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FOR IMMEDIATE RELEASE

LONG-TIME ALASKA HOTEL DEVELOPER CONTINUES TO BUILD

The Hotel Group Manages Expanded Portfolio

September 18, 2007—Edmonds, WA. The Hotel Group (THG), the largest independent hotel management company in the Pacific Northwest, has plans to expand its portfolio of properties in Alaska to a total of nine which includes the new construction of a new Full Service Hotel at the Anchorage airport and a Holiday Inn Express in Fairbanks. Work is also underway for the expansion of an existing Holiday Inn Express in Seward Harbor. All three hotels are being developed by A&A Construction and Development who has been active in Alaska hospitality since 1992. Upon completion of these projects, THG will manage nearly 1,000 hotel rooms in Alaska and expects to add approximately 100 full-time and seasonal employees.

Full Service Hotel, Anchorage (Brand To Be Announced) - Ground was broken this month for a six-story, 166-room full-service hotel at the Anchorage Airport located at the corner of International Airport Road and C Street. This full-service hotel will include a restaurant and lounge, business center, indoor pool with spa, in-room coffee makers, guest laundry, hair dryers, voice mail and high-speed DSL. Additionally, the hotel will offer banquet services with 2,800 sq. ft. of meeting space. The property is scheduled to open in the Fall of 2008.

Holiday Inn Express Fairbanks -- Construction of a new 106-room Holiday Inn Express is underway adjacent to the Johansson Express Way at 400 Merhar Avenue. The hotel will feature an indoor pool and spa, business center, exercise room and guest laundry. Guest room amenities include coffee makers, iron

and ironing boards and free high-speed internet. In addition, the hotel will offer The Express Start® Breakfast Bar featuring cinnamon rolls. THG has slated the opening of the Holiday Inn Express for next Summer.

Holiday Inn Express Seward Harbor -- Work has begun on the Holiday Inn Express in Seward Harbor which includes new retail space and the addition of nine guest rooms and two meeting rooms. When completed next Spring, the hotel will offer a total of 91 guest rooms.

“A steady increase in tourism and commerce with the nearly completed Anchorage Convention Center and the prospect of a Gas Pipeline Agreement, have contributed to the additional demand for quality hotels in Alaska” said Tammy Griffin, director of operations for The Hotel Group. “As a life-long resident, I have never been more excited about Alaska’s future and both THG & A&A Development’s continuing commitment to provide the very finest in lodging accommodations,” Griffin added.

Alaska hotels which The Hotel Group currently manages and/or owns include: the Holiday Inn Express Anchorage Airport, Microtel Inn & Suites Anchorage Airport, Comfort Inn Ship Creek, Fairfield Inn & Suites and Motel 6, all located in Anchorage; The Comfort Inn Chena River in Fairbanks, and the Holiday Inn Express in Seward Harbor.

About The Hotel Group:

THG currently manages and/or owns 27 properties in 10 states and employs over 1,800 people. Since its inception in 1984, THG has managed more than 100 properties in 20 states, directed the design and construction of 30 new hotels, completed \$460 million of asset management assignments for The Resolution Trust Company, and is the sponsor of The Hotel Group Opportunity Funds I, II and III. For more information visit www.thehotelgroup.com or call (425) 771-1788.

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