



INSIDE Torgerson PROPERTIES

Winter 2003

A Message From Tom Torgerson



Tom Torgerson
Chief Executive Officer,
Torgerson Properties, Inc.

Who has the crystal ball, I don't think any economist does these days! Yes, we were slipping towards recession starting the spring of 2001. Then, 9/11 catapulted us firmly into it, at least for the travel and hospitality industries. Ending 2001, most, including myself, felt that we would have a slow start to 2002 gaining strength and momentum in the last half. Well, that didn't happen. In fact, we are now into 2003 and any article you read out of the hospitality trade rags calls for a similar year to what we had in 2002, and for recovery to only begin in 2004. I am starting to have more confidence in my local channel 5 meteorologists than any economist I read about. Actually seems as though one is better off not listening to the news

at all. Basically all I do know is that demand for our products is soft and the times couldn't be more competitive.

TPI is all about quality and service while simultaneously maintaining strong financial health. With that in mind, we couldn't be in a more trying period for accomplishing these business fundamentals. To be successful in this endeavor requires that we wake up each day and embrace it as a challenge in and of itself to successfully execute these fundamentals. If we don't take this challenge on one day at a time, and win these daily battles, I assure you, we won't have a successful month, quarter or 2003 year. Strong financial health is of paramount importance to TPI's future. Strong financial health enables TPI to continue it's reinvestment into improvements for each of your properties, ensuring their continued competitiveness. As it turns out, TPI invested almost three million dollars into property improvements during 2002 and is slated to invest two million towards this cause during 2003. I can not reinforce enough how important it is that we all continue to pull together during these trying times and win the daily battles thereby ensuring our long-term competitiveness and positive work place environments.

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A Message From Mitch Peterson

As I reflect back upon this past year I am struck with how little control we have over so many things in our life. In fact, if we are not careful, the very existence of these conditions may keep us from addressing those things that are "within" our control. Last January, as we looked ahead to the upcoming year, we maintained a measured sense of optimism as to what 2002 would present for the economy, and for TPI. Unfortunately, 2002 did not play out to what we initially hoped would be its maximum potential. As we continue to live in a climate of uncertainty and challenge it is abundantly clear to me that adversity will "always" a part of our lives. Whether it is in our work, our personal lives, or in our surroundings, it is a regular part of our existence. In the final analysis it is only the "degree" of adversity that actually changes.



Mitch Peterson
President
Torgerson Properties, Inc.

Success, at any level, will always be a reflection of one's ability to deal with adversity. We can succumb to adversity and spend our time pointing out why we "cannot" succeed (as a result of all those things that we "believe" to be out of our control) or, we can accept that adversity exists and find ways to overcome it. Success, as a byproduct of adversity, will always be achieved as a result of some common characteristics: focus, determination, creativity, resilience, adaptability and most importantly, a fundamental belief that adversity can, in fact, be overcome. This concept of success through adversity has been a cornerstone of TPI's long term success. Throughout our life cycle we have overcome regular bouts of adversity by avoiding the temptation to panic while instead focusing our efforts on fighting through the adversity to achieve a greater benefit. We have consistently learned that adversity will never leave you where it found you; it will either strengthen your character or weaken your resolve. Adversity is not something that we have learned to fear but rather something that we embrace. It is the sole condition that forces our growth and uncovers the true greatness of our team. Ironically, the very thing that we could easily view as our worst enemy is also our best friend. Without the element of adversity there would be no call to inspire "new and better" ways of operating our businesses and we would, as a result, invite our own demise.

Though I have no crystal ball, I am certain that there remain many challenges ahead of us. And as strange as it may sound, I am thankful for the existence of these same challenges. It is in these times that I see the absolute strength and "razor sharp" agility of the TPI team. Looking ahead to 2003 I again maintain a measured sense of optimism as to what is in store for TPI. More importantly, I maintain a profound sense of confidence that our TPI team will once again prove that we maintain the ability to navigate through even the most turbulent waters while operating with surgical precision.

I look forward to our application of these principles on a "daily" basis throughout 2003!

"The harder the conflict, the more glory in overcoming it." – Thomas Paine

Mitch Peterson

Continued from Page 1—**Tom Torgerson**

We have grown a great team of associates and that is extremely important. It is important because we will win or fail as a team, not as any one individual. I have the greatest level of respect for the Associates that make up TPI and am so grateful to each and every one of you. I would not want to be in battle with any other team than this very special one we have worked so hard to build here at TPI. Even though the times are trying, I love going to work each and every day. I truly love it because of the pride I have in how well you all deliver quality and service while simultaneously maintaining TPI's strong financial health. My passion for this business has never been stronger and I believe it is because we feed upon each other's enthusiasm and pride in making great guest experiences and a job well done.

My hat is off to all the Associates here at TPI! Let's together keep the success momentum rolling forward here in 2003, winning the battles one day at a time!

Tom Torgerson

Ade Dawodu...An Inspiration

Recently, Ade Dawodu of Hilton Shoreview was awarded the Spirit Of Pride Award by the Hilton Garden Inn hotel division. With this award, Ade received \$500 from Hilton, a plaque for himself and one for the hotel, as well as an invitation to an awards banquet in Anaheim, California this May! What did Ade do to deserve such a prestigious award? I think you'll understand as you read the nomination statement submitted by the Hilton Shoreview management team...

