



WESTIN HOTELS

Management

Update

(The following message from Chairman and Chief Executive Officer Harry Mullikin was sent to all Westin hotels and offices this morning.)

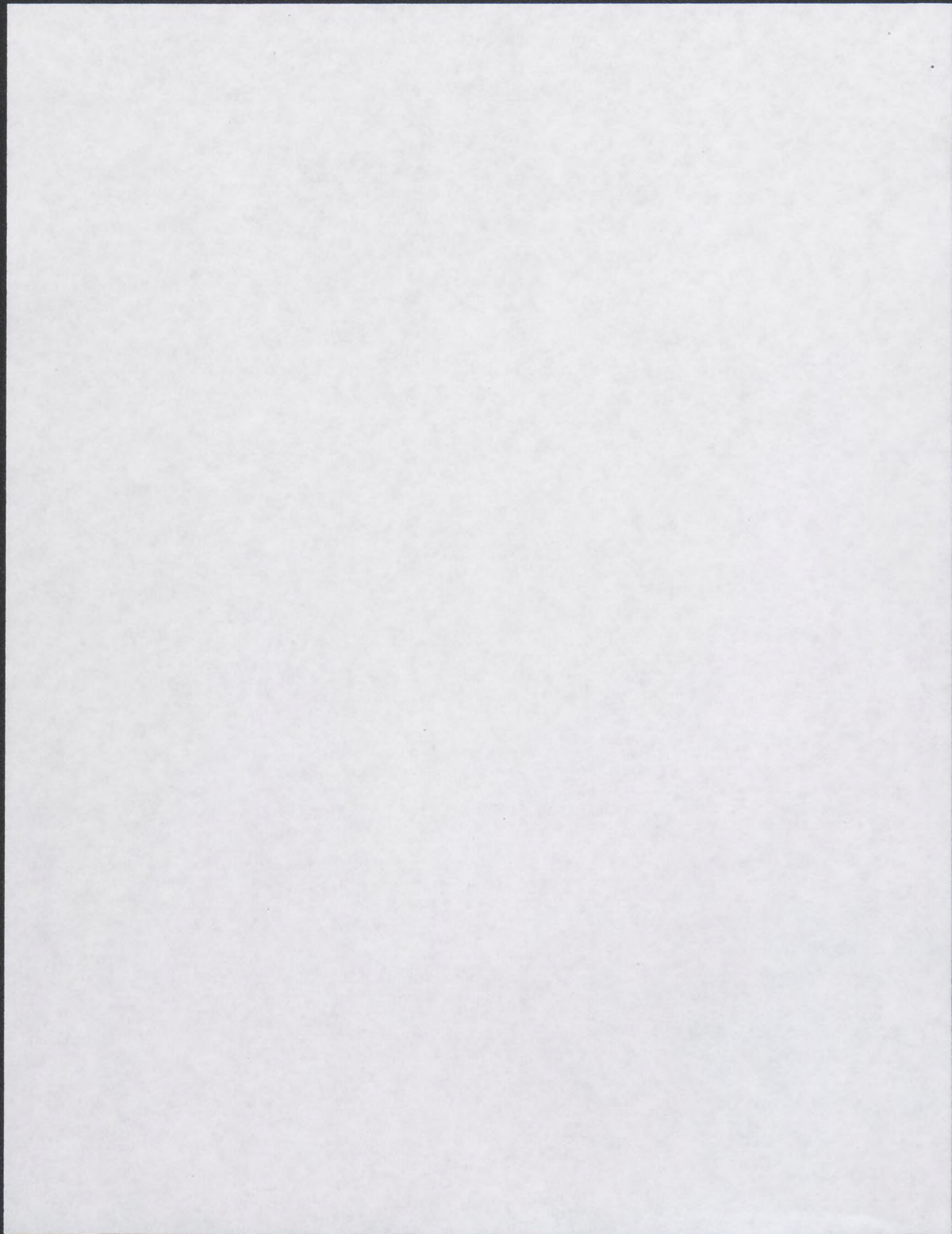
May 5, 1981

The Boards of Directors have approved a restructuring of the corporate organization of Westin Hotels. The objective of the change and the election of officers to new responsibilities is to position Westin to more easily grow and diversify.

The new organization will speed the decision making process, shorten lines of communication, and improve the project development function. It provides a clear definition of the roles of the officers responsible for the two activities of managing our present operations and developing new properties.

