than \$9.50 or greater than \$15.50 per OP Unit). This pricing mechanism has the effect of fixing the minimum and maximum number of OP Units to be issued in the Mergers.

The General Partners believe that the value of the OP Units allocable to the Limited Partners in each Partnership on the basis of the Exchange Value established for that Partnership represents fair consideration for the Partnership Interests held by the Limited Partners in that Partnership and is fair from a financial point of view.

7. WHAT WILL THE FEDERAL INCOME TAX EFFECT OF THIS TRANSACTION BE FOR ME?

The Mergers are not expected to result in the immediate recognition of taxable income or gain by an "original" Limited Partner (i.e., a Limited Partner who purchased his Partnership Interest at the time the Interests were originally offered for purchase and who has retained those Interests since that time) who does not elect to receive the Common Shares or a Note in connection with the Merger (except for a small amount of ordinary income that might be recognized by the Limited Partners in Atlanta Marquis, Desert Springs, MHP and PHLP resulting from the sale of certain personal property by each such Partnership). If you are not an "original" Limited Partner, you need to review with your tax advisor the specific tax consequences to you of the Merger.

- . IF YOU RETAIN YOUR OP UNITS FOLLOWING THE MERGER, there are a variety of future events and transactions that could cause you to recognize part or all of the taxable gain deferred at the time of the Merger. These events could include, for example, your exercise of your Unit Redemption Right, a sale by the Operating Partnership of one or more of the Hotels owned by your Partnership, or a repayment or other reduction of part or all of the nonrecourse debt secured by the Hotels owned by your Partnership.
- . IF YOU ELECT TO RECEIVE EITHER COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGER, you will be considered to have made a taxable disposition of your OP Units and will recognize taxable gain equal to the sum of the fair market value of the Common Shares received (or the principal amount of the Note), plus your "share" of the Operating Partnership's liabilities (as determined for federal income tax purposes), less your adjusted basis in your Partnership Interest.
- . IF YOU ELECT TO RECEIVE COMMON SHARES, the gain likely would be recognized at the time your right to receive Common Shares becomes fixed (which would be January 22, 1999, if the Mergers occur on December 30, 1998).
- . IF YOU ELECT TO RECEIVE A NOTE, the taxable disposition likely would be deemed to occur when the Mergers are completed (which currently is expected to be December 30, 1998), but you may be able to elect to use the "installment method" to defer the recognition of at least a portion of the gain attributable to receipt of a Note.

Any gain that you recognize if you elect to receive Common Shares or a Note in connection with the Mergers (or other income recognized as a result of the Mergers) can be offset by unused passive activity losses that you may have either from your investment in your Partnership or from other investments.

The tables on pages 8 and 9 show for each Partnership the estimated gain to an "original" Limited Partner owning one Partnership Unit who purchased the Partnership Unit for cash if the Limited Partner elects to receive Common Shares or a Note in connection with the Mergers (together with the hypothetical federal income tax that would be owed if such gain simply were to be multiplied by the maximum federal income tax rate applicable to gain of that type).

The tables on page 10 show for each Partnership the estimated gain to an "original" Limited Partner owning one Partnership Unit purchased pursuant to the installment payment plan if the Limited Partner elects to receive Common Shares or a Note in connection with the Mergers (together with the hypothetical federal income tax that would be owed if such gain simply were to be multiplied by the maximum federal income tax rate applicable to gain of that type).

The table on page 11 shows for each Partnership, on a per Partnership Unit basis, the estimated unused passive activity loss carryforwards that an "original" Limited Partner would have as of December 31, 1998.

The information in these tables is derived from the information set forth in the Supplement for your Partnership to the Consent Solicitation Statement under the caption "Federal Income Tax Consequences--Tax Treatment of the [Your Partnership] Limited Partners Who Exercise Their Right to Make the Common Share Election or the Note Election" and "Federal Income Tax Consequences--Tax Treatment of [Your Partnership] Limited Partners Who Hold OP Units Following the Merger--Impact on Passive Activity Losses of an Investment in a Publicly Traded Partnership," and certain key assumptions that are described in the Supplement under the caption "Federal Income Tax Consequences--Assumptions Used in Determining Tax Consequences of the Merger." It is essential that you review the information in these sections of the applicable Supplement and the assumptions set forth (or referenced) therein in conjunction with the tables on the following pages.