"Ade is hearing impaired. He came here knowing not much more than sign language. Ade worked over tons of barriers to prove to us that he could be a great cook and fulfill our motto "You Have The Power". He has turned full circle; even attempting to "speak" to guests and getting their omelet orders by reading lips in the event the server is swamped. He takes great pride in his work, cleans until there is no tomorrow, and is willing to clean rooms, shovel sidewalks and most likely check guests in at the front desk if he was taught the procedures. Disability? Handicapped? No such words in his vocabulary. He came from another country and knew no English words. Now he is our #1 employee, helping guests with AV requests, special orders or anything else asked of him. Ade has shown us and our guests that barriers and no-can-do attitudes are null and void. He can do it all...and with a huge smile!!!"



Ade Dawodu
Hilton Shoreview

Congratulations Ade, on a well-deserved award!



Holiday Inn Fairmont Updates Pool

When was the last time you were at the Holiday Inn of Fairmont? Recently, they began sporting a newly renovated pool area. In mid November, the entire pool area was closed to complete this major project. The improvements included cutting out the old spa, then adding rebar and cement to create a totally new spa with new jets. In addition, the main pool and the wading pool were sandblasted, with old tile being replaced. Then the spa and both pools received a DiamondBrite finish. WOW...what an impact! Next, the entire pool deck was replaced with a new pebble rock surface, including fresh tile around the rim of each pool. But they're not done yet. New artificial plants were added, and new furniture and a fresh paint job are scheduled for Q1 of 2003. The entire pool area looks fabulous. It has the feel of a brand new hotel. Congratulations to the entire Holiday Inn Fairmont team on such a noticeable improvement.

This is just another example of TPI's capital expense program at work. Holiday Inn Fairmont is one of many locations that have experienced noticeable improvements in their facility. In 2002, TPI allocated over \$2.8 million in capital funds to ensure our competitive presence at each of our business locations. The largest capital expense for 2002 was the installation of high speed internet access at each of our hotel locations. This commitment has put TPI hotels on the cutting edge of the hospitality industry,

Staybridge Suites Eagan Says Thanks

On Tuesday November 26th, guests and associates of the Staybridge Suites in Eagan joined each other for their 2nd annual Thanksgiving feast. On the menu were two 25 pound turkeys, stuffing, potatoes, corn, and pumpkin pie (all prepared by chef Vinh Huynh, AGM). Associates at SSE and their families gathered to give thanks and celebrate the holiday. The event was a huge success with over thirty associates and family members joining with the hotel guests. A special thank you to Mandi, Naomi M., Ryan, Barb, Nicole, and Naomi B. for their assistance in making this a successful and reoccurring event.



2002 TPI Award Winning Hotels

Sales
Achievement
Award



*Staybridge
Suites Eagan*

President's
Award



*Days Inn
Willmar*

Top Gun
Award



*Holiday Inn
Willmar*

Teamwork
Award



*Fairmont
Hotels*

Chairman's
Award



*Staybridge
Suites Naples*

Property Of
The Year



*Hampton Inn
Shoreview*

2002 TPI Award Winning Restaurants

Sales
Achievement
Award



*Green Mill
Eagan*

President's
Award



*Green Mill
Willmar*

Top Gun
Award



*Torge's
Fairmont*

Teamwork
Award



*Torge's
Fairmont*

Chairman's
Award



*Perkins
Red Wing*

Property Of
The Year



*Torge's
Fairmont*

Whatever It Takes For Outrageous Guest Service...

An excerpt from a letter received at Holiday Inn Fairmont...

"The staff at the Holiday Inn provided exceptional service. The food was delicious and there was plenty of it. The coordinator for the Arc Minnesota reported the staff members as the best he has worked with, and he has worked with a great number. It has been my experience that at many conferences, we need to hunt down staff when we have questions or problems. In Fairmont, staff remained close at hand and check in on a regular basis. Extra tables and equipment were put in place quickly. A number of people noted that the Fairmont conferences were the best conferences they have attended. People remarked on the ease in finding conference rooms, the short walking distance and the comfortable surroundings. People will not be disappointed in choosing the Holiday Inn of Fairmont for their next conference or business meeting."

A letter received at Green Mill Shoreview...

"I just wanted to take a moment to compliment you on the wonderful staff at your Shoreview, Minnesota Green Mill location. My sister and I had lunch there on October 25th. We have been there before, and to many other locations, but from start to finish the experience was outstanding. My sister and I each have a toddler, and we were trying to grab a quick lunch for ourselves and them and get out the door. Our waitress, Misti, went above and beyond to make our experience delightful. Along with making sure the kids had what they needed, she did things that most people wouldn't even think to do...placing hot items well out of reach of the kids, providing plenty of extra napkins and kids cups with straws. In addition, she spoke so nicely to the kids. Even at this very busy time at the restaurant, she made us feel so welcome. At one point, my daughter needed to go to the restroom, and on our way back, we were right in the way of a young man (waiter, host or manager, I'm not sure.) He stopped in his tracks, gallantly let us pass, and took the time to ask my three-year-old if she was having a good lunch. I wish we had gotten his name. I just wanted you to know how great it was to experience such service. It's been so long that I had forgotten what good service was like! Whatever you guys are doing there, keep it up. My husband works at Medtronic, which is close to that location, and when I told him about our experience, he said that he had always had amazing service there. In addition, although they didn't know it, October 25th was also my sister's birthday. Thank you and your restaurant for helping to make that day wonderful."

"It's been so long that I had forgotten what good service was like! Whatever you guys are doing there, keep it up."

A letter received at Green Mill Shoreview...