As Chairman and Chief Executive Officer, I will perform the basic functions of directing our efforts to long-term profitability, continued financial growth, and identifying new development targets for corporate expansion and diversification.

Bob Lindquist, President, will have the responsibility for the activities of the Development, Operations, and Management Services Group Vice Presidents. He will have the total responsibility over operation of both existing hotels and the project management of new hotel developments.

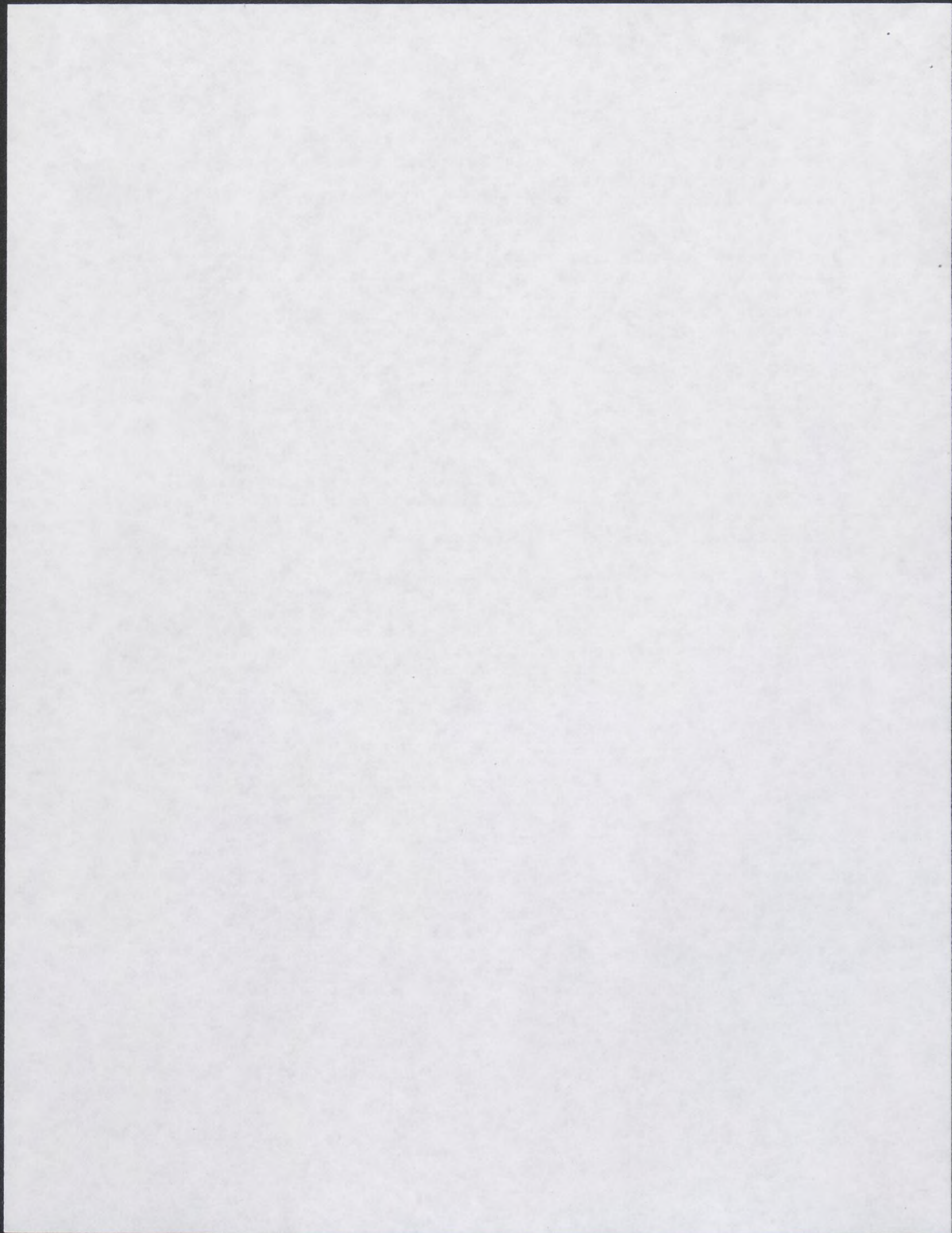


John Calvert, Executive Vice President - Finance and Administration, will play the key role in locating new business activities in the hospitality industry, and bears the responsibility for development of financial plans for investment in new ventures, or refinancing of existing hotels. He will continue to negotiate with lenders, partners and owners concerning ownership arrangements and management agreements. The Corporate Planning, Financial Planning, Financial Services, Insurance, Legal and Project Finance activities of the Company remain under his leadership, and we have added Growth Planning to his responsibilities.

