

INNSUITES HOSPITALITY TRUST  
Form 10-K/A  
March 24, 2006

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K/A**

**FOR ANNUAL AND TRANSITION REPORTS  
PURSUANT TO SECTIONS 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended January 31, 2005.**

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to .**

**Commission File No. 1-7062**

**InnSuites Hospitality Trust**  
(Exact Name of Registrant as Specified in Its Charter)

**Ohio**  
(State or Other Jurisdiction of Incorporation  
or Organization)

**34-6647590**  
(I.R.S. Employer Identification Number)

**InnSuites Hotels Centre, 1615 E.  
Northern Avenue,  
Suite 102, Phoenix, Arizona**  
(Address of Principal Executive Offices)

**85020**  
(ZIP Code)

Registrant's Telephone Number, including area code: **(602) 944-1500**

Securities registered pursuant to Section 12(b) of the Act:

| <b>Title of Each Class</b>                          | <b>Name of Exchange on Which Registered</b> |
|---|---|
| Shares of Beneficial Interest,<br>without par value | American Stock Exchange                     |

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes  No

Aggregate market value of voting stock held by non-affiliates of the Registrant as of July 31, 2004: \$2,248,349

Number of shares of voting stock outstanding as of April 22, 2005: 8,906,429.

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EXPLANATORY NOTE

This Amendment No. 1 (this “Amendment”) amends the Registrant’s Annual Report on Form 10-K for the fiscal year ended January 31, 2005 filed on May 16, 2005. The Registrant is filing this Amendment in order to revise (a) its disclosure in Part II - Item 7 under the heading “Contractual Obligations” to include information regarding anticipated interest expense on its contractual obligations and (b) Part II - Item 9A, to reflect the Registrant’s responses to comments received from the Staff of the Securities and Exchange Commission, Division of Corporation Finance. Except as described above, no other changes have been made to the originally filed Form 10-K.

## PART II

### Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### OVERVIEW

The Trust is engaged in the ownership and operation of hotel properties. At January 31, 2005, the InnSuites system included six moderate and full-service hotels with 947 hotel suites. Certain of our Hotels are branded through franchise agreements, which include four Best Western hotels and one Holiday Inn hotel. Subsequent to January 31, 2005, the Trust ended its franchise agreement with Holiday Inn and entered into a franchise agreement with Best Western International for the Trust's Ontario, California property. All six Hotels are trademarked as InnSuites Hotels. We are also involved in various operations incidental to the operation of hotels, such as the operation of restaurants and meeting/banquet room rentals.

Our operations consist of one reportable segment, hotel ownership, which derives its revenue from the operation of the Hotels. In addition, we receive management fees and trademark license fees.

Our results are significantly affected by occupancy and room rates at the Hotels, our ability to manage costs, and changes in the number of available suites caused by acquisition and disposition activities. Results are also impacted by overall economic conditions and conditions in the travel industry. Unfavorable changes in these factors could negatively impact hotel room demand and pricing which would reduce our profit margins on rented suites.

Additionally, our ability to manage costs could be adversely impacted by significant increases in operating expenses, resulting in lower operating margins.

We anticipate that the improved economic conditions, combined with the disposition of previously underperforming properties, will create opportunities for the Trust in fiscal year 2006. Better overall economic conditions are expected to result in increased business and leisure travel and support higher room rates, and therefore higher operating margins. Challenges in fiscal year 2006 are expected to include continued competition for group business in the markets in which we operate and the Trust's ability to increase room rates while maintaining market share. We will continue to focus on managing our costs, achieving increased daily rates in the markets where we operate and building occupancy. We believe that our focus on customer service, adding more two-room suites and leveraging technology will enable us to remain competitive.

Effective February 1, 2004, the Trust relinquished its REIT status. As of that date, any distributions to its shareholders are not deductible for purposes of computing the Trust's taxable income and the Trust will be subject to income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates, without offset for distributions of such income to its shareholders.

#### GENERAL

The following discussion should be read in conjunction with the Trust's consolidated financial statements and notes thereto.

The accounting policies that we believe are most critical and involve the most subjective judgments include our estimates and assumptions of future revenue and expenditures used to project property cash flows. Future cash flows are used in the valuation calculation of our hotel properties to determine the recoverability (or impairment) of the carrying amounts in the event management is required to test the asset for recoverability of its carrying value under Statement of Financial Accounting Standards No. 144. If the carrying amount of an asset exceeds the estimated future cash flows over its estimated remaining life, the Trust recognizes an impairment expense to reduce the asset's carrying

value to its fair value. Fair value is determined by either the most current third-party property appraisal, if available, or the present value of future cash flows over the remaining life of the asset. Our evaluation of future cash flows is based on our historical experience and other factors, including certain economic conditions and committed future bookings. See “- Critical Accounting Policies and Estimates” below.

At January 31, 2005, the Trust owned a 64.8% interest in five of the Hotels through its sole general partner’s interest in the Partnership and owned a 99.9% interest in one Hotel. The Trust purchased 532,077, 57,509 and 257,101 Partnership units during the years ended January 31, 2005, 2004 and 2003, respectively.

Prior to May 1, 2004, the Partnership leased its hotel properties to InnSuites Hotels. The corresponding rent expense for InnSuites Hotels and rent revenue for the Partnership, as well as the resulting rent receivable and payable, eliminate in consolidation. On May 1, 2004, the percentage lease agreements between the Partnership and InnSuites Hotels were terminated. During the fourth quarter of fiscal year 2004, the Partnership agreed to waive InnSuites Hotels accrued but unpaid rent in exchange for InnSuites Hotels extending its lease agreements one year. The total amount waived was \$3,134,130. This transaction had a net effect of increasing the Trust’s stockholders equity by \$1,518,834.

