

Public Company Comparables

JF Capital Advisors

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Table of Contents

Disclaimer	2
Summary of Comparables Analysis	3
Capitalization	5
Preferred Overview	6
Liquidity	7
Trading Statistics	8
Total Return Statistics	9
Implied Share Price Analysis	10
Relative Size	11
Stabilized EBITDA	12
EBITDA Growth	13
Implied Cap Rate Analysis	14
Unlevered Yields Analysis	15
EBITDA Decline Analysis	16
WACC Analysis	19
Industry Summary	22

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Summary of Comparables Analysis - by Enterprise Value

Company	Price	Equity	Net	Preferred	Enterprise Value	EBITDA		EV / EBITDA		Dividend Yield	Total or Owned ⁽¹⁾		Value	2017 Leverage
	5/31		Debt			2017	2018	2017	2018		Hotels	Rooms	Per Key	
Large Cap (\$8.0B+ EV)														
Hilton	\$80.71	\$24,146	\$7,344	\$0	\$31,495	\$1,930	\$2,083	16.3x	15.1x	0.7%	5,339	863,241	NM	3.8x
Park	32.22	6,480	2,645	0	9,175	716	731	12.8x	12.5x	6.7%	54	32,092	286,801	3.7x
Marriott	135.36	49,350	8,014	0	57,364	3,154	3,524	18.2x	16.3x	1.2%	6,591	1,266,128	NM	2.5x
Host	21.63	16,057	3,943	0	20,029	1,536	1,538	13.0x	13.0x	3.9%	98	53,500	374,378	2.6x
HPT	28.95	4,758	4,061	0	8,819	778	861	11.3x	10.2x	7.2%	323	49,903	176,716	5.2x
Hyatt	81.73	9,388	444	0	9,838	698	780	14.1x	12.6x	0.7%	719	182,913	400,927	0.6x
InterContinental	64.51	13,315	1,890	0	15,214	865	922	17.6x	16.5x	1.3%	4,474	710,295	NM	2.2x
Wyndham	108.44	10,820	3,593	0	14,418	1,398	1,416	10.3x	10.2x	2.4%	9,000	810,000	NM	2.6x
High								18.2x	16.5x	7.2%	NM	NM	NM	5.2x
Weighted Average								15.6x	14.4x	2.0%	NM	NM	NM	2.8x
Low								10.3x	10.2x	0.7%	NM	NM	NM	0.6x
Mid-Cap (\$1B-\$8B EV)														
Extended Stay	\$21.05	\$3,999	\$2,283	\$0	\$6,825	\$614	\$616	11.1x	11.1x	4.2%	624	68,620	\$99,467	3.7x
Ashford	7.37	822	3,430	565	4,817	413	419	11.7x	11.5x	6.5%	120	27,153	177,412	8.3x
LaSalle	34.30	3,791	851	260	4,905	330	310	14.9x	15.8x	5.2%	41	10,451	469,368	2.6x
Choice	80.35	4,553	760	0	5,313	312	333	17.0x	16.0x	1.1%	6,602	531,791	NM	2.4x
Ryman	83.88	4,301	1,590	0	5,892	361	389	16.3x	15.2x	3.8%	6	8,306	709,325	4.4x
Sunstone	17.39	3,923	521	190	4,685	330	326	14.2x	14.4x	5.9%	25	12,613	371,403	1.6x
La Quinta	21.62	2,535	1,572	0	4,109	327	322	12.6x	12.8x	0.0%	317	40,608	101,185	4.8x
Belmond	11.95	1,443	611	0	2,055	130	141	15.8x	14.5x	0.0%	27	2,761	744,277	4.7x
Apple	19.03	4,383	1,332	0	5,716	440	452	13.0x	12.7x	6.3%	242	30,795	185,608	3.0x
Xenia	25.17	2,689	1,073	0	3,795	279	283	13.6x	13.4x	4.4%	38	10,888	348,538	3.8x
DiamondRock	12.73	2,553	870	0	3,423	260	262	13.2x	13.1x	3.9%	30	9,949	344,095	3.3x
Hersha	21.27	917	1,063	368	2,411	171	167	14.1x	14.5x	5.3%	50	6,772	356,002	6.2x
Pebblebrook	40.82	2,827	1,032	250	4,114	228	240	18.0x	17.1x	3.7%	28	6,972	590,054	4.5x
RLJ	23.40	4,100	2,228	322	6,672	567	543	11.8x	12.3x	5.6%	157	30,608	217,980	3.9x
Braemar	11.00	378	843	124	1,350	109	115	12.4x	11.7x	5.8%	12	3,311	407,852	7.7x
Chatham	20.79	954	528	0	1,489	131	130	11.3x	11.5x	6.3%	39	7,286	204,301	4.0x
AHIP	6.51 ⁽²⁾	509	689	0	1,199	90	95	13.3x	12.6x	9.9%	115	11,570	103,609	7.7x
Chesapeake	32.23	1,946	805	0	2,751	168	179	16.3x	15.4x	5.0%	21	6,479	424,624	4.8x
Summit	15.29	1,607	894	320	2,824	193	199	14.7x	14.2x	4.4%	79	11,802	239,255	4.6x
High								18.0x	17.1x	9.9%	6,602	531,791	744,277	8.3x
Weighted Average								13.9x	13.7x	4.2%	606	58,340	307,012	4.2x
Low								11.1x	11.1x	0.0%	6	2,761	99,467	1.6x
Small Cap (<\$1B EV)														
Red Lion Hotels	\$10.90	\$264	\$42	\$0	\$338	\$18	\$21	18.6x	16.3x	0.0%	1,082	69,500	\$78,699	2.3x
Condor	10.17	122	147	9	279	19	23	14.7x	12.1x	7.7%	18	1,908	146,201	7.7x
Sotherly Hotels	6.81	108	329	73	511	47	43	10.9x	11.9x	7.0%	12	3,156	161,939	7.0x
High								18.6x	17.1x	9.9%	6,602	531,791	744,277	8.3x
Weighted Average								15.0x	14.2x	5.2%	101	11,476	268,053	5.3x
Low								10.9x	11.1x	0.0%	6	1,908	78,699	1.6x

Note: Enterprise Value is pro forma for debt assumed in connection with recent acquisitions

Note: Projections include Wall Street equity research and JF Capital Advisors estimates

(1) For REITs: Represents owned hotels & rooms. For other hotel companies: represents total hotels & rooms. Excludes HPT truck stops.

