

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>CARLSON HOTELS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</u>	1b Three-digit plan number (PN) ▶ <u>001</u> 1c Effective date of plan <u>01/01/1990</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>CARLSON HOTELS, INC.</u> <u>701 CARLSON PARKWAY, MS8202</u> <u>MINNETONKA, MN 55305</u>	2b Employer Identification Number (EIN) <u>41-1916940</u> 2c Sponsor's telephone number <u>763-212-1779</u> 2d Business code (see instructions) <u>721110</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>09/11/2012</u>	<u>SHAWN LEAVITT</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") CARLSON HOTELS, INC. P.O. BOX 1750 MINNEAPOLIS, MN 55440-1750	3b Administrator's EIN 41-1916940 3c Administrator's telephone number 763-212-1779
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name CARLSON HOTELS WORLDWIDE	4b EIN 41-1916940 4c PN 001	
5 Total number of participants at the beginning of the plan year	5	1752
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1219
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	462
d Subtotal. Add lines 6a , 6b , and 6c	6d	1681
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	5
f Total. Add lines 6d and 6e	6f	1686
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1458
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	43
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2S 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning **01/01/2011** and ending **12/31/2011**

A Name of plan CARLSON HOTELS EMPLOYEES' SAVINGS AND INVESTMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CARLSON HOTELS, INC.	D Employer Identification Number (EIN) 41-1916940	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
AMERICAN BEACON

75-2401150

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
DODGE & COX

94-1441976

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
GOLDMAN SACHS

13-5108880

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
HARBOR

04-2679462

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

MANAGERS FUNDS

06-1298481

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

VAN KAMPEN

36-2811402

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

VANGUARD

23-1945930

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRUDENTIAL INVESTMENTS

22-3703799

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 49 50 52 60 62 63 64	NONE	102980	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

AON INVESTMENT CONSULTING

36-3051915

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	8810	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

KELLY, HANNAFORD & BATTLES P.A.

41-1802551

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	16332	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

LARSON ALLEN, LLP

41-0746749

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	9080	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>CARLSON HOTELS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</u>	B Three-digit plan number (PN)	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>CARLSON HOTELS, INC.</u>	D Employer Identification Number (EIN) <u>41-1916940</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO STABLE RETURN FUND

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, NA

c EIN-PN <u>52-2250951-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5150499</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>CARLSON HOTELS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARLSON HOTELS, INC.</u>	D Employer Identification Number (EIN) <u>41-1916940</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a	10705	
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	13318	16141
	(2) Participant contributions	1b(2)	27150	34515
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	290404	280499
	(9) Value of interest in common/collective trusts.....	1c(9)	5098201	5150499
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	5611095	5287758
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	11050873	10769412

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	35496	41981
i Acquisition indebtedness	1i		
j Other liabilities	1j	9729	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	45225	41981

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11005648	10727431
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	426984	
(B) Participants	2a(1)(B)	891734	
(C) Others (including rollovers)	2a(1)(C)	8458	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1327176
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	12020	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		12020
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	98127	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		98127
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		110869
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-145483
c Other income.....	2c		8584
d Total income. Add all income amounts in column (b) and enter total.....	2d		1411293

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	633279	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		633279
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	143728	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		143728
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		777007

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		634286
l Transfers of assets:			
(1) To this plan.....	2l(1)		46668
(2) From this plan	2l(2)		959171

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CLIFTONLARSONALLEN LLP

(2) EIN: 41-0746749

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

CARLSON EMPLOYEES' SAVINGS AND INVESTMENT PLAN

5b(2) EIN(s)	5b(3) PN(s)
41-0280030	003

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>CARLSON HOTELS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARLSON HOTELS, INC.</u>	D Employer Identification Number (EIN) <u>41-1916940</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>56-1354495</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010**

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

INDEPENDENT AUDITORS' REPORT

Plan administrator
Carlson Hotels
Employees' Savings and Investment Plan
Minnetonka, Minnesota

We were engaged to audit the financial statements and supplemental schedule of Carlson Hotels Employees' Savings and Investment Plan (the Plan) as of December 31, 2011 and 2010 and for the years then ended, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information cited in Note 6, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on these accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 28, 2012