The expenses of the Trust consist primarily of property taxes, insurance, corporate overhead, interest on mortgage debt, professional fees, depreciation of the Hotels, management and trademark fees to affiliates and hotel operating expenses. Under the terms of its Partnership Agreement, the Partnership is required to reimburse the Trust for all such expenses. Accordingly, management believes that a review of the historical performance of the operations of the Hotels, particularly with respect to

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occupancy, average daily rate (“ADR”), calculated as total room revenue divided by number of rooms sold, and revenue per available room (“REVPAR”), calculated as total room revenue divided by number of rooms available, is appropriate for understanding revenue from the Hotels. ADR increased by \$4.56 to \$70.83 in fiscal year 2005 from \$66.27 in fiscal year 2004. Occupancy increased 5.76% to 68.55% in fiscal year 2005 from 62.79% in fiscal year 2004 primarily as a result of the disposition of lower-occupancy properties. These dispositions also resulted in an increase in REVPAR of \$6.94 to \$48.55 in fiscal year 2005 from \$41.61 in fiscal year 2004.

The following table shows certain historical financial and other information for the periods indicated:

|                                     | For the Year Ended January 31, |          |          |
|-------------------------------------|--------------------------------|----------|----------|
|                                     | 2005                           | 2004     | 2003     |
| Occupancy                           | 68.55%                         | 62.79%   | 60.46%   |
| Average Daily Rate (ADR)            | \$ 70.83                       | \$ 66.27 | \$ 66.59 |
| Revenue Per Available Room (REVPAR) | \$ 48.55                       | \$ 41.61 | \$ 40.26 |

No assurance can be given that the trends reflected in this data will continue or that occupancy, ADR and REVPAR will not decrease as a result of changes in national or local economic or hospitality industry conditions.

The Trust enters into transactions with certain related parties from time to time. For information relating to such related party transactions see the following:

- For a discussion of management and licensing agreements with certain related parties, see “Item 1 - Business - Acquisition of Management and Licensing Contracts.”
- For a discussion of acquisitions involving certain related parties, see “Item 1 - Business - Acquisition of InnSuites Hotels by the Trust.”
- For a discussion of the sales of the Trust’s Scottsdale, Flagstaff and Tempe, Arizona hotels to a related party during fiscal years 2004 and 2005, see “Item 1 - Business - Sale of Hotel Properties” and Note 19 to the Trust’s Consolidated Financial Statements - “Hotel Properties Held for Sale and Sale of Hotel Properties.”
- For a discussion of guarantees of the Trust’s mortgage notes payable by certain related parties, see Note 5 to the Trust’s Consolidated Financial Statements - “Mortgage Notes Payable.”
- For a discussion of notes and advances payable by the Trust to certain related parties, see Note 7 to the Trust’s Consolidated Financial Statements - “Notes and Advances Payable to Related Parties.”
- For a discussion of the Trust’s employment agreement with Mr. Wirth, see Note 12 to the Trust’s Consolidated Financial Statements - “Advisory Agreement/Employment Agreements.”

***Results of Operations of the Trust for the year ended January 31, 2005 compared to the year ended January 31, 2004.***

*Overview*

A summary of operating results for the fiscal years ended January 31, 2005 and 2004 is:

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|   | <b>2005</b>  | <b>2004</b>    | <b>Change</b> | <b>% Change</b> |
|---|--------------|----------------|---------------|-----------------|
| Revenue                                     | \$22,875,187 | \$24,211,328   | \$(1,336,141) | (5.5)%          |
| Operating Loss                              | \$ (221,647) | \$ (272,479)   | \$ 50,832     | 18.7%           |
| Net Income (Loss)                           | \$ 240,442   | \$ (2,594,317) | \$ 2,834,759  | >100.0%         |
| Income (Loss) Per Share - Basic and Diluted | \$ 0.10      | \$ (1.27)      | \$ 1.37       | >100.0%         |

The Trust's overall results in 2005 were positively affected by the disposition of certain of its underperforming properties, the impact of which was partially offset by expenses related to its acquisition of the management and licensing contracts from the Management Company, which will eliminate those expenses in future years.

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For the twelve months ended January 31, 2005, the Trust had total revenue of \$22.9 million compared to \$24.2 million for the twelve months ended January 31, 2004, a decrease of approximately \$1.3 million. This decrease in total revenue is primarily due to the sale of the Tempe, Arizona and San Diego, California properties in the first quarter of fiscal year 2005. Total expenses of \$25.3 million for the twelve months ended January 31, 2005 reflect a decrease of approximately \$2.5 million compared to total expenses of \$27.9 million for the twelve months ended January 31, 2004. The decrease is primarily due to the sales of the Tempe, Arizona and San Diego, California properties in the first quarter of fiscal year 2005 and an impairment charge of \$458,000 related to the Buena Park, California and Tempe, Arizona properties in fiscal year 2004.

Loss on impairment of hotel property was approximately \$458,000 for the twelve months ended January 31, 2004. This loss resulted from write-downs for impairments of the Buena Park, California and Tempe, Arizona hotel properties. During fiscal year 2004, the Trust entered into purchase agreements related to both properties at amounts below their carrying values. The Buena Park, California property was written down by \$329,000 to its fair value of \$6.5 million, which was its subsequent sales price. The Tempe, Arizona property was written down by \$129,000 to its fair value of \$6.8 million, which was its subsequent sales price. See Note 19 to the Trust's Consolidated Financial Statements - "Hotels Held for Sale and Sale of Hotel Properties." No such loss was recorded for the twelve months ended January 31, 2005.

General and administrative expenses include overhead charges for management, accounting, shareholder and legal services for the Trust. In comparing general and administrative expenses for the twelve months ended January 31, 2005 and 2004, these expenses decreased \$258,000, or 5.5%, to \$4.4 million in fiscal year 2005, from \$4.7 million in fiscal year 2004. This decrease was primarily due to elimination of management and franchise fees paid by the Trust due to the consolidation of the Management Company and Licensing Corp. and subsequent purchase of those contracts, offset by the increased expenses to effect those transactions.