(2) Stock prices based on most recent trade in Canadian dollars on the Toronto Stock Exchange multiplied by the current exchange rate

Summary of Comparables Analysis - REIT vs Hotel Companies

Company	Price	Equity	Net Debt	Preferred	Enterprise Value	EBITDA		EV / EBITDA		Dividend Yield	Total or Owned ⁽¹⁾		Value Per Key	2017 Lvg.	'17 EBITDA Per Key
	S/31					2017	2018	2017	2018		Hotels	Rooms			
Hotel REITs															
Host	\$21.63	\$16,057	\$3,943	\$0	\$20,029	\$1,536	\$1,538	13.0x	13.0x	3.9%	98	53,500	\$374,378	2.6x	\$28,748
Park	32.22	6,480	2,645	0	9,175	716	731	12.8x	12.5x	6.7%	54	31,992	286,801	3.7x	22,858
HPT	28.95	4,758	4,061	0	8,819	778	861	11.3x	10.2x	7.2%	323	49,903	176,716	5.2x	17,259
Ashford	7.37	822	3,430	565	4,817	413	419	11.7x	11.5x	6.5%	120	27,153	177,412	8.3x	15,446
Braemar	11.00	378	843	124	1,350	109	115	12.4x	11.7x	5.8%	12	3,311	407,852	7.7x	34,849
LaSalle	34.30	3,791	851	260	4,905	330	310	14.9x	15.8x	5.2%	41	10,451	469,368	2.6x	29,662
Ryman	83.88	4,301	1,590	0	5,892	361	389	16.3x	15.2x	3.8%	6	8,306	709,325	4.4x	46,797
Sunstone	17.39	3,923	521	190	4,685	330	326	14.2x	14.4x	5.9%	25	12,613	371,403	1.6x	25,846
DiamondRock	12.73	2,553	870	0	3,423	260	262	13.2x	13.1x	3.9%	30	9,949	344,095	3.3x	26,349
Hersha	21.27	917	1,063	368	2,411	171	167	14.1x	14.5x	5.3%	50	6,772	356,002	6.2x	24,606
Pebblebrook	40.82	2,827	1,032	250	4,114	228	240	18.0x	17.1x	3.7%	28	6,972	590,054	4.5x	34,423
RLJ	23.40	4,100	2,228	322	6,672	567	543	11.8x	12.3x	5.6%	157	30,608	217,980	3.9x	17,743
Chesapeake	32.23	1,946	805	0	2,751	168	179	16.3x	15.4x	5.0%	21	6,479	424,624	4.8x	27,577
Summit	15.29	1,607	894	320	2,824	193	199	14.7x	14.2x	4.4%	79	11,802	239,255	4.6x	16,853
Chatham	20.79	954	528	0	1,489	131	130	11.3x	11.5x	6.3%	39	7,286	204,301	4.0x	17,842
Apple	19.03	4,383	1,332	0	5,716	440	452	13.0x	12.7x	6.3%	242	30,795	185,608	3.0x	14,666
Xenia	25.17	2,689	1,073	0	3,795	279	283	13.6x	13.4x	4.4%	38	10,888	348,538	3.8x	25,958
AHIP	6.51	509	689	0	1,199	90	95	13.3x	12.6x	9.9%	115	11,570	103,609	7.7x	8,228
Condor	10.17	122	147	9	279	19	23	14.7x	12.1x	7.7%	18	1,908	146,201	7.7x	12,110
Sotherly Hotels	6.81	108	329	73	511	47	43	10.9x	11.9x	7.0%	12	3,156	161,939	7.0x	13,579
Total		63,227	28,875	2,481	94,856	7,167	7,305	NM	NM	NM	1,508	335,415	NM	NM	NM
High								18.0x	17.1x	9.9%	NM	NM	709,325	8.3x	46,797
Weighted Average								13.4x	13.2x	5.1%	NM	NM	337,486	4.0x	24,917
Low								10.9x	10.2x	3.7%	NM	NM	103,609	1.6x	8,228
Other Hotel Companies															
Hilton	\$80.71	\$24,146	\$7,344	\$0	\$31,495	\$1,930	\$2,083	16.3x	15.1x	0.7%	5,339	863,241	NM	3.8x	
Marriott	135.36	49,350	8,014	0	57,364	3,154	3,524	18.2x	16.3x	1.2%	6,591	1,266,128	NM	2.5x	
Wyndham	108.44	10,820	3,593	0	14,418	1,398	1,416	10.3x	10.2x	2.4%	9,000	810,000	NM	2.6x	
Hyatt	81.73	9,388	444	0	9,838	698	780	14.1x	12.6x	0.7%	719	182,913	400,927	0.6x	
InterContinental	64.51	13,315	1,890	0	15,214	865	922	17.6x	16.5x	1.3%	4,474	710,295	NM	2.2x	
Extended Stay	21.05	3,999	2,283	0	6,825	614	616	11.1x	11.1x	4.2%	624	68,620	99,467	3.7x	8,982
La Quinta	21.62	2,535	1,572	0	4,109	327	322	12.6x	12.8x	0.0%	902	88,400	101,185	4.8x	3,641
Choice	80.35	4,553	760	0	5,313	312	333	17.0x	16.0x	1.1%	6,602	531,791	NM	2.4x	
Belmond	11.95	1,443	611	0	2,055	130	141	15.8x	14.5x	0.0%	39	3,429	744,277	4.7x	
Red Lion Hotels	10.90	264	42	0	338	18	21	18.6x	16.3x	0.0%	1,082	69,500	78,699	2.3x	
Total		119,812	26,554	0	146,970	9,446	10,157	NM	NM	NM	30,033	4,594,317	NM	NM	NM
High								18.6x	16.5x	4.2%	9,000	1,266,128	744,277	4.8x	8,982
Weighted Average								16.1x	14.8x	1.3%	5,407	869,497	NM	2.8x	519
Low								10.3x	10.2x	0.0%	NM	NM	78,699	0.6x	3,641

Note: Enterprise Value is pro forma for debt assumed in connection with recent acquisitions

Note: Projections include Wall Street equity research and JF Capital Advisors estimates.

(1) For REITs: Represents owned hotels & rooms. For other hotel companies: represents total hotels & rooms. Excludes HPT truck stops.

