



Annual Stockholder Meeting
April 22, 2008
Williamsburg, Virginia

AMEX

MDH

Forward Looking Statement

This presentation includes “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Although the Company believes that the expectations and assumptions reflected in the forward-looking statements are reasonable, these statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond the Company’s control. Therefore, actual outcomes and results may differ materially from what is expressed, forecasted or implied in such forward-looking statements. Economic conditions generally and the real estate market specifically, management and performance of the Company’s hotels, plans for hotel renovations, financing plans, supply and demand for hotel rooms in the Company’s current and proposed market areas, the Company’s ability to acquire additional properties and the risk that potential acquisitions may not perform in accordance with expectations, legislative/regulatory changes, including changes to laws governing taxation of real estate investment trusts and competition, and other factors, may affect the Company’s future results, performance and achievements. These risks and uncertainties are described in greater detail under “Risk Factors” in the Company’s Annual Report on Form 10-K and subsequent reports filed with the Securities and Exchange Commission. The Company undertakes no obligation and does not intend to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Although we believe our current expectations to be based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that actual results will not differ materially.

Company Overview & History

- The predecessor of the company was founded in 1957 - 51 years of continuous operation.
- Proven Track Record: Acquisition, Ownership, Disposition, and Management of Lodging Investments prior to the IPO.
- Calendar Year 2005: Successfully transitioned to public company status, became a Real Estate investment Trust (REIT) traded on the American Stock Exchange under the MDH in December 2004.
- Why we went Public:
 - Create a growth platform for the future.
 - Availability of Capital/ Access to Capital Markets: *Our strategy focuses on unique transactions, where capital procurement is complicated and expensive, notwithstanding our long history of success.*
 - Balance Sheet Restructuring: Low post-IPO leverage provided flexibility and capital capacity.

HOTEL PORTFOLIO

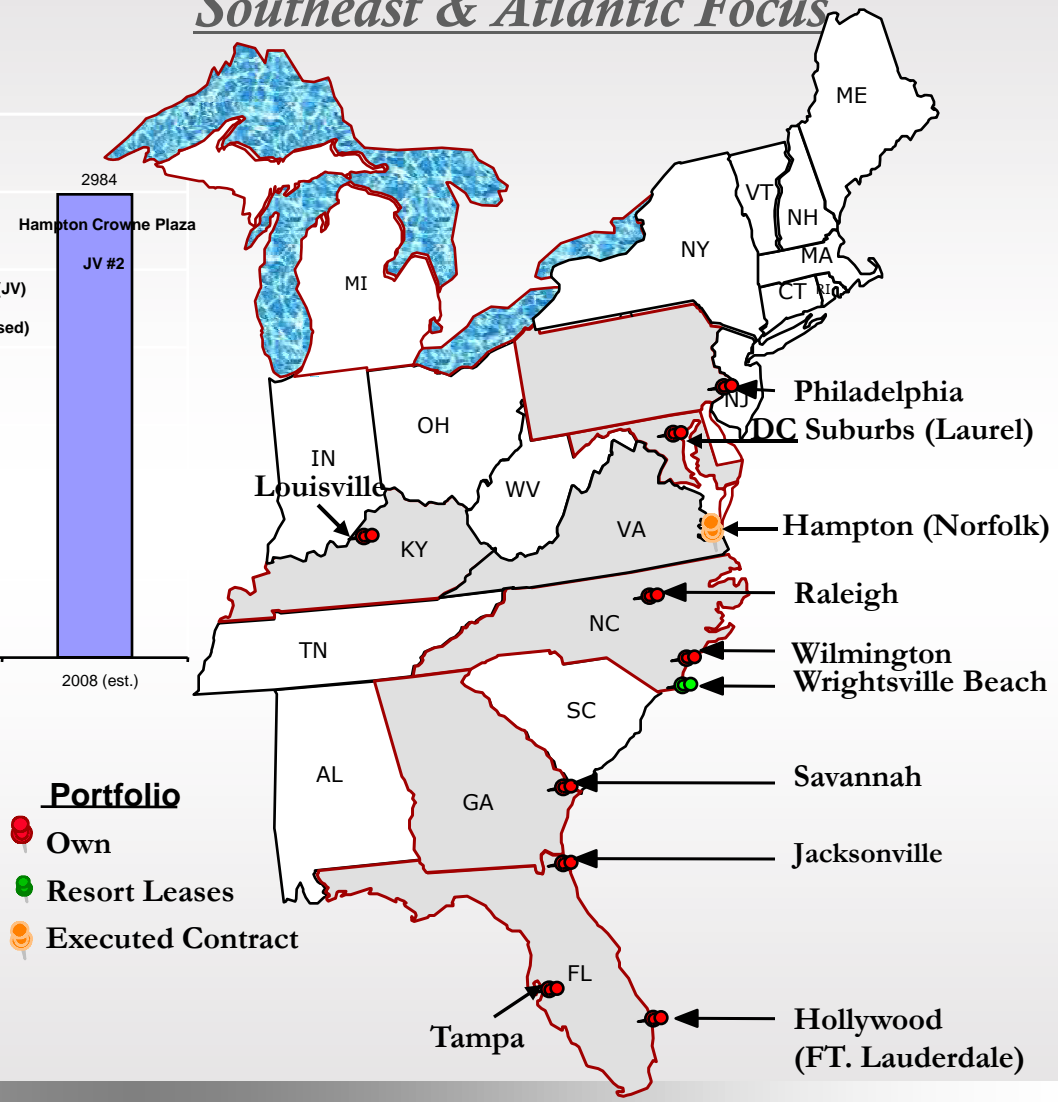
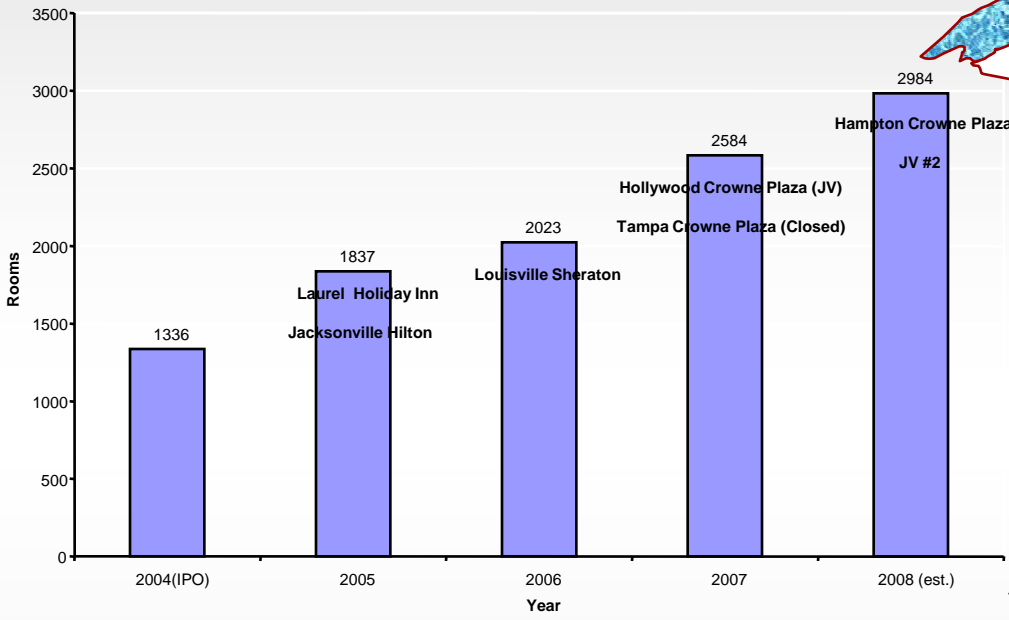