"I have been a manager in retail sales for a good portion of my adult life, and I know that many are so quick to complain, and few are as quick to compliment. I have been an avid patron of Green Mill for quite some time, and like all chain stores, their customer service can greatly vary from one store to another. Now it is no secret with my friends that my favorite pizza place is the Green Mill. Recently, I've been working to broaden my horizons by introducing myself to the rest of your delicious menu, but it is the total team effort by your employees that separates your restaurant from many of the other dining establishments I have visited. Whether for lunch or dinner, I have received the most excellent service regardless of the server. Each time seems to be as good or better than the time before, as your team's positive attitude and service skills make the atmosphere at the Green Mill a pleasure to be a part of. Another piece of the ambiance that places your location head and shoulders above the rest is the greeting I receive when I am seated and the thanks I receive when leaving from everyone I pass from the cooks and managers to the other servers. I'm sure I do not have to tell you how important it is to have employees like the ones you have on your team, but I did want to take the time to compliment your restaurant as a whole as I would appreciate the same gratitude in my place of work."

"I have never had such a pleasant experience in a hotel where I have stayed."

A letter received at Holiday Inn New Ulm...

"I just wanted to pass along my appreciation for a most pleasurable stay at your hotel in New Ulm, Minnesota. I stayed there for over a month as I relocated from Chicago to New Ulm this summer. The hotel staff was absolutely wonderful and gracious and were always willing to do whatever was necessary to ensure that my stay was as comfortable as possible. Jamie, at the front desk, was very pleasant, referring to me by name, which was most comforting. My room attendant did a fabulous job each and every day. I wish I could remember all the folks at the front desk by name, they were all wonderful and friendly and I felt like an honored guest. They always greeted me with a smile and no request was too much trouble. My frequent requests for additional reservations were treated expeditiously and they made arrangements even when the hotel was booked to near capacity over some weekends. When I traveled back to Chicago one weekend, they were kind enough to store my luggage in their office (and it was quite a bit of luggage). I have never had such a pleasant experience in a hotel where I have stayed. They made my relocation go very smooth and it made me feel very good about my choice to relocate in New Ulm. You should be proud of the staff at this hotel as they never let me down, and created a very good loyal customer. Please pass on my thanks and appreciation."

New Ulm Holiday Inn and Otto's Host the 2002 TPI Manager's Conference

On September 11th and 12th, 2002, over 125 Torgerson Properties Managing Partners and department heads met in New Ulm at the 4th annual TPI Manager's Conference. The conference hosts, Holiday Inn and Otto's, put on a top-notch conference. The hospitality, food and guest speakers rated extremely well on surveys submitted from those attending. As one manager put it, "This was a very good conference. It was great getting to reconnect with the other managers again. This annual conference really pulls all of us back together, and helps us as a whole team, not just each of us as individual properties. It builds the total package." What a great testament to an outstanding event.

The first day began at 6pm with a social hour, followed by a lavish dinner buffet at 7pm. After dinner, it was time for the annual TPI property awards ceremony. The winners of each award can be seen on page four and five of this newsletter. It proved to be a very enjoyable and upbeat evening.

Day two began with an early breakfast, followed by the main speaker, Bruce Christopher (right). Mr. Christopher, a nationally acclaimed motivational speaker, showed us how every day experiences relate to our roles in the hospitality industry. His first segment, entitled "Why are women so strange and men so weird?," opened our eyes to how men and women see things differently at home and at work. As one person stated on a conference survey, "Bruce was great. We all know the constant battle of juggling family and work. Bruce gave great insights to help us understand men's and women's thinking. This, I feel, will help lessen frustrations, making the juggling a bit easier." Following Mr. Christopher's first segment, TPI President Mitch Peterson gave a tribute to the events of 9/11/01, reminding us to "never forget".

Bryan Sweet, of Sweet Financial, discussed the TPI benefits package, followed by a presentation by Scott Huberty, of RJF Agencies, dealing with risk management and how it affects each of us on a property level. Jim Northam, of College Bound, Inc., then closed out the informational portion of the conference by introducing the College Bound tuition reimbursement program to those locations not already offering this benefit. More information concerning the College Bound program can be found on page 12 of this newsletter.

After a quick break for lunch, Bruce Christopher returned for a second segment entitled "Leap, the net will appear." He spoke about how taking chances affects our performance each and every day. A spirited game of "Gestures", with expert assistance from Andy Thilges (right) and Dennis Wallenta (below), provided a great tool to learn by. As one survey stated, "Bruce was very informative, combined with a sense of humor. He was one of the best speakers I have ever heard!" The two-day conference ended with an address from Tom Torgerson. Tom pointed out several of the difficult obstacles TPI has overcome in the past year, as well as the positive trends we have begun to experience. He sent everyone on their way instilled with a greater sense of unity and purpose. The 2002 TPI Manager's Conference was a huge success, and leaves great expectations for an even better event in 2003.





**PRIORITY CLUB® REWARDS
MEMBERS CHOICE™**

Award Winner - 2002



Todd Roy and Staybridge Suites Maple Grove Chosen as “Best Of The Best”!

Todd Roy, of TPI’s Staybridge Suites in Maple Grove, recently received the Six Continents Hotels 2002 Best of the Best Award for General Managers. Todd was honored during a special ceremony at the annual Six Continents Hotels 2002 General Manager’s Conference in San Diego, CA. An award trophy and framed medallion were presented in recognition of Todd’s exemplary service (upper left).

Nominees were selected based on performance that goes above and beyond day-to-day responsibilities, as well as outstanding and unusual service to the property, guests and community. “Six Continents Hotels recognizes the value of hotel employees in providing consistent quality customer service to its guests. I am proud to honor Todd Roy as one of the best in our industry, chosen because of his commitment and dedication to overall quality and customer service,” said Richard North, CEO of Six Continents Hotels. “Todd has far exceeded our company’s expectations of excellence and is among those who set the standard for our industry.”