Capitalization and Leverage

Company	Price 5/31	Equity	Net Debt	Preferred	Enterprise Value	Debt/ 2017 EBITDA	Debt+Pfd./ 2017 EBITDA	2017 Debt Yield ⁽¹⁾	2017 Pfd. Yield ⁽¹⁾	Debt/ Ent. Val.	Debt+Pfd. / Ent. Val.	Debt Per Key	Debt+Pfd. Per Key
Hotel REITs													
Host	\$21.63	\$16,057	\$3,943	\$0	\$20,029	2.6x	2.6x	33.4%	33.4%	19.7%	19.7%	\$73,701	\$73,701
Park	32.22	6,480	2,645	0	9,175	3.7x	3.7x	22.9%	22.9%	28.8%	28.8%	82,677	82,677
HPT	28.95	4,758	4,061	0	8,819	5.2x	5.2x	17.0%	17.0%	46.0%	46.0%	81,373	81,373
Ashford	7.37	822	3,430	565	4,817	8.3x	9.7x	10.4%	8.9%	71.2%	82.9%	126,318	147,116
Braemar	11.00	378	843	124	1,350	7.7x	8.9x	11.0%	9.6%	62.4%	71.6%	254,606	292,101
LaSalle	34.30	3,791	851	260	4,905	2.6x	3.4x	33.8%	25.9%	17.3%	22.6%	81,429	106,307
Ryman	83.88	4,301	1,590	0	5,892	4.4x	4.4x	19.7%	19.7%	27.0%	27.0%	191,459	191,459
Sunstone	17.39	3,923	521	190	4,685	1.6x	2.2x	54.1%	39.7%	11.1%	15.2%	41,344	56,407
DiamondRock	12.73	2,553	870	0	3,423	3.3x	3.3x	25.8%	25.8%	25.4%	25.4%	87,470	87,470
Hersha	21.27	917	1,063	368	2,411	6.2x	8.4x	14.2%	10.6%	44.1%	59.3%	156,982	211,255
Pebblebrook	40.82	2,827	1,032	250	4,114	4.5x	5.6x	19.2%	15.5%	25.1%	31.2%	148,022	183,880
RLJ	23.40	4,100	2,228	322	6,672	3.9x	4.5x	22.0%	19.2%	33.4%	38.2%	72,780	83,300
Chesapeake	32.23	1,946	805	0	2,751	4.8x	4.8x	17.9%	17.9%	29.3%	29.3%	124,256	124,256
Summit	15.29	1,607	894	320	2,824	4.6x	6.3x	19.0%	14.0%	31.7%	43.0%	75,779	102,893
Chatham	20.79	954	528	0	1,489	4.0x	4.0x	22.6%	22.6%	35.5%	35.5%	72,443	72,443
Apple	19.03	4,383	1,332	0	5,716	3.0x	3.0x	29.2%	29.2%	23.3%	23.3%	43,268	43,268
Xenia	25.17	2,689	1,073	0	3,795	3.8x	3.8x	22.5%	22.5%	28.3%	28.3%	98,510	98,510
AHIP	6.51	509	689	0	1,199	7.7x	7.7x	11.3%	11.3%	57.5%	57.5%	59,593	59,603
Condor	10.17	122	147	9	279	7.7x	8.2x	11.2%	10.5%	52.5%	55.8%	76,795	81,643
Sotherly Hotels	6.81	108	329	73	511	7.0x	8.6x	12.4%	10.1%	64.4%	78.6%	104,289	127,340
High						8.3x	9.7x	54.1%	39.7%	71.2%	82.9%	254,606	292,101
Average						4.8x	5.4x	21.5%	19.3%	36.7%	41.0%	102,655	115,350
Low						1.6x	2.2x	10.4%	8.9%	11.1%	15.2%	41,344	43,268
Other Hotel Companies													
Hilton	\$80.71	\$24,146	\$7,344	\$0	\$31,495	3.8x	3.8x	26.3%	26.3%	23.3%	23.3%	NM	NM
Marriott	135.36	49,350	8,014	0	57,364	2.5x	2.5x	39.3%	39.3%	14.0%	14.0%	NM	NM
Wyndham	108.44	10,820	3,593	0	14,418	2.6x	2.6x	38.9%	38.9%	24.9%	24.9%	NM	NM
Hyatt	81.73	9,388	444	0	9,838	0.6x	0.6x	NM	NM	NM	NM	NM	NM
InterContinental	64.51	13,315	1,890	0	15,214	2.2x	2.2x	45.8%	45.8%	12.4%	12.4%	NM	NM
Extended Stay	21.05	3,999	2,283	0	6,825	3.7x	3.7x	26.9%	26.9%	33.5%	33.5%	\$33,276	\$33,276
La Quinta	21.62	2,535	1,572	0	4,109	4.8x	4.8x	20.8%	20.8%	38.2%	38.2%	38,699	38,699
Choice	80.35	4,553	760	0	5,313	2.4x	2.4x	41.1%	41.1%	14.3%	14.3%	NM	NM
Belmond	11.95	1,443	611	0	2,055	4.7x	4.7x	21.3%	21.3%	29.7%	29.7%	221,360	221,360
Red Lion Hotels	10.90	264	42	0	338	2.3x	2.3x	NM	NM	12.5%	12.5%	9,854	9,854
High						4.8x	4.8x	45.8%	45.8%	38.2%	38.2%	221,360	221,360
Average						3.0x	3.0x	32.5%	32.5%	22.5%	22.5%	75,797	75,797
Low						0.6x	0.6x	20.8%	20.8%	12.4%	12.4%	9,854	9,854

Note: Includes JF Capital Advisors estimates. A normal average vs. a weighted average is used because Host's size would skew the results

Note: Per Key amounts for HPT do not account for the truck stops.

(1) For REITs calculated as NOI (EBITDA less a 4.0% FF&E reserve) divided by Net Debt; for Hotel Companies calculated as EBITDA divided by Net Debt.

Preferred Analysis

Company	Equity Price 5/31	Equity	Net Debt	Pfd.	Enterprise Value	Pfd / EV	Pfd / Equity	Pfd Yield⁽¹⁾	Debt + Pfd / EBITDA	Annual Pfd. Dividends
Hotel REITs										
Ashford	\$7.37	\$822	\$3,430	\$565	\$4,817	11.7%	68.7%	9.4%	9.2x	\$42.6
Braemar	11.00	378	843	124	1,350	9.2%	32.8%	10.7%	7.9x	6.8
Sunstone	17.39	3,923	521	190	4,685	4.1%	4.8%	40.7%	2.1x	12.8
RLJ	23.40	4,100	2,228	322	6,672	4.8%	7.9%	18.6%	4.6x	25.1
LaSalle	34.30	3,791	851	260	4,905	5.3%	6.9%	25.4%	3.4x	16.5
Hersha	21.27	917	1,063	368	2,411	15.2%	40.1%	11.0%	8.1x	6.9
Pebblebrook	40.82	2,827	1,032	250	4,114	6.1%	8.8%	16.7%	5.2x	16.1
Condor	10.17	122	147	9	279	3.3%	7.6%	13.5%	6.5x	0.6
Sotherly	6.81	108	329	73	511	14.2%	67.2%	7.6%	10.9x	3.2
Summit	15.29	1,607	894	320	2,824	11.3%	19.9%	14.7%	6.1x	20.9
High						15.2%	68.7%	40.7%	10.9x	
Weighted Average						9.4%	30.8%	16.3%	6.5x	
Low						3.3%	4.8%	7.6%	2.1x	

(1) Calculated as NOI (EBITDA less a 4.0% FF&E reserve) divided by Net Debt + Preferred