Our Portfolio



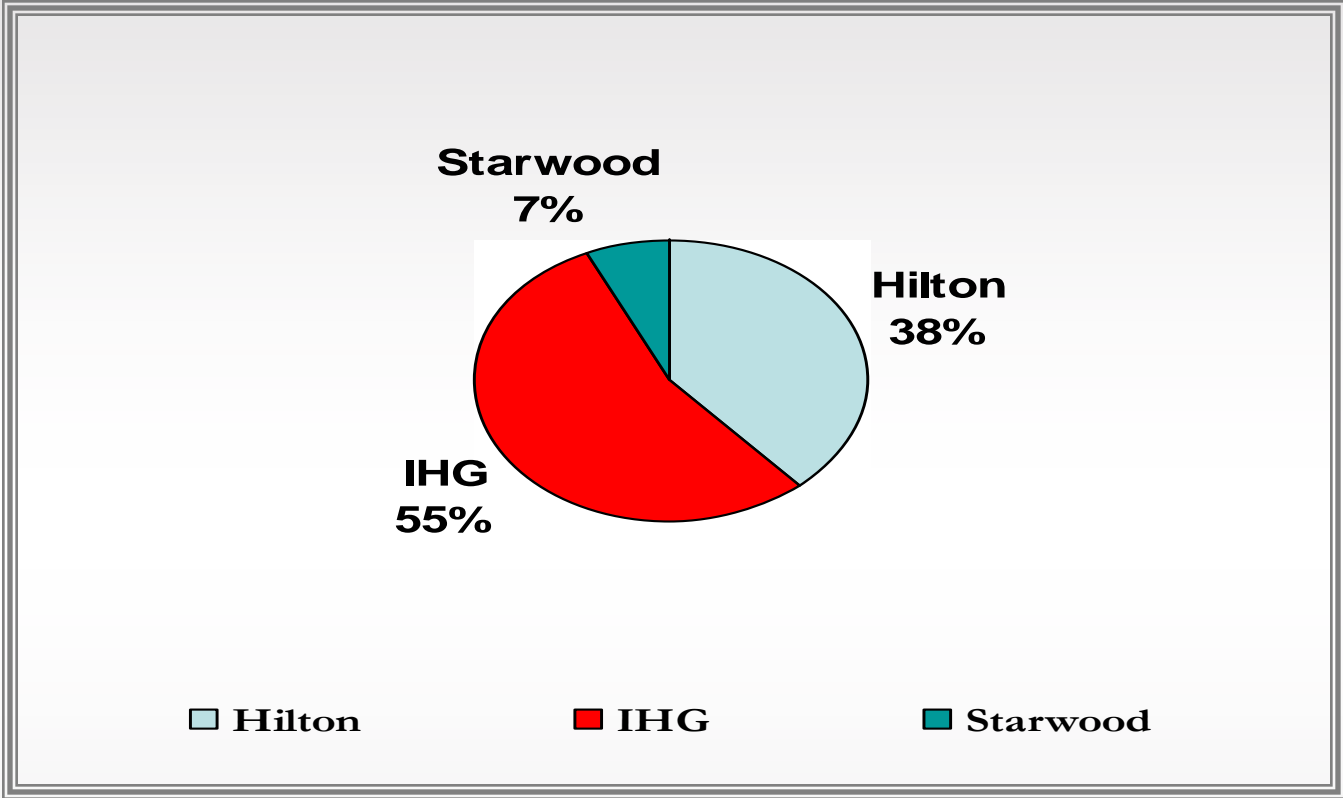
Southeast & Atlantic Focus

Strategic Growth: Rooms Under Control



4 Year Est. Compounded Annual Growth Rate in Rooms = 22.2%

Our Portfolio



**Diverse Brand Affiliation
with an UpScale Focus**

Hilton Philadelphia Airport



Hilton Philadelphia Airport



Holiday Inn Brownstone -Raleigh



Hilton Savannah DeSoto



Hilton Savannah DeSoto



Hilton Wilmington Riverside



Hilton Wilmington Riverside



Shell Island Resort



Holiday Inn - Laurel



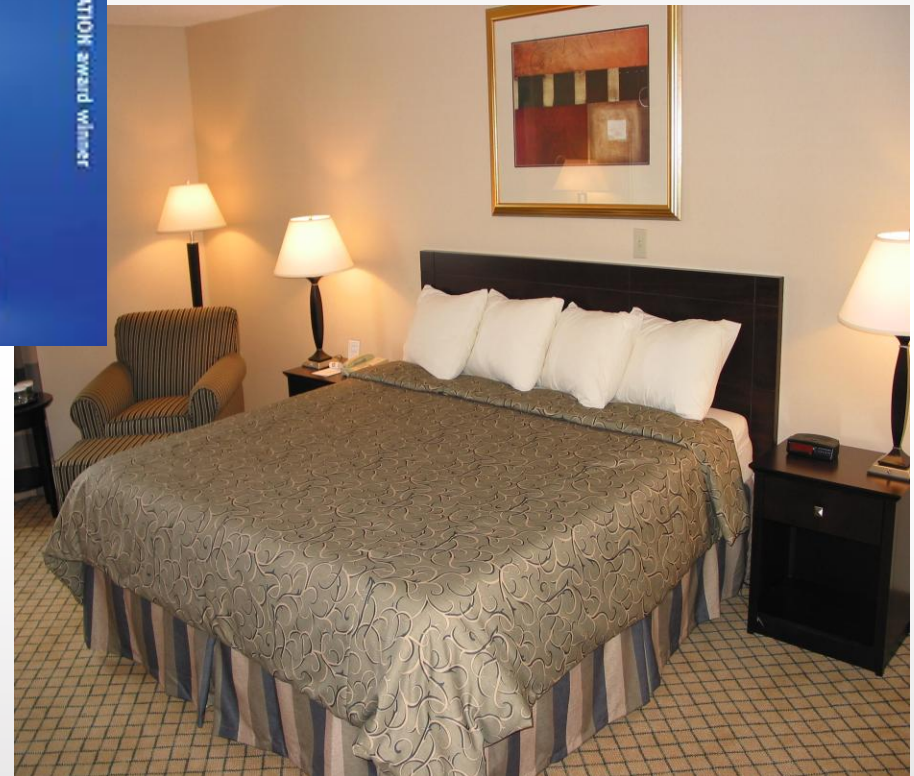
Holiday Inn – Laurel

2007 IHG AWARD WINNER

Guest Room - Before



Guest Room - After



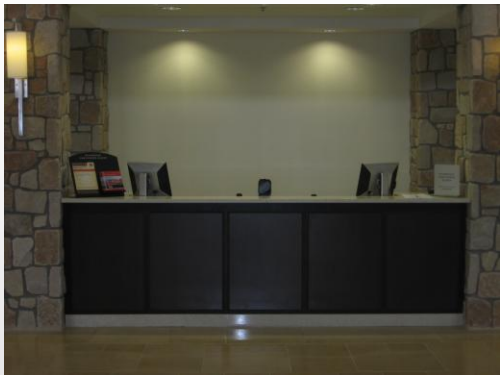
Crowne Plaza Riverfront - Jacksonville



Sheraton Louisville Riverside



Sheraton Louisville Riverside



Crowne Plaza – Hollywood, Florida



Crowne Plaza – Hollywood, Florida



Crowne Plaza Tampa Westshore (under renovation)



Crowne Plaza Tampa Westshore (under renovation)