THE SPECIFIC TAX ATTRIBUTES OF A PARTICULAR LIMITED PARTNER COULD HAVE A MATERIAL IMPACT ON THE TAX CONSEQUENCES OF THE MERGER, AND THE SUBSEQUENT OWNERSHIP AND DISPOSITION OF YOUR OP UNITS, COMMON SHARES OR NOTES. THEREFORE, IT IS ESSENTIAL THAT YOU CONSULT WITH YOUR OWN TAX ADVISORS WITH REGARD TO THE APPLICATION OF THE FEDERAL INCOME TAX LAWS TO YOUR PERSONAL TAX SITUATION (PARTICULARLY IN CONNECTION WITH A DECISION WHETHER OR NOT TO ELECT TO RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGERS), AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION.

ESTIMATE (ON A PER PARTNERSHIP UNIT BASIS) OF TAXABLE GAIN RECOGNIZED BY AN "ORIGINAL" LIMITED PARTNER WHO PAID CASH FOR HIS PARTNERSHIP UNIT AND WHO ELECTS TO RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGERS.

	COMMON SHARE ELECTION			NOTE ELECTION		
	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX
ATLANTA MARQUIS						
Capital Gain.....	\$ 57,478	20.0%	\$11,496	\$ 48,393	20.0%	\$ 9,679
(S) 1250 Gain....	137,463	25.0%	34,366	137,463	25.0%	34,366
(S) 1245 Gain....	4,131	39.6%	1,636	4,131	39.6%	1,636
Total.....	\$199,072		\$47,497	\$189,987		\$45,680
CHICAGO SUITES						
Capital Gain.....	\$ 75	20.0%	\$ 15	\$ 0	20.0%	\$ 0
(S) 1250 Gain....	10,176	25.0%	2,544	8,267	25.0%	2,146
(S) 1245 Gain....	887	39.6%	351	887	39.6%	351
Total.....	\$ 11,138		\$ 2,910	\$ 9,154		\$ 2,498
DESERT SPRINGS						
Capital Gain.....	\$ 27,478	20.0%	\$ 5,496	\$ 19,302	20.0%	\$ 3,860
(S) 1250 Gain....	19,008	25.0%	4,752	19,008	25.0%	4,752
(S) 1245 Gain....	1,252	39.6%	496	1,252	39.6%	496
Total.....	\$ 47,738		\$10,743	\$ 39,562		\$ 9,108
HANOVER						
Capital Gain.....	\$ 34,934	20.0%	\$ 6,987	\$ 10,294	20.0%	\$ 2,059
(S) 1250 Gain....	14,352	25.0%	3,588	14,352	25.0%	3,588
(S) 1245 Gain....	1,036	39.6%	410	1,036	39.6%	410
Total.....	\$ 50,322		\$10,985	\$ 25,682		\$ 6,057

To be reviewed together with the information set forth in the Supplement to the Consent Solicitation for your Partnership under the captions "Federal Income Tax Consequences--Tax Treatment of the [Your Partnership] Limited Partners Who Exercise Their Right to Make the Common Share Election or the Note Election" and "Federal Income Tax Consequences--Tax Treatment of [Your Partnership] Limited Partners Who Hold OP Units Following the Merger--Impact on Passive Activity Losses of an Investment in a Publicly Traded Partnership," and certain key assumptions that are described in the Supplement under the caption "Federal Income Tax Consequence--Assumptions Used in Determining Tax Consequences of the Merger."

ESTIMATE (ON A PER PARTNERSHIP UNIT BASIS) OF TAXABLE GAIN RECOGNIZED BY AN "ORIGINAL" LIMITED PARTNER WHO PAID CASH FOR HIS PARTNERSHIP UNIT AND WHO ELECTS TO RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGERS.

	COMMON SHARE ELECTION			NOTE ELECTION		
	GAIN	MAXIMUM TAX RATE	HYPOTEHTICAL FEDERAL TAX	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX

MDAH [1]						
Capital Gain.....	\$ 24,073	20.0%	\$ 4,815	\$ 13,200	20.0%	\$ 2,640
(S) 1250 Gain....	32,941	25.0%	8,235	32,941	25.0%	8,235
(S) 1245 Gain....	6,352	39.6%	2,515	6,352	39.6%	2,515
	-----		-----	-----		-----
Total.....	\$ 63,366		\$15,565	\$ 52,493		\$13,391
	=====		=====	=====		=====
MHP2						
Capital Gain.....	\$104,750	20.0%	\$20,950	\$ 72,556	20.0%	\$14,511
(S) 1250 Gain....	70,652	25.0%	17,663	70,652	25.0%	17,663
(S) 1245 Gain....	3,269	39.6%	1,295	3,269	39.6%	1,295
	-----		-----	-----		-----
Total.....	\$178,671		\$39,908	\$146,477		\$33,469
	=====		=====	=====		=====
PHLP						
Capital Gain.....	\$ 0	20.0%	\$ 0	\$ 0	20.0%	\$ 0
(S) 1250 Gain....	52,287	25.0%	13,072	51,279	25.0%	12,820
(S) 1245 Gain....	3,605	39.6%	1,428	3,605	39.6%	1,428
	-----		-----	-----		-----
Total.....	\$ 55,892		\$14,499	\$ 54,884		\$14,247
	=====		=====	=====		=====

[1] If the Limited Partner elected to reduce his basis in his MDAH Partnership Unit in lieu of recognizing cancellation of debt income in 1993 then the estimated total tax would be \$16,493 and \$14,318 for Limited Partners who elect to receive Common Shares and a Note, respectively.

To be reviewed together with the information set forth in the Supplement to the Consent Solicitation for your Partnership under the captions "Federal Income Tax Consequences--Tax Treatment of the [Your Partnership] Limited Partners Who Exercise Their Right to Make the Common Share Election or the Note Election" and "Federal Income Tax Consequences--Tax Treatment of [Your Partnership] Limited Partners Who Hold OP Units Following the Merger--Impact on Passive Activity Losses of an Investment in a Publicly Traded Partnership," and certain key assumptions that are described in the Supplement under the caption "Federal Income Tax Consequences--Assumptions Used in Determining Tax Consequences of the Merger."

ESTIMATE (ON A PER PARTNERSHIP UNIT BASIS) OF TAXABLE GAIN
 RECOGNIZED BY AN "ORIGINAL" LIMITED PARTNER WHO PURCHASED HIS
 PARTNERSHIP UNIT ON THE INSTALLMENT PLAN AND WHO ELECTS TO
 RECEIVE COMMON SHARES OR A NOTE IN CONNECTION WITH THE MERGER.

	COMMON SHARE ELECTION			NOTE ELECTION		
	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX	GAIN	MAXIMUM TAX RATE	HYPOTHETICAL FEDERAL TAX
DESERT SPRINGS						
Capital Gain.....	\$ 27,277	20.0%	\$ 5,455	\$ 19,101	20.0%	\$ 3,820
(S) 1250 Gain....	19,008	25.0%	4,752	19,008	25.0%	4,752
(S) 1245 Gain....	1,252	39.6%	496	1,252	39.6%	496
Total.....	\$ 47,537		\$10,703	\$ 39,361		\$ 9,068
HANOVER						
Capital Gain.....	\$ 24,640	20.0%	\$ 4,928	\$ 0	20.0%	\$ 0
(S) 1250 Gain....	12,246	25.0%	3,062	12,246	25.0%	3,062
(S) 1245 Gain....	1,036	39.6%	410	1,036	39.6%	410
Total.....	\$ 37,922		\$ 8,400	\$ 13,282		\$ 3,472
MDAH [2]						
Capital Gain.....	\$ 25,022	20.0%	\$ 5,004	\$ 14,149	20.0%	\$ 2,830
(S) 1250 Gain....	32,941	25.0%	8,235	32,941	25.0%	8,235
(S) 1245 Gain....	6,352	39.6%	2,515	6,352	39.6%	2,515
Total.....	\$ 64,315		\$15,755	\$ 53,442		\$13,580
MHP						
Capital Gain.....	\$ 66,487	20.0%	\$13,297	\$ 49,674	20.0%	\$ 9,935
(S) 1250 Gain....	133,537	25.0%	33,384	133,537	25.0%	33,384
(S) 1245 Gain....	10,808	39.6%	4,280	10,808	39.6%	4,280
Total.....	\$210,832		\$50,962	\$194,019		\$47,599
MHP2						
Capital Gain.....	\$103,840	20.0%	\$20,768	\$ 71,646	20.0%	\$14,329
(S) 1250 Gain....	70,652	25.0%	17,663	70,652	25.0%	17,663
(S) 1245 Gain....	3,269	39.6%	1,295	3,269	39.6%	1,295
Total.....	\$177,761		\$39,726	\$145,567		\$33,287

[2] If the Limited Partner elected to reduce his basis in his MDAH Partnership Unit in lieu of recognizing cancellation of debt income in 1993 then the estimated total tax would be \$16,682 and \$14,508 for Limited Partners who elect to receive Common Shares and a Note, respectively.