Liquidity - Cash Availability

Company	Credit Facility		Unrestricted Cash	Total Availability	Equity Value	Unrestr. Cash / Eq. Value	Unrestr. Cash / Ent. Value	Unrestr. Cash Per Share	Total Avail / Eq. Value	Enterprise Value	Avail / Ent. Value	
	Size	Outstanding										Available ⁽¹⁾
Hotel REITs												
Host	\$2,000	\$983	\$1,017	\$323	\$1,340	\$16,057	2.0%	1.6%	\$0.44	8.3%	\$20,029	6.7%
Park	1,000	0	1,000	312	1,312	6,480	4.8%	3.4%	1.55	20.2%	9,175	14.3%
HPT	1,000	86	914	17	931	4,758	0.4%	0.2%	0.10	19.6%	8,819	10.6%
Ashford	0	0	0	323	323	822	39.2%	6.7%	2.89	39.2%	4,817	6.7%
Braemar	100	0	100	83	183	378	21.8%	6.1%	2.40	48.2%	1,350	13.5%
LaSalle	1,250	0	1,250	229	1,479	3,791	6.0%	4.7%	2.07	39.0%	4,905	30.2%
Ryman	700	219	481	59	540	4,301	1.4%	1.0%	1.15	12.6%	5,892	9.2%
Sunstone	400	0	400	467	867	3,923	11.9%	10.0%	2.07	22.1%	4,685	18.5%
DiamondRock	300	0	300	69	369	2,553	2.7%	2.0%	0.34	14.5%	3,423	10.8%
Hersha	961	734	227	32	259	917	3.4%	1.3%	0.73	28.2%	2,411	10.7%
Pebblebrook	450	203	247	16	263	2,827	0.6%	0.4%	0.23	9.3%	4,114	6.4%
RLJ	600	300	300	402	702	4,100	9.8%	6.0%	2.29	17.1%	6,672	10.5%
Chesapeake	300	70	230	32	262	1,946	1.6%	1.2%	0.53	13.5%	2,751	9.5%
Summit	450	125	325	87	412	1,607	5.4%	3.1%	0.83	25.6%	2,824	14.6%
Chatham	250	34	216	13	229	954	1.4%	0.9%	0.29	24.1%	1,489	15.4%
Apple	965	215	750	0	750	4,383	0.0%	0.0%	0.00	17.1%	5,716	13.1%
Xenia	500	0	500	256	756	2,689	9.5%	6.7%	2.39	28.1%	3,795	19.9%
AHIP	14	7	7	15	22	509	3.0%	1.3%	0.20	4.3%	1,199	1.8%
Condor	150	101	49	5	54	122	3.8%	1.7%	0.39	44.4%	279	19.4%
Sotherly Hotels	0	0	0	31	31	108	28.3%	6.0%	1.93	28.3%	511	6.0%
High							39.2%	10.0%	\$2.89	48.2%		30.2%
Average / Total	\$11,389	\$3,076	\$8,313	\$2,769	\$11,082	\$63,227	7.9%	3.2%	1.14	23.2%		12.4%
Low							0.0%	0.0%	0.00	4.3%		1.8%
Other Hotel Companies												
Hilton	\$1,000	\$0	\$1,000	\$839	\$1,839	\$24,146	3.5%	2.7%	\$2.80	7.6%	\$31,495	5.8%
Marriott	4,000	0	4,000	832	4,832	49,350	1.7%	1.5%	2.28	9.8%	57,364	8.4%
Wyndham	1,000	902	98	291	389	10,820	2.7%	2.0%	2.92	3.6%	14,418	2.7%
Hyatt	1,500	0	1,500	995	2,495	9,388	10.6%	10.1%	8.66	26.6%	9,838	25.4%
InterContinental	1,350	0	1,350	127	1,477	13,315	1.0%	0.8%	0.62	11.1%	15,214	9.7%
Extended Stay	325	0	325	191	516	3,999	4.8%	2.8%	1.00	12.9%	6,825	7.6%
La Quinta	250	18	232	113	346	2,535	4.5%	2.8%	0.97	13.6%	4,109	8.4%
Choice	450	138	312	37	349	4,553	0.8%	0.7%	0.65	7.7%	5,313	6.6%
Belmond	105	0	105	135	240	1,443	9.3%	6.6%	1.11	16.6%	2,055	11.7%
Red Lion Hotels	10	0	10	25	35	264	9.5%	7.4%	1.03	13.3%	338	10.3%
High							10.6%	10.1%	\$8.66	26.6%		25.4%
Average / Total	\$9,990	\$1,058	\$8,932	\$3,584	\$12,517	\$119,812	4.8%	3.7%	2.20	12.3%		9.7%
Low							0.8%	0.7%	0.62	3.6%		2.7%

Note: A normal average vs. a weighted average is used because Host's size would skew the results

(1) Equal to maximum availability less amount outstanding; does not consider covenants or other restrictions which may otherwise limit the maximum availability; does not include letters of credit issued under revolving credit facilities which do not show up as outstanding debt but reduce availability.

Trading

Company	Price 5/31	5-Year		52-Week		Current /	Current /	Current /	Avg. Daily Volume Last (3 months)	Avg. Daily	Avg	Beta vs. Index 2 Year
		Low	High	Low	High	52 Wk High	5-Year High	5-Year Low		Volume * Current Price	Volume / Shares Out.	
Hotel REITs												
Host	\$21.63	\$12.86	\$24.50	\$17.26	\$21.97	98.5%	88.3%	168.2%	7,031,458	\$152.1	0.95%	1.02
Park	32.22	24.90	32.51	24.65	32.51	99.1%	99.1%	129.4%	2,580,912	83.2	1.28%	0.92
HPT	28.95	21.13	34.01	26.64	32.68	88.6%	85.1%	137.0%	914,266	26.5	0.56%	0.97
Ashford	7.37	4.38	11.33	5.68	8.23	89.6%	65.0%	168.3%	506,191	3.7	0.51%	1.34
Braemar	11.00	9.02	23.00	8.74	14.87	74.0%	47.8%	122.0%	301,413	3.3	0.93%	1.11
LaSalle	34.30	20.50	42.77	27.74	34.50	99.4%	80.2%	167.3%	2,369,583	81.3	2.15%	1.13
Ryman	83.88	30.85	84.69	57.78	84.69	99.0%	99.0%	271.9%	318,466	26.7	0.62%	1.12
Sunstone	17.39	9.19	17.98	14.15	17.55	99.1%	96.7%	189.2%	2,215,290	38.5	0.98%	1.04
DiamondRock	12.73	7.79	15.61	10.43	19.94	63.8%	81.6%	163.4%	2,224,026	28.3	1.11%	1.11
Hersha	21.27	16.80	29.96	17.15	21.30	99.9%	71.0%	126.6%	529,557	11.3	1.35%	1.04
Pebblebrook	40.82	19.17	49.19	26.21	41.32	98.8%	83.0%	212.9%	821,726	33.5	1.19%	1.25
RLJ	23.40	16.86	35.87	19.12	25.01	93.6%	65.2%	138.8%	1,541,130	36.1	0.88%	1.17
Chesapeake	32.23	17.51	39.05	22.55	32.41	99.4%	82.5%	184.1%	304,120	9.8	0.50%	0.93
Summit	15.29	8.02	19.39	14.23	19.39	78.9%	78.9%	190.6%	779,269	11.9	0.74%	1.01
Chatham	20.79	12.74	31.60	18.66	23.91	87.0%	65.8%	163.2%	355,753	7.4	0.78%	1.22
Apple	19.03	13.82	20.97	17.49	20.68	92.0%	90.7%	137.7%	1,543,260	29.4	0.67%	0.81
Xenia	25.17	12.81	25.42	16.21	25.42	99.0%	99.0%	196.5%	455,479	11.5	0.43%	1.02
AHIP	6.51	5.87	9.68	5.87	8.41	77.5%	67.3%	111.1%	152,345	1.0	0.20%	0.59
Condor	10.17	4.77	56.41	8.13	15.56	65.4%	18.0%	213.2%	10,588	0.1	0.09%	0.78
Sotherly Hotels	6.81	2.88	8.42	5.57	7.66	88.9%	80.9%	236.5%	44,395	0.3	0.31%	0.68
High						99.9%	99.1%	271.9%			2.15%	1.34
Weighted Average						94.7%	86.8%	169.1%			0.95%	1.03
Weighted Average (Excluding Host)						93.4%	86.2%	169.4%			0.95%	1.03
Low						63.8%	18.0%	111.1%			0.09%	0.59
Other Hotel Companies												
Hilton	\$80.71	\$34.04	\$88.11	\$55.00	\$88.11	91.6%	91.6%	237.1%	4,043,911	\$326.4	1.35%	0.98
Marriott	135.36	33.93	149.21	81.04	149.21	90.7%	90.7%	398.9%	2,264,044	306.5	0.62%	0.97
Wyndham	108.44	48.25	127.96	75.36	127.96	84.7%	84.7%	224.7%	906,101	98.3	0.91%	1.14
Hyatt	81.73	33.93	82.50	50.21	82.50	99.1%	99.1%	240.9%	916,842	74.9	0.80%	0.93
InterContinental	64.51	33.37	69.23	46.18	69.23	93.2%	93.2%	193.3%	255,415	16.5	0.12%	1.00
Extended Stay	21.05	10.56	26.83	13.30	21.39	98.4%	78.5%	199.3%	1,679,207	35.3	0.88%	0.91
La Quinta	21.62	9.42	24.94	11.76	21.74	99.4%	86.7%	229.5%	1,477,258	31.9	1.26%	0.91
Choice	80.35	34.40	85.35	53.40	85.35	94.1%	94.1%	233.6%	264,561	21.3	0.47%	0.88
Belmond	11.95	7.50	21.89	11.00	14.45	82.7%	54.6%	159.3%	386,160	4.6	0.32%	1.19
Red Lion Hotels	10.90	5.20	11.70	6.15	11.70	93.2%	93.2%	209.6%	71,220	0.8	0.29%	0.73
High						99.4%	99.1%	398.9%			1.26%	1.19
Weighted Average						91.8%	90.2%	310.3%			0.62%	0.98
Low						82.7%	54.6%	159.3%			0.12%	0.73