Purchase Agreement: Hampton Marina Hotel



Industry & Market Dynamics



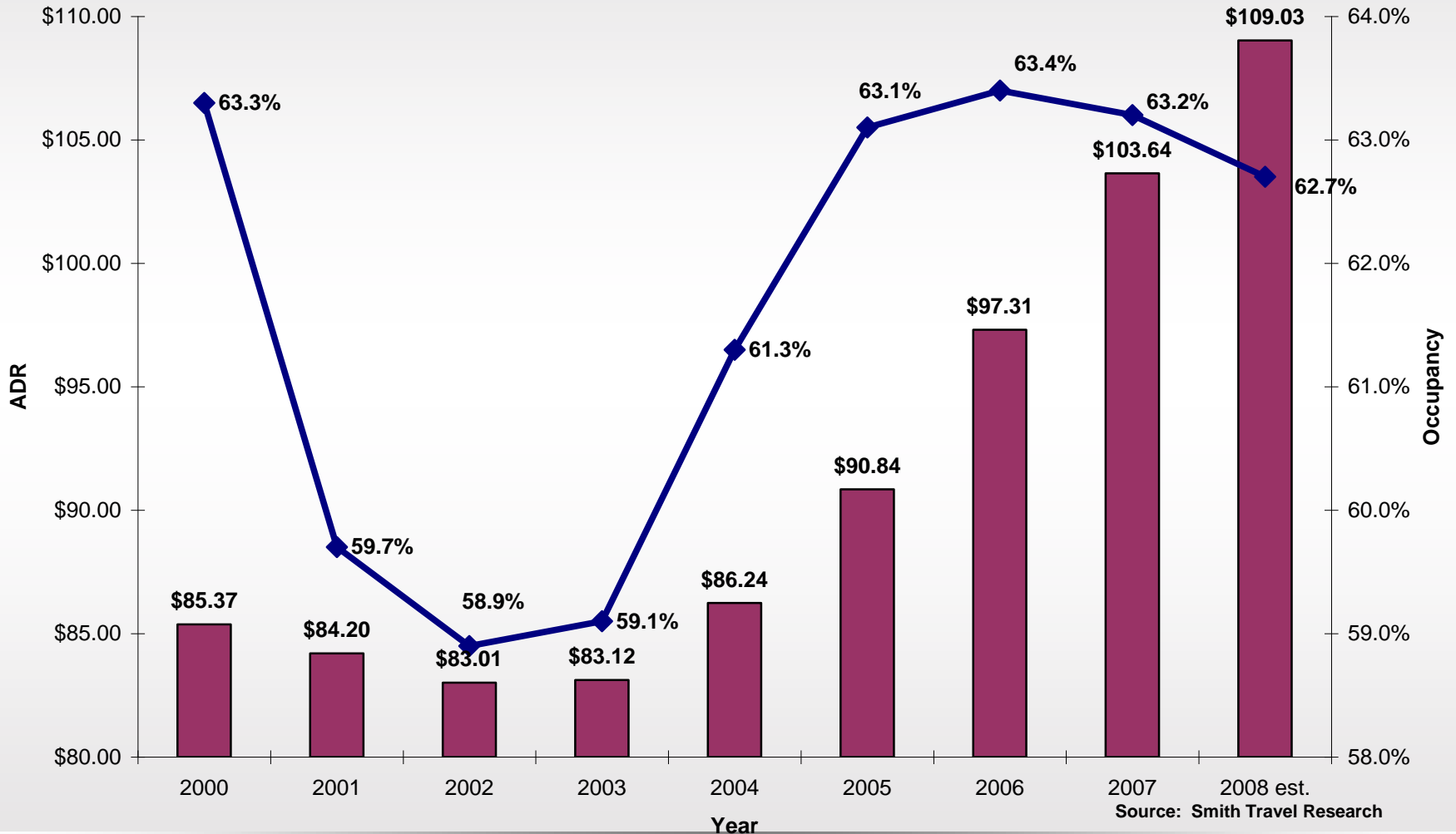
Industry Statistics

- Late 2007 and early 2008 a significant downward trend in REIT pricing occurred after many years of above-average returns.
- Hotel fundamentals remain solid, but rate of growth is slowing and reverting to more historic levels. Some markets are weakening.
- Hotel asset pricing remains high by historic standards, but market is moving away from Sellers, as spreads widen, and capital availability evaporates.
- Certain strategies (condo conversions) already repricing.
- Credit expectations have been reset.
- Recent buyers of high-priced and highly leveraged assets are most at risk in a changing market environment. **MHI CHOSE NOT TO CHASE YIELD DURING THE RECENT OVER-HEATED MARKET.**