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
NON-INTEREST BEARING CASH	\$ -	\$ 10,705
INVESTMENTS (at fair value)		
Mutual funds	5,287,758	5,611,095
Collective fund	<u>5,284,412</u>	<u>5,210,361</u>
Total investments	10,572,170	10,821,456
RECEIVABLES		
Employee deferral	34,515	27,150
Employer matching	16,141	13,318
Notes receivable from participants	<u>284,137</u>	<u>291,374</u>
Total receivables	<u>334,793</u>	<u>331,842</u>
 Total assets	 10,906,963	 11,164,003
LIABILITIES		
ACCOUNTS PAYABLE		
Administrative fees and other	41,981	35,496
Due to brokers	<u>-</u>	<u>9,729</u>
 Total liabilities	 <u>41,981</u>	 <u>45,225</u>
NET ASSETS REFLECTING INVESTMENTS AT FAIR VALUE	10,864,982	11,118,778
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	<u>(133,913)</u>	<u>(112,160)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 10,731,069</u></u>	<u><u>\$ 11,006,618</u></u>

See accompanying Notes to Financial Statements.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
(DEDUCTIONS FROM) ADDITIONS TO NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO:		
INVESTMENT INCOME		
Net (depreciation) appreciation in fair value of investments	\$ (34,614)	\$ 780,826
Dividends	98,127	97,013
Other income	8,584	7,456
Total investment income	<u>72,097</u>	<u>885,295</u>
INTEREST INCOME ON NOTES RECEIVABLE FROM PARTICIPANTS	12,020	12,518
CONTRIBUTIONS		
Employee 401(k) deferral	891,734	850,790
Employer matching	426,984	274,179
Rollover	8,458	48,082
Total contributions	<u>1,327,176</u>	<u>1,173,051</u>
EXPENSES		
Benefits paid to participants	(630,611)	(792,254)
Administrative expenses and other	(143,728)	(173,570)
Total expenses	<u>(774,339)</u>	<u>(965,824)</u>
NET INCREASE PRIOR TO TRANSFERS	636,954	1,105,040
NET TRANSFERS TO AFFILIATED PLANS	<u>(912,503)</u>	<u>(66,301)</u>
NET (DECREASE) INCREASE AFTER TRANSFERS	(275,549)	1,038,739
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>11,006,618</u>	<u>9,967,879</u>
End of year	<u>\$ 10,731,069</u>	<u>\$ 11,006,618</u>

See accompanying Notes to Financial Statements.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 DESCRIPTION OF PLAN

The following description of Carlson Hotels Employees' Savings and Investment Plan (the Plan) provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established January 1, 1980 and most recently amended and last restated effective January 1, 2011. The Plan covers all employees of Carlson Hotels, Inc. and other participating Employers (the Company), except those covered by a collective bargaining agreement (unless such agreement expressly so provides), non-resident aliens not receiving US source income, independent contractors, and certain job categories of participating Employers as defined by the Plan. Employees must have attained age 21 and completed 60 days of employment in order to be eligible. Service previously recognized under the Carlson Employees' Savings and Investment Plan, any 401(k) plan sponsored by the Company or an Affiliate or the Carlson Wagonlit Travel Employees' Savings and Investment Plan will be included in a participant's service under this Plan, provided the individual's service was as a "qualified employee" as defined under said plan. The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Contributions

Upon completion of the eligibility requirements, participants are automatically enrolled in the Plan using a contribution percentage equal to 3 percent of the employees' respective certified earnings, as defined by the Plan. Participants have the ability to change their deferral percentage by contacting the Plan administrator.

Each year, participants may contribute a percentage of pre-tax annual compensation, as defined by the Plan. The percentage contributed is limited to 50 percent for non-highly compensated employees and 8 percent for highly compensated employees. The Company may elect to make a matching contribution at the discretion of the Company's Board of Directors. Effective March 1, 2010, the Company matches 60 percent of deferrals up to 6 percent of compensation. Prior to March 1, 2010, the Company matched 20 percent of deferrals up to 6 percent of compensation. A participant must complete 12 consecutive months of employment to receive a Company matching contribution.

The Plan allows participants age 50 and older to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans and certain IRAs. Contributions are subject to certain limitations.