In addition to Todd’s prestigious award, the Staybridge Suites of Maple Grove received the Six Continents Hotels 2002 Priority Club Rewards Members Choice Award for being the best Staybridge Suites Hotel in North America. Members of the Six Continents hotels guest loyalty program, Priority Club Rewards, voted on the award.

Staybridge Suites of Maple Grove was honored during a special ceremony at the annual Six Continents Hotels Global Investors Conference in San Diego, CA. Mitch Peterson, President of Torgerson Properties, accepted the award (lower left).

Members were asked to name their favorite hotels in seventeen different categories ranging from the best overall hotel to the best hotel staff.

“It is with great pride that I recognize the Staybridge Suites of Maple Grove as the best overall Staybridge Suites location,” said Richard North. “This hotel was chosen by our most frequent and loyal guests. It is a special honor that creates lively competition among the hotels to meet and exceed our guest expectations.”

Winning these awards is an extremely difficult task. They indicate the great commitment that Todd and his staff have made towards “doing whatever it takes.” Congratulations to the entire Staybridge Suites team on a truly outstanding accomplishment!

Austin and Willmar Holiday Inns Introduce Free Breakfast

Torgerson Properties is excited to announce the expansion of our guest amenities at the Holiday Inn locations in Willmar and Austin, Minnesota. On January 1st, 2003, both locations began offering a complimentary breakfast to all guests. This offering, along with a \$69.99 Sunday through Thursday room rate and complimentary high speed internet access, had made both the Willmar and Austin Holiday Inn locations a destination for both the weekday business travelers, as well as families looking for a great weekend get away.

“This is a great offer, that will bring the corporate and leisure travelers into our hotels to enjoy great service and outstanding value-added amenities” said Dennis Wallenta, Regional Vice President at Torgerson Properties. Gary Rubbelke, General Manager of the Holiday Inn Willmar, stated, “We are very excited to offer our guests such tremendous amenities. We expect it won’t take long for the traveling public to see the value, and make us their preferred lodging provider when traveling away from home.” Andy Thilges, General Manager at the Holiday Inn Austin, added, “This is a great offering in two outstanding facilities. We are certain our large corporate accounts will enjoy the great value in this offer, and appreciate the additional value this adds to our properties.”

This is just one more example of Torgerson Properties’ commitment to continued product improvement and guest-focused amenities. We are very excited to see the results of these offerings as we deliver “Outrageous Guest Service” to each of our new and existing guests.



Bloomington Hilton and Staybridge Suites Celebrate Ribbon Cutting

On September 7th, the Hilton Garden Inn and Staybridge Suites of Bloomington celebrated the official ribbon cutting of Torgerson Properties' newest locations. The Bloomington complex, located at the corner of 1494 and Hwy 100, offers the finest amenities for business and leisure travelers. Full-menu room service, swimming pool, free high speed internet access, Jacuzzi suites and a cozy lounge all contribute to make the Bloomington Hilton Garden Inn and Staybridge Suites a destination for the weary business traveler or the family looking for a comfortable weekend get away. Come experience the best of both worlds!



Eagan-Golden Valley Team Keeps On Swing'n

The Eagan-Golden Valley TPI softball team wrapped up another inspiring year of softball. We decided we needed the extra work, so in addition to our summer team, we played another season in the fall. We ended the summer on a bit of a losing streak (if you call 8 in a row a streak), and ended with a 2-11 record. In the fall we came on strong and through 6 games were 3-3. In the final game, we came through in the clutch to end with a winning record, thanks to the other team not showing up and forfeiting (they knew what they were in for). Our core group of players will be back next year, and we're gunning for the top.

Tory Sonstedard to the Rescue!



The Administrations office would like to send a huge thank you to our resident computer wiz, Tory Sonstedard. Tory is with Bennett Office Technologies in Willmar and has spent countless hours helping us with our recent computer update. He is also always just a phone call away whenever we need him. He does his best to keep us happy...which isn't always an easy task. Thanks, Tory. We really appreciate all you do!!!

-From the entire Torgerson Properties Administrations Team

Shoreview Campus Thanks Clients in a Big Way

Almost 300 people, the largest turnout ever, attended the 2002 Client Appreciation gathering held at the Shoreview campus. Guests enjoyed over three hours of outstanding food, entertainment and dancing under a tent large enough to hold a circus. The White Sidewalls provided the musical entertainment, while Chefs Joseph Giandalia and Ray Anthony Collins created a masterpiece of food for all to enjoy. It was truly an outstanding event. Many thanks goes out to the entire management and staff at the Shoreview campus for helping make this party such a huge success. Special thanks to Kory Lesnick, Director of Sales at Hampton Inn, for organizing such a successful event.



On the Move With TPI



Jon Borman has journeyed across the parking lot to become General Manager at Perkins of Austin. Jon joined TPI in the spring of 2002 as General Manager at Torge's Restaurant in the Austin Holiday Inn. Before working at TPI, Jon was an owner/operator of several Village Inn restaurants in the Fargo, MN area. His extensive background in the family restaurant segment makes Jon a perfect fit for his new position. He resides in Rochester with his wife Nicole. We look forward to seeing Jon and the Perkins Austin team in action.



Neil Cotton joined TPI in November as General Manager of Food and Beverage at the Holiday Inn of Austin. Neil grew up in Minnetonka and attended high school there. He is a veteran of the food and beverage industry with 27 years of experience. He has served as kitchen manager, general manager, food and beverage director and executive chef for such companies as the California Café, Northern Lites Night Club, Gippers Sports Bar and SpaGo in Las Vegas. The entire Austin campus is delighted to have him as part of the Torgerson Properties Team. Best of luck, Neil!



