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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
INNKEEPERS USA TRUST, <i>et al.</i> , ¹)	
)	Case No. 10-13800 (SCC)
Debtors.)	
)	Jointly Administered

**MONTHLY OPERATING REPORT FOR THE PERIOD FROM
AUGUST 1 – AUGUST 31, 2011**

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under penalty of perjury that the information contained therein is complete, accurate, and truthful to the best of my knowledge.

Date: September 29, 2011

by: 

Nathan Cook
Chief Financial Officer

¹ The list of Debtors in these Chapter 11 Cases along with the last four digits of each Debtor's federal tax identification number can be found by visiting the Debtors' restructuring website at www.omnimgt.com/innkeepers or by contacting Omni Management Group, LLC at Innkeepers USA Trust c/o Omni Management Group, LLC, 16161 Ventura Boulevard, Suite C, PMB 606, Encino, California 91436. The location of the Debtors' corporate headquarters and the service address for their affiliates is: c/o Innkeepers USA, 340 Royal Poinciana Way, Suite 306, Palm Beach, Florida 33480.

**INNKEEPERS USA TRUST AND ITS AFFILIATED DEBTORS - INDEX TO
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS & SCHEDULES**

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INNKEEPERS USA TRUST AND ITS AFFILIATED DEBTORS
COMBINED CONDENSED
STATEMENTS OF OPERATIONS
(UNAUDITED)*

		Month Ending
		August 31, 2011
Revenue:		
Hotel Operating revenue:		
Rooms		\$ 22,690,248
Food and beverage		651,146
Telephone		36,739
Other operating department		587,499
Total Revenue		23,965,632
Operating Expenses:		
Rooms		4,568,541
Food and beverage		683,231
Telephone		225,402
Other		282,173
General and administrative		2,454,138
Franchise and marketing fees		1,533,967
Amortization of deferred franchise conversion		150,006
Advertising and promotions		740,692
Utilities		1,326,396
Repairs and maintenance		1,259,738
Management fees		603,243
Insurance		143,650
Depreciation		3,835,327
Amortization of franchise fees		21,751
Ground rent		18,201
Property taxes and insurance		1,479,129
Corporate general and administrative		794,517
Other charges		-
Total operating expenses		20,120,102
Operating income		3,845,530
Other income		4,322
Interest expenses		(358,414)
Amortization of loan origination fees		(208,722)
Net Income from continuing operations		3,282,716
Gain (Loss) on Disposals		1,603
Gain (Loss) on sale of assets from discontinued operations		9,892,719
Reorganization items		(2,582,707)
Net income		\$ 10,594,331

The accompanying notes are an integral part of these combined condensed financial statements.

**INNKEEPERS USA TRUST AND ITS AFFILIATED DEBTORS
COMBINED CONDENSED
BALANCE SHEET
(UNAUDITED)**

	As of August 31, 2011
ASSETS	
Investment in hotels:	
Land and improvements	224,640,419
Buildings and improvements	866,592,473
Furniture and equipment	74,080,219
Renovations in process	21,932,711
	1,187,245,823
Accumulated depreciation	(193,672,071)
Net investment in hotels	993,573,751
Cash and cash equivalents	37,072,713
Restricted cash and cash equivalents	16,633,873
Accounts receivable, net	5,452,426
Prepaid and other	3,212,221
Investment in unconsolidated entity	-
Deferred and other	7,048,609
Total Assets	1,062,993,593
LIABILITIES AND SHAREHOLDERS' EQUITY	
Debt	55,107,623
Accounts payable and accrued expenses	27,820,423
Payable to manager	537,498
Liabilities Subject to Compromise	1,178,233,416
Total Liabilities	1,261,698,960
Distributions payable	52,751,792
Shareholders' Equity:	
Series A Preferred shares	75,000,000
Series C Preferred shares	145,000,000
Series D Preferred shares	1,441,389
Common shares	170,992
Additional paid-in capital	171,210,988
Unearned compensation	0
Distributions in excess of earnings	(644,280,527)
Total Shareholders' Equity	(251,457,158)
Total Liabilities and Shareholders' Equity	1,062,993,593

The accompanying notes are an integral part of these combined condensed financial statements.

