



The Center of the Hotel Industry Benchmarking Universe: Hendersonville, TN

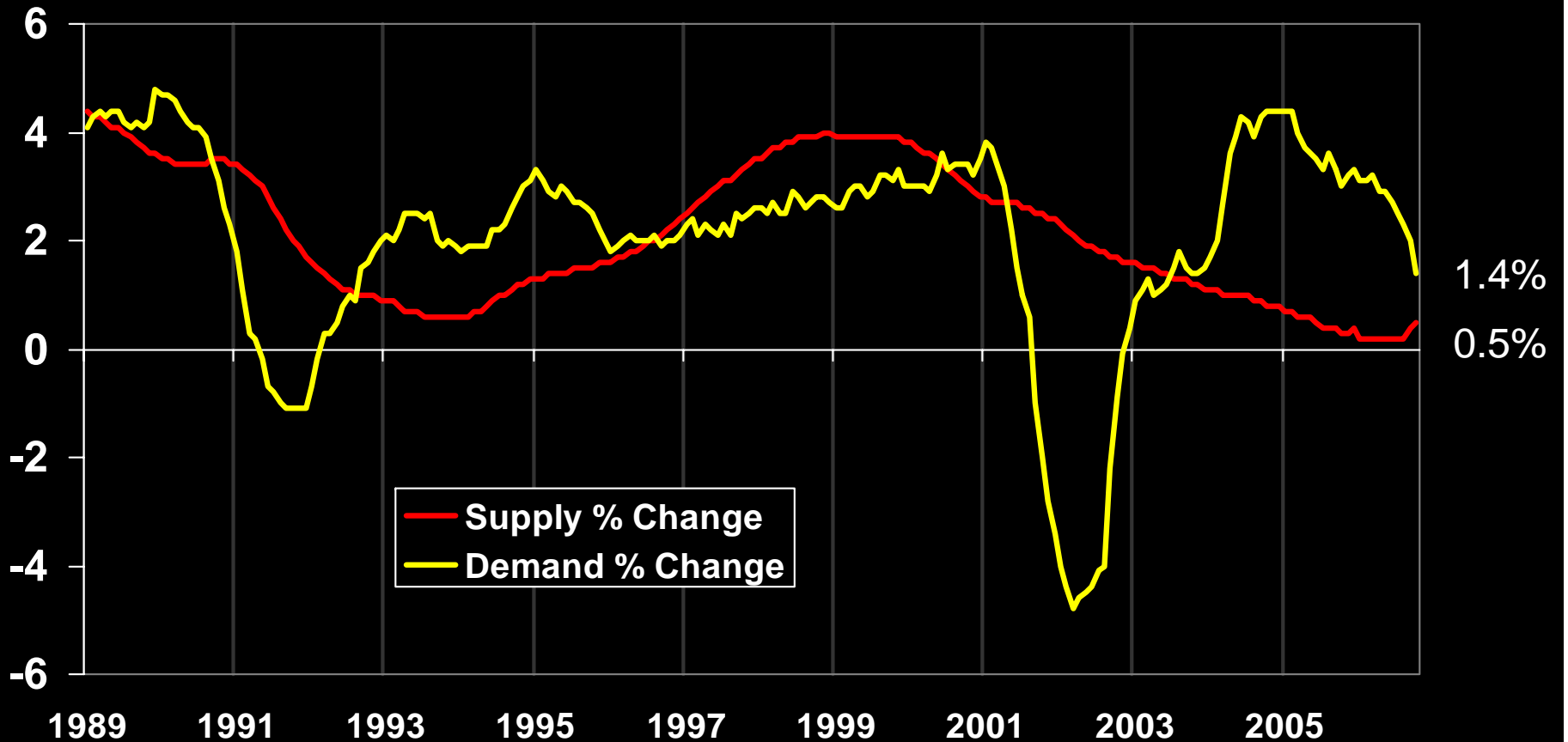


Total US Overview

U.S. Lodging Industry - Key Statistics October 2006 YTD

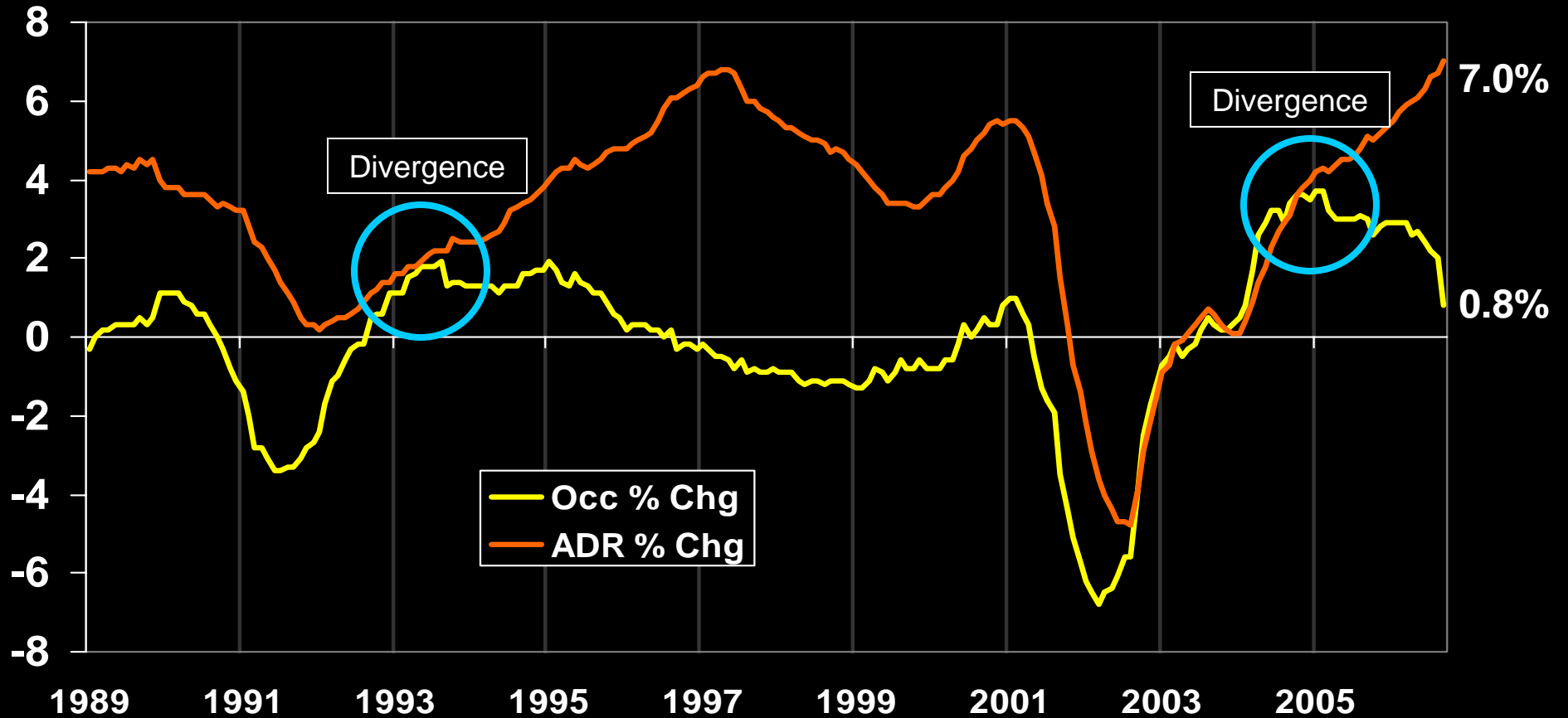
		<u>% Change</u>
• Hotels	48,986	1.0%
• Room Supply	4.5mm	0.6%
• Room Demand	2.9mm	1.7%
• Occupancy	65.2%	0.8%
• A.D.R.	\$97.26	7.0%
• RevPAR	\$63.42	7.9%
• Room Revenue	\$85.8B	8.5%