The Hilton Garden Inn of Eagan is pleased to announce the addition of **Bryce Bullis** to their management team. Bryce joined the Hilton Garden Inn in July of 2002 as the Executive Head of Housekeeping. Prior to the Hilton, Bryce was employed at the Bloomington Baptist Church as Head Custodian. Bryce has also spent many years in the entertainment industry as a radio announcer (The Bullet Bryce), an actor in theaters (with some television experience) and most notably as the stage manager for a local Las Vegas style nightclub. Bryce has been married for 27 years to his wife Ione. He spends much of his spare time promoting his son Jonathon, 23, as a full time magician. Welcome aboard, Bryce!



During the summer of 2002, **Danielle Gullord** was promoted to Assistant General Manager at Perkins Restaurant of Fairmont. She was born and raised in Fairmont and began her Perkins career in 1997. Before her promotion, she worked as a Host, Server, Supervisor and Dining Room Manager. In May, 2002, Danielle graduated with a degree in Business Management from Iowa Lakes Community College. In her spare time she enjoys running, the outdoors and being with her family and new nephew. Danielle is also one of the first associates to receive a benefit from our College Bound tuition reimbursement program, accepting a check for over \$3,000!

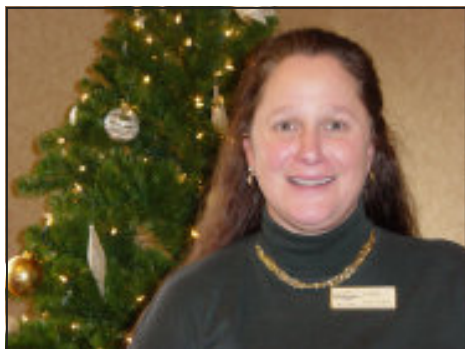


Shayla Kolling recently joined the staff at Torgerson Properties' Administrations office. She is a December graduate of Ridgewater College in Willmar. Shayla grew up in Kerkhoven and now lives in Willmar with her seven year old daughter, Taylor. She is an avid volleyball player who is looking forward to starting a Torgerson Properties team next summer. Welcome to the TPI family, Shayla.

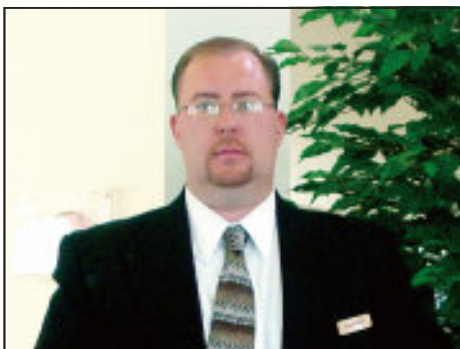


Teresa Webb recently joined the staff at Torgerson Properties' Administrations office. She is a December graduate of Ridgewater College in Willmar. Teresa grew up in Fairfax and now resides in Kandiyoho. She is busy planning her September wedding to Jonathan. Teresa loves to spend her spare time horseback riding. A great big TPI welcome, Teresa.

On the Move With TPI



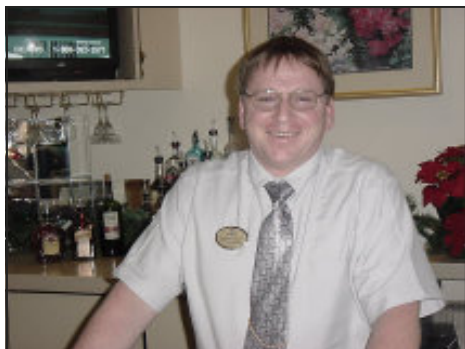
The Holiday Inn Express in Golden Valley would like to welcome it's newest member to the team, **Lisa Turnbull**. Lisa joins HIM as Director of Sales. She originally worked in the front office of a Ramada Inn in Detroit, MI, then joined Sheraton hotels in sales in San Diego, Fort Myers, Columbus and for the last 18 years in Minneapolis. Lisa is married with two children, Alissa, 11 and Samantha, 9. She resides in Maple Grove. Lisa co-facilitates a school program called Destination Imagination, and is also a soccer and basketball mom. In their spare time, the family enjoys flying, snowmobiling, traveling and watching movies. Welcome to the team, Lisa. We're glad to have you on our side!



Recently, TPI experienced a change at the Eagan campus. **Jason Mercord**, formerly the General Manager at the Holiday Inn Express of Eagan, has moved across the street to join the Hilton Garden Inn. He has been with TPI since September of 1999. Jason's experience from his food and beverage background made a good fit for the Hilton Garden Inn. We're very excited to have Jason in his new position. Best of luck Jason!



A change at the Eagan campus finds **Randy Burich**, formerly General Manager at the Hilton Garden Inn of Eagan, taking his skills across the street to the Holiday Inn Express. Randy has been with TPI since December of 1998. Before his stay at the Hilton, Randy experienced great success at the Holiday Inn Express of Golden Valley. Randy's past success and his strong knowledge of the Encore/Holidex systems makes him a perfect fit at his new locations. Good luck in your new position, Randy!



The Hilton Garden Inn of Eagan is pleased to announce that **Ronnie Lubich** has accepted the position of Food and Beverage Manager. Ronnie has spent the majority of his life in the airline industry fulfilling roles in the airline catering division, airline support division and four years in the United States Air Force. Prior to entering his eleven plus years in the airline industry, Ronnie was a banquet chef for the Steamboat Inn, located in Prescott, WI. Ronnie enjoys bartending in his spare time, which he claims has been one of his hobbies over the past twenty years. Welcome aboard Ronnie!

A letter received at the Hilton Garden Inn of Eagan...