INNKEEPERS USA TRUST AND ITS AFFILIATED DEBTORS
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL

Nature of the Business

Innkeepers USA Trust (“**Innkeepers**”) is a self-administered real estate investment trust organized under the laws of Maryland and the direct subsidiary of debtor Grand Prix Holdings LLC and the direct or indirect parent of each of the other debtors and debtors in possession (collectively, the “**Debtors**”). The Debtors currently own and operate an expansive portfolio of 64 upscale and mid-priced extended-stay and select-service hotels, consisting of approximately 8,300 rooms, located in 19 states across the United States. The Debtors operate their hotels under premium, well-recognized brands, such as Marriott, Hyatt, Hilton, and others.

On July 19, 2010 (the “**Petition Date**”), the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) (see note 2).

Basis of Presentation

The accompanying consolidated financial statements of the Debtors have been prepared solely for the purpose of complying with the monthly reporting requirements of the Bankruptcy Court.

The monthly information presented herein is unaudited and has been prepared from the books and records of the Debtors on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Pursuant to accounting principles generally accepted in the United States of America (“**U.S. GAAP**”), certain prepetition liabilities of the Debtors have been reclassified as liabilities subject to compromise. Liabilities subject to compromise currently include the Debtors’ long-term indebtedness and amounts due to vendors for goods and services received before the Petition Date and, in the future, may include estimates for claims that arise in connection with the Debtors’ rejection of executory contracts and unexpired leases. The Debtors continue to analyze and reconcile these amounts; therefore, the amounts reflected herein are current estimates and subject to change as a result of additional analysis. Liabilities subject to compromise are distinguished from (i) prepetition liabilities that are estimated to be fully secured or subject to priority and (ii) postpetition liabilities of the Debtors.

These consolidated financial statements are based on the Debtors’ consolidated financial statements as of and for the month ended August 31, 2011. Any changes to prior period balances will be reflected in the current Monthly Operating Report. These statements do not contain all disclosures that would be required for presentation in accordance with U.S. GAAP.

NOTE 2 - CHAPTER 11 PROCEEDINGS

The Debtors’ chapter 11 cases (the “**Chapter 11 Cases**”) have been consolidated for procedural purposes only and are being jointly administered under the caption *In re Innkeepers USA Trust, et al.*, Case No. 10-13800 (Bankr. S.D.N.Y.). The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

Since the commencement of the Chapter 11 Cases, the Bankruptcy Court has authorized the Debtors to borrow up to \$70,498,095 in debtor in possession financing pursuant to the terms of a \$53,000,000 debtor-in-possession credit agreement between certain of the Debtors, collectively as borrowers, and Five Mile Pooling International LLC, as lender, and a \$17,498,095 debtor-in-possession credit agreement between certain of the Debtors, collectively as borrowers, and Solar Finance Inc., as lender.

The Bankruptcy Court has also authorized the Debtors to make certain payments on account of prepetition claims pursuant to various “first day” orders, including the payment of, among other things, certain outstanding amounts owed in connection with the Debtors’ hotel management agreements and shared services agreements, sales, use, and occupancy taxes and fees owed to governmental units, outstanding employee wages, health benefits, and other employee obligations, as well as authority to continue to honor current customer programs. During the

Debtors' Chapter 11 Cases, transactions outside the ordinary course of business will require Bankruptcy Court approval.

As a consequence of the filing of the Chapter 11 Cases, pending litigation against the Debtors is generally subject to the automatic stay under section 362 of the Bankruptcy Code, and no party may take any action to collect prepetition claims except pursuant to an order of the Bankruptcy Court.