Industry Statistics



Total U.S.: Occupancy and Rate

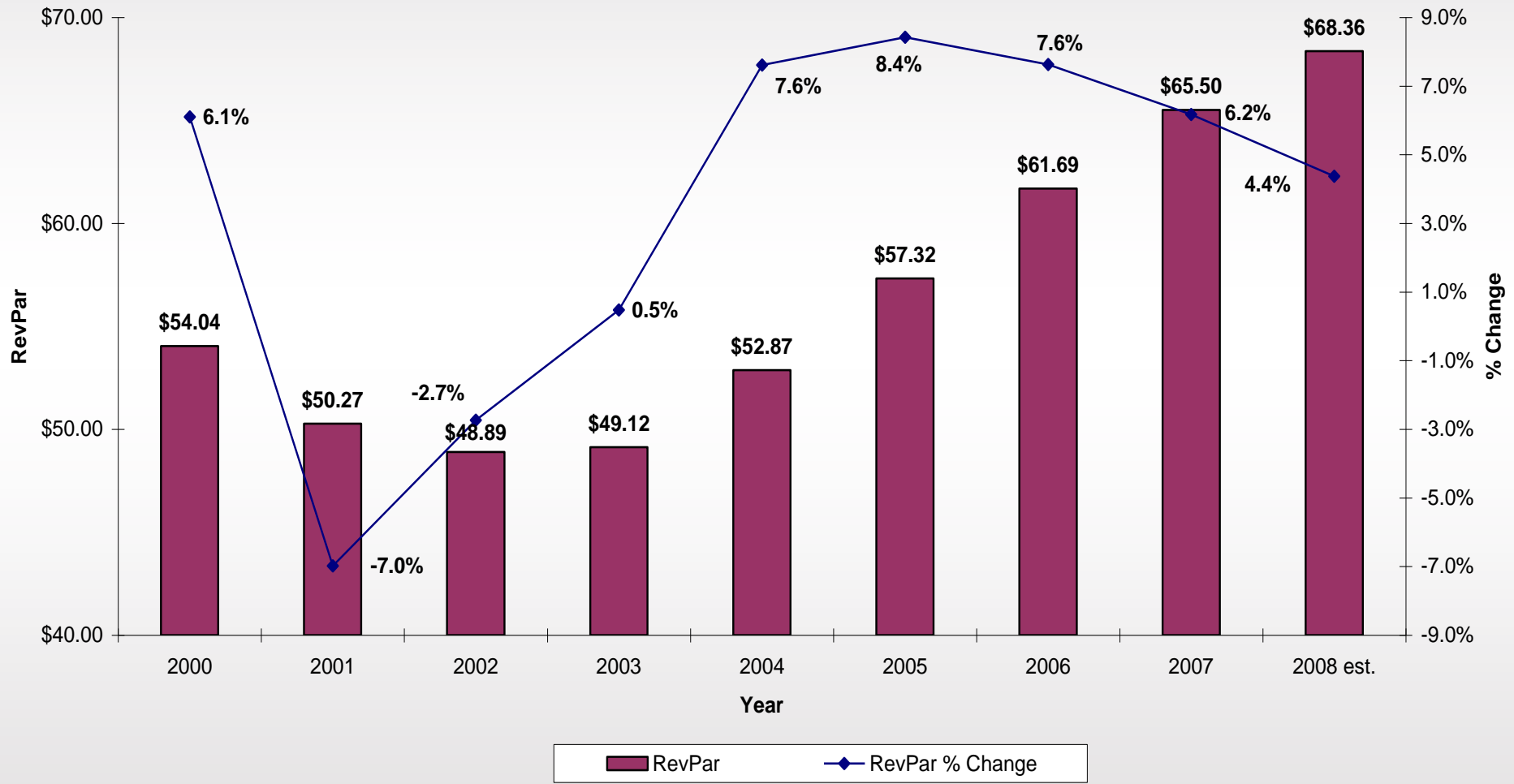


ADR Occupancy

Industry Statistics



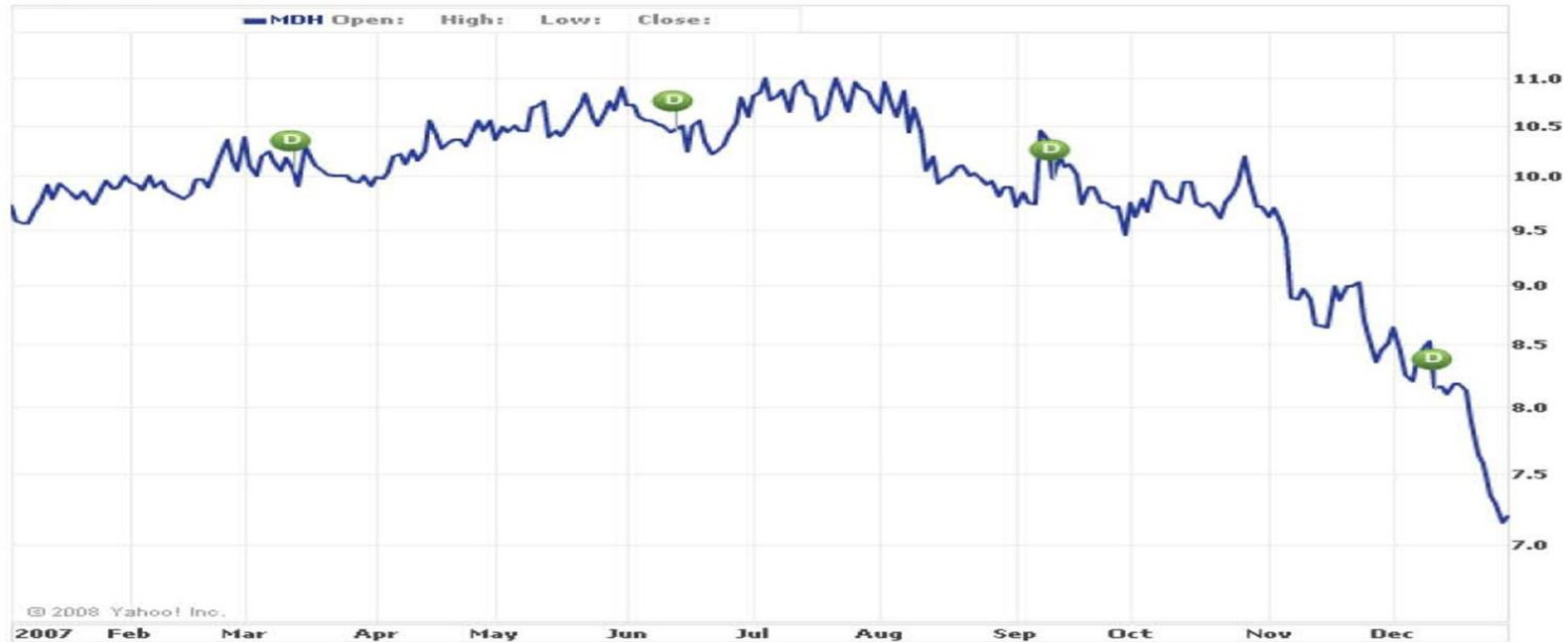
Total U.S.: RevPar and % Change in RevPar



PERFORMANCE



Stock Performance



- Very competitive market place
- Third full year as a public company our stock price ranged from \$6.76 per share to \$11.12 per share
- We believe our stock price carries a large discount due to our size and limited trading volume
- Disappointed that our improved financial performance and value enhancement of our assets has not been reflected corresponding increases in share price