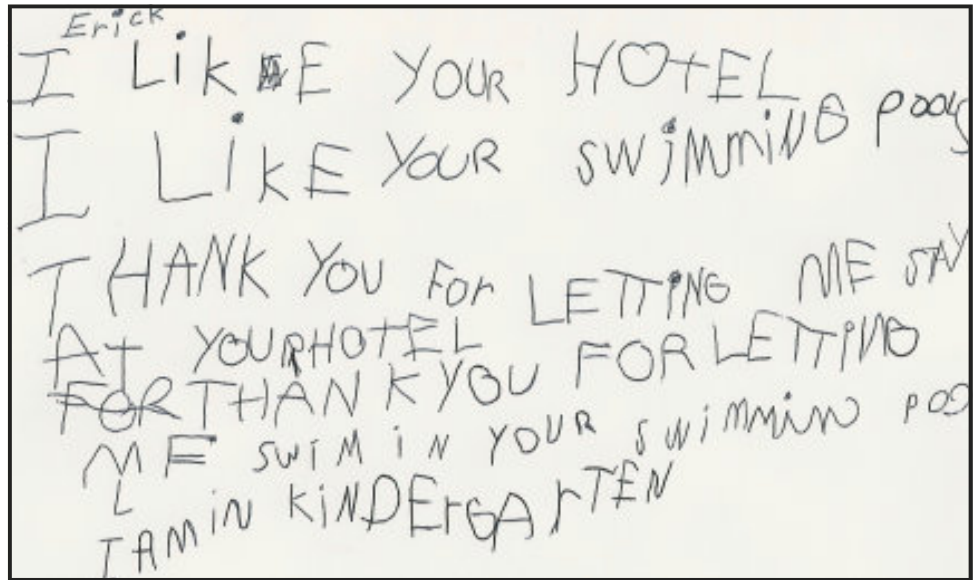
On behalf of the AAA Minnesota/Iowa Board of Directors and staff, I would like to personally thank you and your staff for the outstanding job you did on our October 25 board meeting. We received many positive comments from our directors about the service your staff provided, and we want you to know the extra effort was greatly appreciated. I would also like to specifically recognize **Ronnie Lubich** for his attentiveness and dedication to our catering needs. You've assembled an excellent staff, and it's clear why Hilton Garden Inns was chosen as a AAA Show Your Card & Save partner and recently received the J.D. Power and Associates award for guest satisfaction. Again, thank you, and congratulations to everyone on a job well done!

A note received at the Hilton Garden Inn of Eagan...

Ronnie
 Thank you very much for everything you did for us last Sat (Nov 2) at our all day event. I really appreciate your extra efforts to make sure we had what we needed!
 I was surprised to see you late Sat night - You went above and beyond the call of duty to check on us!
 Thanks again!
 Becky Rich

The Future Starts Today!

Springhill Suites Rochester recently received this note from a very important guest. Obviously, the Rochester team has made a lasting impression. This is a great example of how important each and every guest is to the success of our company. Sometimes, it's the little things that add up to something big. Great job SSR. Remember, these are our guests of the future!



College Bound Pays Big Dividends for TPI Students

Three TPI Associates Receive Over \$8,000!



Vihn Huynh (Staybridge Suites, Eagan), **Danielle Gullord** (Perkins, Fairmont) and **Carrie Kern** (Perkins, Red Wing), have become the first associates to receive education benefits through the Torgerson Properties College Bound Program. Vihn, now an Assistant General Manager, received a check for \$3,000. Danielle, also an Assistant General Manager, received a payment of \$3,847. Carrie, currently attending St. Olaf College and working as a server on weekends, holidays and summers, earned a check in the amount of \$1,810. Each person can use the funds to pay off any college expenses they have accrued. Wow! What a great deal!



At TPI, we like to take leadership positions in all areas of our business. So, in July of 2000, we made the decision to implement an employee benefit program designed to help our hourly associates earn money to defray the ever-increasing cost of attending college. The College Bound program is our way of investing in the future by giving all associates an incentive to stay with TPI, and at the same time, commit to their own future in the hospitality business or in any other field they may choose to enter. Our College Bound program gives associates at all levels significant financial support in the pursuit of their college or technical school education. Since inception, 165 participants have earned \$151,378 in future educational assistance with TPI. Of that total, \$41,707 is vested, assuring that we will be seeing many more TPI associates receiving benefits in 2003.

TPI is committed to building a strong, dedicated and educated base of associates. After all, that is where our future company leaders will come from...just ask Vihn and Danielle!



After seeing the great success of the College Bound program in our initial eight test locations, we have decided to make this benefit available company wide. As of October 1st, 2002, the College Bound program was expanded to include all TPI locations. So, if you are a high school student working for TPI, get on board and bank your benefits for the future. In college now? Sign up and we'll be helping you pay for it! Thinking about advancing your career or starting a new one? Talk to the people at College Bound.