Participants direct the investment of contributions into various investment options offered by the Plan.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's discretionary matching contribution, an allocation of Plan earnings or losses, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined by the Plan. Administrative expenses are allocated based on a flat dollar amount or based upon active participant counts. Income is allocated daily based on the shares in the participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contribution portion of their account, plus actual earnings thereon, is based on years of continuous service. A participant vests at a rate of 25 percent after two years of service and is 100 percent vested after five years of credited service. A participant earns a year of vesting service for each calendar year in which they complete 1,000 or more hours of service. A participant is fully vested upon reaching normal retirement age, death, or permanent disability.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Note terms range from 6 months to 5 years or up to 30 years for the purchase of a primary residence. The notes are secured by the vested balance in the participant's account and bear interest at a fixed rate which is equal to 1 percent over the prime rate as of the first business day of each calendar quarter. Principal and interest is paid ratably through payroll deductions. At December 31, 2011 and 2010, interest rates on outstanding notes ranged from 4.25 percent to 10.50 percent, respectively.

Payment of Benefits

Upon termination of employment, death, disability, or retirement (age 65), participants may receive the value of the vested interest in his or her account in the form of a lump sum distribution or through installment payments. Any pension source accounts will be payable in the form of an annuity. If a participant terminates employment and the participant's account balance does not exceed \$1,000, the Plan administrator will authorize the benefit payment without the participant's consent. The Plan allows for hardship withdrawals, withdrawals of after tax and rollover contributions, and early retirement distributions at the age of 59½, subject to limitations, as defined by the Plan.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Forfeited Accounts

Forfeited non-vested accounts are first used to re-instate participants accounts as directed by the Committee, next used to pay Plan expenses and finally used to reduce future Company matching contributions. Forfeited non-vested accounts as of December 31, 2011 and 2010 totaled \$35,335 and \$41,649, respectively. Forfeitures used to reduce matching contributions for the years ended December 31, 2011 and 2010 was \$490 and \$111,605, respectively. Administrative expenses paid by forfeitures were \$29,469 and \$28,280 during 2011 and 2010, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Administrative Expenses

Administrative expenses paid by the Plan include trustee, investment advisory, recordkeeping, audit and legal expenses.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of mutual funds is determined by reference to the fund's underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds are valued at the net asset value. Units held in the collective funds are valued based on the market prices of the underlying investments in the funds at year-end.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment Contracts

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits are prepared on a contract value basis.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the document.

Benefit Payments

Benefit payments are recorded when paid.

Reclassifications

Certain amounts in the 2010 financial statements have been reclassified to conform with the 2011 presentation. These reclassifications do not affect net assets available for benefits as previously reported.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 3 RISKS AND UNCERTAINTIES

The Plan provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 4 PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 5 PLAN TAX STATUS

The Plan has received a favorable determination letter from the Internal Revenue Service (IRS) dated July 31, 2008, indicating that the Plan is qualified under Section 401(k) of the Internal Revenue Code (IRC) and the trust established under the Plan is tax-exempt under present income tax law. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 6 CERTIFICATION OF INVESTMENT INFORMATION

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the trustee of the Plan, has certified the completeness and accuracy of the notes receivable from participants and the investment information (except for the adjustment from fair value to contract value) presented in the accompanying statements of net assets available for benefits as of December 31, 2011 and 2010, the statements of changes in net assets available for benefits for the years ended December 31, 2011 and 2010, and the supplemental schedule of assets (held at end of year) as of December 31, 2011.

NOTE 7 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 — Significant inputs to the valuation model are unobservable.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at net asset value (NAV) of shares held by the Plan at year-end.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Collective fund: Valued at the quoted market prices of the underlying investments in the fund. Underlying securities for which quotations are readily available are valued at the quoted market price based on the closing price reporting on the active market on which the individual securities are traded. Underlying securities for which quotations are not readily available are valued at original costs plus accrued interest or amortized cost, which approximates fair value. Investments in underlying funds are valued at their closing NAV.

Certain mutual funds and collective funds are valued using NAV of shares held as of December 31, 2011 and 2010. The NAV is a quoted transactional price for participants in the fund. The NAV is computed by dividing net assets by the total number of shares outstanding. In relation to these investments, there are no unfunded commitments and shares can be redeemed with minimal restrictions and can do so daily. Events that may lead to a restriction to transact with the funds are not considered probable. There have been no changes in the valuation methodologies used at December 31, 2011 and 2010.