Note: Betas as of April 30, 2018 from Bloomberg versus the S&P 500, Wilshire 5000 and TSE indexes, where appropriate

Note: Hersha historical stock prices adjusted for 1:4 reverse stock split. Hilton pro forma for 1:3 reverse stock split. Condor pro forma for 1:6.5 reverse stock split

Total Return

Company	Share Price 12/31/17	Share Price 5/31	Current Dividend Yield	Total Return (Includes Dividend Payments) ⁽²⁾									Equity Value
				2011	2012	2013	2014	2015	2016	2017	YTD	Cumulative ⁽¹⁾	
Hotel REITs													
Host	\$19.85	\$21.63	3.9%	-16.6%	8.1%	26.0%	23.8%	-31.9%	28.4%	18.7%	9.0%	222.3%	\$16,057
Park	28.75	32.22	6.7%	NA	NA	NA	NA	NA	NA	30.3%	12.1%	40.3%	6,480
HPT	29.85	28.95	7.2%	7.6%	9.8%	23.5%	21.9%	-8.6%	29.1%	-1.6%	-3.0%	164.6%	4,758
Ashford ⁽³⁾	6.73	7.37	6.5%	-12.5%	36.9%	-17.0%	31.9%	-35.2%	30.6%	1.5%	9.5%	60.9%	822
Braemar	9.73	11.00	5.8%	NA	NA	NA	-5.7%	-12.7%	-2.6%	-13.6%	13.1%	-22.8%	378
LaSalle	28.07	34.30	5.2%	-6.6%	7.8%	24.3%	33.4%	-33.4%	28.3%	17.8%	22.2%	340.0%	3,791
Ryman	69.02	83.88	3.8%	-32.8%	87.7%	26.4%	42.6%	3.6%	27.8%	36.9%	21.5%	374.8%	4,301
Sunstone	16.53	17.39	5.9%	-21.1%	31.4%	25.1%	23.2%	-20.2%	27.5%	20.0%	5.2%	53.0%	3,923
DiamondRock	11.29	12.73	3.9%	-17.0%	-3.3%	31.9%	57.5%	-43.2%	24.7%	14.3%	12.8%	79.2%	2,553
Hersha	17.40	21.27	5.3%	-25.2%	3.7%	12.6%	27.3%	-17.9%	4.9%	4.2%	22.2%	36.4%	917
Pebblebrook	37.17	40.82	3.7%	-3.2%	22.9%	35.2%	49.9%	-35.3%	11.6%	40.9%	9.8%	140.8%	2,827
RLJ	21.97	23.40	5.6%	-4.4%	19.3%	29.2%	40.7%	-31.6%	19.3%	1.2%	6.5%	73.1%	4,100
Chesapeake	27.09	32.23	5.0%	-13.6%	40.8%	25.3%	50.6%	-28.1%	9.1%	29.6%	19.0%	125.8%	1,946
Summit	15.23	15.29	4.4%	-1.7%	5.4%	-0.5%	88.4%	-23.7%	39.6%	-0.2%	0.4%	96.9%	1,607
Chatham	22.76	20.79	6.3%	-33.4%	49.9%	38.0%	45.5%	-24.7%	6.8%	7.5%	-8.7%	68.7%	954
Apple	19.61	19.03	6.3%	NA	NA	NA	NA	16.3%	6.1%	1.6%	-3.0%	30.9%	4,383
Xenia	21.59	25.17	4.4%	NA	NA	NA	NA	-21.9%	33.9%	34.0%	16.6%	41.6%	2,689
AHIP	7.47	6.51	9.9%	NA	NA	NA	11.7%	12.4%	0.2%	-5.9%	-12.8%	38.8%	509
Condor	9.95	10.17	7.7%	-58.2%	54.5%	139.2%	-5.3%	-40.7%	70.4%	-14.5%	2.2%	30.6%	122
Sotherly Hotels	6.45	6.81	7.0%	16.6%	43.7%	81.9%	27.9%	-12.8%	16.4%	7.3%	5.6%	15.5%	108
High			9.9%	16.6%	87.7%	139.2%	88.4%	16.3%	70.4%	40.9%	22.2%	374.8%	
Weighted Average			5.1%	-10.3%	16.2%	19.6%	26.6%	-19.6%	21.3%	17.6%	9.2%	149.3%	
Low			3.7%	-58.2%	-3.3%	-17.0%	-5.7%	-43.2%	-2.6%	-14.5%	-12.8%	-22.8%	
Other Hotel Companies													
Hilton ⁽⁴⁾	\$79.86	\$80.71	0.7%	NA	NA	NA	71.4%	-16.9%	28.4%	-0.3%	1.1%	83.1%	\$24,146
Marriott	135.73	135.36	1.2%	-28.8%	29.4%	267.6%	58.1%	-12.5%	25.1%	64.9%	-0.3%	612.5%	49,350
Wyndham	115.87	108.44	2.4%	28.3%	43.1%	108.8%	16.4%	-13.0%	7.9%	44.4%	-6.4%	279.8%	10,820
Hyatt	73.40	81.73	0.7%	-6.0%	67.8%	195.9%	19.8%	-1.1%	16.6%	85.1%	11.3%	970.4%	9,388
InterContinental	63.51	64.51	1.3%	-6.0%	67.8%	134.9%	19.8%	-1.1%	16.6%	46.8%	1.6%	793.1%	13,315
Extended Stay	19.00	21.05	4.2%	NA	NA	NA	-26.3%	-13.7%	6.4%	34.5%	10.8%	25.8%	3,999
La Quinta	18.46	21.62	0.0%	NA	NA	NA	NA	-38.3%	4.4%	52.1%	17.1%	-2.0%	2,535
Choice	77.60	80.35	1.1%	1.4%	17.7%	141.6%	14.1%	-8.6%	12.8%	44.4%	3.5%	820.3%	4,553
Belmond	12.25	11.95	0.0%	-42.5%	56.5%	2.2%	-18.1%	-23.2%	40.5%	-10.5%	-2.4%	-31.8%	1,443
Red Lion Hotels	9.85	10.90	0.0%	-13.2%	13.9%	38.1%	4.8%	10.6%	19.1%	30.5%	10.7%	77.5%	264
High			4.2%	28.3%	67.8%	267.6%	71.4%	10.6%	40.5%	85.1%	17.1%	970.4%	
Weighted Average			1.3%	-11.0%	30.2%	155.9%	43.0%	-11.8%	21.3%	46.4%	1.4%	490.3%	
Low			0.0%	-42.5%	13.9%	2.2%	-26.3%	-38.3%	4.4%	-10.5%	-6.4%	-31.8%	

(1) Cumulative metrics represent returns from 12/31/01 to the present; returns are from year-end following IPO for Companies that were not public as of 2001

(2) Includes special dividends

(3) Ashford 2013 return does not include the impact of Ashford Prime spin off

(4) Hilton 2017 total return includes the equity value of the spun off entities (Park Hotels and Hilton Grand Vacations), which occurred on January 3, 2017. Pro forma for 1:3 reverse stock split