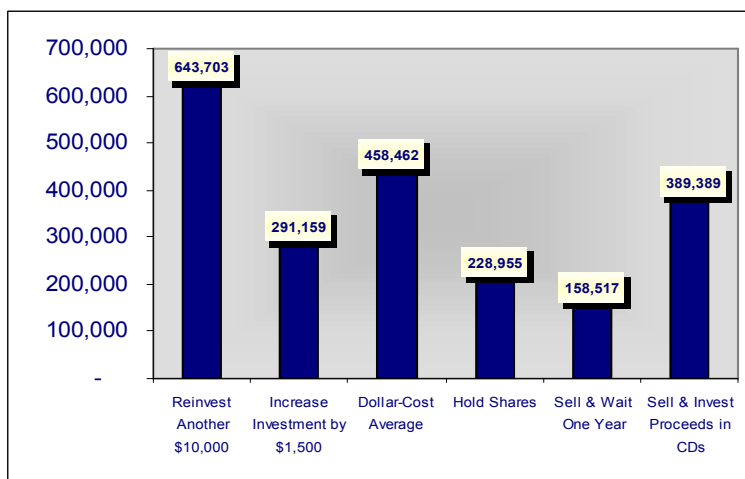
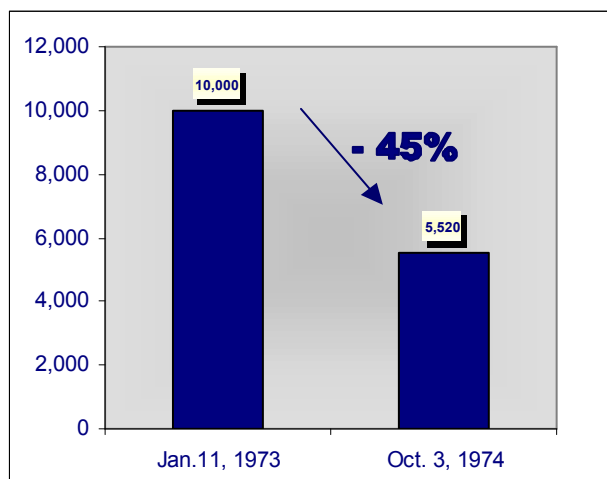
For more information on TPI's College Bound program, call 1-800-314-3318, or e-mail them at collegeboundinc@yahoo.com and get enrolled. It's your future, and we want to help make it happen!

401-K Update...“Seizing Opportunities In Adversity”

By Bryan Sweet, Sweet Financial

A Look at History...

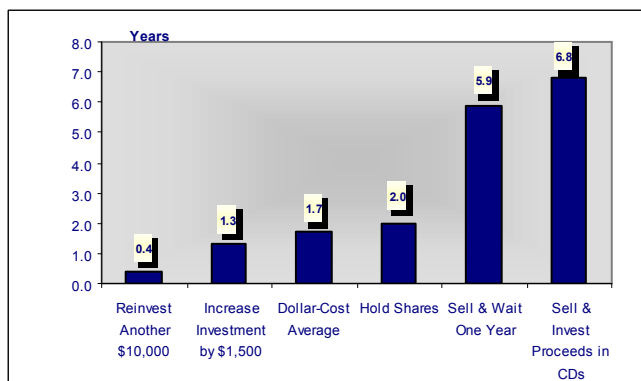
De’ja` vu! Investors have seen this scenario before, and many market historians have compared the current market downturn to the recession of 1973-74. A look at history may offer insight into what course of action might be appropriate for your 401-K account. Suppose you had placed a hypothetical \$10,000 investment in the S&P 500 Index at the top of the stock market on January 1st, 1973. By October 3rd, 1974, the market bottom, your investment would have dropped in value to \$5,520—a decrease of 45%.



Growth in Value and Regaining Your Original Investment...

Following the 1973-74 downturn, the investments of dedicated investors increased greater than those who pulled their funds from the market. Moreover, it took investors who remained committed to their long-range goals less time to recover their investment loss than those who fled the stock market. Missing the first year following the market bottom added nearly four additional years to the time it took investors to regain their investment, while investing in CDs added almost five additional years.

Number of Years to Regain Original \$10,000 Investment in the S&P 500 Index
(Years from the market bottom of October 3rd, 1974)



Committed Investors Should Stay the Course...

As experienced in the market plunge of the early 70’s, history has shown that down times don’t last forever. Stay committed to your long-term goals. Investors know they can put time on their side. If you have concerns about market volatility, or have questions about your Torgerson Properties 401-K account, call Lynne or Bryan at 800-658-2507 to discuss your allocations.

Otto's



Otto's...A Legend Is Born

Looking for a great place to get together with friends? How about a destination for a romantic rendezvous? Look no further! Otto's Feierhaus & Bierstube, located in the newly remodeled Holiday Inn of New Ulm, has something for everyone. From pizza parties in the brand new sports café, to a candle lit dinner for two at one of our special hideaway tables, you will experience the energy and excitement we have strived to create. Otto's features a unique blend of local heritage and Old World charm. During the recent renovation, our goal was to transform the restaurant and lounge into a place the community could call their own.

The first stage of this resurrection was the design and decoration phase. Our walls tell many stories through the use of aged photos and newspaper articles, as well as carefully placed imported German artifacts and local sports history memorabilia. The local schools and museums played a major role in accomplishing this through donations solicited from various members of the respective faculties and board of directors. Hats off to Design Wise for assisting us in pulling this together and making it work. As you look at old photos of the Shell's Brewery, you can almost feel yourself being transported back in time, to when local beer distributors would gallop by with a horse drawn beer wagon on the way to the local tavern for a Wednesday afternoon delivery. Or, as you glance at the various baseball memorabilia, you wonder back to that overcast day in 1976 when you hit your first little league home run. The surroundings offer a truly unique and refreshing experience.

Stage two included selecting a new name and logo which would epitomize the adventure each guest would undertake as he or she explored the new surroundings. How was "Otto's" selected? Well, here is the story, as told by an eighty-four year old retired Shell's delivery driver who comes to Otto's faithfully every Monday and Tuesday at 5pm sharp and has three bottles of Shell's Original, and a shot of Rumpelminze, before returning home from his weekly card groups. It goes something like this...Everyone knows that August Shell founded the Shell's Brewery. Well, August Shell had four children, two boys and two girls. Everyone also knows that one of the girls married into the Marty family, whose descendants still operate the brewery today. But few people know the truth about the Shell boys. The two boys were named Adolph and Otto. Adolph was not interested in the family business whatsoever. The older son, Otto, was very interested in the brewing process. So much so that he actually went to Germany and studied brewing, eventually achieving Beermeister status. Upon doing so, he returned to New Ulm, and joined in the operation of the brewery until the death of his father placed Otto at the throne of the Marty family's Shell's empire. And you thought we just threw a dart at a map on the wall and it landed on Ottos, Norway!