Analyst Coverage

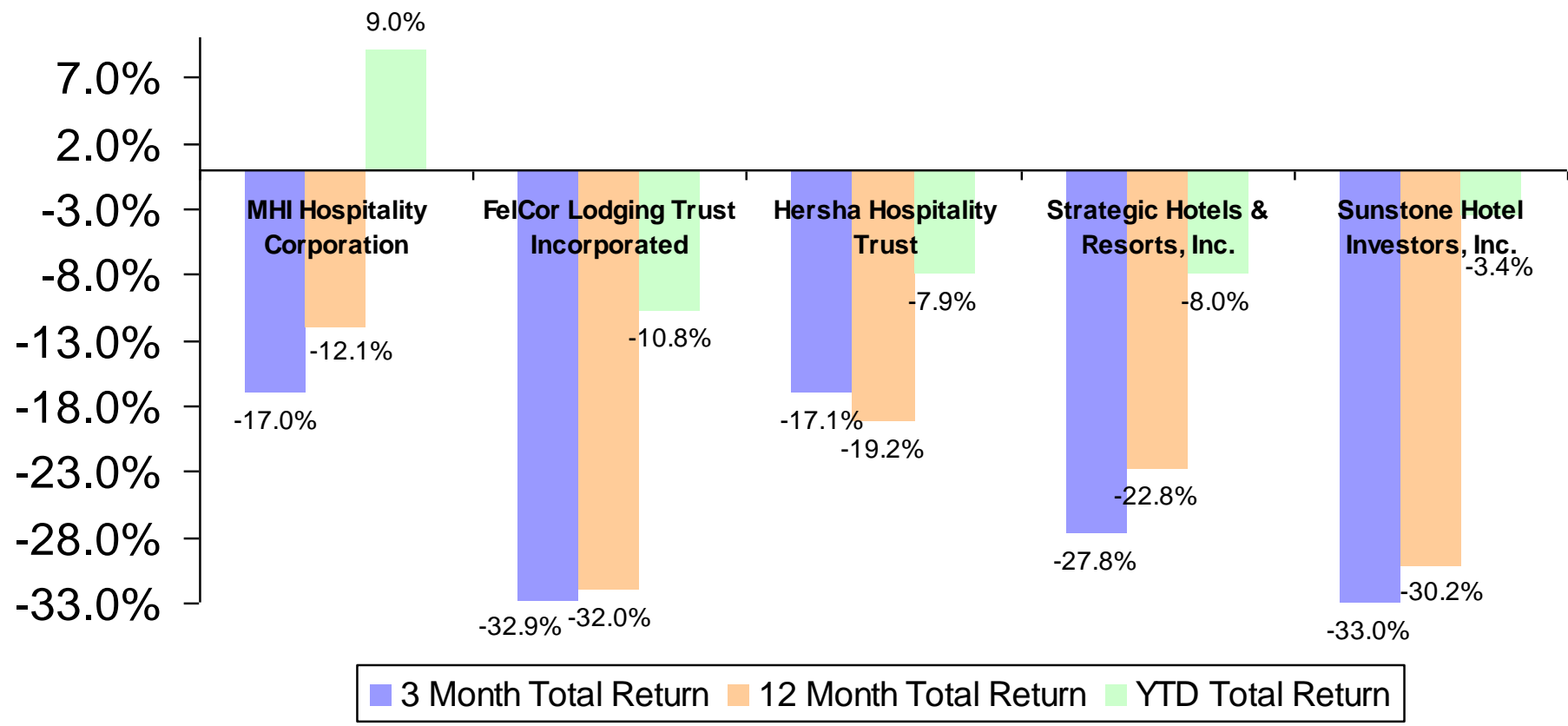
	<u>Rating</u>	<u>Price Target</u>
Hillard Lyons		
Tony Howard	Buy	\$10.00
Ferris Baker Watts		
Charlie Place	Buy	\$11.00
R W Baird		
David Loeb	Neutral	\$9.00
Key and Janney Montgomery and BB&T (Krewson – Janney/Forst – Key)		Coming in QII 2008