Dwight Call, Group Vice President - Operations, is charged with supervision of all activities regarding the operation of all existing hotels, and will ensure that acceptable profits and return on investment goals are met. He is responsible for the achievement of approved objectives and attaining quality standards for these on-going operations. All Operations Officers (previously Area Vice Presidents) will report directly to Dwight. All new hotels will fall under the supervision of an Operations Officer after they are determined to be in a stable condition.

Dan McClaskey, Group Vice President - Development, will direct project planning activities related to hotel projects. He will coordinate all activities related to the design, construction, furnishing, equipping and, through the Development Officers (previously Project Officers) will direct the initial years of operation of new hotels until they become stable and predictable. In addition to Design and Construction, Project Planning and Westin Services, all Development Officers will report to Dan. A Development Officer will be assigned to supervise each new project from its inception through the post-opening stabilization period. The activities necessary for major additions and renovations to existing hotels will also be one of Dan's primary functions, while the daily operational supervision of these properties will remain with Dwight Call's Operations Officers.

Chris Marker, Group Vice President - Management Services, will ensure that both existing hotels and new development projects are supplied with staff support in the areas of Corporate Communications, Food and Beverage, Marketing, Personnel, Real Estate and Rooms. The role of all Management Services organizations under his supervision will be to consistently provide advisory services during the development process, and for all hotels falling under the direction of the Operations Officers.



Page three

The Corporate Policy Committee (CPC) will replace the Senior Management Committee and will consist of Bob Lindquist, John Calvert, Dwight Call, Dan McClaskey, Chris Marker and myself.

Ralph Van Noy, Senior Vice President of Westin, and President - Westin Services, will report to Dan McClaskey. Westin Services, in this relationship to Development, will be constantly and easily accessible to the Development Officers, as well as providing service to existing operations.

Jim Durham, Vice President and Managing Director of the Crown Center hotel, will also be the Operations Officer responsible for The Westin, Cincinnati and the Williams Plaza.

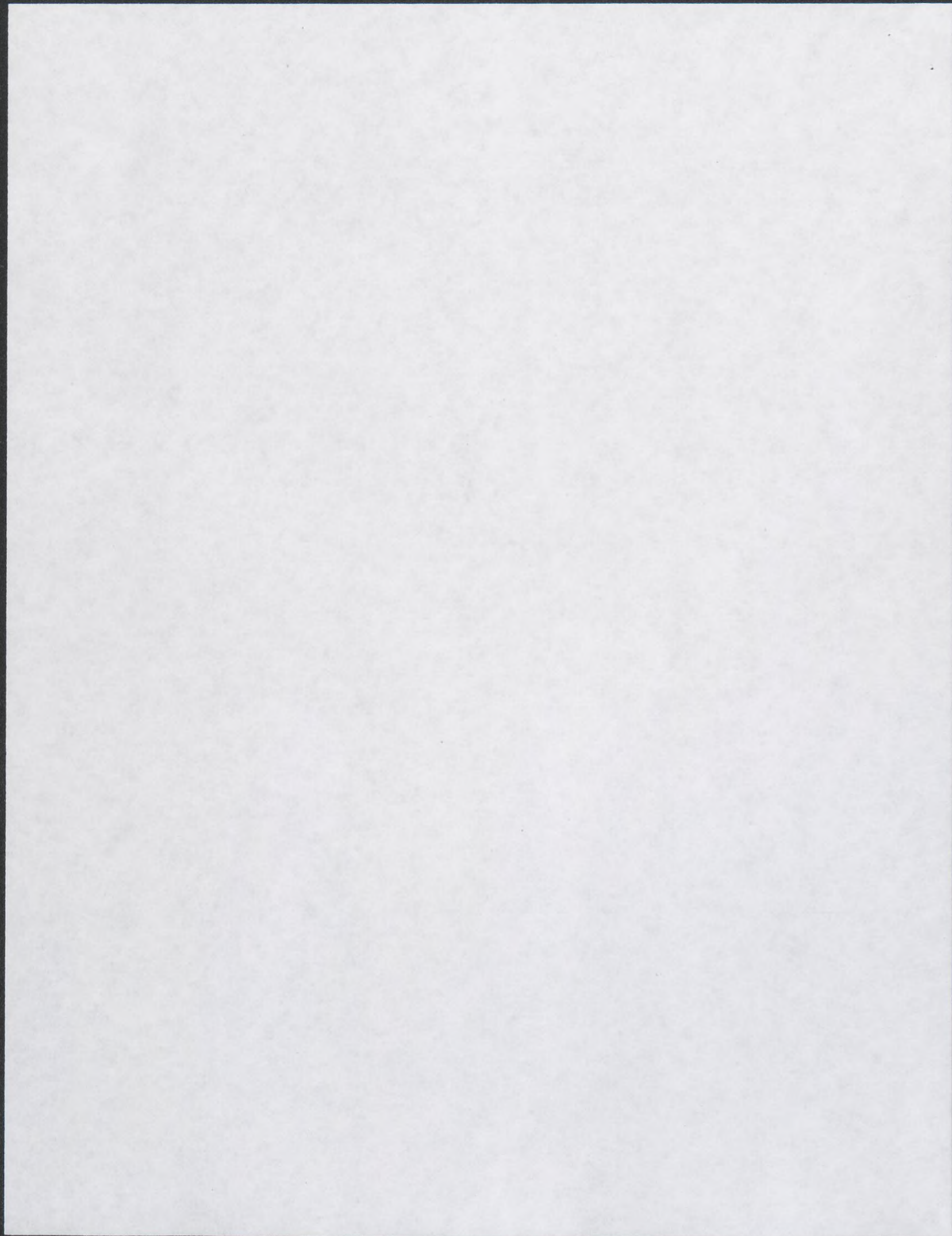
Bill Quinn, Vice President and Managing Director of the Century Plaza, will also be the Operations Officer responsible for the Arizona Biltmore, Galleria Plaza, Houston Oaks and South Coast Plaza.