To be reviewed together with the information set forth in the Supplement to the Consent Solicitation for your Partnership under the captions "Federal Income Tax Consequences--Tax Treatment of the [Your Partnership] Limited Partners Who Exercise Their Right to Make the Common Share Election or the Note Election" and "Federal Income Tax Consequences--Tax Treatment of [Your Partnership] Limited Partners Who Hold OP Units Following the Merger--Impact on Passive Activity Losses of an Investment in a Publicly Traded Partnership," and certain key assumptions that are described in the Supplement under the caption "Federal Income Tax Consequences--Assumptions Used in Determining Tax Consequences of the Merger."

If you purchased your Partnership Unit at the time of the original offering for your Partnership and the Partnership Unit has been your only investment in a passive activity, your estimated passive activity loss carryforward, per Partnership Unit, as of December 31, 1998, would be as follows:

PARTNERSHIP -----	PASSIVE ACTIVITY LOSS CARRYFORWARD ----- (PER PARTNERSHIP UNIT)
Atlanta Marquis.....	\$127,233
Chicago Suites.....	\$ 4,384
Desert Springs	
Partnership Unit acquired for cash.....	\$ 2,110
Partnership Unit acquired under the installment plan..	\$ 9,179
Hanover.....	\$ 0
MDAH	
Partnership Unit acquired for cash.....	\$ 12,096
Partnership Unit acquired for cash and Limited Partner elected to reduce his basis in lieu of cancellation of indebtedness.....	\$ 28,656
Partnership Unit acquired under the installment plan..	\$ 35,483
Partnership Unit acquired under the installment plan and Limited Partner elected to reduce his basis in lieu of cancellation of indebtedness.....	\$ 40,635
MHP.....	\$ 1,217
MHP2.....	\$ 0
PHLP.....	\$ 0

8. WHY DOESN'T THE PARTNERSHIP JUST SELL THE HOTELS TO HOST OR ANOTHER PURCHASER, INSTEAD OF MERGING OUR PARTNERSHIP INTO THE OPERATING PARTNERSHIP?

A sale of the Partnership's assets would result in the liquidation and termination of each Partnership. A sale would result in each Limited Partner, as well as Host Marriott, recognizing a substantial tax gain, and receiving proceeds approximating the Liquidation Value, which in each case is significantly less than the Exchange Value.

9. WHY IS HOST MARRIOTT CORPORATION CONVERTING TO A REIT?

Host Marriott Corporation believes that the REIT structure, as a more tax efficient structure, will provide improved operating results through changing economic conditions and all phases of the hotel economic cycle. In this regard, Host believes the REIT Conversion, which will reduce corporate-level taxes and the need to incur debt to reduce taxes through interest deductions, will improve its financial flexibility and allow it to continue to strengthen its balance sheet by reducing its overall debt to equity ratio over time. As a REIT, Host believes it will be able to compete more effectively with other public lodging real estate companies that already are organized as REITs. Host also believes that the REIT conversion will make performance comparisons with its peers more meaningful.

By becoming a dividend paying company, Host believes its shareholder base will expand to include investors attracted by yield as well as asset quality. In addition, the adoption of the UPREIT structure is expected to facilitate tax-deferred acquisitions of other quality hotel properties.

10. WHY IS THE OPERATING PARTNERSHIP LEASING THE HOTELS? WHAT IS CRESTLINE? WILL I RECEIVE ANY CRESTLINE STOCK?

Under current federal income tax law, REITs are not permitted to derive revenues directly from the operation of hotels. Therefore, the Operating Partnership will lease its hotels to Crestline. Crestline currently is a wholly owned subsidiary of Host, but Crestline will become a separate public company when Host distributes the common stock of Crestline and other consideration to Host's existing shareholders and the Blackstone entities in connection with the REIT Conversion. This distribution will be done in connection with Host's required distribution of its accumulated earnings and profits in order to qualify as a REIT. Shares of Host REIT and Crestline will be separately traded securities, and the two companies will operate independently.

The Limited Partners will not receive any Crestline stock in connection with the Mergers. The pricing mechanism for the Mergers--which is based upon the average closing price for Host REIT Common Shares for the 20 trading days following the Mergers (all of which will be after the Crestline stock has been distributed)--is designed to ensure that your OP Units are fairly valued after giving effect to Host's distribution of the Crestline stock to its shareholders.