Stock: Total Return Comparison – 3-12 Month & YTD



Competitive Set: Total Returns

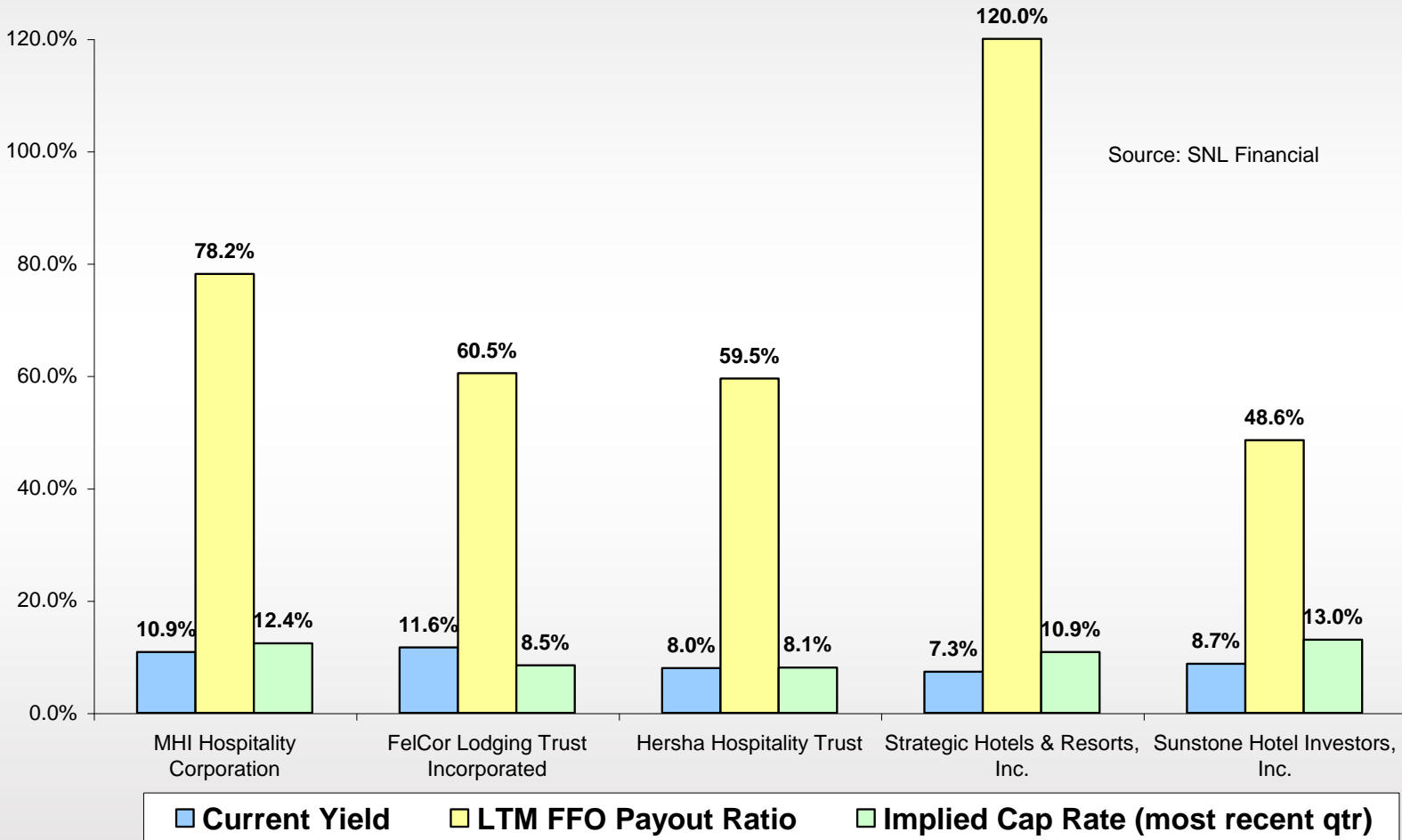
Source: SNL Securities