On February 13, 2011, pursuant to a Bankruptcy Court order entered on January 26, 2011 [Docket No. 865], the Debtors rejected (a) the ground lease of the Best Western West Palm Beach Airport Inn in West Palm Beach, Florida (the "**West Palm Beach Hotel**"), pursuant to which Debtor Grand Prix West Palm Beach LLC was the lessee, (b) the membership agreement with Best Western International, Inc. ("**Best Western**"), which governed, among other things, the use of Best Western's name, trademarks, service marks, and identification symbols in connection with the West Palm Beach Hotel, and (c) other executory contracts and unexpired leases related to the West Palm Beach Hotel. The Debtors also disposed, donated, or abandoned the property at the West Palm Beach Hotel.

On May 19, 2011, the Bankruptcy Court entered an order approving, among other things, the Debtors' disclosure statement and certain solicitation procedures [Docket No. 1441].

On June 29, 2011, the Bankruptcy Court entered an order confirming the Debtors' proposed plans of reorganization (the "**Plan**") [Docket No. 1804].

On July 7, 2011, the Debtors under the Ontario Joint Plan of Reorganization (the "**Ontario Plan**") emerged from their court-supervised restructuring, and the Ontario Plan became effective [Docket No. 1859].

On July 15, 2011, pursuant to the terms of the Remaining Debtor Joint Plan of Reorganization (the "**Remaining Debtor Plan**"), and subject to the Agreement of Purchase and Sale, dated as of May 3, 2011, between certain of the Debtors and Chatham Lodging, L.P. ("**Chatham**"), the Debtors finalized the sale to Chatham of the Residence Inn in Garden Grove, California, the Residence Inn in San Diego, California, the Doubletree in Washington, District of Columbia, the Residence Inn in Tyson's Corner, Virginia, and the Homewood Suites in San Antonio, Texas (collectively, the "**Remaining Debtor Properties**"). The Debtors and Chatham evenly split the revenue attributable to the Remaining Debtor Properties generated on July 13, 2011, and Chatham began receiving all revenue generated at the Remaining Debtor Properties on July 14, 2011. Consistent therewith, the Combined Condensed Statements of Operations (Unaudited) for the Month Ending July 31, 2011, set forth on page 3 herein, include all revenue and operating expenses attributable to the Remaining Debtor Properties through July 12, 2011, and 50% of the revenue and operating expenses attributable to the Remaining Debtor Properties from July 13, 2011.

Also on July 15, 2011, certain (but not all) of the Debtors under the Remaining Debtor Plan (the "**Effective Date Remaining Debtors**") emerged from their court-supervised restructuring, and the Remaining Debtor Plan with respect to the Effective Date Remaining Debtors became effective [Docket No. 1911].

On July 28, 2011, the Debtors under the Anaheim Joint Plan of Reorganization (the "**Anaheim Plan**") emerged from their court-supervised restructuring, and the Anaheim Plan became effective [Docket No. 1965]. The closing transaction entries for the Anaheim Plan are currently under review and will be reflected in next month's consolidated financial statement.

On August 19, 2011, Cerberus Series Four Holdings, LLC, INK Acquisition LLC, INK Acquisition II LLC, and Chatham Lodging Trust sent the Debtors a notice purporting to terminate their commitments with respect to the \$1.12 billion transaction that forms the basis of the Fixed/Floating Joint Plan of Reorganization (the "**Fixed/Floating Plan**").

The ultimate recovery by the Debtors' creditors and shareholders on account of prepetition claims and interests, if any, will not be determined until implementation of the Plan. Accordingly, the Debtors urge that appropriate caution be exercised with respect to existing and future investments in any of these securities.

For additional information regarding the Chapter 11 Cases, please refer to Innkeepers' website at www.innkeepersusa.com and to the website managed by Omni Management Group, the Debtors' noticing and claims agent, at <http://www.omnimgt.com/innkeepers>.

