GVA Marquette Advisors

International Hospitality and Gaming Consultants

July 16, 2008

We are pleased to present as attached our 2007 Hotel Report for the Twin Cities Metropolitan Area. The Twin Cities hotel market saw the introduction of considerable new product in 2007, both within the Minneapolis and I-494 submarkets. Meanwhile, we saw a 4.4% increase in overall lodging demand for the year, with ADR increasing by 5.7%. Metro-wide occupancy for the year was calculated at 69.6%, compared to 68.1% in 2006. Our 2007 full-year ADR came in at $111.91, up from $105.82 in 2006.

We hope that you find the accompanying report and statistics helpful and encourage you to contact us with any questions that you might have, or if we may be of service to you in the months ahead.

We look forward to hearing from you. Also note that you can expect delivery of our 2008 1st half Hotel Report during the third quarter of this year.

Best Regards,

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President

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HOTEL REPORT

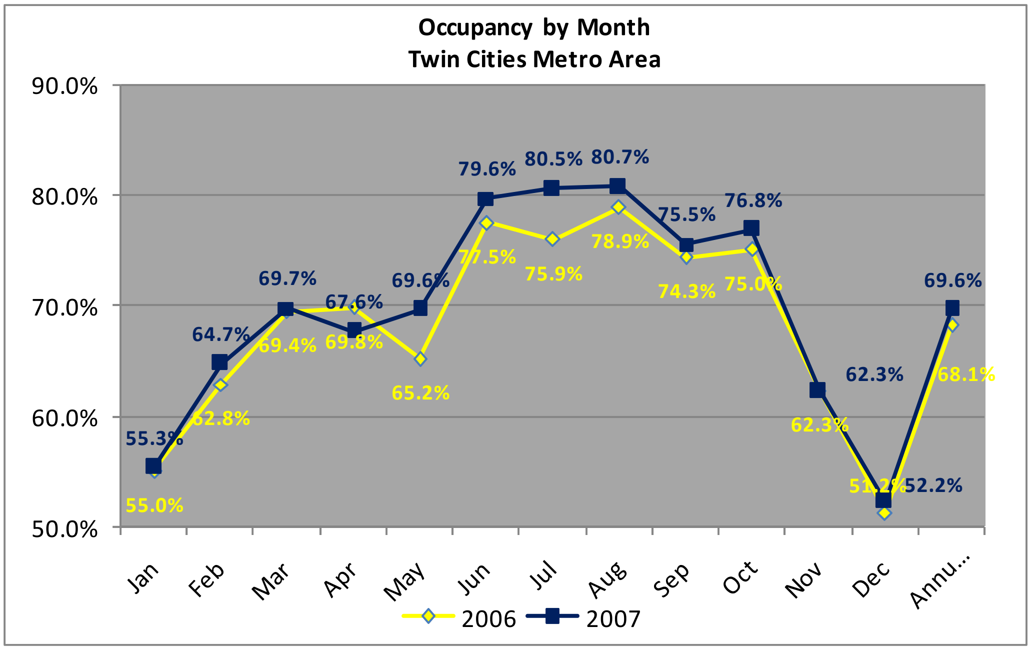
Annual Trend 2007

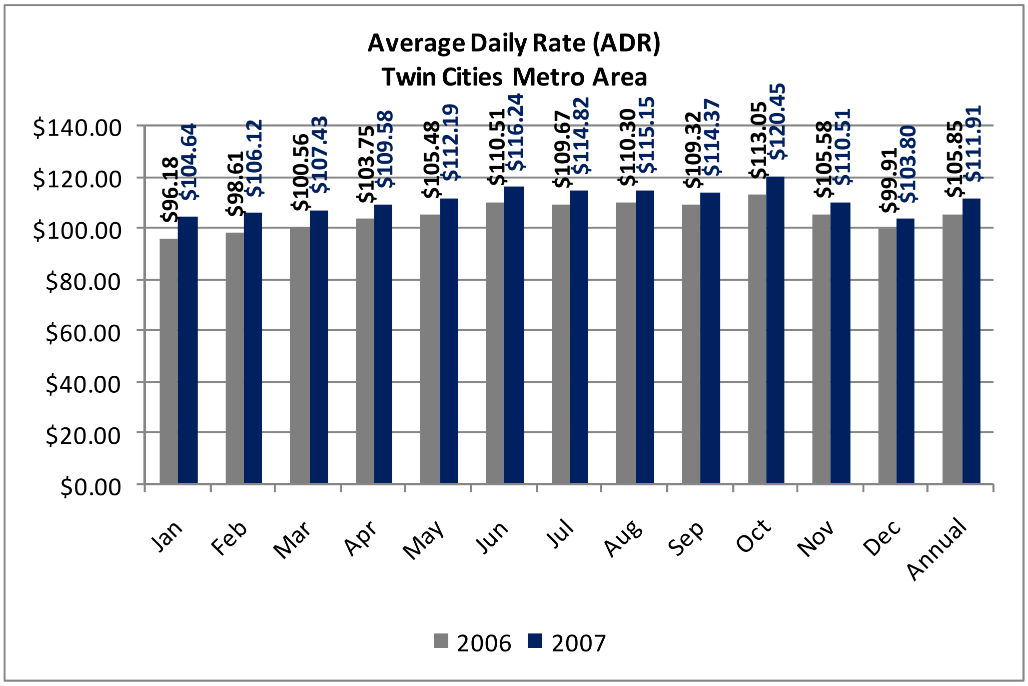
The opening of new hotels in the I-494 corridor and in Minneapolis resulted in increased capacity to accommodate more lodging demand and also push room rates. The strong demand in the metro area is reflected by the 5.7 percent increase in the market-wide average rate.

The rate of growth in the Twin Cities lodging demand increased in each of the first three quarters, but began to slow in the fourth quarter. Annual demand increased by 4.4 percent in the market. The area-wide occupancy peaked at 79 percent in the third quarter and ended up at an annual occupancy of 69.6 percent, 1.5 points higher than what was experienced last year. Average daily rate also peaked in the third quarter and ended at an annual average rate of $111.91, an increase of 5.8 percent over the 2006 level. RevPAR increased by 8.0 percent for the year.

