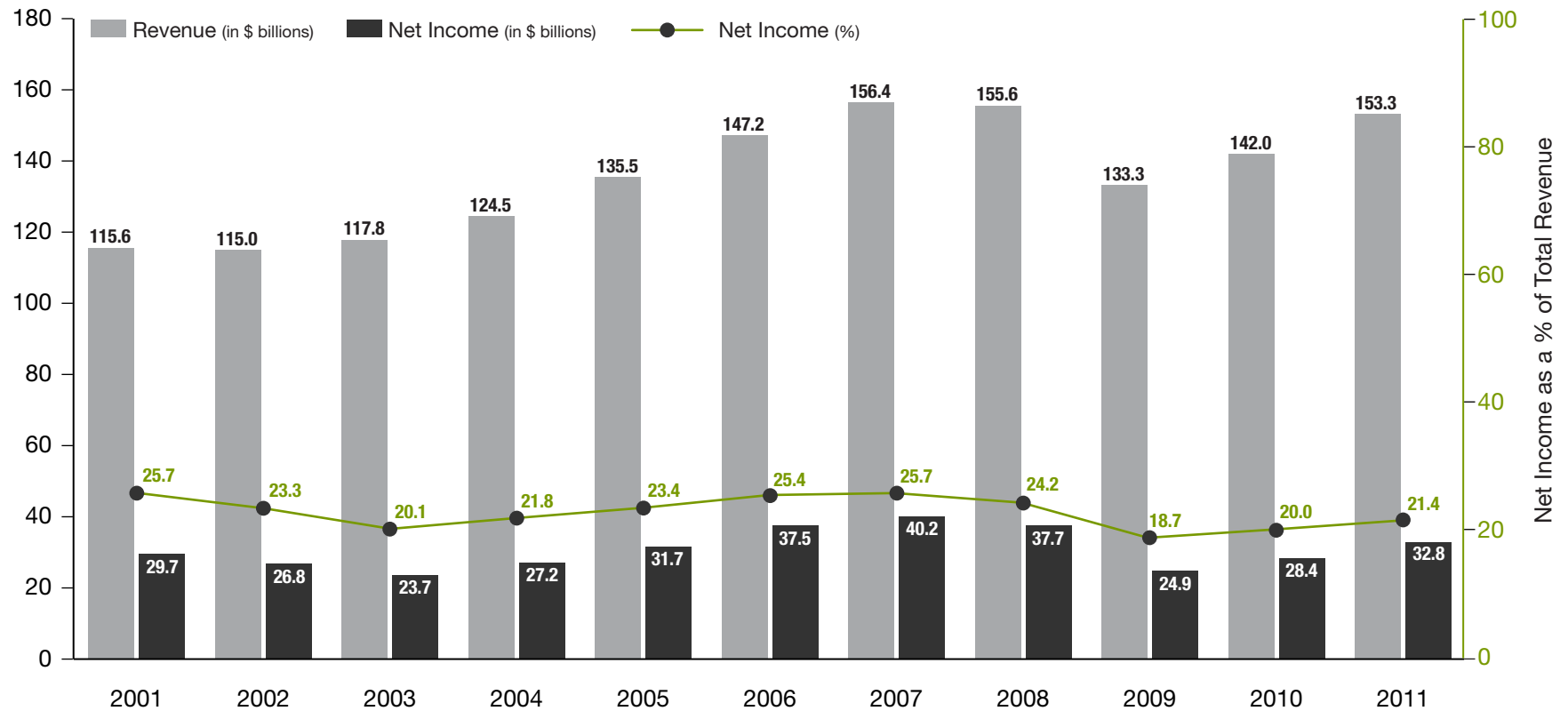


Industry-wide, hotel operations have been profitable through all the turmoil.
So why is there a risk problem with hotels?

Estimated Total Revenue and Profitability*



*Representing all U.S. hotels that collectively provide room revenue data to STR.

Net income defined as House Profit less management fees, property taxes, insurance, and an imputed 4.0% reserve for replacement expense