The following table presents information as of December 31, 2011 and 2010 about the Plan's financial assets that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
<u>December 31, 2011</u>				
Assets:				
Mutual funds:				
Fixed income fund	\$ 446,773	\$ -	\$ -	\$ 446,773
Growth funds	764,688	-	-	764,688
International fund	492,287	-	-	492,287
Index funds	1,991,127	-	-	1,991,127
Value funds	689,665	-	-	689,665
Balanced fund	903,218	-	-	903,218
Stable value fund	-	5,284,412	-	5,284,412
Total assets at fair value	<u>\$ 5,287,758</u>	<u>\$ 5,284,412</u>	<u>\$ -</u>	<u>\$ 10,572,170</u>
<u>December 31, 2010</u>				
Assets:				
Mutual funds:				
Fixed income fund	\$ 439,633	\$ -	\$ -	\$ 439,633
Growth funds	753,659	-	-	753,659
International fund	558,795	-	-	558,795
Index funds	2,119,313	-	-	2,119,313
Value funds	610,684	-	-	610,684
Balanced fund	1,129,011	-	-	1,129,011
Stable value fund	-	5,210,361	-	5,210,361
Total assets at fair value	<u>\$ 5,611,095</u>	<u>\$ 5,210,361</u>	<u>\$ -</u>	<u>\$ 10,821,456</u>

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

The stable value collective fund's primary objective is to protect principal and provide the fund with liquidity to accommodate participant withdrawals and investment transfers in a timely fashion. Once these objectives are met, the focus of the fund is to select the best security values available to provide participants with competitive returns. To achieve this, the fund invests in instruments which are not expected to experience significant price fluctuation in most economic or interest rate environments. However, there is no assurance that this objective can be achieved.

The trustee of the stable value collective fund has the ability to require a 12-month redemption notice.

NOTE 8 INVESTMENTS

The following investments represent 5 percent or more of the Plan's net assets at December 31:

	2011	2010
Wells Fargo Stable Value Fund (at contract value)	\$ 5,150,499	\$ 5,098,201
Vanguard Institutional Index Fund	1,779,814	1,883,014
Dodge & Cox Balanced Fund	903,218	1,129,011
Dodge & Cox International Stock	492,287 *	558,795

* Did not exceed 5 percent

During 2011 and 2010, the Plan's investments (including investments bought, sold, and held during the year) (depreciated) appreciated in value by \$(34,614) and \$780,826, respectively, as follows:

	2011	2010
Mutual Funds	\$ (145,483)	\$ 710,971
Collective Fund	110,869	69,855
Total	<u>\$ (34,614)</u>	<u>\$ 780,826</u>

NOTE 9 PARTY-IN-INTEREST TRANSACTIONS

The investments are managed by Wells Fargo Bank, N.A., the trustee; therefore, all investment transactions qualify as party-in-interest transactions. Fees paid by the Plan for administrative services amounted to \$103,828 and \$120,465 for the years ended December 31, 2011 and 2010, respectively.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 10 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 10,731,069	\$ 11,006,618
Less: Deemed loan activity	<u>(3,638)</u>	<u>(970)</u>
Net assets available for benefits per the Form 5500	<u>\$ 10,727,431</u>	<u>\$ 11,005,648</u>

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 2011:

	<u>2011</u>
Benefit payments per the financial statements	\$ 630,611
Add: Deemed loan activity at December 31, 2011	3,638
Less: Deemed loan activity at December 31, 2010	<u>(970)</u>
Benefit payments per the Form 5500	<u>\$ 633,279</u>

NOTE 11 TRANSFERS (TO) FROM AFFILIATED PLANS

The Plan allows for the transfer of assets between all plans administered by Carlson, Inc. and its subsidiaries (the "Companies"). Participant accounts of employees that transfer their employment between the Companies are transferred between the respective plans.