Total United States
Room Supply/Demand Percent Change
Twelve Month Moving Average – 1989 to October 2006



Supply / Demand Imbalance Fuels Current Seller's Market

Total United States Occupancy/ADR Percent Change Twelve Month Moving Average – 1989 to October 2006



Occupancy Growth Slows – ADR Growth Continues

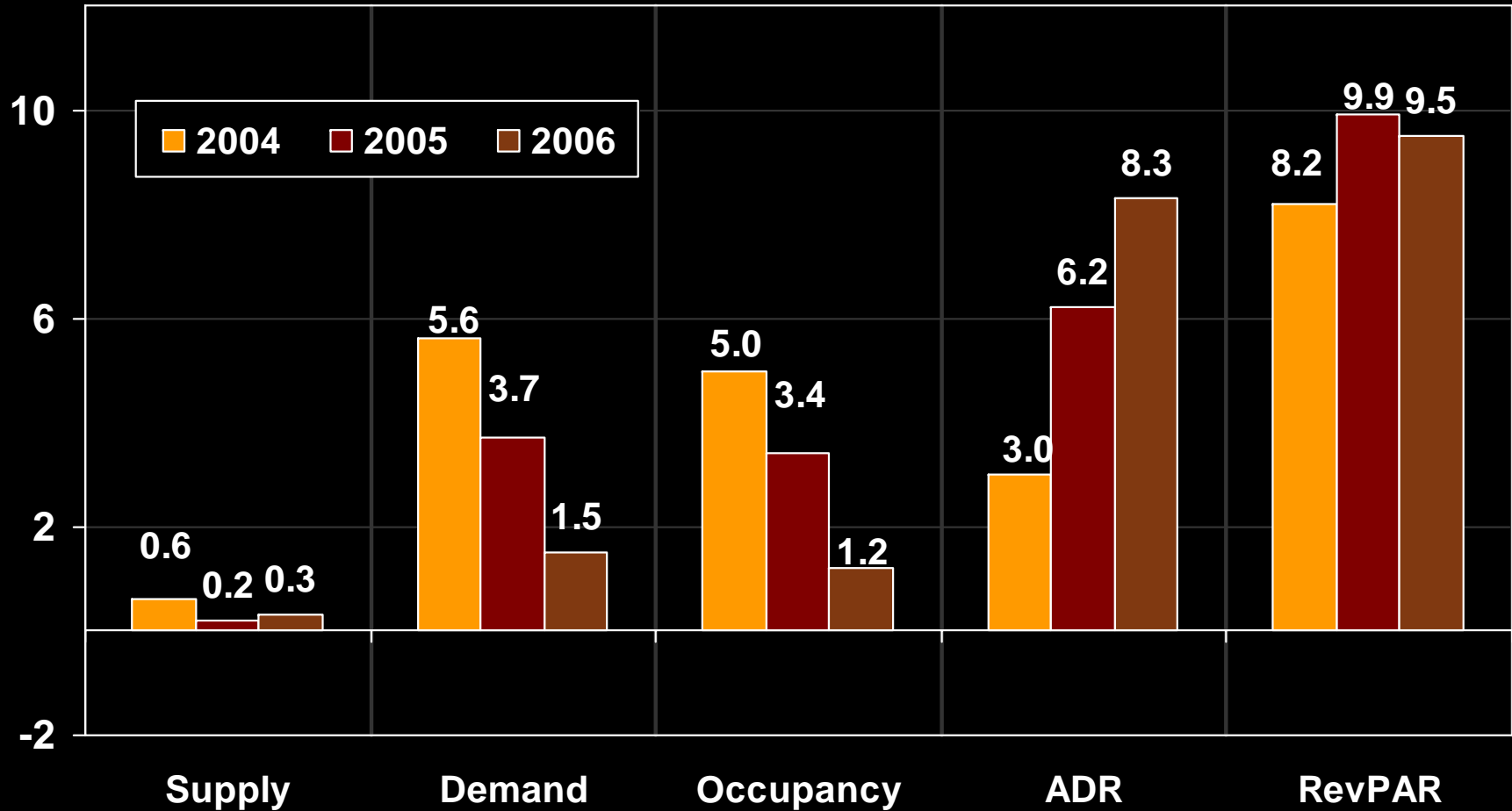
Performance for California

State of California - Profile

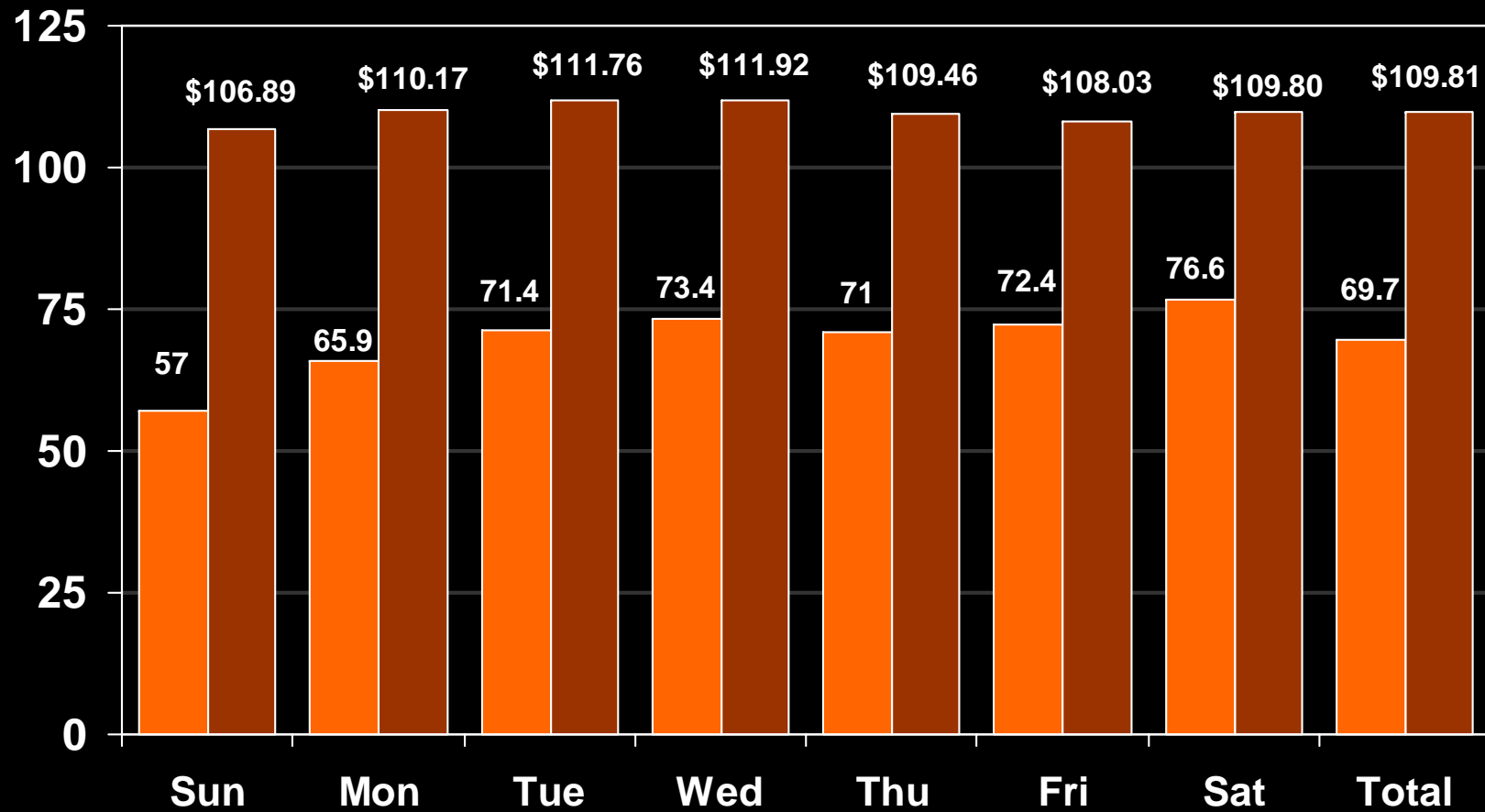
October 2006 YTD

		<u>% Change</u>
• Hotels	5,316	0.5%
• Rooms	475,990	0.7%
• Demand	10.2M	1.5%
• Occupancy	71.4%	1.2%
• A.D.R.	\$111.66	8.3%
• RevPAR	\$79.69	9.5%
• Room Revenue	\$11.5B	9.9%