Total operating expenses for the twelve months ended January 31, 2005 were \$23.1 million, a decrease of approximately \$1.4 million, or 5.7%, from \$24.5 million in the twelve months ended January 31, 2004. The decrease was primarily due to the sales of the Tempe, Arizona and San Diego, California properties during the first quarter of fiscal year 2005 and impairment charges of \$458,000 recognized during fiscal year 2004.

Total interest expense for the twelve months ended January 31, 2005 was \$2.3 million, a decrease of \$1.1 million, or 33.0%, from \$3.4 million in the twelve months ended January 31, 2004. Interest on mortgage notes payable for the twelve months ended January 31, 2005 was \$2.1 million, a decrease of \$675,000, or 24.4%, from \$2.8 million in the twelve months ended January 31, 2004. The decrease is primarily due to the satisfaction of the mortgage notes payable secured by the Tempe, Arizona and San Diego, California properties in connection with the disposition of those properties. Interest on notes payable to banks for the twelve months ended January 31, 2005 was \$24,000, a decrease of \$30,000, or 56.2%, from \$54,000 in the prior fiscal year, due to the Trust satisfying in full its term loan in March 2003 and its line of credit in full in August 2003. Interest on notes payable to related parties decreased 77.0%, or \$419,000, to \$125,000 from \$544,000 during the years ended January 31, 2005 and 2004, respectively. The decrease is primarily due to payments totaling \$6.2 million on notes due to affiliates of Mr. Wirth in connection with the sales of the Tempe, Arizona and San Diego, California properties during the first quarter of fiscal year 2005.

Real estate and personal property taxes, insurance and ground rent decreased \$340,000, or 20.4%, to \$1.3 million from \$1.7 million in comparing the twelve months ended January 31, 2005 and 2004, respectively. Real estate and personal property taxes and property insurance decreased due to the sales of the Tempe, Arizona and San Diego, California properties during the first quarter of fiscal year 2005 and the sale of the Buena Park, California property during the third quarter of fiscal year 2004.

Hotel property depreciation for the twelve months ended January 31, 2005 compared to 2004 decreased approximately \$222,000, or 7.5%, to \$2.8 million from \$3.0 million, respectively. The decrease was primarily due to the sale of



certain hotel properties.

The Trust had income before minority interest, income taxes and cumulative effect of adoption of accounting principle of \$2.6 million for the twelve months ended January 31, 2005, compared to a loss before minority interest of \$3.6 million in the prior year. After deducting the income allocated to the minority interest of \$1.4 million, taxes of \$160,000 and the cumulative effect of adoption of accounting principle of \$854,402, the Trust had net income attributable to Shares of Beneficial Interest of approximately \$240,000. This represented an increase of approximately \$2.7 million attributable to Shares of Beneficial Interest comparing the twelve months ended January 31, 2005 and 2004. Basic and diluted net income per share was \$0.10 for the twelve months ended January 31, 2005, compared to a loss of \$1.27 for 2004.

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**Results of Operations of the Trust for the year ended January 31, 2004 compared to the year ended January 31, 2003.***Overview*

A summary of operating results for the fiscal years ended January 31, 2004 and 2003 is:

|                                    | <b>2004</b>    | <b>2003</b>    | <b>Change</b> | <b>% Change</b> |
|------------------------------------|----------------|----------------|---------------|-----------------|
| Revenue                            | \$24,211,328   | \$26,940,473   | \$(2,729,145) | (10.1)%         |
| Operating Loss                     | \$ (272,479)   | \$ (1,080,639) | \$ 808,160    | 74.8%           |
| Net Loss                           | \$ (2,594,317) | \$ (3,445,948) | \$ 851,631    | 24.7%           |
| Loss Per Share - Basic and Diluted | \$ (1.27)      | \$ (1.67)      | \$ 0.40       | 24.0%           |

The Trust's overall results in both 2004 and 2003 were adversely affected by the sluggish economic environment and reduced travel due to the war in Iraq and other terror concerns. Decreased demand in both the leisure travel, particularly in southern California, and business travel markets resulted in declining revenues during fiscal year 2004.

For the twelve months ended January 31, 2004, the Trust had total revenue of \$24.2 million compared to \$26.9 million for the twelve months ended January 31, 2003, a decrease of approximately \$2.7 million. This decrease in total revenue is primarily due to fewer occupied rooms and the absence of revenue from the Scottsdale, Arizona property due to its sale in the first quarter of fiscal year 2004, and from the Flagstaff, Arizona and Buena Park, California properties, which were sold in the third quarter of fiscal year 2004. Total expenses of \$27.9 million for the twelve months ended January 31, 2004 reflect a decrease of approximately \$4.0 million compared to total expenses of \$31.9 million for the twelve months ended January 31, 2003. The decrease is primarily due to the impairment charge of \$590,000 related to the Scottsdale property in fiscal year 2003, reduced hotel expenses as a result of reduced occupied rooms and the absence of expenses from the Scottsdale, Flagstaff and Buena Park properties due to their sale in fiscal year 2004.

Loss on impairment of hotel property was approximately \$458,000 for the twelve months ended January 31, 2004. This loss resulted from the write-downs for impairments of the Buena Park, California and Tempe, Arizona hotel properties. During fiscal year 2004, the Trust entered into purchase agreements related to both properties at amounts below their carrying values. The Buena Park, California property was written down by \$329,000 to its fair value of \$6.5 million, which was its subsequent sales price. The Tempe, Arizona property was written down by \$129,000 to its fair value of \$6.8 million, which was its subsequent sales price. See Note 19 to the Trust's Consolidated Financial Statements - "Hotels Held for Sale and Sale of Hotel Properties." Loss on impairment of hotel property was approximately \$590,000 for the twelve months ended January 31, 2003. This loss resulted from the write-down for an impairment of the Scottsdale, Arizona hotel property. The operating performance of the Scottsdale property during that period indicated that it significantly decreased in value, which required management to test the property for recoverability of book value under SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." Based on an appraisal of the property's fair value, the hotel property's carrying value was determined not to be recoverable. The hotel property, including land, buildings and improvements and furniture, fixtures and equipment, was written down by \$590,000 to its fair value and new basis of \$3.1 million. The amount of impairment allocated to Shares of Beneficial Interest was \$294,000 and the amount allocated to minority interest was \$296,000. The hotel property's decrease in value was due to changes in the economic conditions, and decreased prospects for future development, in its immediate area. During fiscal year 2004, the impaired property was sold to Scottsdale Eldorado Resort, LLC, an affiliate of Mr. Wirth, for \$3.1 million.