NOTE 12 SUBSEQUENT EVENTS

Management of the Company has analyzed the potential for subsequent events through June 28, 2012, which is the date the financial statements were available to be issued. No significant subsequent events requiring disclosure or adjustment to the financial statements were found.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
E.I.N. 41-1916940 PLAN NO. 001
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost **	(e) Current Value
		Collective Fund:		
*	Wells Fargo Bank, N.A.	Stable Value Fund (at contract value)		\$ 5,150,499
		Mutual Funds:		
	American Beacon Advisors, Inc.	American Beacon Small Cap Value Fund		194,785
	Harbor Capital	Harbor Capital Appreciation Fund		407,421
	Van Kampen	Van Kampen Comstock Fund		287,268
	Prudential	Jennison Small Company		244,904
	Vanguard	Vanguard Institutional Index Fund		1,779,814
	Vanguard	Vanguard Extended Market Index Fund		211,313
	Dodge & Cox	Dodge & Cox Income Fund		446,773
	Dodge & Cox	Dodge & Cox International Stock Fund		492,287
	Dodge & Cox	Dodge & Cox Balanced Fund		903,218
	Goldman Sachs	Goldman Sachs Mid Cap Value Fund		207,612
	Managers	Managers AMG Times Square Mid Cap Growth Fund		112,363
		Participant Loans:		
*	Participants	4.25%-10.5% Interest	-	280,499
				<u>\$ 10,718,756</u>

* Indicates party-in-interest

**Cost omitted for participant-directed accounts

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010**

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

INDEPENDENT AUDITORS' REPORT

Plan administrator
Carlson Hotels
Employees' Savings and Investment Plan
Minnetonka, Minnesota

We were engaged to audit the financial statements and supplemental schedule of Carlson Hotels Employees' Savings and Investment Plan (the Plan) as of December 31, 2011 and 2010 and for the years then ended, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information cited in Note 6, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on these accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 28, 2012

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
NON-INTEREST BEARING CASH	\$ -	\$ 10,705
INVESTMENTS (at fair value)		
Mutual funds	5,287,758	5,611,095
Collective fund	<u>5,284,412</u>	<u>5,210,361</u>
Total investments	10,572,170	10,821,456
RECEIVABLES		
Employee deferral	34,515	27,150
Employer matching	16,141	13,318
Notes receivable from participants	<u>284,137</u>	<u>291,374</u>
Total receivables	<u>334,793</u>	<u>331,842</u>
 Total assets	 10,906,963	 11,164,003
LIABILITIES		
ACCOUNTS PAYABLE		
Administrative fees and other	41,981	35,496
Due to brokers	<u>-</u>	<u>9,729</u>
 Total liabilities	 <u>41,981</u>	 <u>45,225</u>
NET ASSETS REFLECTING INVESTMENTS AT FAIR VALUE	10,864,982	11,118,778
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	<u>(133,913)</u>	<u>(112,160)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 10,731,069</u></u>	<u><u>\$ 11,006,618</u></u>

See accompanying Notes to Financial Statements.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
(DEDUCTIONS FROM) ADDITIONS TO NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO:		
INVESTMENT INCOME		
Net (depreciation) appreciation in fair value of investments	\$ (34,614)	\$ 780,826
Dividends	98,127	97,013
Other income	8,584	7,456
Total investment income	<u>72,097</u>	<u>885,295</u>
INTEREST INCOME ON NOTES RECEIVABLE FROM PARTICIPANTS	12,020	12,518
CONTRIBUTIONS		
Employee 401(k) deferral	891,734	850,790
Employer matching	426,984	274,179
Rollover	8,458	48,082
Total contributions	<u>1,327,176</u>	<u>1,173,051</u>
EXPENSES		
Benefits paid to participants	(630,611)	(792,254)
Administrative expenses and other	(143,728)	(173,570)
Total expenses	<u>(774,339)</u>	<u>(965,824)</u>
NET INCREASE PRIOR TO TRANSFERS	636,954	1,105,040
NET TRANSFERS TO AFFILIATED PLANS	<u>(912,503)</u>	<u>(66,301)</u>
NET (DECREASE) INCREASE AFTER TRANSFERS	(275,549)	1,038,739
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>11,006,618</u>	<u>9,967,879</u>
End of year	<u>\$ 10,731,069</u>	<u>\$ 11,006,618</u>

See accompanying Notes to Financial Statements.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 DESCRIPTION OF PLAN