The Minneapolis sector experienced the highest annual occupancy at 71.6 percent, and also had the highest average rate of nearly $1301.

According to PKF Hospitality Research, national hotel occupancy was 63.2 percent in 2007. The increase in supply forecasted for 2008 will exceed the forecasted 0.9 percent increase in demand, so that the nationwide occupancy is expected to decline by a point. ADR is projected to increase by 4.7 percent.





REGIONAL PERFORMANCE

Minneapolis

Minneapolis again experienced large demand increases in each quarter of 2007 ending up with a 4.8 percent overall increase in demand for the year. This compares favorably with the 1.3 percent decline experienced in 2006. The sample includes the new 212-room Westin Hotel that opened in May. The annual occupancy in this sector increased by only 1.6 points to 71.6 percent. The largest occupancy increase occurred in the third quarter. Minneapolis continued to have the highest average rate at $131, which is 5.1 percent above 2006 (a $6.96 increase). The increase in ADR and occupancy combined to produce an annual RevPAR increase of 8.0 percent.

St. Paul

The St. Paul sector experienced an annual occupancy of 60.2 percent in 2007, which was only slightly better than the 60.1 percent occupancy achieved in 2006 and continues to be the lowest occupancy in the market. Lodging demand declined in the first quarter, but increased in each of the last three quarters, ending up 2.1 percent over the 2006 level. The average rate increase slowed to 3.7 percent ($6.00) for the year, compared to 11 percent last year. Annual RevPAR increased by 5.7 %.