Comparative Statistics – SNL Data Source



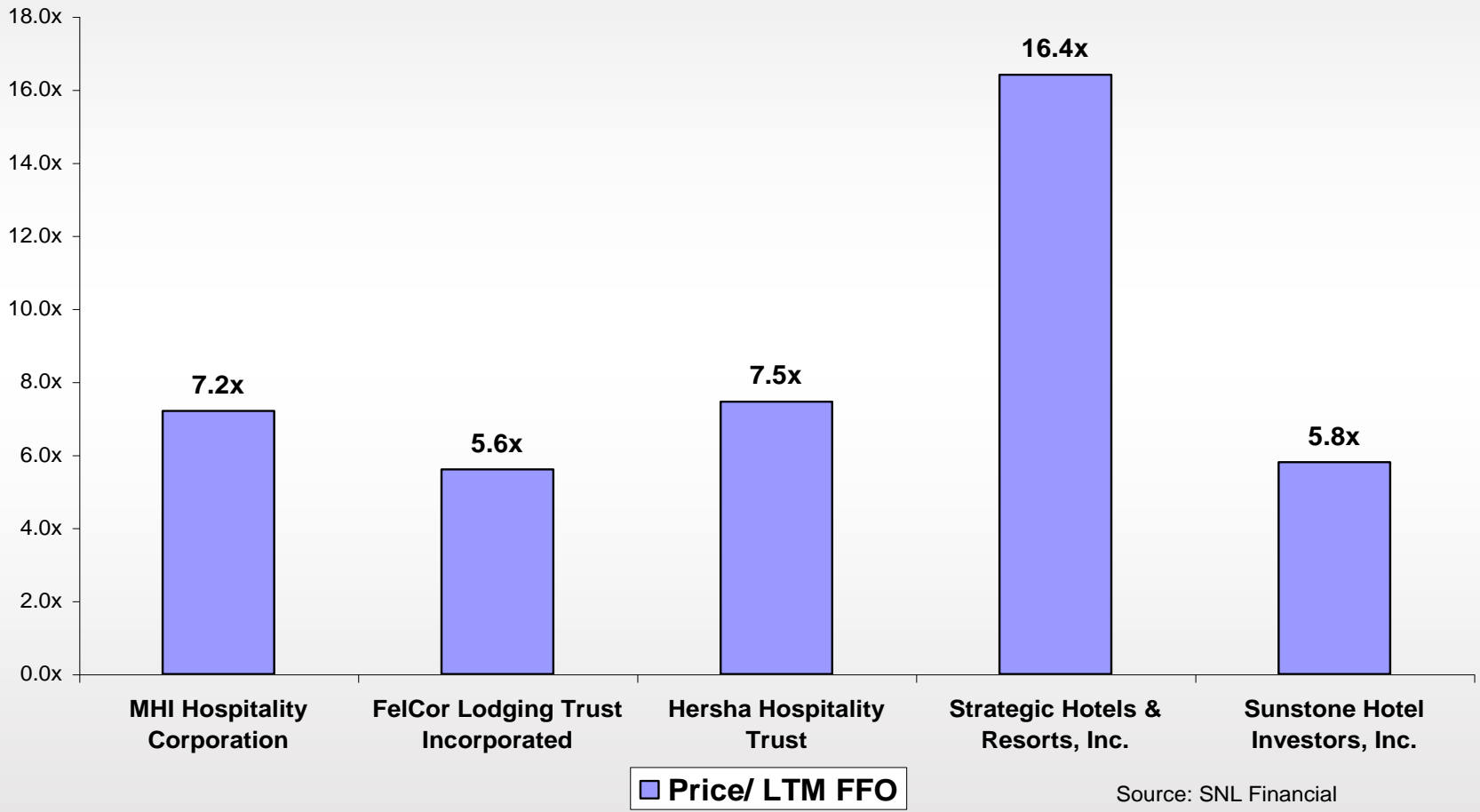
Pricing, Yield, and Cap Rates as of March 31, 2008