The following description of Carlson Hotels Employees' Savings and Investment Plan (the Plan) provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established January 1, 1980 and most recently amended and last restated effective January 1, 2011. The Plan covers all employees of Carlson Hotels, Inc. and other participating Employers (the Company), except those covered by a collective bargaining agreement (unless such agreement expressly so provides), non-resident aliens not receiving US source income, independent contractors, and certain job categories of participating Employers as defined by the Plan. Employees must have attained age 21 and completed 60 days of employment in order to be eligible. Service previously recognized under the Carlson Employees' Savings and Investment Plan, any 401(k) plan sponsored by the Company or an Affiliate or the Carlson Wagonlit Travel Employees' Savings and Investment Plan will be included in a participant's service under this Plan, provided the individual's service was as a "qualified employee" as defined under said plan. The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Contributions

Upon completion of the eligibility requirements, participants are automatically enrolled in the Plan using a contribution percentage equal to 3 percent of the employees' respective certified earnings, as defined by the Plan. Participants have the ability to change their deferral percentage by contacting the Plan administrator.

Each year, participants may contribute a percentage of pre-tax annual compensation, as defined by the Plan. The percentage contributed is limited to 50 percent for non-highly compensated employees and 8 percent for highly compensated employees. The Company may elect to make a matching contribution at the discretion of the Company's Board of Directors. Effective March 1, 2010, the Company matches 60 percent of deferrals up to 6 percent of compensation. Prior to March 1, 2010, the Company matched 20 percent of deferrals up to 6 percent of compensation. A participant must complete 12 consecutive months of employment to receive a Company matching contribution.

The Plan allows participants age 50 and older to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans and certain IRAs. Contributions are subject to certain limitations.

Participants direct the investment of contributions into various investment options offered by the Plan.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's discretionary matching contribution, an allocation of Plan earnings or losses, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined by the Plan. Administrative expenses are allocated based on a flat dollar amount or based upon active participant counts. Income is allocated daily based on the shares in the participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contribution portion of their account, plus actual earnings thereon, is based on years of continuous service. A participant vests at a rate of 25 percent after two years of service and is 100 percent vested after five years of credited service. A participant earns a year of vesting service for each calendar year in which they complete 1,000 or more hours of service. A participant is fully vested upon reaching normal retirement age, death, or permanent disability.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Note terms range from 6 months to 5 years or up to 30 years for the purchase of a primary residence. The notes are secured by the vested balance in the participant's account and bear interest at a fixed rate which is equal to 1 percent over the prime rate as of the first business day of each calendar quarter. Principal and interest is paid ratably through payroll deductions. At December 31, 2011 and 2010, interest rates on outstanding notes ranged from 4.25 percent to 10.50 percent, respectively.

Payment of Benefits

Upon termination of employment, death, disability, or retirement (age 65), participants may receive the value of the vested interest in his or her account in the form of a lump sum distribution or through installment payments. Any pension source accounts will be payable in the form of an annuity. If a participant terminates employment and the participant's account balance does not exceed \$1,000, the Plan administrator will authorize the benefit payment without the participant's consent. The Plan allows for hardship withdrawals, withdrawals of after tax and rollover contributions, and early retirement distributions at the age of 59½, subject to limitations, as defined by the Plan.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Forfeited Accounts

Forfeited non-vested accounts are first used to re-instate participants accounts as directed by the Committee, next used to pay Plan expenses and finally used to reduce future Company matching contributions. Forfeited non-vested accounts as of December 31, 2011 and 2010 totaled \$35,335 and \$41,649, respectively. Forfeitures used to reduce matching contributions for the years ended December 31, 2011 and 2010 was \$490 and \$111,605, respectively. Administrative expenses paid by forfeitures were \$29,469 and \$28,280 during 2011 and 2010, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Administrative Expenses

Administrative expenses paid by the Plan include trustee, investment advisory, recordkeeping, audit and legal expenses.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of mutual funds is determined by reference to the fund's underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds are valued at the net asset value. Units held in the collective funds are valued based on the market prices of the underlying investments in the funds at year-end.

**CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment Contracts

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits are prepared on a contract value basis.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the document.

Benefit Payments

Benefit payments are recorded when paid.