I-494 Corridor

Demand in this sector increased by 5.4 percent in 2007, representing a strong recovery from the 1 percent decline experienced in 2006. Occupancy was off in the first quarter but increased in each of the last three to result in a 70.1 percent annual occupancy rate. This market growth was sufficient to increase occupancy by 1.6 points. Average rate increased by nearly 6 percent in 2007 ($5.50), with the largest increases occurring in the first two quarters. RevPAR increased by 8.3 percent for the year.

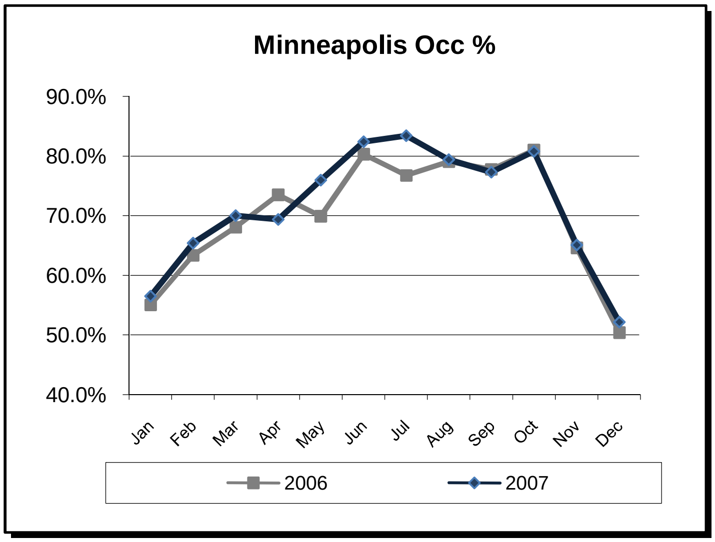
Data Source: The data presented in this report has been provided by Smith Travel Research and is published with their permission.