NOTE 3 - CERTAIN ASSETS AND LIABILITIES SUBJECT TO COMPROMISE

Net Investment in Hotels

Net Investment in Hotels is included in the accompanying balance sheets at its net book value, which was last determined during the Debtors' annual testing performed in December 2009. Book value is not necessarily reflective of current value as of the date of this report, as current value is undetermined.

Liabilities – Debt

The Debtors' Prepetition Debt (as defined herein), included in the Debtors' balance sheet under "Liabilities Subject to Compromise," consists of the following (in thousands):

Debt Name	8/31/2011
\$121mm Floating Rate Lehman Mezzanine Loan	\$133,691
\$238mm Floating Rate Lehman Senior Mortgage Loan	\$220,411
\$825mm Fixed Rate CMBS Pool - LB-UBS 2007-C6	\$418,165
\$825mm Fixed Rate CMBS Pool - LB-UBS 2007-C7	\$418,165
TOTAL*	\$1,190,431**

* Subject to the terms of the Final Order Authorizing the Debtors to (i) Use the Adequate Protection Parties' Cash Collateral and (ii) Provide Adequate Protection to the Adequate Protection Parties Pursuant to 11 U.S.C. §§ 361, 362, and 363, entered by the Bankruptcy Court on September 2, 2010 [Docket No. 402].

** The Prepetition Debt securing the Remaining Debtor Properties is no longer included in the Debtors' balance sheet.

The filing of the Chapter 11 Cases constituted an event of default under, or otherwise triggered repayment obligations with respect to, a number of debt instruments and agreements relating to direct and indirect financial obligations of the Debtors (collectively, the "**Prepetition Debt**"). As a result, obligations under the Prepetition Debt became automatically and immediately due and payable. The Debtors believe that any efforts to enforce the payment obligations under the Prepetition Debt have been stayed as a result of the filing of the Chapter 11 Cases. While operating in chapter 11, the Debtors ceased recording interest on the Prepetition Debt subject to compromise.

NOTE 4 - REORGANIZATION ITEMS

Reorganization items included net charges of approximately \$2.6 million in August 2011, which consisted primarily of professional fees associated with the Chapter 11 Cases.