The third and final stage was the finishing touches. Six new 27" televisions, strolling musicians every Friday and Saturday, German music as you enter and a new D.J. and light system all add up to an exciting new environment. These improvements, along with the enthusiasm and excitement emanating from each and every employee, has transformed the entire bar and restaurant area into an adventure you will want to experience again and again.

Come see why Otto's has achieved our ultimate goal...to become southern Minnesota's premiere entertainment complex.



Willmar Comfort Inn Wins Gold Award

In October, 2002, the Comfort Inn of Willmar was awarded the prestigious Gold Award from Choice Hotels. This acknowledgement places the Willmar Comfort Inn into the top 5% of Comfort Inns worldwide, with respect to quality, service and professionalism. The hotel was inspected by two Franchise Service Directors from Choice Hotels, with the inspections covering 150 various requirements that must be met in order to qualify for the award. Having previously received Choice Hotel's Silver Award, the staff at the Comfort Inn Willmar is extremely proud of this additional accomplishment, and look forward to receiving the "hardware" that is presented to Gold Award winning locations. Congratulations to the entire staff at the Comfort Inn of Willmar. Well done!

TPI Opinions Program Proves Extremely Effective

In June of 2002, Torgerson Properties introduced TPI Opinions, a program designed to make it convenient for our guests' comments to be heard. A wall mounted placard was installed in all restaurant, hotel, bar and conference center entrances. The placards identified an e-mail address which our guests can use to forward comments about their experience with TPI. The e-mail address, mitch@tpiopinions.com, sends comments directly to Mitch Peterson. Mitch, in turn, responds to the guest via e-mail, and copies his response to the General Manager and the respective Regional Vice President. The General Manager then correspond personally with the guest, copying Mitch and the respective RVP.

TPI Opinions is not intended to bypass on-property guest interaction, but rather, is designed to provide an alternative communication conduit for those guests that are not comfortable with verbally expressing their opinion. It is our belief that these comments and/or suggestions (good or bad), will provide a valuable resource, propelling our operations to continuously improve and grow. This initiative also clearly raises the bar in terms of providing 100% guest satisfaction on a property level. This is just another tool that allows us to "do whatever it takes" to please our guests and provide them with the great dining and lodging experience they have come to expect at a Torgerson Properties location.

While this program allows our guests to express their concerns, it also acts as a tool to communicate positive experiences and thought provoking ideas to help our locations improve. The following TPI Opinions response is a good example of how this system can provide positive feedback.

"I saw the wall plaque with your Email in the lobby of the Shoreview Hilton and wanted to provide you with some feedback.

I have been staying at the Shoreview Hilton for over a year now. I am a Diamond VIP HHonors customer 739728034. The staff working at this location is outstanding. I have stayed in many hotels for many nights so my assessment does not come without broad experience. In particular I would like to recognize the following people, forgive me if I do not have their last names:

Sheila: She brightens my day everyday and I am disappointed when I do not see her in the morning. Ray: I have not interacted with Ray on more than one occasion, but since he has been the chef the food has improved dramatically. I sometimes skip dinner out with my colleagues because I know I have a great special waiting for me. This generates revenue because I would be eating elsewhere frequently were it not for his menu. Rhonda: Always friendly and very proficient.

I would especially like to recognize: Rob Pattky: My meal is always perfect and he is always looking out for me. He does little things to make the meal special like last evening he brought a small serving of cheese and bacon to spice up my baked potato. I did not ask for it and it served to help me enjoy my meal all that much more. Rob calls directly after he delivers my meal to check to see if I need anything and I never do because he never makes mistakes. He is always cheerful and takes pride in his work."

Jeffrey Puzas
Manager
Pittiglio, Rabin, Todd & McGrath

TPI Opinions is just one of the many tools that allow our guests to share in the continued success and development of each TPI location. As Tom Torgerson states: "I think it is an awesome program. One of the best we have developed." Through the use of this tool, we can assure that we continue to learn as we grow.

Days Inn Willmar Wins Chairman's Award

The Days Inn of Willmar has been awarded the Chairman's Award from Cendant Hotels for the second year in a row. The Willmar Days Inn was the only Days Inn in the state of Minnesota to win this prestigious award for outstanding quality and service. The entire staff is extremely proud of accomplishing this challenge two years in a row! As a Chairman's Award winner, the Days Inn of Willmar has established itself in the top 5% of all Days Inns world wide. What a great tribute to the culture Torgerson Properties has established company-wide. The staff at Days Inn Willmar has certainly lived up to doing "Whatever it takes". Congratulations, and best of luck in your quest to "three-peat" the award this year!





Staybridge Eagan Wins 2002 Quality Excellence Award

In addition to winning the Sales Achievement Award from Torgerson Properties, the Staybridge Suites in Eagan has also won the 2002 Quality Excellence Award from Six Continents Hotels. This prestigious award reflects the hard work and dedication the entire team at Staybridge Suites Eagan has put forth. Congratulations to General Manager Jason Hall and the entire staff for an outstanding accomplishment. Enjoy your success gang...you have certainly earned it!



At Torgerson Properties, We Believe...

*“Whatever It Takes For
Outrageous Guest Service...
You Have The Power!”*



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