11. WHAT WILL BE THE TERMS OF THE NOTE IF I ELECT TO RECEIVE A NOTE?

The Notes will be direct, senior unsecured and unsubordinated obligations of the Operating Partnership. The Notes will mature on December 15, 2005, or approximately seven years following the Mergers. The Notes will bear interest at a fixed rate of interest equal to 6.56% per annum. Interest will be payable in arrears on each June 15 and December 15, commencing on June 15, 1999. The principal amount of the Notes with respect to each Partnership will be equal to the Liquidation Value, or if greater, 80% of the Exchange Value for your Partnership Interest. (See the Answer to Question 1 for these amounts.) For a table showing the estimated principal amount of the Notes with respect to each Partnership, on a per Partnership Unit basis, see the Answer to Question 1.

12. I CURRENTLY OWN A VERY ILLIQUID INVESTMENT; WILL THIS CHANGE IF I VOTE FOR THE MERGER?

Your Partnership Units are relatively illiquid investments. Although there may be a limited resale market for your Partnership Units, the trading volume is thin and the recent average trading prices of the outstanding Partnership Units in each of the Partnerships are less than the estimated Exchange Value for the Partnership Units. The Merger will offer you liquidity because you can elect to exchange OP Units received in the Merger for Common Shares. In addition, if you elect to retain your OP Units following the Mergers, you will have

the right at any time, commencing one year following the Mergers, to exchange your OP Units, on a one-for-one basis, for Host REIT Common Shares or the cash equivalent thereof, at the election of Host REIT.

13. DO ALL EIGHT PARTNERSHIPS NEED TO VOTE "FOR" A MERGER FOR THE TRANSACTION INVOLVING MY PARTNERSHIP TO BE COMPLETED?

No. Each Partnership votes individually on the transaction, and no Merger is conditioned upon the consummation of any other Merger.

14. ON PAGE 136 OF THE CONSENT SOLICITATION, HOST ESTIMATES THAT THE DISTRIBUTIONS PER OP UNIT DURING 1999 WILL BE APPROXIMATELY \$0.84 PER OP UNIT (ASSUMING THE MERGER OCCURS IN 1998). IF THIS ESTIMATE IS CORRECT, HOW MUCH CASH WOULD A LIMITED PARTNER OWNING ONE PARTNERSHIP UNIT RECEIVE FOR 1999, AND HOW DOES THAT COMPARE WITH THE DISTRIBUTION FROM MY PARTNERSHIP FOR 1997 AND 1998?

Based upon preliminary estimates of Host REIT's taxable income for 1999, the Operating Partnership currently estimates its initial annual distribution will be approximately \$0.84 per OP Unit (\$0.21 per quarter) during 1999, a portion of which may come from borrowings. Distributions are expected to be paid in January, April, July and October of each year, except that the first distribution in 1999 is expected to be paid at the end of February if the REIT Conversion is completed in 1998. The actual amount of cash distributions that you would receive for 1999 if you were to retain the OP Units issued to you in the Mergers would depend upon the number of OP Units issued to you in the Merger with respect to your Partnership Interest. The Answer to Question 1 explains how that number will be determined.

If Host's preliminary estimate of \$226 million of cash distributions by the Operating Partnership during 1999 proves accurate but the Operating Partnership's cash available for distribution were only equal to its estimated cash available for distribution (\$163 million) and estimated cash from contingent rents (\$54 million) during 1999, then the Operating Partnership would be required to borrow approximately \$9 million (or \$0.04 per OP Unit) to make such distributions. Moreover, if estimated cash from contingent rents were less than \$54 million, then the Operating Partnership also would be required to borrow any such shortfall in order to make such distributions. While the Operating Partnership does not believe this will be necessary, it believes it would be able to borrow the necessary amounts under its credit facility or from other sources and that any such borrowing would not have a material adverse effect on its financial condition or results of operations.

The following table sets forth for each Partnership, on a per Partnership Unit basis, the actual cash distributions made from operations during 1997 and the actual and expected distribution levels from operations during 1998, as well as three alternative expected distributions that would be made with respect to OP Units for 1999 if the Mergers and the REIT Conversion occur (assuming that the Mergers occur on December 30, 1998), computed assuming that the OP Units are valued for purposes of the Mergers at \$9.50 (the minimum price), \$15.50 (the maximum price), and \$12.50 (the midpoint between the minimum price and the maximum price).