Reclassifications

Certain amounts in the 2010 financial statements have been reclassified to conform with the 2011 presentation. These reclassifications do not affect net assets available for benefits as previously reported.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 3 RISKS AND UNCERTAINTIES

The Plan provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 4 PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 5 PLAN TAX STATUS

The Plan has received a favorable determination letter from the Internal Revenue Service (IRS) dated July 31, 2008, indicating that the Plan is qualified under Section 401(k) of the Internal Revenue Code (IRC) and the trust established under the Plan is tax-exempt under present income tax law. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 6 CERTIFICATION OF INVESTMENT INFORMATION

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the trustee of the Plan, has certified the completeness and accuracy of the notes receivable from participants and the investment information (except for the adjustment from fair value to contract value) presented in the accompanying statements of net assets available for benefits as of December 31, 2011 and 2010, the statements of changes in net assets available for benefits for the years ended December 31, 2011 and 2010, and the supplemental schedule of assets (held at end of year) as of December 31, 2011.

NOTE 7 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 — Significant inputs to the valuation model are unobservable.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at net asset value (NAV) of shares held by the Plan at year-end.

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NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Collective fund: Valued at the quoted market prices of the underlying investments in the fund. Underlying securities for which quotations are readily available are valued at the quoted market price based on the closing price reporting on the active market on which the individual securities are traded. Underlying securities for which quotations are not readily available are valued at original costs plus accrued interest or amortized cost, which approximates fair value. Investments in underlying funds are valued at their closing NAV.

Certain mutual funds and collective funds are valued using NAV of shares held as of December 31, 2011 and 2010. The NAV is a quoted transactional price for participants in the fund. The NAV is computed by dividing net assets by the total number of shares outstanding. In relation to these investments, there are no unfunded commitments and shares can be redeemed with minimal restrictions and can do so daily. Events that may lead to a restriction to transact with the funds are not considered probable. There have been no changes in the valuation methodologies used at December 31, 2011 and 2010.

The following table presents information as of December 31, 2011 and 2010 about the Plan's financial assets that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
<u>December 31, 2011</u>				
Assets:				
Mutual funds:				
Fixed income fund	\$ 446,773	\$ -	\$ -	\$ 446,773
Growth funds	764,688	-	-	764,688
International fund	492,287	-	-	492,287
Index funds	1,991,127	-	-	1,991,127
Value funds	689,665	-	-	689,665
Balanced fund	903,218	-	-	903,218
Stable value fund	-	5,284,412	-	5,284,412
Total assets at fair value	<u>\$ 5,287,758</u>	<u>\$ 5,284,412</u>	<u>\$ -</u>	<u>\$ 10,572,170</u>
<u>December 31, 2010</u>				
Assets:				
Mutual funds:				
Fixed income fund	\$ 439,633	\$ -	\$ -	\$ 439,633
Growth funds	753,659	-	-	753,659
International fund	558,795	-	-	558,795
Index funds	2,119,313	-	-	2,119,313
Value funds	610,684	-	-	610,684
Balanced fund	1,129,011	-	-	1,129,011
Stable value fund	-	5,210,361	-	5,210,361
Total assets at fair value	<u>\$ 5,611,095</u>	<u>\$ 5,210,361</u>	<u>\$ -</u>	<u>\$ 10,821,456</u>

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NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

The stable value collective fund's primary objective is to protect principal and provide the fund with liquidity to accommodate participant withdrawals and investment transfers in a timely fashion. Once these objectives are met, the focus of the fund is to select the best security values available to provide participants with competitive returns. To achieve this, the fund invests in instruments which are not expected to experience significant price fluctuation in most economic or interest rate environments. However, there is no assurance that this objective can be achieved.

The trustee of the stable value collective fund has the ability to require a 12-month redemption notice.

NOTE 8 INVESTMENTS

The following investments represent 5 percent or more of the Plan's net assets at December 31:

	2011	2010
Wells Fargo Stable Value Fund (at contract value)	\$ 5,150,499	\$ 5,098,201
Vanguard Institutional Index Fund	1,779,814	1,883,014
Dodge & Cox Balanced Fund	903,218	1,129,011
Dodge & Cox International Stock	492,287 *	558,795

* Did not exceed 5 percent

During 2011 and 2010, the Plan's investments (including investments bought, sold, and held during the year) (depreciated) appreciated in value by \$(34,614) and \$780,826, respectively, as follows:

	2011	2010
Mutual Funds	\$ (145,483)	\$ 710,971
Collective Fund	110,869	69,855
Total	<u>\$ (34,614)</u>	<u>\$ 780,826</u>

NOTE 9 PARTY-IN-INTEREST TRANSACTIONS

The investments are managed by Wells Fargo Bank, N.A., the trustee; therefore, all investment transactions qualify as party-in-interest transactions. Fees paid by the Plan for administrative services amounted to \$103,828 and \$120,465 for the years ended December 31, 2011 and 2010, respectively.