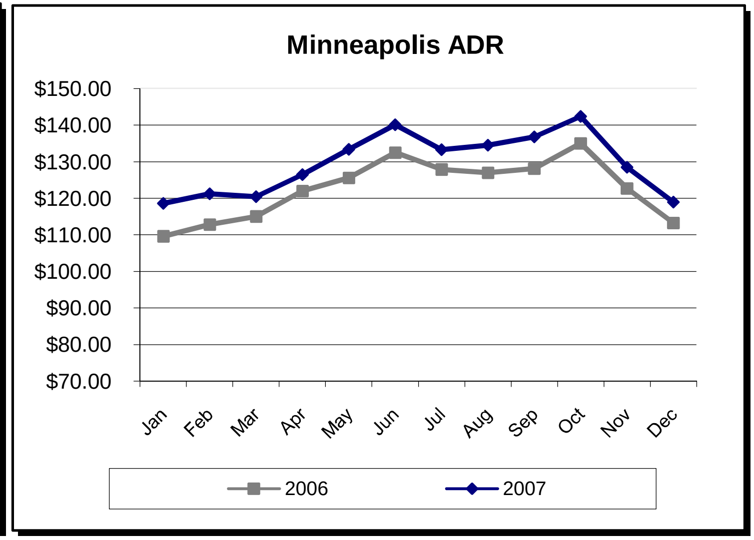
MARKET DEFINITIONS

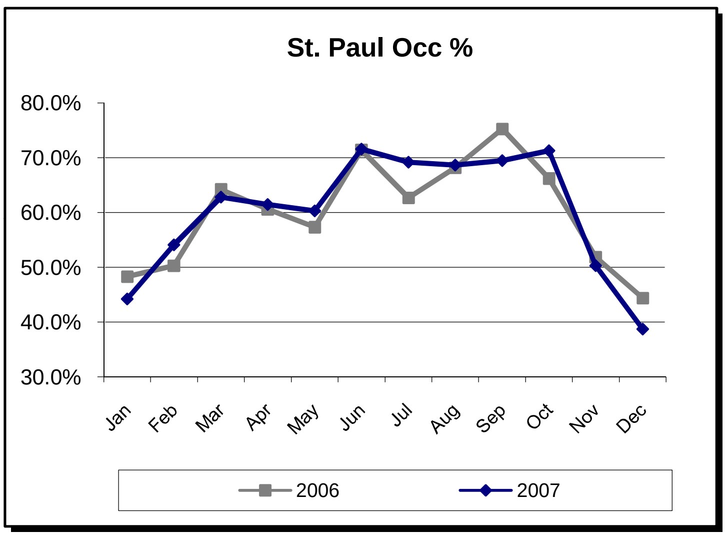
Minneapolis market consists of 29 hotels located within the central business district, the western edge of the city and the Minneapolis campus of the University of Minnesota. These hotels have a total of 6,794 rooms.

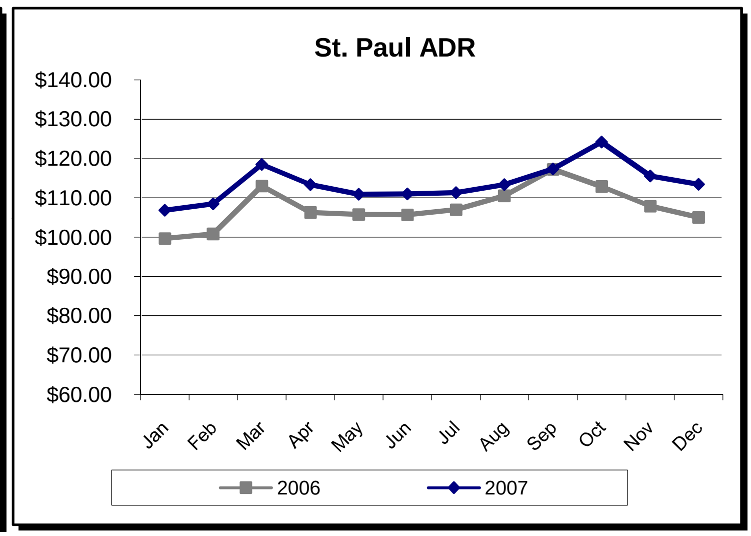
St. Paul market consists of 10 hotels located within the central business and the eastern edge of the city. These hotels have a total of 2,010 rooms.

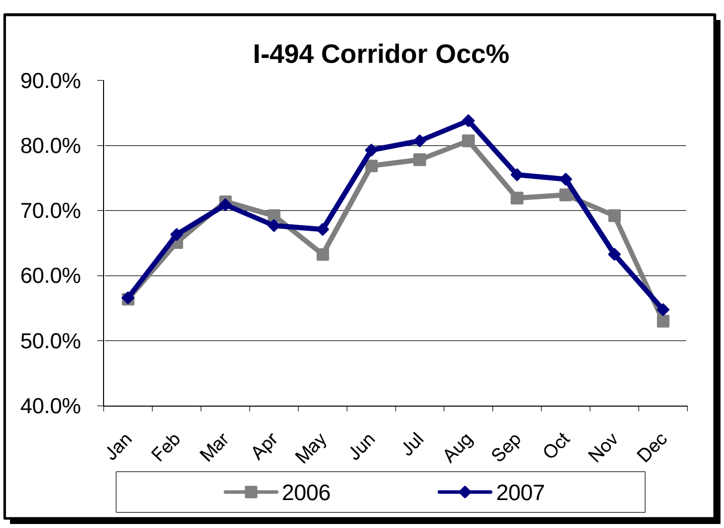
I-494 Strip market consists of 63 hotels located along the I-494 Corridor, including hotels in Eden Prairie, Bloomington and Eagan. These hotels have a total of 10,633 rooms.