	ESTIMATED 1999 DISTRIBUTIONS FOLLOWING THE MERGERS (2)				
	1997 DISTRIBUTION	ACTUAL AND EXPECTED 1998 DISTRIBUTIONS(1)	AVERAGE SHARE PRICE \$9.50	AVERAGE SHARE PRICE \$15.50	AVERAGE SHARE PRICE \$12.50
Atlanta Marquis.....	\$ 0	\$ 5,000(3)	\$ 4,017	\$ 2,462	\$ 3,053
Chicago Suites.....	0	0	2,930	1,796	2,227
Desert Springs.....	25,000(4)	2,500	3,615	2,215	2,747
Hanover.....	0	0	10,894	6,677	8,279
MDAH.....	3,453	0	9,657	5,919	7,339
MHP.....	7,700	16,000	12,474	7,645	9,480
MHP2.....	29,880	27,164	20,985	12,862	15,949
PHLP.....	0	0	446	273	339

- (1) Represents actual cash distributions made through August 20, 1998 and expected cash to be distributed during the period from August 21, 1998 through December 31, 1998.
- (2) Based upon preliminary estimated annual distributions during the twelve months ending December 31, 1999 of \$0.84 per OP Unit. Limited Partners are cautioned that this amount may change, and the changes may be material. See "Distribution and Other Policies--Distribution Policy," in the Consent Solicitation. Does not include amounts, if any, to be distributed by the Partnerships from third and fourth quarter 1998 operations which will be distributed by the Partnerships before June 1, 1999.
- (3) Represents a distribution of \$5,000 per Partnership Unit from excess funds that had been accumulated for refinancing costs.
- (4) Represents a return of capital of approximately \$25,000 per Partnership Unit.

15. IF I HAVE FURTHER QUESTIONS, WHOM CAN I CONTACT?

As noted above, the General Partners or help in completing the Consent Form (YELLOW) or OP Unit Exchange Election Form (BLUE), Limited Partners to consult with their own financial and tax advisors regarding this transaction. If you or your advisors have questions, please contact the following:

FOR QUESTIONS REGARDING THE MERGER OR HELP IN COMPLETING THE CONSENT FORM (YELLOW) OR OP UNIT EXCHANGE ELECTION FORM (BLUE), CONTACT THE INFORMATION AGENT:

Shareholder Communications Corporation 800-733-8481 ext. 445

HOST MARRIOTT CORPORATION
10400 FERNWOOD ROAD
BETHESDA, MARYLAND 20817-1109
(301) 380-9000

October 13 , 1998

Dear [Partnership] Limited Partner:

As publicly announced in April 1998, Host Marriott Corporation, a Delaware corporation ("Host"), has adopted a plan to restructure its business operations so that it will qualify as a real estate investment trust ("REIT") for federal income tax purposes. As part of the restructuring and related transactions (the "REIT Conversion"), Host proposes to merge into HMC Merger Corporation (to be renamed "Host Marriott Corporation"), a Maryland corporation ("Host REIT"), and thereafter continue and expand its full-service hotel ownership business. Host REIT will operate through Host Marriott, L.P., a Delaware limited partnership (the "Operating Partnership"), of which Host REIT will be the sole general partner. This is commonly called an "UPREIT" structure and it is used to facilitate tax-deferred acquisitions of properties.

In connection with the REIT Conversion, the Operating Partnership is proposing to acquire [Partnership] Limited Partnership, a [Partnership] limited partnership (the "Partnership"), through a merger (the "Merger") of the Partnership with a subsidiary of the Operating Partnership ("Merger Sub"). As a limited partner in the Partnership, your written consent is being solicited to approve

(i) the proposed Merger of the Partnership pursuant to the Agreement and Plan of Merger, dated as of October 8, 1998 (the "Merger Agreement"), by and among Host REIT, the Operating Partnership, Merger Sub and the Partnership and the transactions contemplated thereby and

(ii) certain related amendments to the partnership agreement of the Partnership intended to facilitate the Merger and the REIT Conversion.

Included in this package are:

- . The Prospectus/Consent Solicitation Statement (the "Consent Solicitation");
- . A Supplement that contains specific information with respect to the Partnership;
- . A Consent Form (YELLOW) for voting--marked specifically for the Partnership;
- . An OP Unit Exchange Election Form (BLUE) and
- . A list of commonly asked Questions and Answers, including telephone numbers for assistance.

Capitalized terms used but not defined herein have the same meaning given to them in the enclosed Prospectus/Consent Solicitation Statement (the "Consent Solicitation").