State of California Key Performance Indicators Percent Change October YTD 2006



State of California
Day of Week Analysis – Occupancy/ADR
YTD Ending October 2006

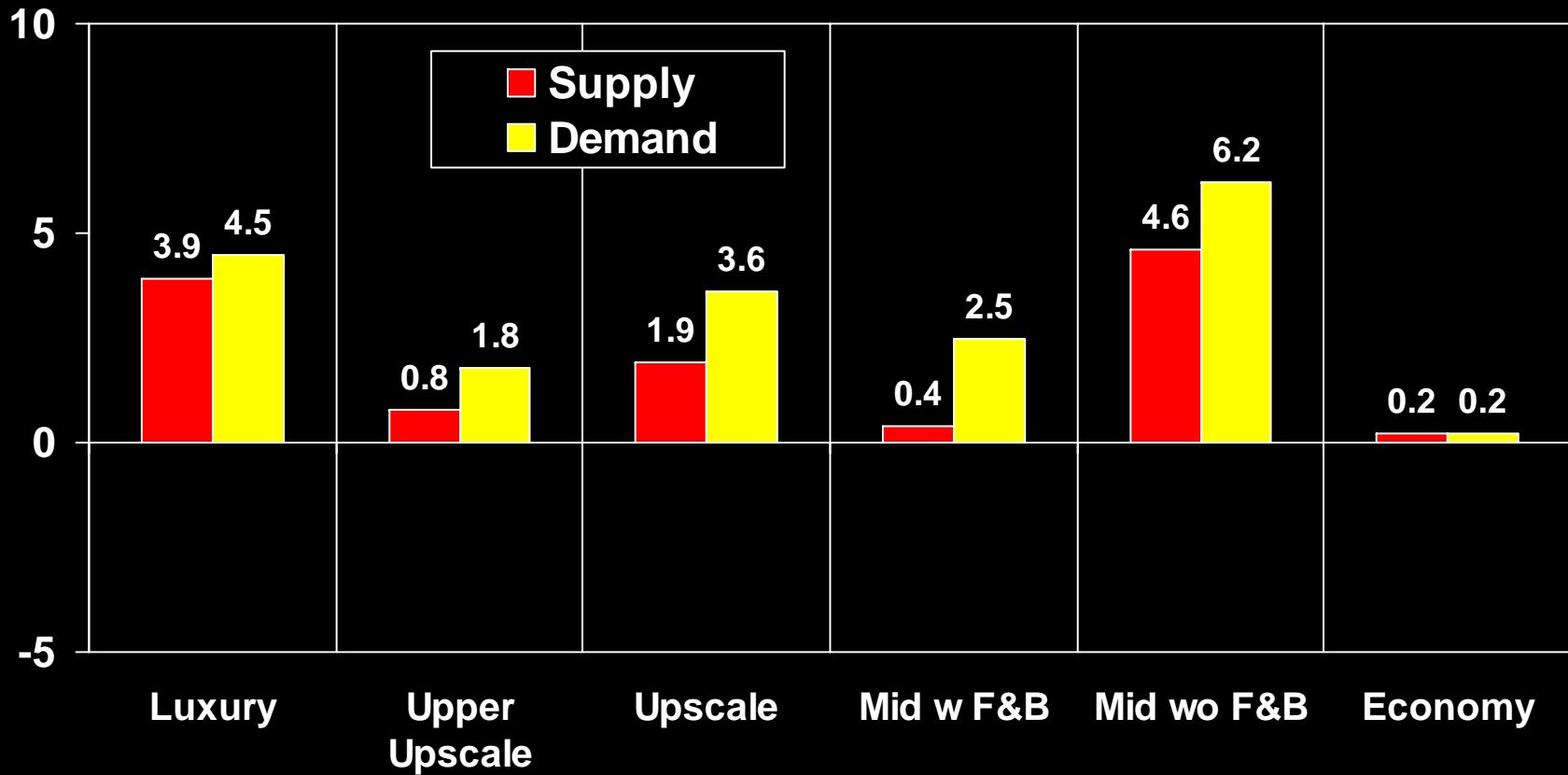


STR Chain Scales

Selected chains from each segment

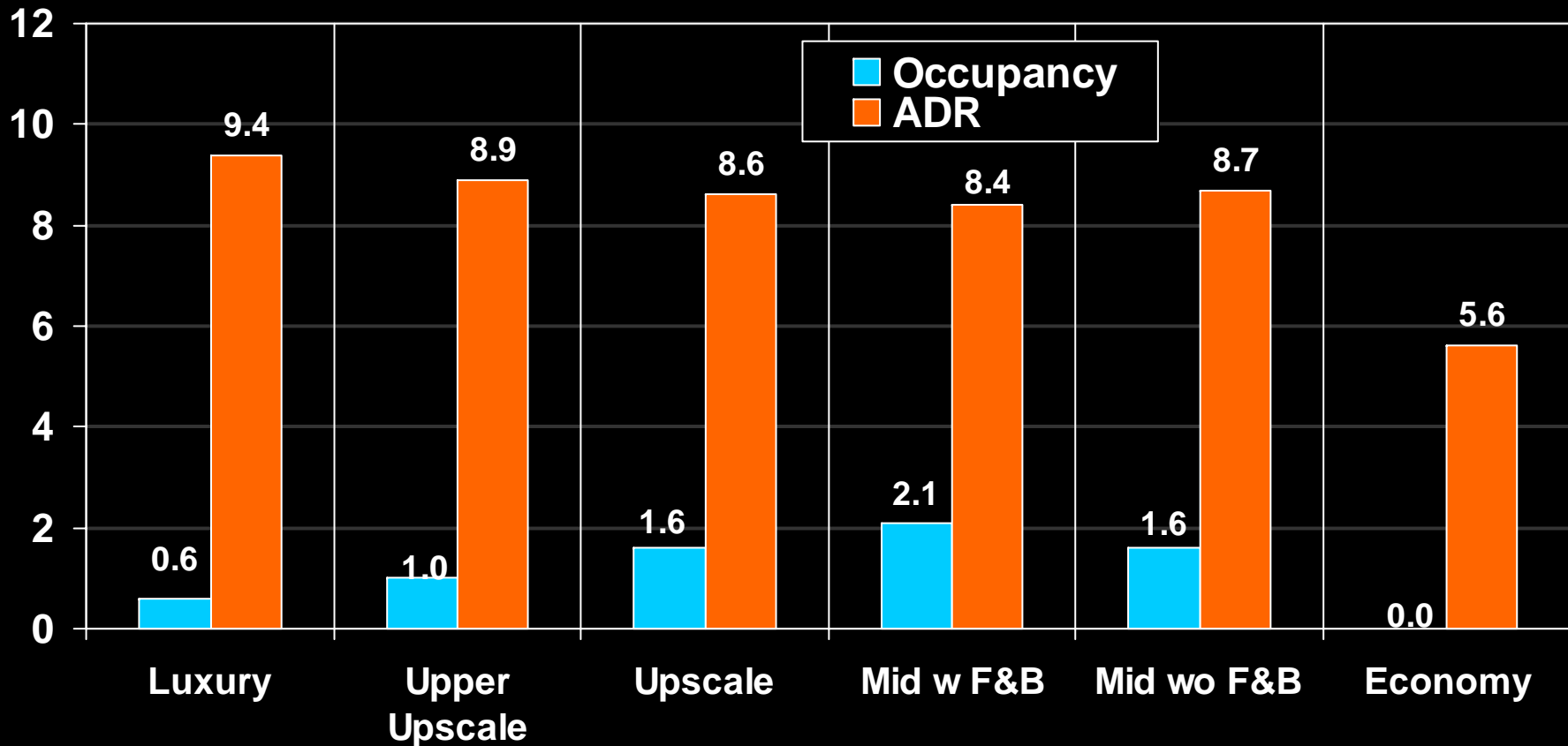
- Luxury – Four Seasons, Loews, Ritz Carlton, Fairmont, W Hotels
- Upper Upscale – Marriott, Doubletree, Hilton, Hyatt, Sheraton