General and administrative expenses include overhead charges for management, accounting, shareholder and legal services for the Trust. In comparing general and administrative expenses for the twelve months ended January 31, 2004 and 2003, these expenses decreased \$1.1 million, or 19.0%, to \$4.7 million in fiscal year 2004, from \$5.8 million

in fiscal year 2003. This decrease was primarily due to \$91,000 of expense related to the refinancing of the Tucson St. Mary's and San Diego properties in fiscal year 2003, a decrease of \$242,000 in trademark and management fees in fiscal year 2004 due to amendments to the related contracts, and the absence of such expenses from the Scottsdale, Buena Park and Flagstaff properties due to their sale during the first quarter of fiscal year 2004.

Total operating expenses for the twelve months ended January 31, 2004 were \$24.5 million, a decrease of approximately \$3.5 million, or 12.6%, from \$28.0 million in the twelve months ended January 31, 2003. The decrease was primarily due to the impairment charge of \$590,000 related to the Scottsdale property in fiscal year 2003, reduced hotel expenses as a result of reduced revenue and the absence of expenses from the Scottsdale, Buena Park and Flagstaff properties due to their sale in the first quarter of fiscal year 2004.

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Total interest expense for the twelve months ended January 31, 2004 was \$3.4 million, a decrease of \$424,000, or 11.2%, from \$3.8 million in the twelve months ended January 31, 2003. Interest on mortgage notes payable for the twelve months ended January 31, 2004 was \$2.8 million, a decrease of \$165,000, or 5.6%, from \$2.9 million in the twelve months ended January 31, 2003. Interest on notes payable to banks for the twelve months ended January 31, 2004 was \$54,000, a decrease of \$111,000, or 67.4%, from \$165,000 in the prior fiscal year, due to the Trust satisfying in full its term loan in March 2003 and its line of credit in full in August 2003. Interest on notes payable to related parties decreased 21.4%, or \$148,000, to \$544,000 from \$692,000 due to a decrease of \$2.9 million in net borrowings from Mr. Wirth and his affiliates.

Real estate and personal property taxes, insurance and ground rent decreased \$219,000, or 11.6%, to \$1.7 million from \$1.9 million in comparing the twelve months ended January 31, 2004 and 2003, respectively. Real estate and personal property taxes and property insurance decreased due to the sale of the Scottsdale property in the first quarter of fiscal year 2004 and decreased property tax assessments at certain hotels.

Hotel property depreciation for the twelve months ended January 31, 2004 compared to 2003 decreased approximately \$418,000, or 12.3%, to \$3.0 million from \$3.4 million, respectively. The decrease was primarily due to the sale of certain hotel properties and the cessation of depreciation on hotel properties classified as held for sale.

The Trust had a loss before minority interest of \$3.6 million for the twelve months ended January 31, 2004, compared to a loss before minority interest of \$4.9 million in the prior year. After deducting the loss allocated to the minority interest of \$1.0 million, the Trust had a net loss attributable to Shares of Beneficial Interest of approximately \$2.6 million. This represented a decrease in total net loss of approximately \$852,000 attributable to Shares of Beneficial Interest comparing the twelve months ended January 31, 2004 and 2003. Basic and diluted net loss per share was \$1.27 for the twelve months ended January 31, 2004, compared to \$1.67 for 2003.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview

Net cash provided by operating activities totaled \$660,000, \$88,000, and \$1.1 million for the years ended January 31, 2005, 2004 and 2003, respectively. The increase in 2005 as compared to 2004 was primarily due to better operating results. The decrease in 2004 as compared to 2003 was primarily due to the Trust's efforts to reduce its liabilities, especially trade payables.

Net cash provided by or used in investing activities totaled \$8.0 million, \$10.2 million, and \$(1.6) million for the years ended January 31, 2005, 2004 and 2003, respectively. The decrease in 2005 as compared to 2004 was primarily due to fewer dispositions in fiscal year 2005. The increase in 2004 as compared to 2003 was primarily due to the sale of certain Hotels during fiscal year 2004.

Net cash provided by or used in financing activities totaled \$(8.6) million, \$(10.4) million, and \$513,000 for the years ended January 31, 2005, 2004 and 2003, respectively. The increase in 2005 as compared to 2004 was primarily due to reduced net payments on notes payable to Mr. Wirth and his affiliates during fiscal year 2005. The decrease in 2004 as compared to 2003 was primarily due to the sale of certain Hotels in fiscal year 2004, the proceeds of which the Trust used to reduce its debt balances to related parties and satisfy its mortgage notes on these properties.

The Trust received \$9.4 million in proceeds for the sales of hotel properties in fiscal year 2005. The Trust used \$4.8 million of these proceeds to satisfy a mortgage note payable, \$1.4 million to satisfy related party notes and interest payable, and retained the remaining proceeds to reduce trade payables and to fund future operations and capital improvements.

The Trust received \$12.2 million in proceeds for the sales of hotel properties in fiscal year 2004. The Trust used \$3.0 million of these proceeds to satisfy a mortgage note payable, \$4.4 million to satisfy related party notes payable, \$3.0 million to satisfy bank notes payable and the remaining proceeds to fund operations.

The Trust's principal source of cash to meet its cash requirements, including distributions to its shareholders, is its share of the Partnership's cash flow and, as of January 31, 2005, its direct ownership of the Yuma, Arizona property. The Partnership's principal source of revenue after May 1, 2004 is hotel operations for the five properties it owns. The Trust's liquidity, including its ability to make distributions to its shareholders, will depend upon the ability of itself and the Partnership to generate sufficient cash flow from hotel operations.