If the Merger and the amendments are approved and the Merger is consummated, you will be entitled to receive units of limited partnership interest in the Operating Partnership ("OP Units") in exchange for your interests in the Partnership. This generally will be a tax-deferred transaction. The OP Units are economically equivalent to Host REIT Common Shares.

The number of OP Units you will receive will be based upon the Exchange Value of the Partnership (determined as described in the Consent Solicitation) and the value of the OP Units, which will be based on the average closing trading price on the New York Stock Exchange of the Host REIT Common Shares over the first 20 trading days after the Merger (but will not be less than \$9.50 or more than \$15.50 per OP Unit).

Beginning one year after the Merger, you may elect to have your OP Units exchanged for freely-traded Host REIT Common Shares on a one-for-one basis (or its cash equivalent, as determined by Host REIT). At your option, you also may elect, at any time prior to the end of the Election Period (described

below), to exchange all of the OP Units received in the Merger for either an equal number of Host REIT Common Shares or a 6.56% Callable Note due December 15, 2005 of the Operating Partnership (a "Note") in a principal amount equal to the Note Election Amount. Exercise of either the Common Share Election or the Note Election would be a taxable transaction.

The accompanying Consent Solicitation provides detailed information concerning the proposed Merger and the amendments to the Partnership's partnership agreement, the reasons for the General Partner's recommendations in favor of the Merger, information about the Partnership, Host REIT and the Operating Partnership and certain additional information. WE URGE YOU TO CAREFULLY CONSIDER ALL OF THE INFORMATION IN THE CONSENT SOLICITATION, INCLUDING THE INFORMATION SET FORTH UNDER "SUMMARY--RISK FACTORS" BEGINNING ON PAGE SIX AND "RISK FACTORS" BEGINNING ON PAGE OF THE CONSENT SOLICITATION FOR A DESCRIPTION OF THE MATERIAL RISKS OF AN INVESTMENT IN THE OP UNITS, NOTES OR COMMON SHARES.

Some of the material risks include the following: (i) substantial benefits to related partners; (ii) absence of arm's length negotiations; (iii) other conflicts of interest; (iv) no opportunity to benefit from Crestline common stock; (v) Exchange Value may not equal fair market value of the Partnerships' Hotels; (vi) inability of Limited Partners who retain OP Units to redeem OP Units for one year; (vii) value of the Notes will be less than the Exchange Value; (viii) election of Common Shares or Notes is a taxable transaction; (ix) cash distributions may exceed cash available for distribution; reduced cash distributions for certain Limited Partners; (x) timing of the REIT Conversion; (xi) fundamental change in nature of investment; (xii) uncertainties as to the size and leverage of the Operating Partnership; (xiii) lack of control over hotel operations and Non-Controlled Subsidiaries; dependence upon Crestline; (xiv) requisite vote of Limited Partners of the Partnerships binds all Limited Partners; (xv) inability to obtain third-party consents may have a material adverse effect; (xvi) exposure to market and economic conditions of other hotels; (xvii) ownership limitations; (xviii) no limitation on debt; (xix) effect of subsequent events upon recognition of gain; (xx) sale of personal property may result in gain to Limited Partners in certain Partnerships; (xxi) failure of Host REIT to qualify as a REIT for tax purposes; failure of the Operating Partnership to qualify as a Partnership for tax purposes; and (xxii) change in tax laws.

The General Partner believes that the Merger provides substantial benefits to you as a Limited Partner, including: (i) the opportunity to receive regular cash distributions per OP Unit equal to the distributions paid on each Host REIT Common Share; (ii) the ability to participate in the operations of a larger, more diverse enterprise with growth opportunities and generally lower leverage; (iii) the ability to receive, in exchange for your OP Units, freely tradeable Host REIT Common Shares in connection with the Merger; (iv) the ability of Limited Partners who retain OP Units, at any time beginning one year following the Merger, to liquidate their investment in the Operating Partnership for cash based upon the price of Host REIT Common Shares or, at the election of Host REIT, Host REIT Common Shares; and (v) the deferral, for Limited Partners who retain their OP Units, of recognition of at least a substantial portion of any built-in taxable gain attributable to their Partnership Interests generally until such time as each Limited Partner elects to trigger such gain.