Lou Martinelli, Managing Director of Chosun Beach and Chosun Seoul, will also have operations supervision of the Philippine Plaza.

The new corporate structure retains our basic strength of management autonomy and facilitates continued decentralization of authority and responsibility. It will greatly assist us in meeting our plans for growth and will substantially aid in our management processes. We believe that coupled with Company growth, these organizational changes open new areas of opportunity.

Harry Mullikin
Chairman & Chief Executive Officer

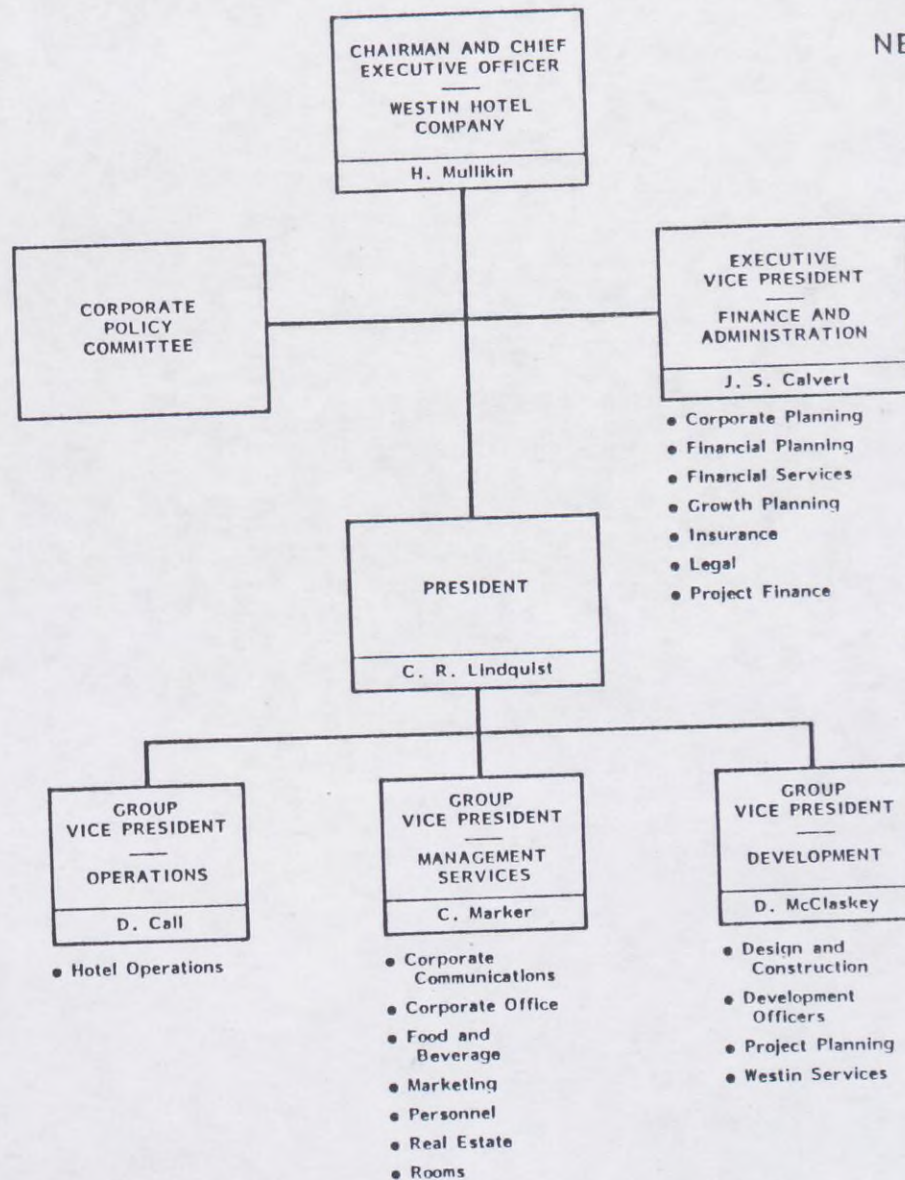
(The new Westin Hotels organization chart is attached.)