SCHEDULE I

**SCHEDULE OF TOTAL DISBURSEMENTS BY DEBTOR FOR AUGUST 1 THROUGH
AUGUST 31, 2011**

INNKEEPERS USA TRUST AND RELATED CASES:			
Case #:	Case Name	August 31, 2011 Disbursements:	Quarterly Fees Due to the United State Trustee's Office:
081-10-13801	GP AC SUBLESSEE LLC	\$0	\$0
081-10-13803	GRAND PRIX ADDISON (RI) LLC	\$0	\$0
081-10-13804	GRAND PRIX ADDISON (SS) LLC	\$0	\$0
081-10-13805	GRAND PRIX ALBANY LLC	\$0	\$0
081-10-13806	GRAND PRIX ALTAMONTE LLC	\$0	\$0
081-10-13807	GRAND PRIX ANAHEIM ORANGE LESSEE LLC	\$0	\$0
081-10-13808	GRAND PRIX ARLINGTON LLC	\$0	\$0
081-10-13809	GRAND PRIX ATLANTA (PEACHTREE CORNERS) LLC	\$0	\$0
081-10-13810	GRAND PRIX ATLANTA LLC	\$0	\$0
081-10-13811	GRAND PRIX ATLANTA CITY LLC	\$0	\$0
081-10-13812	GRAND PRIX BELLEVUE LLC	\$0	\$0
081-10-13813	GRAND PRIX BELMONT LLC	\$0	\$0
081-10-13814	GRAND PRIX BINGHAMTON LLC	\$0	\$0
081-10-13815	GRAND PRIX BOTHELL LLC	\$0	\$0
081-10-13816	GRAND PRIX BULFINCH LLC	\$0	\$0
081-10-13817	GRAND PRIX CAMPBELL/ SAN JOSE LLC	\$0	\$0
081-10-13818	GRAND PRIX CHERRY HILL LLC	\$0	\$0
081-10-13819	GRAND PRIX CHICAGO LLC	\$0	\$0
081-10-13820	GRAND PRIX COLUMBIA LLC	\$0	\$0
081-10-13821	GRAND PRIX DENVER LLC	\$0	\$0
081-10-13822	GRAND PRIX EAST LANSING LLC	\$0	\$0
081-10-13823	GRAND PRIX EL SEGUNDO LLC	\$0	\$0
081-10-13824	GRAND PRIX ENGLEWOOD / DENVER SOUTH LLC	\$0	\$0
081-10-13825	GRAND PRIX FIXED LESSEE LLC	\$0	\$0
081-10-13826	GRAND PRIX FLOATING LESSEE LLC	\$864,791	\$0
081-10-13827	GRAND PRIX FREMONT LLC	\$0	\$0
081-10-13828	GRAND PRIX FT. LAUDERDALE LLC	\$0	\$0
081-10-13829	GRAND PRIX FT. WAYNE LLC	\$0	\$0
081-10-13830	GRAND PRIX GAITHERSBURG LLC	\$0	\$0
081-10-13831	GRAND PRIX GENERAL LESSEE LLC	\$0	\$0
081-10-13832	GRAND PRIX GERMANTOWN LLC	\$0	\$0
081-10-13833	GRAND PRIX GRAND RAPIDS LLC	\$0	\$0
081-10-13834	GRAND PRIX HARRISBURG LLC	\$0	\$0
081-10-13793	GRAND PRIX HOLDINGS LLC	\$0	\$0
081-10-13835	GRAND PRIX HORSHAM LLC	\$0	\$0
081-10-13837	GRAND PRIX IHM, INC.	\$0	\$0
081-10-13838	GRAND PRIX INDIANAPOLIS LLC	\$0	\$0
081-10-13839	GRAND PRIX ISLANDIA LLC	\$0	\$0