- Upscale – Hilton Garden Inn, Courtyard, Crowne Plaza, Radisson
- Mid with F&B – Holiday Inn, Ramada, Best Western, Quality Inn
- Mid w/no F&B – Hampton Inn, Comfort Inn, HI Express
- Economy – Motel 6, Days Inn, Travelodge, Ramada Limited

State of California
Chain Scales - Supply/Demand Percent Change
October 2006 YTD



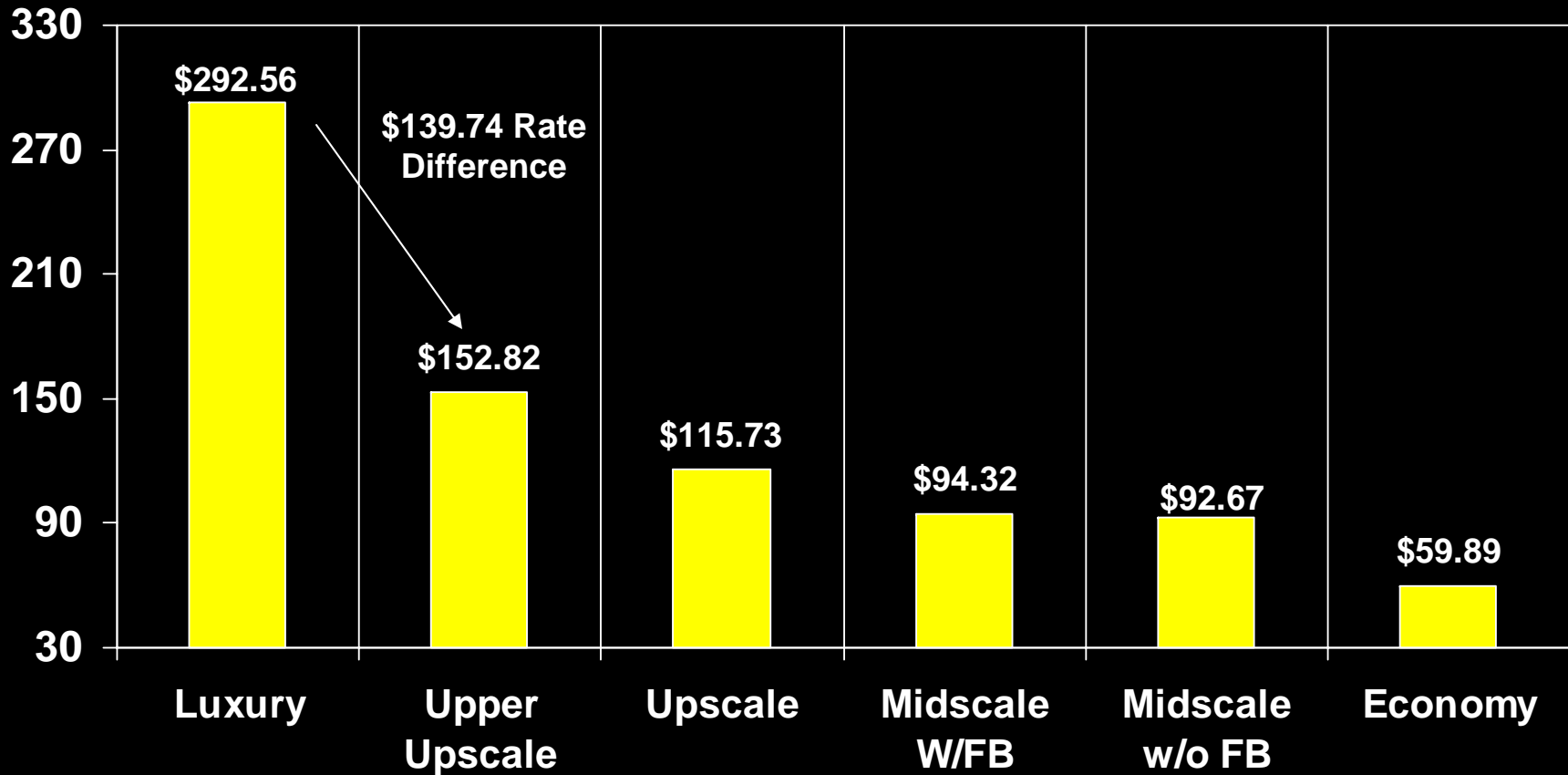
Supply / Demand Imbalance Across All Chain Scales ...