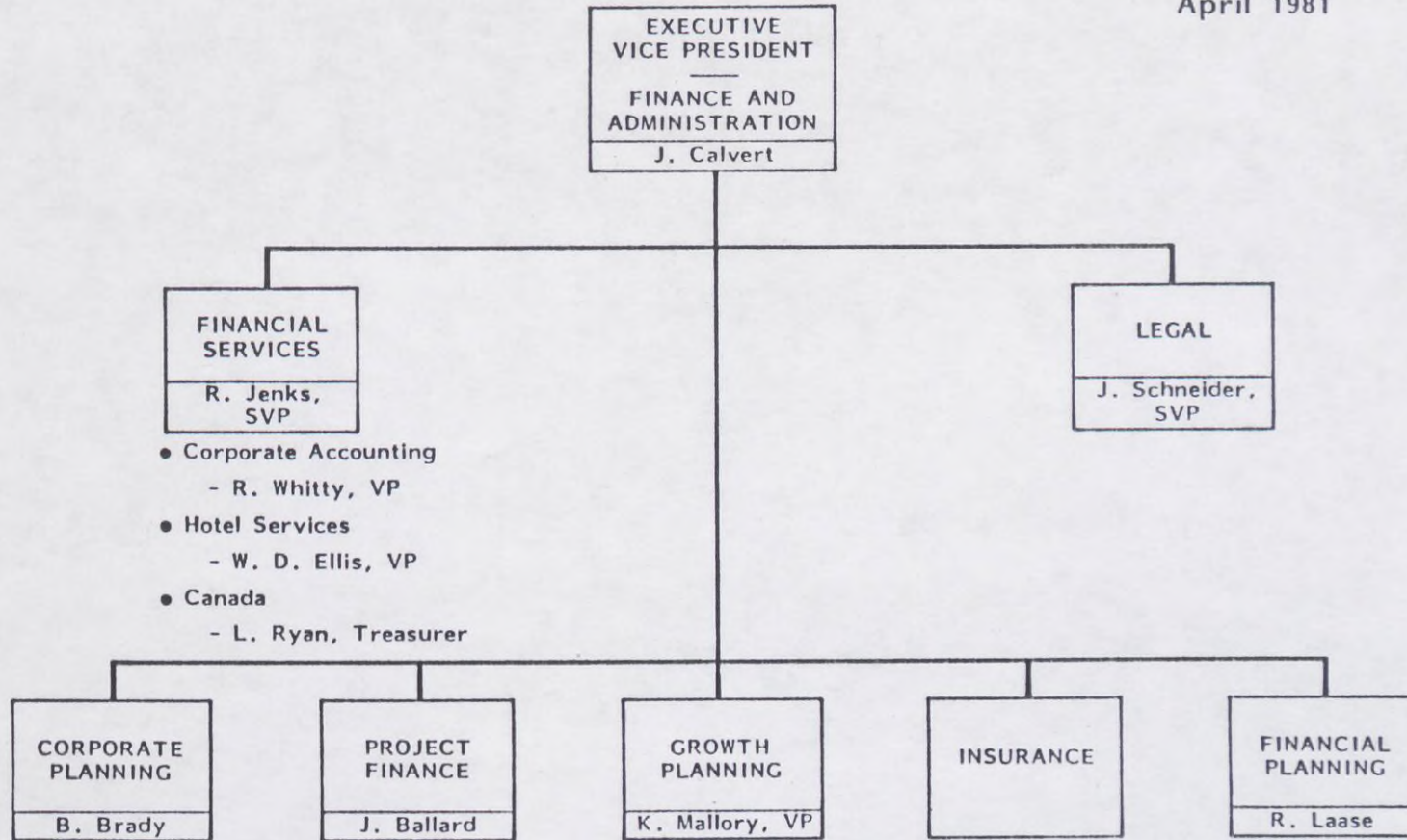
WESTIN HOTEL COMPANY

NEW ORGANIZATION

April 1981