Historically, as a REIT, the Trust was required to distribute to its shareholders at least 90% of its taxable income, excluding net capital gains. The termination of the Trust's status as a REIT, effective February 1, 2004, eliminated this requirement. However, by relinquishing its status as a REIT, the Trust will become subject to the payment of income taxes.

As of January 31, 2004, the Trust has no commitments for capital expenditures beyond a 4% reserve for refurbishment and replacements that is set aside annually, as described below.

The Trust is obligated under loan agreements relating to five of its hotels to deposit 4% of the individual hotel's room revenue into an escrow account to be used for capital expenditures. These accounts are restricted by the mortgage lenders. As of January 31, 2005, \$250,642 was held in these accounts and is reported on the Trust's Consolidated Balance Sheet as "Restricted Cash." The accounts are required to be used for capital improvements to the Hotels and refurbishment and replacement of furniture, fixtures and equipment. During the twelve months ended January 31, 2005 and 2004, the Hotels spent approximately \$1.3 million and \$1.8 million, respectively, for capital expenditures. The Trust considers the majority of these improvements to be revenue producing. Therefore, these amounts have been capitalized and are being depreciated over their estimated useful lives. The Trust plans to spend approximately \$691,000 for capital expenditures in fiscal year 2006. The Hotels also spent approximately \$1.4 million and \$1.8 million during fiscal years 2005 and 2004, respectively, on repairs and maintenance and these amounts have been charged to expense as incurred.

The Trust has minimum debt payments of \$1.7 million and \$1.2 million due during fiscal years 2006 and 2007, respectively. The Trust plans to renew its bank line of credit when it matures during fiscal year 2006. The Trust believes it can satisfy its remaining obligations during fiscal years 2006 and 2007 using revenue generated by the Hotels' operations.

Management believes that cash on hand, future cash receipts from operations, proceeds from hotel sales and borrowings from affiliates in fiscal year 2006 will be sufficient to meet the Trust's obligations as they become due for the next twelve months.

The Trust may seek to negotiate additional credit facilities or issue debt instruments. Any debt incurred or issued by the Trust may be secured or unsecured, long-term, medium-term or short-term, bear interest at a fixed or variable rate and be subject to such other terms as the Trust considers prudent.

The Trust will acquire or develop additional hotels only as suitable opportunities arise, and the Trust will not undertake acquisition or redevelopment of properties unless adequate sources of financing are available. Funds for future acquisitions or development of hotels are expected to be derived, in whole or in part, from borrowings or from the proceeds of additional issuances of Shares of Beneficial Interest or other securities. However, there can be no assurance that the Trust will successfully acquire or develop additional hotels or that proceeds from borrowings or issuances of Shares of Beneficial Interest will be available or in amounts and on terms sufficient to allow such transactions.

#### CONTINUED LISTING WITH THE AMERICAN STOCK EXCHANGE

On June 13, 2003, the Trust received notice from the American Stock Exchange ("Amex") indicating that the Trust failed to meet certain of Amex's continued listing standards as set forth under Section 1003(a) of the Amex Company Guide. The Trust became non-compliant with Amex's continued listing standards due to losses incurred by the Trust in its most recent fiscal years. These losses were exacerbated by the terrorist attacks on September 11, 2001, the war in Iraq during the spring of 2003, as well as the general slowdown in the economy and travel.

In response to this notice, the Trust was given the opportunity to submit a plan to Amex to regain compliance with the continued listing standards. On August 26, 2003, Amex notified the Trust that it had accepted the Trust's plan and granted the Trust the opportunity to regain compliance with Amex's continued listing standards.

On December 10, 2004, the shareholders of the Trust approved several proposals relating to the Trust's plan to return to compliance with Amex's continued listing standards. On January 4, 2005, the Board of Trustees approved the implementation of the proposals. The proposals were consummated on January 31, 2005, and resulted in:

- The Trust issuing 6,577,732 Shares of Beneficial Interest in the Trust to the Partnership to satisfy advances and interest payable to the Partnership totaling approximately \$8.6 million. The Partnership concurrently distributed the Shares of Beneficial Interest to its unit holders. Of the 6,577,732 Shares of Beneficial Interest distributed by the Partnership, 3,761,071 were returned to the Trust and became treasury shares. The remaining 2,816,661 Shares of Beneficial Interest remained outstanding.
- The Trust issuing 4,969,712 Shares of Beneficial Interest in the Trust, with a fair value of approximately \$6.5 million, to the Partnership to acquire its ownership interest in Yuma Hospitality Properties, Ltd., which owns and operates the Yuma, Arizona hotel property. The Partnership concurrently distributed the Shares of Beneficial Interest to its unit holders. Of the 4,969,712 Shares of Beneficial Interest distributed by the Partnership, 2,841,624 were returned to the Trust and became treasury shares. The remaining 2,128,088 Shares of Beneficial Interest remained outstanding. The fair value was determined using the carrying values of assets and liabilities, except for fixed assets, which were valued using appraised value. The portion of the excess of fair value over book value that relates to the minority interest in the Partnership totals \$1.2 million, and has been recorded as an increase in the basis of those fixed assets.
- The Trust issuing 457,645 Shares of Beneficial Interest in the Trust to satisfy \$594,938 of notes and interest payable to affiliates of Mr. Wirth. All of those Shares of Beneficial Interest remained outstanding.

• The Trust issuing 1,000,000 Shares of Beneficial Interest in the Trust to Mr. Wirth and his affiliates upon conversion of 1,000,000 Class B limited partnership units in the Partnership, which increased the Trust's ownership interest in the Partnership by 7.6%. All of those Shares of Beneficial Interest remained outstanding.

In total, the Trust issued 13,005,089 Shares of Beneficial Interest in the Trust, of which 6,602,695 returned to the Trust as treasury shares and 6,402,394 remained outstanding. Mr. Wirth and his affiliates, through these transactions, received 5,182,186 Shares of Beneficial Interest in the Trust.