SCHEDULE I

**SCHEDULE OF TOTAL DISBURSEMENTS BY DEBTOR FOR AUGUST 1 THROUGH
AUGUST 31, 2011**

INNKEEPERS USA TRUST AND RELATED CASES:			
Case #:	Case Name	August 31, 2011 Disbursements:	Quarterly Fees Due to the United State Trustee's Office:
081-10-13840	GRAND PRIX LAS COLINAS LLC	\$0	\$0
081-10-13841	GRAND PRIX LEXINGTON LLC	\$0	\$0
081-10-13843	GRAND PRIX LIVONIA LLC	\$0	\$0
081-10-13844	GRAND PRIX LOMBARD LLC	\$0	\$0
081-10-13845	GRAND PRIX LOUISVILLE (RI) LLC	\$0	\$0
081-10-13846	GRAND PRIX LYNNWOOD LLC	\$0	\$0
081-10-13847	GRAND PRIX MEZZ BORROWER FIXED, LLC	\$0	\$0
081-10-13798	GRAND PRIX MEZZ BORROWER FLOATING, LLC	\$0	\$0
081-10-13796	GRAND PRIX MEZZ BORROWER FLOATING 2, LLC	\$0	\$0
081-10-13848	GRAND PRIX MEZZ BORROWER TERM LLC	\$0	\$0
081-10-13849	GRAND PRIX MONTVALE LLC	\$0	\$0
081-10-13850	GRAND PRIX MORRISTOWN LLC	\$0	\$0
081-10-13851	GRAND PRIX MOUNTAIN VIEW LLC	\$0	\$0
081-10-13852	GRAND PRIX MT. LAUREL LLC	\$0	\$0
081-10-13853	GRAND PRIX NAPLES LLC	\$0	\$0
081-10-13854	GRAND PRIX ONTARIO LESSEE LLC	\$0	\$0
081-10-13855	GRAND PRIX ONTARIO LLC	\$0	\$0
081-10-13856	GRAND PRIX PORTLAND LLC	\$0	\$0
081-10-13857	GRAND PRIX RICHMOND (NORTHWEST) LLC	\$0	\$0
081-10-13858	GRAND PRIX RICHMOND LLC	\$0	\$0
081-10-13860	GRAND PRIX RIGG LESSEE LLC	\$0	\$0
081-10-13861	GRAND PRIX RIMV LESSEE LLC	\$0	\$0
081-10-13862	GRAND PRIX ROCKVILLE LLC	\$0	\$0
081-10-13864	GRAND PRIX SADDLE RIVER LLC	\$0	\$0
081-10-13865	GRAND PRIX SAN JOSE LLC	\$0	\$0
081-10-13866	GRAND PRIX SAN MATEO LLC	\$0	\$0
081-10-13867	GRAND PRIX SCHAUMBURG LLC	\$0	\$0
081-10-13868	GRAND PRIX SHELTON LLC	\$0	\$0
081-10-13869	GRAND PRIX SILI I LLC	\$0	\$0
081-10-13870	GRAND PRIX SILI II LLC	\$0	\$0
081-10-13799	GRAND PRIX TERM LESSEE LLC	\$0	\$0
081-10-13871	GRAND PRIX TROY (CENTRAL) LLC	\$0	\$0
081-10-13872	GRAND PRIX TROY (SE) LLC	\$0	\$0
081-10-13874	GRAND PRIX TUKWILA LLC	\$0	\$0
081-10-13875	GRAND PRIX WEST PALM BEACH LLC	\$0	\$0
081-10-13876	GRAND PRIX WESTCHESTER LLC	\$0	\$0
081-10-13877	GRAND PRIX WILLOW GROVE LLC	\$0	\$0
081-10-13878	GRAND PRIX WINDSOR LLC	\$0	\$0

SCHEDULE I

**SCHEDULE OF TOTAL DISBURSEMENTS BY DEBTOR FOR AUGUST 1 THROUGH
AUGUST 31, 2011**

INNKEEPERS USA TRUST AND RELATED CASES:			
Case #:	Case Name	August 31, 2011 Disbursements:	Quarterly Fees Due to the United State Trustee's Office:
081-10-13879	GRAND PRIX WOBURN LLC	\$0	\$0
081-10-13880	INNKEEPERS FINANCIAL CORPORATION	\$0	\$0
081-10-13794	INNKEEPERS USA LIMITED PARTNERSHIP	\$11,403,418	\$0
081-10-13800	INNKEEPERS USA TRUST	\$0	\$0
081-10-13881	KPA HI ONTARIO LLC	\$0	\$0
081-10-13882	KPA HS ANAHEIM, LLC	\$0	\$0
081-10-13883	KPA LEASECO HOLDING INC.	\$18,673,675	\$0
081-10-13884	KPA LEASECO, INC.	\$0	\$0
081-10-13885	KPA RIGG, LLC	\$0	\$0
081-10-13886	KPA RIMV, LLC	\$0	\$0
081-10-13887	KPA SAN ANTONIO, LLC	\$0	\$0
081-10-13888	KPA TYSONS CORNER RI, LLC	\$0	\$0
081-10-13889	KPA WASHINGTON DC, LLC	\$0	\$0
081-10-13890	KPA/GP FT. WALTON LLC	\$0	\$0
081-10-13892	KPA/GP LOUISVILLE (HI) LLC	\$0	\$0
081-10-13893	KPA/GP VALENCIA LLC	\$0	\$0
	GRAND TOTALS:	\$30,941,885	\$0

NOTES:

Cash is managed as described in the *Debtors' Motion for the Entry of an Order Authorizing the Continued Use of (I) Existing Cash Management System, as Modified Herein, (II) Existing Bank Accounts, (III) Existing Business Forms, and (IV) Certain Existing Investment Guidelines* [Docket No. 14] (the "**Cash Management Motion**") and subject to the order entered by the Bankruptcy Court granting the Cash Management Motion on a final basis on September 2, 2010 [Docket No. 401].