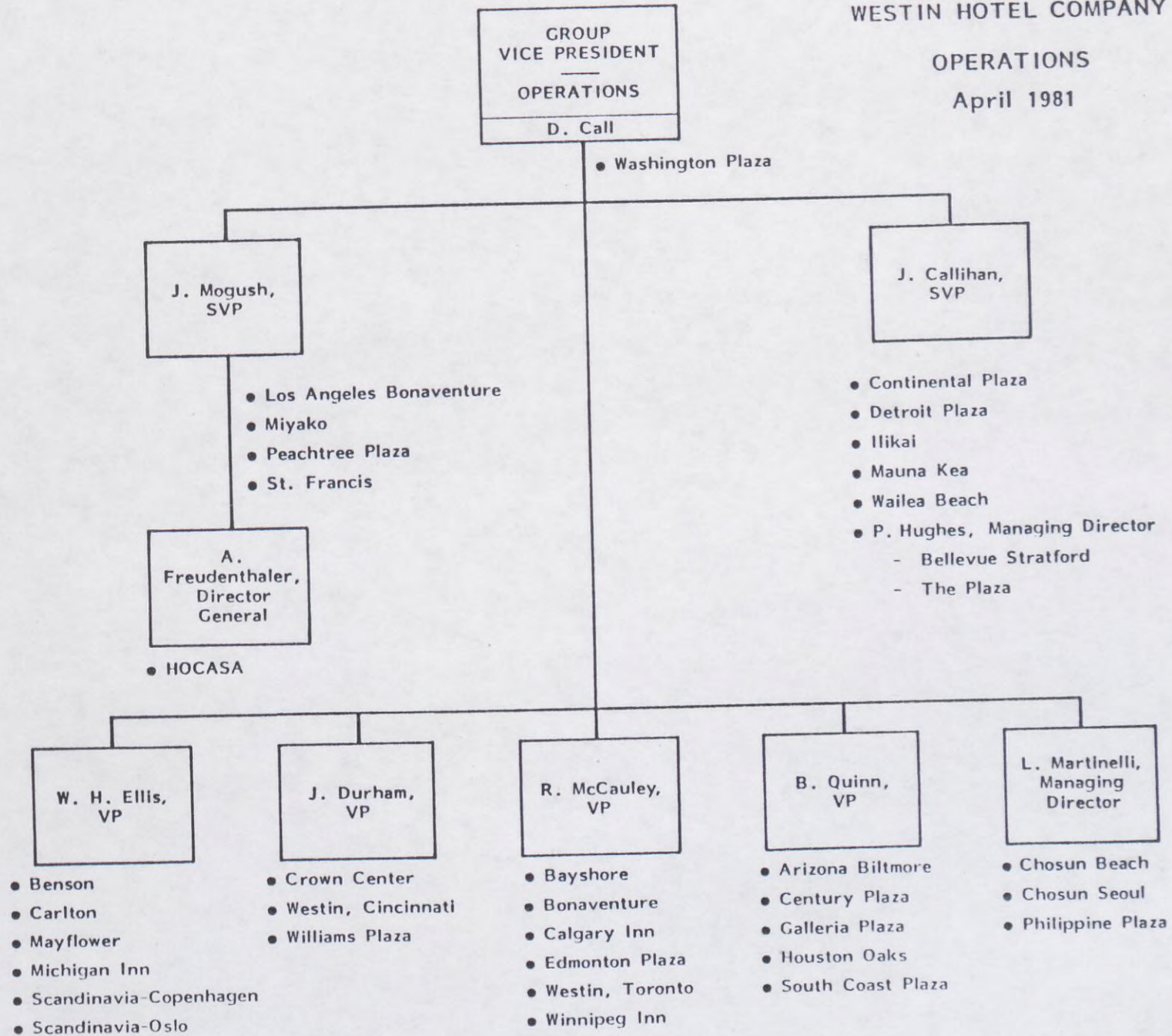
WESTIN HOTEL COMPANY
FINANCE AND ADMINISTRATION
April 1981