As of January 31, 2005, the Trust has total shareholders' equity of \$6.3 million, which exceeds the minimum amount of \$6.0 million required to regain compliance with Amex's continued listing standards.

#### SHARE REPURCHASE PROGRAM

On January 2, 2001, the Board of Trustees of the Trust approved a share repurchase program under Rule 10b-18 of the Securities Exchange Act of 1934, as amended, for the purchase of up to 250,000 limited partnership units in the Partnership and/or Shares of Beneficial Interest in open market or privately negotiated transactions. Additionally, on September 10, 2002, the Board of Trustees approved the purchase of up to 350,000 additional limited partnership units in the Partnership and/or Shares of Beneficial Interest in open market or privately negotiated transactions. Acquired Shares of Beneficial Interest are held in treasury and are available for future acquisitions and financings and/or for awards granted under the Trust's 1997 Stock Incentive and Option Plan. During fiscal year 2005, the Trust acquired 130,717 Shares of Beneficial Interest in open market and privately negotiated transactions at an average price of \$1.73 per share, and 532,077 limited partnership units in privately negotiated transactions at an average price of \$2.17 per unit. The Trust intends to continue repurchasing Shares of Beneficial Interest in compliance with applicable legal and Amex requirements. The Trust is authorized to repurchase an additional 40,133 limited partnership units and/or Shares of Beneficial Interest pursuant to the share repurchase program.

#### OFF-BALANCE SHEET FINANCINGS AND LIABILITIES

Other than lease commitments, legal contingencies incurred in the normal course of business and employment contracts for key employees, the Trust does not have any off-balance sheet financing arrangements or liabilities. The Trust does not have any majority-owned subsidiaries that are not included in the consolidated financial statements. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Accounting Matters" below for a discussion of new accounting interpretations with respect to variable interest entities and the impact of such interpretations on the Trust. See also Note 2 to the Trust's Consolidated Financial Statements - "Summary of Significant Accounting Policies - Application of New Accounting Standards."

#### CONTRACTUAL OBLIGATIONS

The following summarizes our contractual obligations at January 31, 2005, and the effect such obligations are expected to have on our liquidity and cash flow in future periods:

| CONTRACTUAL<br>OBLIGATIONS   | TOTAL         | PAYMENTS DUE BY PERIOD |              |              |               |
|--|---------------|------------------------|--------------|--------------|---------------|
|  |               | LESS<br>THAN<br>1 YEAR | 1-3<br>YEARS | 3-5<br>YEARS | THEREAFTER    |
| Mortgage notes payable, notes payable to banks, other notes payable and notes and advances | \$ 24,849,370 | \$ 1,673,537           | \$ 2,564,700 | \$ 6,643,302 | \$ 13,967,831 |



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payable to related parties

|                  |                      |                     |                     |                     |                      |
|------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| Operating leases | 7,128,793            | 196,186             | 392,372             | 392,372             | 6,147,863            |
| <b>TOTAL</b>     | <b>\$ 31,978,163</b> | <b>\$ 1,869,723</b> | <b>\$ 2,957,072</b> | <b>\$ 7,035,674</b> | <b>\$ 20,115,694</b> |

The Trust expects to incur interest expense in relation to the notes included in the above table as summarized below:

| <b>TOTAL</b>  | <b>LESS<br/>THAN<br/>1 YEAR</b> | <b>1-3<br/>YEARS</b> | <b>3-5<br/>YEARS</b> | <b>THEREAFTER</b> |
|---------------|---------------------------------|----------------------|----------------------|-------------------|
| \$ 10,519,880 | \$ 1,912,019                    | \$ 3,482,861         | \$ 2,898,244         | \$ 2,226,756      |

InnSuites Hotels has entered into franchise arrangements with certain third parties for five of the hotel properties, with four Best Western hotels and one Holiday Inn hotel. Subsequent to January 31, 2005, the Trust ended its franchise agreement with Holiday Inn and entered into a franchise agreement with Best Western International for the Trust's Ontario, California property. These agreements provide for fees to be paid by InnSuites Hotels based on revenue and reservations received, and contain no minimum payment provisions.

#### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Trust believes that the policies it follows for the valuation of its hotel properties, which constitute the majority of Trust assets, are its most critical policies. The Trust applies SFAS No. 144 to determine when it is necessary to test an asset for recoverability. On an events and circumstances basis, the Trust reviews the carrying value of its hotel properties both held for use and held for sale. The Trust will record an impairment loss and reduce the carrying value of a property when anticipated undiscounted future cash flows and/or a current appraisal of the property do not support its carrying value. In cases where the Trust does not expect to recover the carrying cost of hotel properties held for use, it will reduce the carrying value to the fair value of the hotel, as determined by a current appraisal. In cases where the Trust does not expect to recover the carrying cost of hotel properties held for sale, it will reduce the carrying value to the sales price less costs to sell. The Trust did not recognize impairment expense in fiscal year 2005. For the twelve months ended January 31, 2004 and 2003, the Trust recorded impairment losses of \$458,000 and \$590,000, respectively. As of January 31, 2005, the Trust management does not believe that the carrying values of any of its hotel properties are impaired.

#### ACCOUNTING MATTERS

In December 2004, Statement of Financial Accounting Standards No. 123 (revised 2004) was issued. This Statement is a revision of FASB Statement No. 123, Accounting for Stock Based Compensation, and supercedes APB Opinion No. 25, Accounting for Stock Issued to Employees. This Statement establishes standards for accounting for transactions in which an entity exchanges its equity securities for goods and services. The Trust is required to adopt this Statement as of August 31, 2005. The Trust believes that the adoption of this Statement will not affect future financial results, as all options granted by the Trust are fully vested.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29," ("SFAS No. 153"), which is effective for fiscal years beginning after June 15, 2005. SFAS No. 153 replaces APB Opinion No. 29's exceptions to recording these transfers at fair value. SFAS No. 153 is not expected to have a material impact on the Company's financial statements or results of operations.