AFTER CAREFUL CONSIDERATION, THE GENERAL PARTNER HAS DETERMINED THAT THE MERGER IS ADVISABLE FOR AND FAIR TO THE LIMITED PARTNERS AND RECOMMENDS THAT ALL LIMITED PARTNERS VOTE TO APPROVE THE MERGER AND THE RELATED AMENDMENTS TO THE PARTNERSHIP AGREEMENT. IN ORDER TO MAKE CERTAIN THAT THE MERGER IS APPROVED, A LIMITED PARTNER WHO FAVORS THE MERGER SHOULD VOTE FOR THE MERGER AND FOR THE AMENDMENTS TO THE PARTNERSHIP AGREEMENT.

The close of business on September 18, 1998 has been set by [GP ENTITY] (the "General Partner") as the record date for determining Limited Partners entitled to vote on the Merger and the related amendments to the partnership agreement. IT IS IMPORTANT THAT YOUR PARTNERSHIP UNITS BE VOTED, REGARDLESS OF THE NUMBER OF PARTNERSHIP UNITS YOU HOLD. Therefore, please promptly complete, sign, date and return the Consent Form (yellow) in the enclosed prepaid envelope as soon as possible but in any event no later than 5:00 p.m., Eastern time, on December 12, 1998 (the "Solicitation Period"). You may change or revoke your vote during the Solicitation

Period as described in the Consent Solicitation. In addition, if you desire to exchange your OP Units for Common Shares or Notes, please make certain you check the appropriate box on the enclosed OP Unit Exchange Election Form (blue) and sign, date and return the Form at any time prior to 5:00 p.m., Eastern time, on the 15th trading day after the Merger (the "Election Period"). We will notify you at a later time of the actual date for the end of the Election Period. You may change or revoke your election of Common Shares or Notes at any time during the Election Period.

Your prompt cooperation would be greatly appreciated.

Sincerely,

HMC Merger Corporation, a Maryland corporation

Sincerely,

Host Marriott, L.P., a Delaware limited partnership

By: HMC Real Estate LLC, a Delaware limited liability company, as general partner of Host Marriott, L.P.

ROBERT E. PARSONS, JR.
PRESIDENT

ROBERT E. PARSONS, JR.
PRESIDENT

Sincerely,

, as general partner of
Limited Partnership

BRUCE F. STEMERMAN
PRESIDENT

YOUR VOTE IS VERY IMPORTANT

PLEASE PROMPTLY COMPLETE, SIGN AND DATE
AND RETURN THE ENCLOSED CONSENT FORM (YELLOW)

IF YOU OR YOUR ADVISORS HAVE ANY QUESTIONS REGARDING THE MERGER, PLEASE CONTACT THE FOLLOWING INFORMATION AGENT:

Shareholder Communications Corporation at: 1-800-733-8481 ext-445

TO SPEAK TO A REPRESENTATIVE OF THE GENERAL PARTNER OR HOST MARRIOTT CORPORATION, PLEASE CALL:

Partnership Investor Relations at: 301-380-2070

EXHIBIT 99.29
[FORM OF LP TRANSMITTAL LETTER]
[For Florida and Texas only]

HOST MARRIOTT CORPORATION
10400 FERNWOOD ROAD
BETHESDA, MARYLAND 20817-1109
(301) 380-9000

October 13, 1998

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Period as described in the Consent Solicitation. In addition, if you desire to exchange your OP Units for Common Shares or Notes, please make certain you check the appropriate box on the enclosed OP Unit Exchange Election Form (Blue) and sign, date and return the Form at any time prior to 5:00 p.m., Eastern time, on the 15th trading day after the Merger (the "Election Period"). We will notify you at a later time of the actual date for the end of the Election Period. You may change or revoke your election of Common Shares or Notes at any time during the Election Period.

Your prompt cooperation would be greatly appreciated.

Sincerely,

HMC Merger Corporation, a Maryland corporation

Sincerely,

Host Marriott, L.P., a Delaware limited partnership

By: HMC Real Estate LLC, a Delaware limited liability company, as general partner of Host Marriott, L.P.

ROBERT E. PARSONS, JR.
PRESIDENT

ROBERT E. PARSONS, JR.
PRESIDENT

Sincerely,

, as general partner of
Limited Partnership

BRUCE F. STEMERMAN
PRESIDENT

YOUR VOTE IS VERY IMPORTANT

PLEASE PROMPTLY COMPLETE, SIGN AND DATE
AND RETURN THE ENCLOSED CONSENT FORM (YELLOW)

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Shareholder Communications Corporation at: 1-800-733-8481 ext. 445