WESTIN HOTEL COMPANY

OPERATIONS

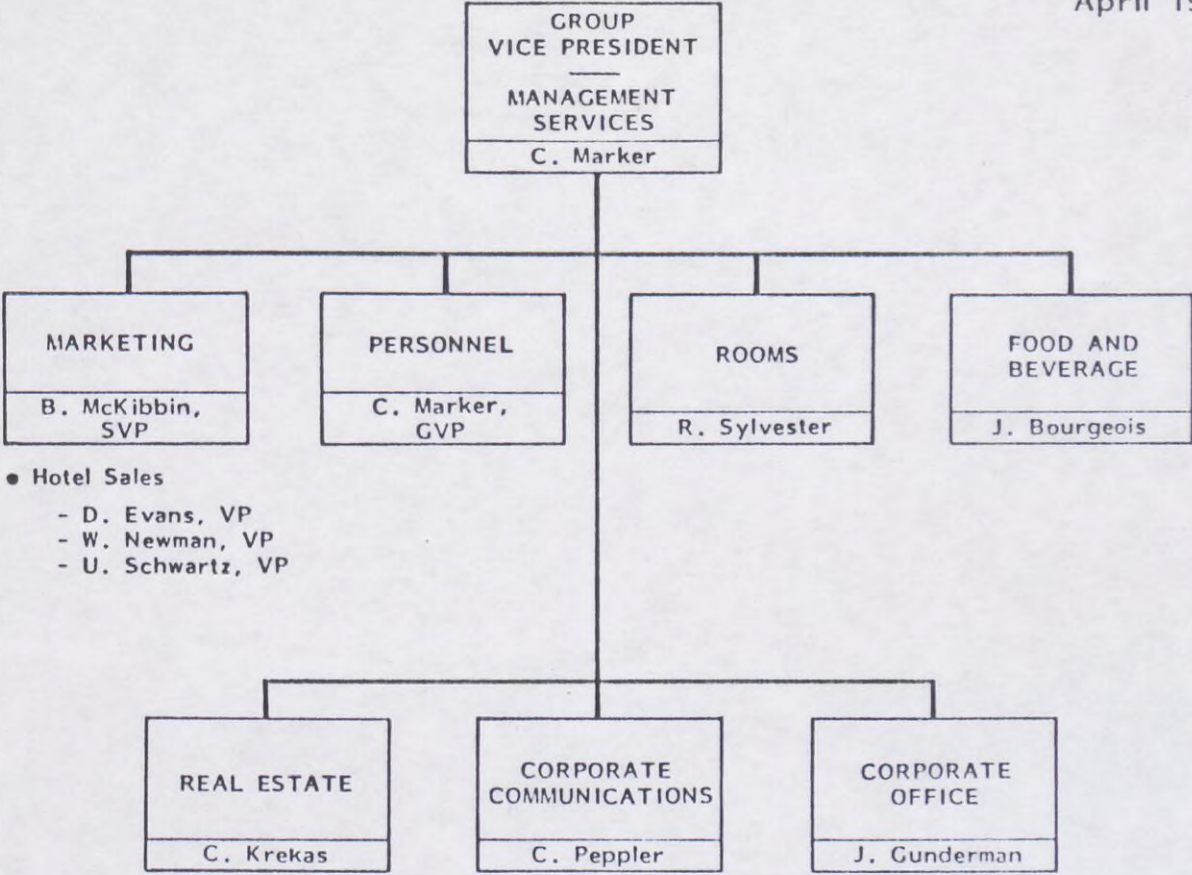
April 1981



WESTIN HOTEL COMPANY

MANAGEMENT SERVICES

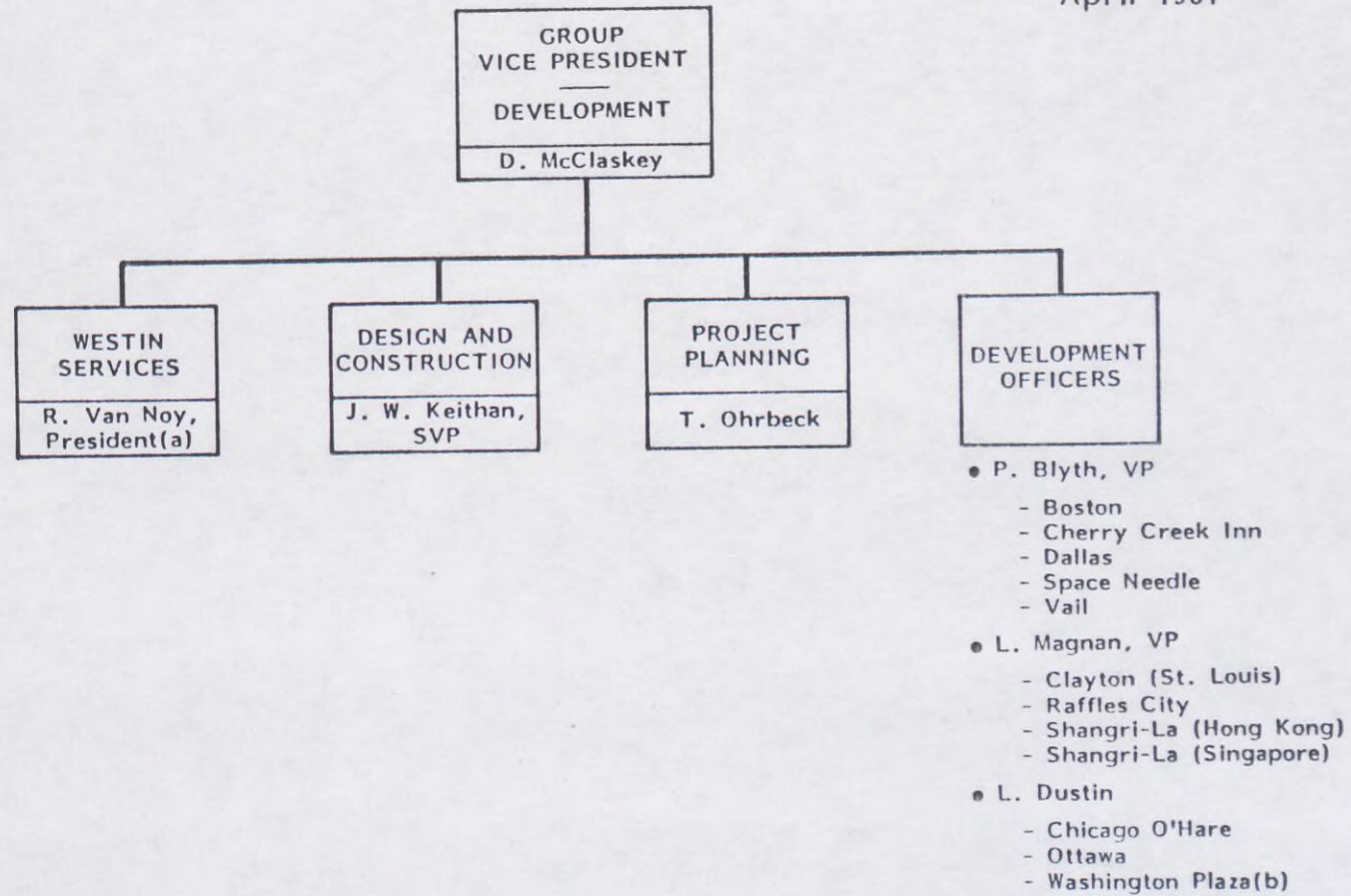
April 1981



WESTIN HOTEL COMPANY

DEVELOPMENT

April 1981



(a) Also Senior Vice President, Westin Hotel Company.
(b) Assists D. Call.