Implied Share Prices

(\$ in millions)

The following analysis calculates the implied equity value for each company by applying an 8.0% cap rate for the REITs and a 11.0x multiple for the C-Corps to 2017 NOI and subtracting net debt, preferred stock and minority interest

The implied equity value is divided by total shares outstanding in order to calculate implied equity value per share; this value is then compared to the actual share price

Company	2017 EBITDA	NOI ⁽¹⁾	EV Assuming a 8.0% Cap Rate	Less: Debt	Less: Preferred	Less: Non OP Minority Interest	Plus: Cash	Implied Equity Value	Shares and Units Outstanding	Implied Share Price	Current Share Price	Implied Premium/ Discount
Hotel REITs												
Host	\$1,536	\$1,316	\$16,452	(\$4,266)	\$0	(\$29)	\$323	\$12,480	742	\$16.81	\$21.63	-22.3%
Park	716	605	7,559	(2,957)	0	(50)	312	4,864	201	24.18	32.22	-24.9%
HPT	778	691	8,641	(4,078)	0	0	17	4,580	164	27.87	28.95	-3.7%
Ashford	413	355	4,443	(3,752)	(565)	(1)	323	448	112	4.01	7.37	-45.5%
Braemar	109	93	1,156	(926)	(124)	(5)	83	184	34	5.36	11.00	-51.3%
LaSalle	330	288	3,596	(1,080)	(260)	(3)	229	2,482	111	22.46	34.30	-34.5%
Ryman	361	313	3,918	(1,649)	0	0	59	2,327	51	45.39	83.88	-45.9%
Sunstone	330	282	3,528	(989)	(190)	(50)	467	2,767	226	12.26	17.39	-29.5%
DiamondRock	260	224	2,805	(939)	0	0	69	1,935	201	9.65	12.73	-24.2%
Hersha	171	151	1,891	(1,095)	(368)	(63)	32	397	43	9.21	21.27	-56.7%
Pebblebrook	228	198	2,479	(1,048)	(250)	(5)	16	1,192	69	17.21	40.82	-57.8%
RLJ	567	490	6,130	(2,630)	(322)	(23)	402	3,558	175	20.31	23.40	-13.2%
Chesapeake	168	144	1,803	(837)	0	0	32	998	60	16.53	32.23	-48.7%
Summit	193	170	2,121	(981)	(320)	(3)	87	904	105	8.60	15.29	-43.7%
Chatham	131	119	1,493	(541)	0	(7)	13	958	46	20.88	20.79	0.4%
Apple	440	389	4,868	(1,332)	0	0	0	3,535	230	15.35	19.03	-19.3%
Xenia	279	242	3,019	(1,328)	0	(33)	256	1,914	107	17.91	25.17	-28.8%
AHIP	90	78	971	(705)	(0)	0	15	281	78	3.60	6.51	-44.8%
Condor	19	16	205	(151)	(9)	(1)	5	47	12	3.95	10.17	-61.1%
Sotherly Hotels	47	41	508	(360)	(73)	(1)	31	106	16	6.64	6.81	-2.4%
High										\$45.39	\$83.88	0.4%
Average										15.41	23.55	-32.9%
Low										3.60	6.51	-61.1%

Company	2017 EBITDA	NOI	EV Assuming a 11.0x Multiple	Less: Debt	Less: Preferred	Less: Non OP Minority Interest	Plus: Cash	Implied Equity Value	Shares and Units Outstanding	Implied Share Price	Current Share Price	Implied Premium/ Discount
Other Hotel Companies												
Hilton	\$1,930		\$21,230	(\$8,183)	\$0	(\$5)	\$839	\$13,881	299	\$46.40	\$80.71	-42.5%
Marriott	3,154		34,689	(8,846)	0	0	832	26,675	365	73.16	135.36	-45.9%
Wyndham	1,398		15,378	(3,884)	0	(5)	291	11,780	100	118.06	108.44	8.9%
Hyatt	698		7,678	(1,439)	0	(6)	995	7,227	115	62.92	81.73	-23.0%
InterContinental	865		9,513	(2,017)	0	(9)	127	7,614	206	36.89	64.51	-42.8%
Extended Stay	614		6,756	(2,474)	0	(543)	191	3,929	190	20.68	21.05	-1.7%
La Quinta	327		3,597	(1,685)	0	(3)	113	2,023	117	17.25	21.62	-20.2%
Choice	312		3,433	(797)	0	0	37	2,673	57	47.18	80.35	-41.3%
Belmond	130		1,430	(746)	0	(0)	135	819	121	6.78	11.95	-43.3%
Red Lion Hotels	18		200	(67)	0	(32)	25	125	24	5.17	10.90	-52.5%
High										\$118.06	\$135.36	8.9%
Average										43.45	61.66	-30.4%
Low										5.17	10.90	-52.5%

Note: Includes JF Capital Advisors estimates. A normal average vs. a weighted average is used because Host's size would skew the results

(1) Calculated as EBITDA less a 4.0% FF&E reserve.

Relative Size

The following overview shows the size of each Company relative to its respective segment (REIT vs. Other) and sector

Company	Equity Market Cap.	Percent of Segment ⁽¹⁾	Percent of Sector ⁽²⁾	Enterprise Value	Percent of Segment ⁽¹⁾	Percent of Sector ⁽²⁾
Hotel REITs						
Host	\$16,057	25.4%	8.8%	\$20,029	21.1%	8.3%
Park	6,480	10.2%	3.5%	9,175	9.7%	3.8%
HPT	4,758	7.5%	2.6%	8,819	9.3%	3.6%
Ashford	822	1.3%	0.4%	4,817	5.1%	2.0%
Braemar	378	0.6%	0.2%	1,350	1.4%	0.6%
Ryman	4,301	6.8%	2.3%	5,892	6.2%	2.4%
LaSalle	3,791	6.0%	2.1%	4,905	5.2%	2.0%
Sunstone	3,923	6.2%	2.1%	4,685	4.9%	1.9%
DiamondRock	2,553	4.0%	1.4%	3,423	3.6%	1.4%
Hersha	917	1.5%	0.5%	2,411	2.5%	1.0%
Pebblebrook	2,827	4.5%	1.5%	4,114	4.3%	1.7%
RLJ	4,100	6.5%	2.2%	6,672	7.0%	2.8%
Chesapeake	1,946	3.1%	1.1%	2,751	2.9%	1.1%
Summit	1,607	2.5%	0.9%	2,824	3.0%	1.2%
Chatham	954	1.5%	0.5%	1,489	1.6%	0.6%
Apple	4,383	6.9%	2.4%	5,716	6.0%	2.4%
Xenia	2,689	4.3%	1.5%	3,795	4.0%	1.6%
AHIP	509	0.8%	0.3%	1,199	1.3%	0.5%
Condor	122	0.2%	0.1%	279	0.3%	0.1%
Sotherly Hotels	108	0.2%	0.1%	511	0.5%	0.2%
Total	\$63,227			\$94,856		
High	16,057	25.4%	8.8%	20,029	NM	NM
Weighted Average	3,161	NM	NM	4,743	NM	NM
Low	108	0.2%	0.1%	279	NM	NM
Other Hotel Companies						
Hilton	\$24,146	20.2%	13.2%	\$31,495	21.4%	13.0%
Marriott	49,350	41.2%	27.0%	57,364	39.0%	23.7%
Wyndham	10,820	9.0%	5.9%	14,418	9.8%	6.0%
Hyatt	9,388	7.8%	5.1%	9,838	6.7%	4.1%
InterContinental	13,315	11.1%	7.3%	15,214	10.4%	6.3%
Extended Stay	3,999	3.3%	2.2%	6,825	4.6%	2.8%
La Quinta	2,535	2.1%	1.4%	4,109	2.8%	1.7%
Choice	4,553	3.8%	2.5%	5,313	3.6%	2.2%
Belmond	1,443	1.2%	0.8%	2,055	1.4%	0.8%
Red Lion Hotels	264	0.2%	0.1%	338	0.2%	0.1%
Total	\$119,812			\$146,970		
High	49,350	41.2%	27.0%	57,364	NM	NM
Weighted Average	11,981	NM	NM	14,697	NM	NM
Low	264	0.2%	0.1%	338	NM	NM

(1) Percent of segment indicates relative size of company compared to Hotel REITs universe or Other Hotel Companies universe.