State of California
Chain Scales - Occupancy/ADR Percent Change
October 2006 YTD



...Leads To Moderate OCC Growth...And Increased ADR Growth...

State of California
Chain Scales - Average Daily Rate
Twelve Months Ended October 2006



... ADR Keeps Growing.

State of California Rooms Pipeline – October 2006

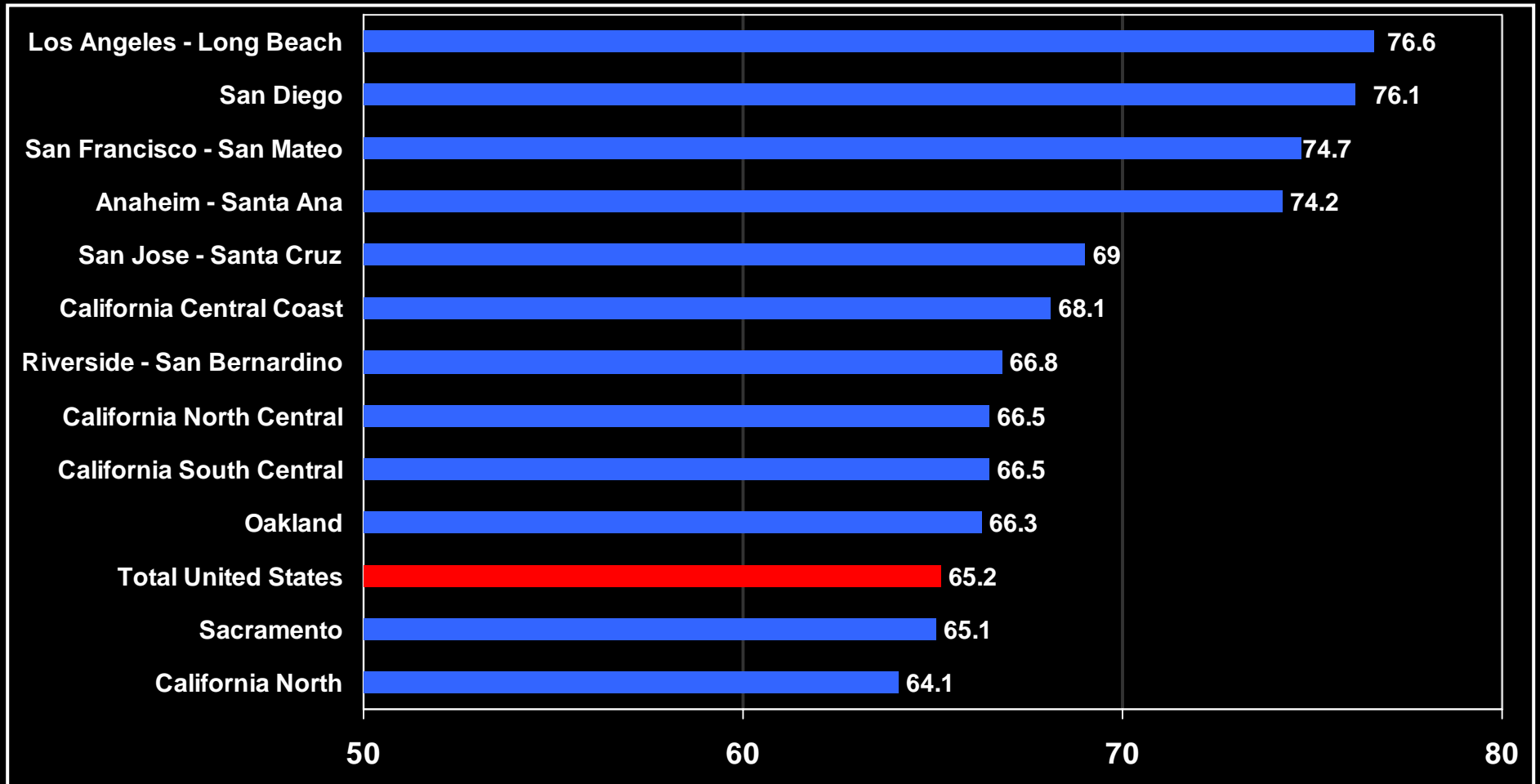
Scale	Existing Supply	In Construction	Final Planning	Planning	Total	Pre-Planning
Luxury	13,272	1,197		519		500
Upper Upscale	82,940	2,666		3,800		150
Upscale	48,270	4,096	1,055	4,225		645
Midscale w/ F&B	56,952	315	150	1,071		240
Midscale w/o F&B	39,863	4,478	2,759	5,106		1,157
Economy	68,795	475	70	173		
Unaffiliated	166,050	4,358	979	20,922		6,014
Total	476,142	17,585	5,013	35,816	58,414	8,706