In February 2004, the Trust adopted FIN 46R, which amended FIN 46, "Consolidation of Variable Interest Entities," an interpretation of Accounting Research Bulletin No. 51, "Consolidated Financial Statements." FIN 46R requires an existing unconsolidated variable interest entity to be consolidated by its primary beneficiary if the entity does not effectively disperse risk among all parties involved or if other parties do not have significant capital to finance activities without subordinated financial support from the primary beneficiary. The primary beneficiary is the party that absorbs a majority of the entity's expected losses, receives a majority of its expected residual returns, or both, as a result of holding variable interests, which are the ownership, contractual or other pecuniary interests in an entity.

As of February 1, 2004, the Trust recorded a charge for the cumulative effect of a change in accounting principle resulting from its recognition of the \$854,000 net stockholder's deficit of the Management Company, which was the Trust's variable interest entity under FIN 46R. The \$854,000 charge represented the net effect of the Trust reporting \$160,000 in net assets (consisting primarily of receivables) and \$1,014,000 in net liabilities (consisting primarily of debt) upon consolidating the financial results of the Management Company.

All revenue and expense items for the Management Company and Licensing Corp. relating to services provided to the Hotels were eliminated when their financial results were consolidated with the Trust's results. Revenues and expenses relating to services provided by the Management Company and Licensing Corp. to hotels not owned by the Trust, however, were not eliminated. Payroll reimbursements shown in the current period represent amounts received from hotels not owned by the Trust.

The effect of consolidating the financial results of the Management Company and Licensing Corp. was accounted for as a cumulative effect of a change in accounting principle. As a result of consolidating the financial results of the Management Company with its results, as of February 1, 2004, the Trust's financial results include a \$854,402 charge for the cumulative effect of a change in accounting principle on the Statements of Operations resulting in a reduction in its Stockholders' Equity which represents the aggregate stockholders' deficit reported by the Management Company as of February 1, 2004.

After June 8, 2004, consolidation of the financial results of the Management Company and Licensing Corp. is no longer required by FIN 46R since InnSuites Hotels acquired the management contracts and licensing agreements from the Management Company on that date. See Note 20 to the Trust's Consolidated Financial Statements - "Purchase of Management and Licensing Contracts."

## INFLATION

The Trust's revenue is based on the underlying Hotel revenue. Therefore, the Trust relies entirely on the performance of the Hotels and InnSuites Hotels' ability to increase revenue to keep pace with inflation. Operators of hotels in general, and InnSuites Hotels in particular, can change room rates quickly, but competitive pressures may limit InnSuites Hotels' ability to raise rates faster than inflation.

## FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-K, including statements containing the phrases "believes," "intends," "expects," "anticipates," "predicted," "will be," "should be," "looking ahead" or similar words, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The Trust intends that such forward-looking statements be subject to the safe harbors created by such Acts. These forward-looking statements include statements regarding the intent, belief or current expectations of the Trust, its Trustees or its officers in respect of (i) the declaration or payment of dividends; (ii) the leasing, management or operation of the Hotels; (iii) the adequacy of reserves for renovation and refurbishment; (iv) the Trust's financing plans; (v) the Trust's position regarding investments, acquisitions, developments, financings, conflicts of interest and other matters; (vi) the Trust's continued listing on Amex; and (vii) trends affecting the Trust's or any Hotel's financial condition or results of operations.

These forward-looking statements reflect the Trust's current views in respect of future events and financial performance, but are subject to many uncertainties and factors relating to the operations and business environment of the Hotels which may cause the actual results of the Trust to differ materially from any future results expressed or implied by such forward-looking statements. Examples of such uncertainties include, but are not limited to:

- fluctuations in hotel occupancy rates;
- changes in room rental rates which may be charged by InnSuites Hotels in response to market rental rate changes or otherwise;
- interest rate fluctuations;
- changes in federal income tax laws and regulations;
- competition;
- any changes in the Trust's financial condition or operating results due to acquisitions or dispositions of hotel properties;
- real estate and hospitality market conditions;
- hospitality industry factors;
- terrorist attacks or other acts of war;
- outbreaks of communicable diseases;
- natural disasters;
- local or national economic and business conditions, including, without limitation, conditions which may affect public securities markets generally, the hospitality industry or the markets in which the Trust operates or will operate; and
- uncertainties the Trust might encounter in changing from a REIT to a tax-paying entity.

The Trust does not undertake any obligation to update publicly or revise any forward-looking statements whether as a result of new information, future events or otherwise. Pursuant to Section 21E(b)(2)(E) of the Securities Exchange Act of 1934, the qualifications set forth hereinabove are inapplicable to any forward-looking statements in this Form 10-K relating to the operations of the Partnership.

## Item 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Trust conducted an evaluation, under the supervision and with the participation of the principal executive officer and principal financial officer, of the Trust's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, the principal executive officer and principal financial officer concluded that the Trust's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Trust in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. During the fourth quarter of fiscal year 2005, the Trust took the actions described below to strengthen its disclosure controls and procedures and internal control over financial reporting in response to the issues described below that were identified by the Trust's management and independent accountants. These actions enabled the principal executive officer and the principal financial officer to conclude that the Trust's disclosure controls and procedures remained effective. Except as described below, there was no change in the Trust's internal control over financial reporting during the Trust's most recently completed fiscal year that has materially affected, or is reasonably likely to materially affect, the Trust's internal control over financial reporting.

The Trust did not timely file this Annual Report on Form 10-K due to the resignation of McGladrey as the Trust's principal independent accountants on January 20, 2005 and the subsequent engagement of EWC on April 4, 2005, less than a month prior to the due date of this Form 10-K, and the need to resolve certain accounting issues and prepare and file its amended Form 10-K for the fiscal year ended January 31, 2004, which filing was made on May 4, 2005. The Trust believes that these events are non-recurring and believes that it has sufficient staff and resources to timely file its reports with the Commission in the future.