(2) Percent of sector indicates relative size of company compared to entire lodging industry (Hotel REITs plus Other Hotel Companies).

Stabilized EBITDA Analysis*Analysis shows how much additional EBITDA each Company needs for an Enterprise Value/EBITDA of 11.0x**The analysis then shows the implied compounded growth over 3 and 5 years*

Company	Enterprise Value	2017 EBITDA	EV / EBITDA 2017	EBITDA Required for 11.0x Multiple	\$ Growth Required	Growth % Required for 11.0x Multiple	Compounded Annual Growth Over 3 Years	Compounded Annual Growth Over 5 Years
Hotel REITs								
Host	\$20,029	\$1,536	13.0x	\$1,821	\$285	18.6%	5.8%	3.5%
Park	9,175	716	12.8x	834	118	16.4%	5.2%	3.1%
HPT	8,819	778	11.3x	802	24	3.0%	1.0%	0.6%
Ashford	4,817	413	11.7x	438	25	6.0%	2.0%	1.2%
Braemar	1,350	109	12.4x	123	14	12.6%	4.0%	2.4%
LaSalle	4,905	330	14.9x	446	116	35.1%	10.6%	6.2%
Ryman	5,892	361	16.3x	536	175	48.4%	14.1%	8.2%
Sunstone	4,685	330	14.2x	426	96	29.0%	8.9%	5.2%
DiamondRock	3,423	260	13.2x	311	51	19.6%	6.1%	3.6%
Hersha	2,411	171	14.1x	219	48	28.2%	8.6%	5.1%
Pebblebrook	4,114	228	18.0x	374	146	63.8%	17.9%	10.4%
RLJ	6,672	567	11.8x	607	40	7.0%	2.3%	1.4%
Chesapeake	2,751	168	16.3x	250	82	48.5%	14.1%	8.2%
Summit	2,824	193	14.7x	257	64	33.3%	10.1%	5.9%
Chatham	1,489	131	11.3x	135	4	3.1%	1.0%	0.6%
Apple	5,716	440	13.0x	520	80	18.1%	5.7%	3.4%
Xenia	3,795	279	13.6x	345	66	23.5%	7.3%	4.3%
AHIP	1,199	90	13.3x	109	19	21.4%	6.7%	3.9%
Condor	279	19	14.7x	25	6	33.2%	10.0%	5.9%
Sotherly Hotels	511	47	10.9x	46	(0)	-0.8%	-0.3%	-0.2%
High			18.0x			63.8%	17.9%	10.4%
Weighted Average			13.4x			22.1%	6.7%	3.9%
Low			10.9x			-0.8%	-0.3%	-0.2%
Other Hotel Companies								
Hilton	\$31,495	\$1,930	16.3x	\$2,863	\$933	48.4%	14.1%	8.2%
Marriott	57,364	3,154	18.2x	5,215	2,061	65.4%	18.3%	10.6%
Wyndham	14,418	1,398	10.3x	1,311	(87)	-6.2%	-2.1%	-1.3%
Hyatt	9,838	698	14.1x	894	196	28.1%	8.6%	5.1%
InterContinental	15,214	865	17.6x	1,383	518	59.9%	16.9%	9.8%
Extended Stay	6,825	614	11.1x	620	6	1.0%	0.3%	0.2%
La Quinta	4,109	327	12.6x	374	47	14.2%	4.5%	2.7%
Choice	5,313	312	17.0x	483	171	54.7%	15.7%	9.1%
Belmod	2,055	130	15.8x	187	57	43.7%	12.8%	7.5%
Red Lion Hotels	338	18	18.6x	31	13	69.4%	19.2%	11.1%
High			18.6x			69.4%	19.2%	11.1%
Weighted Average			16.1x			46.5%	13.2%	7.7%
Low			10.3x			-6.2%	-2.1%	-1.3%

Note: Includes JF Capital Advisors estimates

EBITDA Growth Analysis

The following analysis illustrates what the EBITDA would be for each company assuming 5.0% annual growth for 3 and 5 years

An Implied Enterprise Value is then calculated by applying a 11.0x multiple to calculated EBITDA

Company	Enterprise Value	2017 EBITDA	EV / EBITDA 2017	5% Annual Growth Over 3 Years	Implied 11.0x Enterprise Value	Premium / (Discount) to Current EV	5% Annual Growth Over 5 Years	Implied 11.0x Enterprise Value	Premium / (Discount) to Current EV
Hotel REITs									
Host	\$20,029	\$1,536	13.0x	\$1,778	\$19,557	-2.4%	\$1,960	\$21,561	7.6%
Park	9,175	716	12.8x	829	9,122	-0.6%	914	10,057	9.6%
HPT	8,819	778	11.3x	901	9,909	12.4%	993	10,924	23.9%
Ashford	4,817	413	11.7x	478	5,259	9.2%	527	5,798	20.4%
Braemar	1,350	109	12.4x	126	1,389	2.8%	139	1,531	13.4%
LaSalle	4,905	330	14.9x	382	4,202	-14.3%	421	4,632	-5.6%
Ryman	5,892	361	16.3x	418	4,594	-22.0%	460	5,065	-14.0%
Sunstone	4,685	330	14.2x	382	4,202	-10.3%	421	4,633	-1.1%
DiamondRock	3,423	260	13.2x	301	3,314	-3.2%	332	3,654	6.7%
Hersha	2,411	171	14.1x	198	2,177	-9.7%	218	2,400	-0.4%
Pebblebrook	4,114	228	18.0x	264	2,908	-29.3%	291	3,206	-22.1%
RLJ	6,672	567	11.8x	656	7,216	8.1%	723	7,955	19.2%
Chesapeake	2,751	168	16.3x	195	2,145	-22.0%	215	2,364	-14.1%
Summit	2,824	193	14.7x	223	2,452	-13.1%	246	2,704	-4.2%
Chatham	1,489	131	11.3x	152	1,671	12.3%	168	1,843	23.8%
Apple	5,716	440	13.0x	509	5,602	-2.0%	561	6,176	8.1%
Xenia	3,795	279	13.6x	323	3,557	-6.3%	357	3,922	3.4%
AHIP	1,199	90	13.3x	104	1,144	-4.6%	115	1,261	5.2%
Condor	279	19	14.7x	22	242	-13.1%	24	267	-4.2%
Sotherly Hotels	511	47	10.9x	54	597	16.7%	60	658	28.7%
High			18.0x			16.7%			28.7%
Weighted Average			13.4x			-3.8%			6.1%
Low			10.9x			-29.3%			-22.1%
Other Hotel Companies									
Hilton	\$31,495	\$1,930	16.3x	\$2,234	\$24,576	-22.0%	\$2,463	\$27,095	-14.0%
Marriott	57,364	3,154	18.2x	3,651	40,156	-30.0%	4,025	44,272	-22.8%
Wyndham	14,418	1,398	10.3x	1,618	17,802	23.5%	1,784	19,627	36.1%
Hyatt	9,838	698	14.1x	808	8,888	-9.7%	891	9,799	-0.4%
InterContinental	15,214	865	17.6x	1,001	11,012	-27.6%	1,104	12,141	-20.2%
Extended Stay	6,825	614	11.1x	711	7,820	14.6%	784	8,622	26.3%
La Quinta	4,109	327	12.6x	379	4,164	1.3%	417	4,591	11.7%
Choice	5,313	312	17.0x	361	3,974	-25.2%	398	4,382	-17.5%
Belmond	2,055	130	15.8x	151	1,656	-19.4%	166	1,826	-11.2%
Red Lion Hotels	338	18	18.6x	21	231	-31.7%	23	255	-24.7%
High			18.6x			23.5%			36.1%
Weighted Average			16.1x			-18.2%			-9.8%
Low			10.3x			-31.7%			-24.7%