Source: STR / Dodge Construction Pipeline

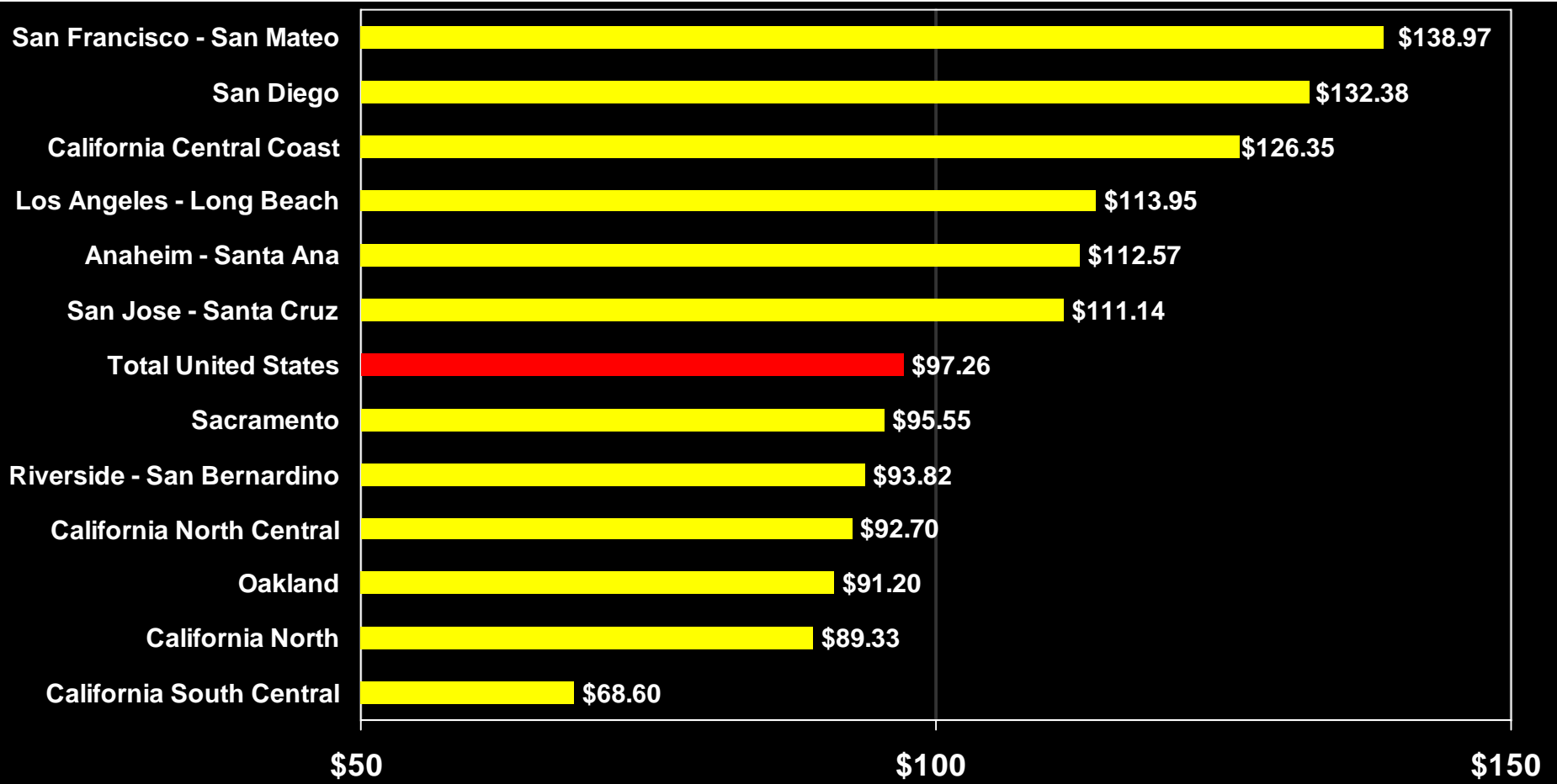
California Markets



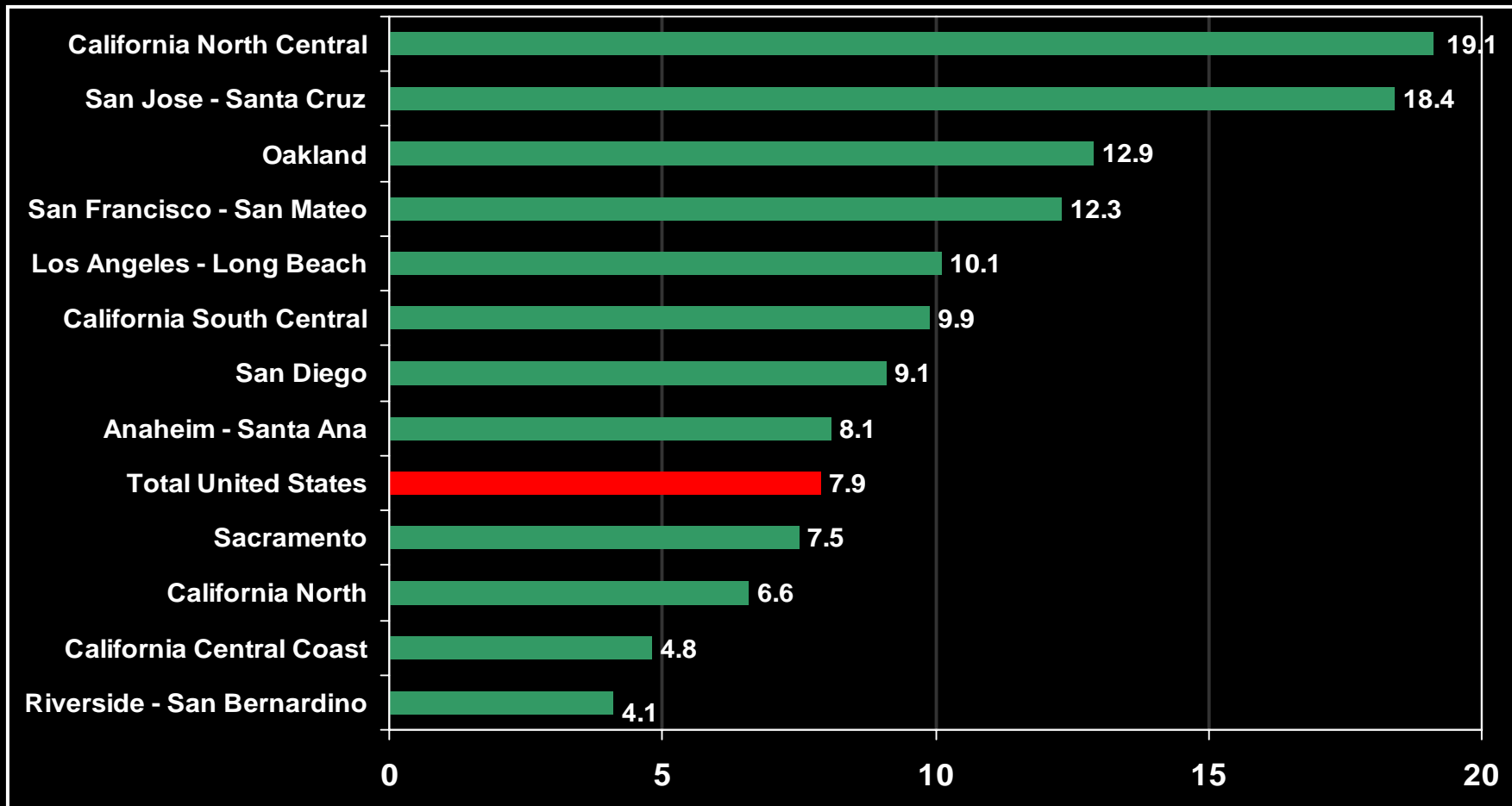
California Markets Absolute Levels of OCC (%) YTD Ending October 2006