The Debtors' financial affairs are complex, and they operate their business as a comprehensive enterprise. Before the Petition Date, the Debtors maintained a cash management and disbursement system in the ordinary course of their business (the "**Cash Management System**"). Pursuant to the Debtors' Cash Management System, cash disbursements are centralized and are made by four Debtor entities for the benefit of all operating affiliates.

All of the Debtors' hotels are managed by third-party property managers (the "**Property Managers**"),¹ which contract with service providers and purchase substantially all services, goods, and materials utilized in the operation of the Debtors' hotels. The Property Managers employ an aggregate of approximately 2,300 employees in connection with the operation of the hotels and the Debtors have approximately 30 employees. Thus, this Schedule I has been prepared, in large part, based upon the information and work product and/or representations made available to the Debtors and their advisors by representatives of the third-party Property Managers.

¹ Island Hospitality Management, Inc. is the Property Manager for 63 of the Debtors' 64 hotels. Dimension Development Company, Inc. is the Property Manager for the other hotel.

**SCHEDULE II
DEBTORS' QUESTIONNAIRE***

	<u>Yes</u>	<u>No</u>
1 Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2 Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X ⁽¹⁾
3 Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4 Are workers compensation, general liability, or other necessary insurance coverages expired or cancelled, or has the Debtor received notice of expiration or cancellation of such policies?.....		X
5 Is the Debtor delinquent in paying any insurance premium payment?		X
6 Have any payments been made on prepetition liabilities this reporting period?	X ⁽²⁾	
7 Are any post petition receivables (accounts, notes, or loans) due from related parties?		X
8 Are any post petition payroll taxes past due?		X
9 Are any postpetition State or Federal income taxes past due?		X
10 Are any postpetition real estate taxes past due?.....		X ⁽³⁾
11 Are any other post petition taxes past due?.....		X
12 Have any pre-petition taxes been paid during this reporting period?	X ⁽²⁾	
13 Are any amounts owed to post petition creditors delinquent?		X ⁽⁴⁾
14 Are any wage payments past due?		X
15 Have any post petition loans been received by the Debtor from any party?	X ⁽⁵⁾	
16 Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17 Is the Debtor delinquent with any court ordered payments to attorneys or other professionals? ..		X
18 Have the owners or shareholders received any compensation outside of the normal course of business?		X

* Unless otherwise indicated, answer is for the combined group of Debtors (see Note 1 herein).

- (1) Funds have been disbursed from existing operating accounts as authorized by the court order approving the Cash Management Motion.
- (2) An aggregate of approximately \$2,128,139 has been paid in the reporting period by or on behalf of the Debtors with respect to pre-petition liabilities, as approved by the Bankruptcy Court. Such disbursements have been for outstanding amounts owed in connection with the Debtors' hotel management agreements and shared services agreements, taxes and fees owed to governmental units, and outstanding employee wages, health benefits, and other employee obligations.
- (3) Where the Debtors are invoiced for real estate taxes incurred both prepetition and postpetition in a single invoice, the Debtors have remitted payment in certain instances for those taxes incurred in the postpetition period only. Certain real estate taxing authorities have returned the Debtors' timely payment, citing an unwillingness to accept partial payment of the amounts in the invoice. The Debtors will continue to work with these taxing authorities to resolve the issue and are otherwise current with respect to payment of postpetition real estate taxes.
- (4) Does not include amounts that may be past due and for which the Debtors are reviewing billing discrepancies and/or contract terms.
- (5) As described in Note 3 herein, which description is incorporated into this response by reference, the Debtors are party to debtor-in-possession credit agreements in the amount of up to \$70,498,095.