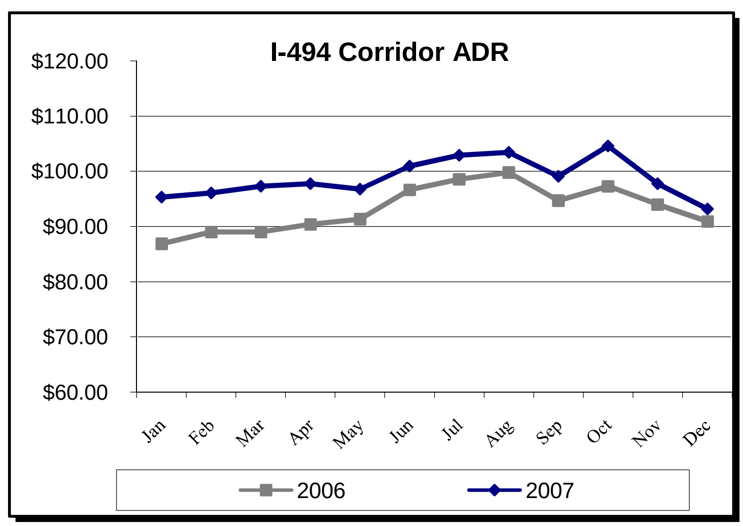












Source: Smith Travel Research

PERFORMANCE BY AREA

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Twin Cities					
2007 Occupancy	63.2%	72.3%	78.9%	63.8%	69.6%
2006 Occupancy	62.2%	74.5%	76.4%	62.8%	68.1%
Change in Demand	3.6%	4.6%	6.0%	3.3%	4.4%
2007 ADR	$106.17	$112.88	$114.79	$112.68	$111.91
2006 ADR	$98.62	$106.75	$109.78	$107.02	$105.82

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Minneapolis					
2007 Occupancy	63.9%	76.0%	80.0%	66.1%	71.6%
2006 Occupancy	62.2%	74.5%	77.9%	65.3%	70.0%
Change in Demand **	3.2%	4.6%	6.7%	4.2%	4.8%
2007 ADR	$120.17	$133.80	$134.80	$131.62	$130.63
2006 ADR	$112.68	$126.92	$127.69	$125.46	$123.67
Percent Change *	6.0%	5.0%	5.1%	4.3%	5.1%

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
St. Paul					
2007 Occupancy	53.7%	64.4%	69.2%	53.5%	60.2%
2006 Occupancy	50.0%	60.3%	68.7%	54.2%	60.1%
Change in Demand **	-2.2%	2.0%	3.0%	5.3%	2.1%
2007 ADR	$112.05	$111.69	$114.06	$118.91	$114.15
2006 ADR	$105.42	$105.89	$111.85	$109.14	$108.16
Percent Change *	2.7%	1.8%	1.9%	9.1%	3.7%

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
I-494 Corridor					
2007 Occupancy	64.5%	71.4%	80.1%	64.3%	70.1%
2006 Occupancy	713.4%	69.9%	76.9%	62.9%	68.5%
Change in Demand	4.8%	4.9%	6.5%	5.2%	5.4%
2007 ADR	$96.35	$98.64	$101.93	$99.16	$99.20
2006 ADR	$88.39	$93.02	$97.83	$94.93	$93.68
Percent Change *	8.8%	5.9%	4.3%	5.1%	5.9%

* Due to changes in sample size between periods, change percent is for the same hotels in each period being compared.

GVA Marquette Advisors is an international real estate counseling firm that provides feasibility study, appraisals, consulting and development services to owners, financial institutions and developers. We are committed to creating strategies that help our clients maximize the potential of their real estate holdings. Through our partnership in GVA Worldwide, we provide these strategies globally.

Through its Hospitality Group, GVA Marquette Advisors offers highly specialized consulting services to hotel and other leisure industry operations throughout North America.

For additional information regarding the HOTEL REPORT or GVA Marquette Advisors, please contact Louis Frillman at:

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