California Markets Absolute Levels of ADR (\$) YTD Ending July 2006



California Markets RevPAR Percent Change (%) YTD October 2006



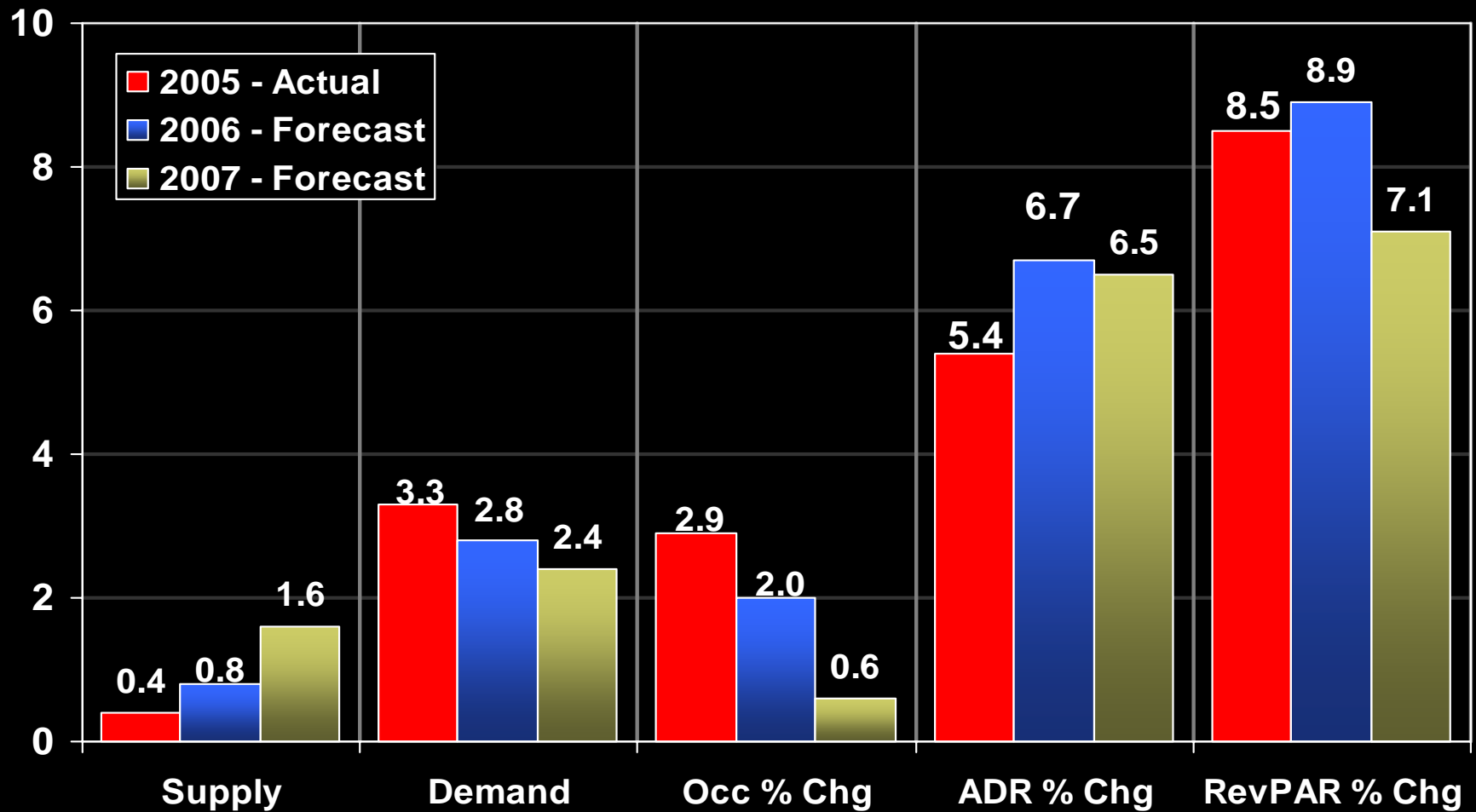
Total US Projections

U.S. Economic Outlook

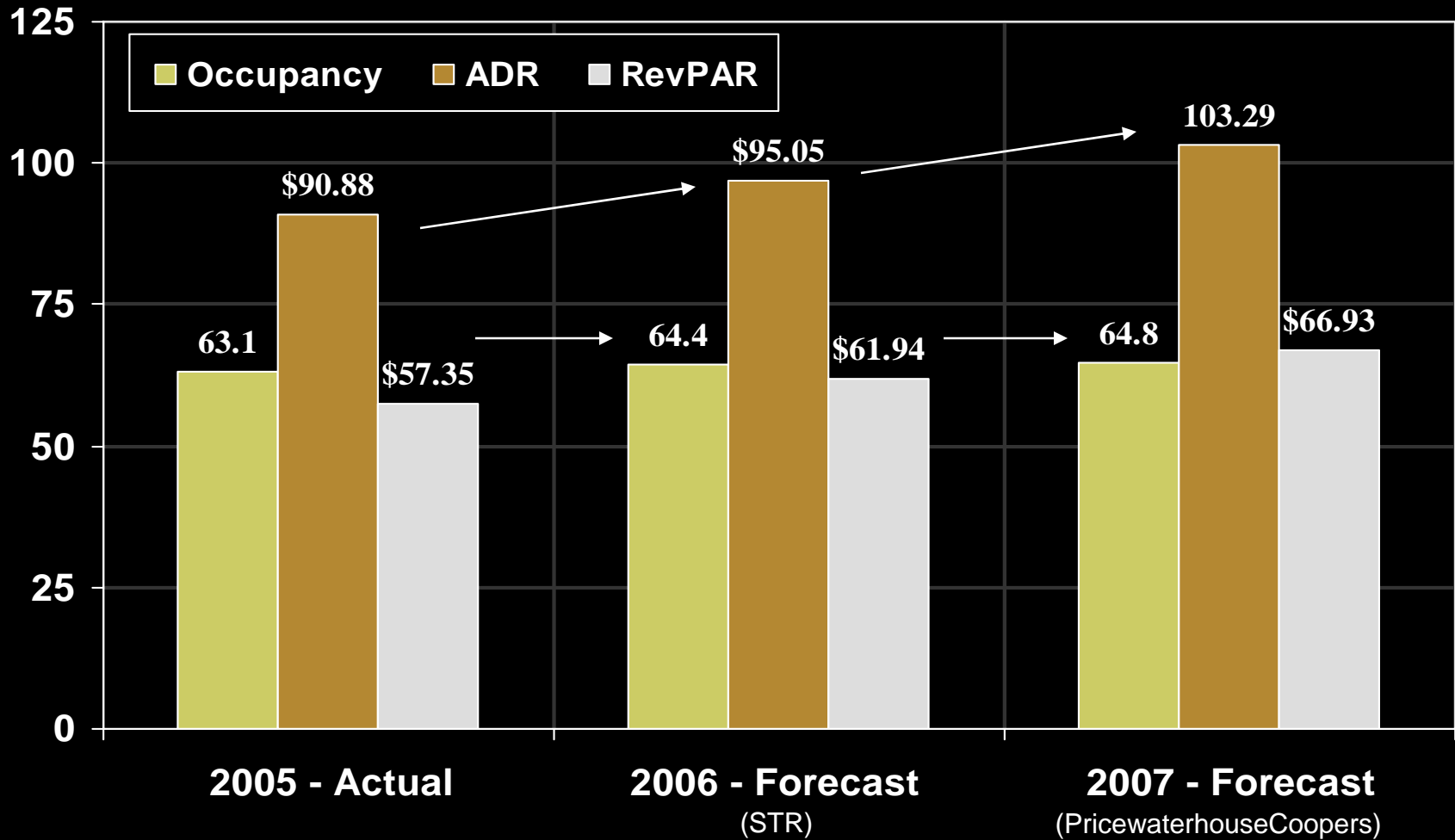
Blue Chip Economic Indicators – September 2006