On January 7, 2005, McGladrey, the Trust's former independent accountants, provided a letter to the Audit Committee and management of the Trust noting two reportable conditions under standards established by the American Institute of Certified Public Accountants that McGladrey believed to be material weaknesses.

The first reportable condition involved the lack of sufficient segregation of duties and responsibilities with respect to the recording and approval of financial information that occurred due to the departure of the Trust's Controller. Effective January 31, 2005, the Trust rehired its former Controller who will oversee the recording of financial information while the Trust's Chief Financial Officer will continue in his prior role of approving financial information. The second reportable condition involved the need for "numerous adjusting journal entries" and "significant financial statement presentation changes," which resulted in McGladrey concluding that the Trust's "monthly internal financial statements may not be reliable." The Trust has hired additional accounting staff and is considering additional measures that will better ensure the reliability of the Trust's internal financial statements.

On May 4, 2005, the Trust filed its Annual Report on Form 10-K/A for the fiscal year ended January 31, 2004 in order to properly apply SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" and reclassify as continuing operations the results for the Hotels previously reported in discontinued operations for the fiscal years ended January 31, 2004, 2003 and 2002 due to significant continuing involvement by the Trust in the operations of those Hotels and since the Trust continues to receive cash flows from those Hotels. In connection with that restatement, the Trust re-evaluated its disclosure controls and procedures and internal control over financial reporting with respect to the proper application of financial accounting standards.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(3) Exhibit List

| <b>Exhibit No.</b>     | <b>Exhibit</b>  |
|------------------------|---|
| 3.1 <sup>(2)</sup>     | Second Amended and Restated Declaration of Trust of InnSuites Hospitality Trust dated June 16, 1998, as further amended on July 12, 1999.   |
| 10.1                   | First Amended and Restated Agreement of Limited Partnership of RRF Limited Partnership dated January 31, 1998 (incorporated by reference to Exhibit 10.1 of the Registrant's Registration Statement on Form S-2, filed with the Securities and Exchange Commission on September 8, 1998).   |
| 10.2 <sup>(1)(2)</sup> | Employment Agreement dated as of January 31, 1998, between InnSuites Hospitality Trust and James F. Wirth.  |
| 10.3 <sup>(1)</sup>    | Indemnity Agreement dated February 3, 2004 between InnSuites Hospitality Trust and each of James F. Wirth, Marc E. Berg, Steven S. Robson, Peter A. Thoma, and Anthony B. Waters (incorporated by reference to Exhibit 10.3 of the Registrant's Annual Report on Form 10-K for the fiscal year ended January 31, 2004 filed with the Securities and Exchange Commission on April 30, 2004). |
| 10.4 <sup>(1)</sup>    | Indemnification Agreement dated January 4, 2005 between InnSuites Hospitality Trust and Mason E. Anderson (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 7, 2005).   |
| 10.5                   | Debt Exchange Agreement effective January 31, 2005 between InnSuites Hospitality Trust and RRF Limited Partnership (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 4, 2005).   |
| 10.6                   | Yuma Acquisition Agreement effective January 31, 2005 between InnSuites Hospitality Trust and RRF Limited Partnership (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 4, 2005).  |
| 10.7                   | Note Exchange Agreement effective January 31, 2005 between InnSuites Hospitality Trust and Hulsey Hotels Corporation (incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 4, 2005).   |
| 10.8                   | Note Exchange Agreement effective January 31, 2005 between InnSuites Hospitality Trust and the note holders named therein (incorporated by reference to Exhibit 10.4 of the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 4, 2005).  |
| 10.9                   |   |

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Class B Units Conversion Agreement effective January 31, 2005 between InnSuites Hospitality Trust and the Class B Unit holders named therein (incorporated by reference to Exhibit 10.5 of the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 4, 2005).

- 10.10<sup>(2)</sup> Promissory Note dated July 26, 2002 by InnSuites Hospitality Trust in favor of The Anderson Charitable Remainder Unitrust.
- 14 Code of Ethics for Senior Financial Officers (incorporated by reference to Exhibit 14 of the Registrant's Annual Report on Form 10-K for the fiscal year ended January 31, 2004, filed with the Securities and Exchange Commission on April 30, 2004).
- 21<sup>(2)</sup> Subsidiaries of the Registrant.
- 23.1<sup>(2)</sup> Consent of Epstein, Weber & Conover, P.L.C., Independent Registered Public Accounting Firm.
- 23.2<sup>(2)</sup> Consent of McGladrey & Pullen, LLP, Independent Registered Public Accounting Firm.
- 31.1<sup>(3)</sup> Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2<sup>(3)</sup> Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1<sup>(3)</sup> Certification of Chief Executive Officer required by Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2<sup>(3)</sup> Certification of Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002.

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(1) Management contract or compensatory plan or arrangement.

(2) Previously filed.

(3) Filed herewith.



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of Securities Exchange Act of 1934, the Trust has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INNSUITES HOSPITALITY TRUST

Dated: March 24, 2006

By: /s/ James F. Wirth  
James F. Wirth, Chairman,  
President and Chief Executive Officer  
(Principal Executive Officer)

Dated: March 24, 2006

By: /s/ Anthony B. Waters  
Anthony B. Waters, Chief Financial  
Officer  
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Trust and in the capacities and on the dates indicated.

Dated: March 24, 2006

By: /s/ James F. Wirth  
James F. Wirth, Chairman  
President and Chief Executive Officer  
(Principal Executive Officer)

Dated: March 24, 2006

By: /s/ Anthony B. Waters  
Anthony B. Waters, Chief Financial  
Officer  
(Principal Financial Officer)

Dated: March 24, 2006

By: /s/ Marc E. Berg  
Marc E. Berg, Trustee

Dated: March 24, 2006

By: /s/ Steven S. Robson  
Steven S. Robson, Trustee

Dated: March 24, 2006

By: /s/ Peter A. Thoma  
Peter A. Thoma, Trustee

Dated: March 24, 2006

By: /s/ Larry Pelegrin  
Larry Pelegrin, Trustee