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NOTE 10 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 10,731,069	\$ 11,006,618
Less: Deemed loan activity	<u>(3,638)</u>	<u>(970)</u>
Net assets available for benefits per the Form 5500	<u>\$ 10,727,431</u>	<u>\$ 11,005,648</u>

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 2011:

	<u>2011</u>
Benefit payments per the financial statements	\$ 630,611
Add: Deemed loan activity at December 31, 2011	3,638
Less: Deemed loan activity at December 31, 2010	<u>(970)</u>
Benefit payments per the Form 5500	<u>\$ 633,279</u>

NOTE 11 TRANSFERS (TO) FROM AFFILIATED PLANS

The Plan allows for the transfer of assets between all plans administered by Carlson, Inc. and its subsidiaries (the "Companies"). Participant accounts of employees that transfer their employment between the Companies are transferred between the respective plans.

NOTE 12 SUBSEQUENT EVENTS

Management of the Company has analyzed the potential for subsequent events through June 28, 2012, which is the date the financial statements were available to be issued. No significant subsequent events requiring disclosure or adjustment to the financial statements were found.

CARLSON HOTELS
EMPLOYEES' SAVINGS AND INVESTMENT PLAN
E.I.N. 41-1916940 PLAN NO. 001
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost **	(e) Current Value
		Collective Fund:		
*	Wells Fargo Bank, N.A.	Stable Value Fund (at contract value)		\$ 5,150,499
		Mutual Funds:		
	American Beacon Advisors, Inc.	American Beacon Small Cap Value Fund		194,785
	Harbor Capital	Harbor Capital Appreciation Fund		407,421
	Van Kampen	Van Kampen Comstock Fund		287,268
	Prudential	Jennison Small Company		244,904
	Vanguard	Vanguard Institutional Index Fund		1,779,814
	Vanguard	Vanguard Extended Market Index Fund		211,313
	Dodge & Cox	Dodge & Cox Income Fund		446,773
	Dodge & Cox	Dodge & Cox International Stock Fund		492,287
	Dodge & Cox	Dodge & Cox Balanced Fund		903,218
	Goldman Sachs	Goldman Sachs Mid Cap Value Fund		207,612
	Managers	Managers AMG Times Square Mid Cap Growth Fund		112,363
		Participant Loans:		
*	Participants	4.25%-10.5% Interest	-	280,499
				<u><u>\$ 10,718,756</u></u>

* Indicates party-in-interest

**Cost omitted for participant-directed accounts

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EMPLOYEES' SAVINGS AND INVESTMENT PLAN
E.I.N. 41-1916940 PLAN NO. 001
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost **	(e) Current Value
		Collective Fund:		
*	Wells Fargo Bank, N.A.	Stable Value Fund (at contract value)		\$ 5,150,499
		Mutual Funds:		
	American Beacon Advisors, Inc.	American Beacon Small Cap Value Fund		194,785
	Harbor Capital	Harbor Capital Appreciation Fund		407,421
	Van Kampen	Van Kampen Comstock Fund		287,268
	Prudential	Jennison Small Company		244,904
	Vanguard	Vanguard Institutional Index Fund		1,779,814
	Vanguard	Vanguard Extended Market Index Fund		211,313
	Dodge & Cox	Dodge & Cox Income Fund		446,773
	Dodge & Cox	Dodge & Cox International Stock Fund		492,287
	Dodge & Cox	Dodge & Cox Balanced Fund		903,218
	Goldman Sachs	Goldman Sachs Mid Cap Value Fund		207,612
	Managers	Managers AMG Times Square Mid Cap Growth Fund		112,363
		Participant Loans:		
*	Participants	4.25%-10.5% Interest	-	280,499
				<u>\$ 10,718,756</u>

* Indicates party-in-interest

**Cost omitted for participant-directed accounts