Comparative Statistics – SNL Data Source



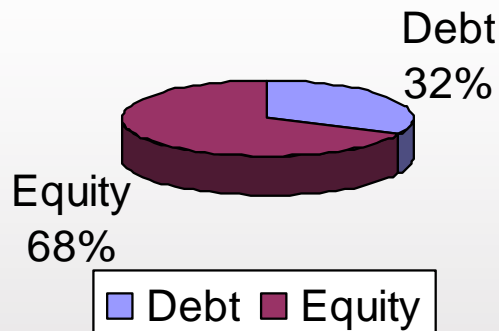
Price/ LTM FFO
as of March 31, 2008



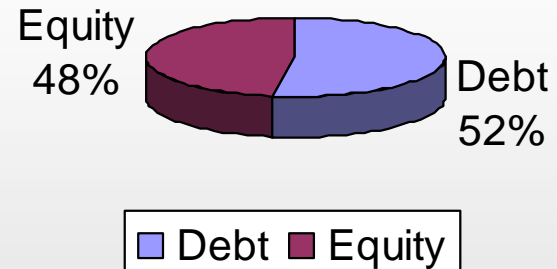
2007 Year End Financial Highlights

▶ <i>RevPAR</i>	<i>\$82.97</i>		
▶ <i>RevPAR Change</i>	<i>+6.0%</i>		
▶ <i>FFO per share</i>	<i>\$0.87</i>	▶ <i>Book Value of Assets</i>	<i>\$127.6M</i> <i>\$160.0M</i>
▶ <i>FFO Multiple</i>	<i>8.3x</i>	▶ <i>Total Market Value</i>	<i>+/- \$207.7M</i> <i>\$238.0M</i>
▶ <i>Dividends</i>	<i>\$0.68</i>	▶ <i>Leverage</i>	<i>\$56.8M</i> <i>\$ 89.4M</i>

Market Value



Book Value



Management Initiatives



2007 Major Initiatives - Update

- ✓ *FFO Guidance: \$1.00-\$1.10; an 8% increase over prior year at mid point of range. **Adjusted FFO@ ___***
- ✓ *Continue with above market dividend policy.*
- ✓ *Complete a joint venture agreement with a private equity group; target QII.*
- *Make accretive acquisitions – execute on pipeline. Minimum deal flow of 2 major transactions.*
 - ✓ *One less than \$30.0M via direct investment. **(Tampa)***
 - ✓ *One or more than \$30.0M investment via the newly formed joint venture. **(Hollywood)***
- ✓ *Maintain disciplined acquisition strategy – do not “chase yield.”*
- *Complete Louisville renovation and branding ; ✓ QI 2008 opening.*
- *Complete Wilmington relicensing with Hilton ✓ and associated renovation; QI 2008 completion.*
- ✓ *Refinance Wilmington first mortgage; QII target closing.*
- ✓ *Refinance Savannah first mortgage; QIV target closing.*
- ✓ *Identify brand for Savannah, execute license, and complete planning for relicensing and associated renovations; target QIV.*
- ✓ *Complete Ruth’s Chris lease in Wilmington; QI.*
- ✓ *Complete restaurant tenant lease in Louisville; QII. **“The Bristol”***

2007 Major Initiatives - Update

- *Complete National restaurant tenant lease in Savannah; QIV. **Not economically feasible.***
- *✓ Renegotiate Line of Credit.*
 - ✓ *Reduce interest rate*
 - ✓ *Increase value of assets to increase borrowing base*

2008 Major Initiatives

- *FFO Guidance: \$1.08-\$1.16; an increase of 11% over prior year at the mid-point of the range.*
- *Continue our above market dividend policy with a bias toward increasing the dividend.*
- *Complete the renovation of the Wilmington asset and open the Ruth's Chris restaurant by March 31, 2008 and comply with budget. Ruth Chris will not open until 6/5/08.*
- *Complete the renovation of the Louisville asset and open the Bristol restaurant in April 2008 and comply with budget.*
- *Complete the renovation of the Savannah asset by year end and comply with budget.*
- *Commence the renovation of the Tampa asset and keep a pace that will allow the hotel to open by first quarter of 2009 and comply with budget.*
- *Identify a restaurant tenant for the Tampa asset, execute a lease, and complete the build out which provides for an opening by Super Bowl 2009.*
- *Complete the Hampton asset acquisition, commence renovation, and enter the Crowne Plaza system by year end.*
- *By year end make one accretive acquisition with Carlyle (or other joint venture partner) for a project cost in excess of \$30.0M, or make one acquisition for the company's account by year end.*
- *Initiate a public relations campaign to expand the Company's coverage and stockholder base to enhance shareholder value.*

Our Value Proposition

“Our proven ability to reposition hotels and provide long-term returns is our value proposition to shareholders and is what we believe differentiates us from other REITs in the sector.”

- Andrew Sims, Chairman & CEO