	<u>2005A</u>	<u>2006F</u>	<u>2007F</u>
Real GDP	+3.6%	+3.5%	+2.7%
CPI	+3.4%	+3.6%	+2.7%
Corporate Profits	+ 17.1%	+18.7%	+4.3%
Disp Personal Income	+1.5%	+2.9%	+3.2%
Unemployment Rate	5.1%	4.7%	4.7%

Total United States Industry Forecast

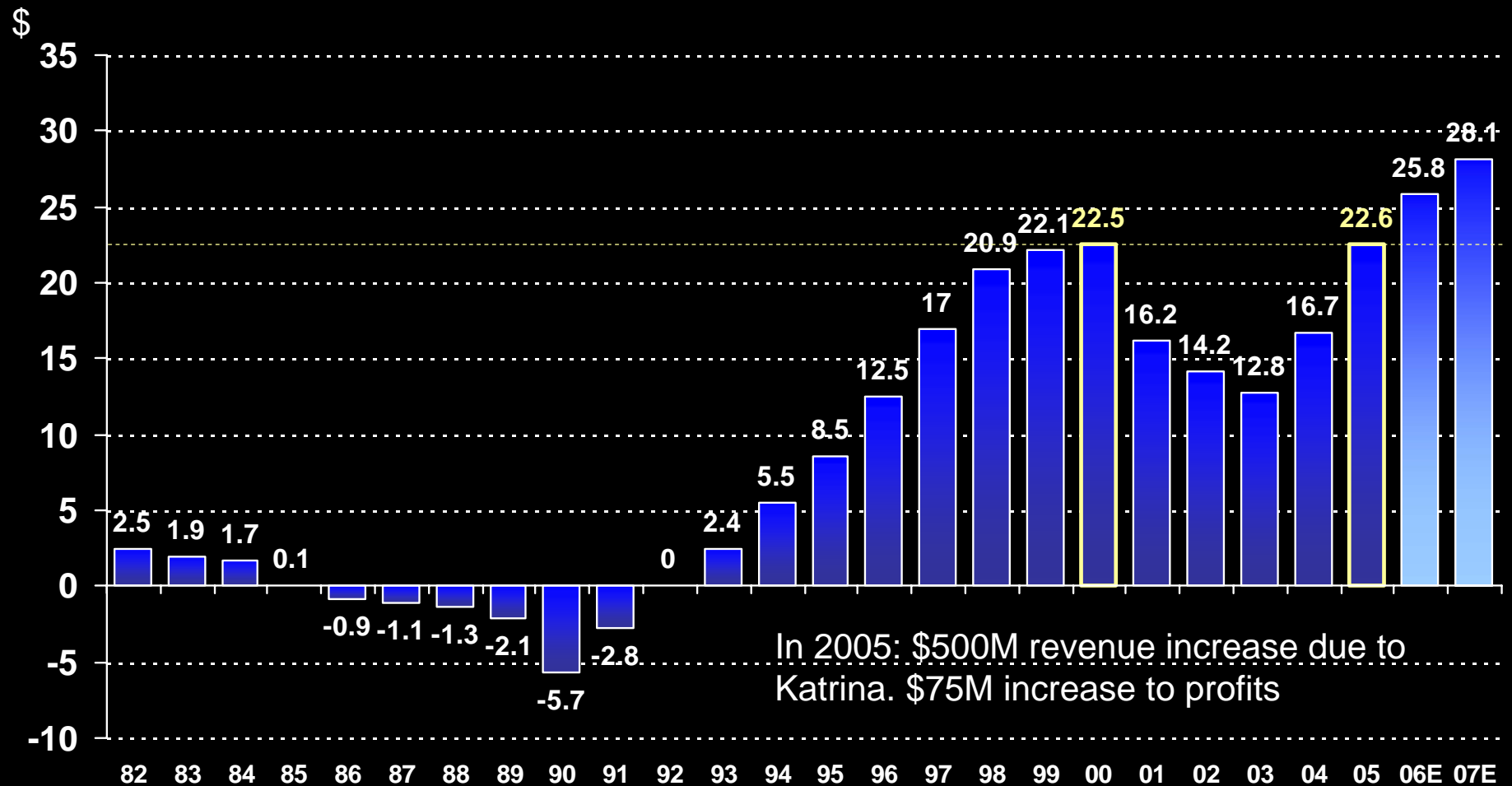


Total United States Industry Forecast



United States Lodging Industry - Estimated Profits

(Billions \$) 1982 – 2007 Estimated



Source: PWC 2006 & 2007 Estimates

Lodging Industry Issues

- Supply Growth Remains Benign
High Construction Costs, Condo Conversions
- Higher Operating Costs
Insurance, Labor, Amenities, Energy
- Solid Demand Growth
- Changing Demand
Experience Travel, Baby Boomers, Demand Competition
- Aggressive Pricing
Could Double CPI, Hotel Chains Control Online Pricing
- Transportation Problems
Troubled Airlines, Gasoline, Infrastructure
- Global Issues
Terrorism, Bird Flu, Currency Fluctuations
- Outlook – Great through '08!

Thank you!

Questions / Answers

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