Note: Includes JF Capital Advisors estimates

Implied Cap Rates Based on Assumed Growth*The following analysis illustrates implied 2018 NOI with various growth rates*

Company	Enterprise Value	2017		2018 NOI ⁽¹⁾			2018 Implied Cap Rate ⁽¹⁾		
		NOI ⁽²⁾	Cap Rate	0.0%	2.5%	5.0%	0.0%	2.5%	5.0%
Hotel REITs									
Host	\$20,029	\$1,319	6.6%	\$1,319	\$1,386	\$1,455	6.6%	6.9%	7.3%
Park	9,175	627	6.8%	627	658	691	6.8%	7.2%	7.5%
HPT	8,819	772	8.8%	772	811	851	8.8%	9.2%	9.7%
Ashford	4,817	361	7.5%	361	379	398	7.5%	7.9%	8.3%
Braemar	1,350	97	7.2%	97	102	107	7.2%	7.6%	7.9%
LaSalle	4,905	269	5.5%	269	282	296	5.5%	5.8%	6.0%
Ryman	5,892	338	5.7%	338	355	372	5.7%	6.0%	6.3%
Sunstone	4,685	280	6.0%	280	294	309	6.0%	6.3%	6.6%
DiamondRock	3,423	227	6.6%	227	238	250	6.6%	7.0%	7.3%
Hersha	2,411	148	6.1%	148	155	163	6.1%	6.4%	6.7%
Pebblebrook	4,114	209	5.1%	209	220	230	5.1%	5.3%	5.6%
RLJ	6,672	466	7.0%	466	490	514	7.0%	7.3%	7.7%
Chesapeake	2,751	154	5.6%	154	162	170	5.6%	5.9%	6.2%
Summit	2,824	177	6.3%	177	186	195	6.3%	6.6%	6.9%
Chatham	1,489	117	7.9%	117	123	129	7.9%	8.3%	8.7%
Apple	5,716	400	7.0%	400	421	441	7.0%	7.4%	7.7%
Xenia	3,795	242	6.4%	242	255	267	6.4%	6.7%	7.0%
AHIP	1,199	81	6.8%	81	86	90	6.8%	7.1%	7.5%
Condor	279	20	7.3%	20	21	23	7.3%	7.7%	8.1%
Sotherly Hotels	511	37	7.1%	37	38	40	7.1%	7.5%	7.9%
Maximum			8.8%				8.8%	9.2%	9.7%
Weighted Average			6.7%				6.7%	7.0%	7.4%
Wtd Avg Excl Host			6.7%				6.7%	7.1%	7.4%
Minimum			5.1%				5.1%	5.3%	5.6%

Note: Does not add back corporate G&A which negatively affects EBITDA and NOI assumptions.

Note: Includes JF Capital Advisors estimates

(1) Based on growing NOI at the annual growth rate listed.

(2) Based on FF&E Reserve of 4.0% of revenue.

Unlevered Yields Based on Assumed Growth*The following analysis illustrates 2017 and 2018 Unlevered Yields*

Company	Enterprise Value	2017		2018		2018 Unlevered Yield ⁽¹⁾		
		EBITDA	Unl. Yield	EBITDA	Unl. Yield	0.0%	2.5%	5.0%
Other Hotel Companies								
Hilton	\$31,495	1,930	6.1%	2,083	6.6%	6.6%	6.9%	7.3%
Marriott	57,364	3,154	5.5%	3,524	6.1%	6.1%	6.5%	6.8%
Wyndham	14,418	1,398	9.7%	1,416	9.8%	9.8%	10.3%	10.8%
Hyatt	9,838	698	7.1%	780	7.9%	7.9%	8.3%	8.7%
InterContinental	15,214	865	5.7%	922	6.1%	6.1%	6.4%	6.7%
Extended Stay	6,825	614	9.0%	616	9.0%	9.0%	9.5%	10.0%
La Quinta	4,109	327	8.0%	322	7.8%	7.8%	8.2%	8.6%
Choice	5,313	312	5.9%	333	6.3%	6.3%	6.6%	6.9%
Belmond	2,055	130	6.3%	141	6.9%	6.9%	7.2%	7.6%
Red Lion Hotels	338	18	5.4%	21	6.1%	6.1%	6.5%	6.8%
Maximum			9.7%		9.8%	9.8%	10.3%	10.8%
Weighted Average			6.4%		6.9%	6.9%	7.3%	7.6%
Minimum			5.4%		6.1%	6.1%	6.4%	6.7%

Note: Does not add back corporate G&A which negatively affects EBITDA

Note: Includes JF Capital Advisors estimates

(1) Based on growing EBITDA at the annual growth rate listed

Summary of Comparables Analysis - 2017 EBITDA Illustrative Decline Analysis

Analysis calculates an adjusted share price for each company by applying a range of multiples to Adjusted 2017 EBITDA; Adjusted EBITDA is calculated as 2017 EBITDA discounted by 10.0%

Company	2017 EBITDA	Illustrative Discount	Adjusted 2017 EBITDA	Illustrative Company Value			Debt/Preferred	Illustrative Equity Value			Shares Outstanding	Illustr Equity Value Per Share			Price As of 5/31
				10.0x	11.0x	12.0x		10.0x	11.0x	12.0x		10.0x	11.0x	12.0x	
Hotel REITs															
Host	\$1,536	10.0%	\$1,396	\$13,962	\$15,358	\$16,754	\$3,972	\$9,990	\$11,386	\$12,782	742	\$13.46	\$15.34	\$17.22	\$21.63
Park	716	10.0%	651	6,512	7,163	7,815	2,695	3,817	4,468	5,120	201	18.98	22.22	25.45	32.22
HPT	778	10.0%	707	7,074	7,781	8,489	4,061	3,013	3,721	4,428	164	18.33	22.64	26.94	28.95
Ashford	413	10.0%	375	3,755	4,130	4,506	3,995	(241)	135	510	112	(2.16)	1.21	4.58	7.37
Braemar	109	10.0%	99	991	1,091	1,190	972	20	119	218	34	0.57	3.45	6.33	11.00
LaSalle	330	10.0%	300	3,000	3,300	3,600	1,114	1,885	2,185	2,485	111	17.06	19.77	22.49	34.30
Sunstone	330	10.0%	300	3,000	3,300	3,600	761	2,239	2,539	2,839	226	9.92	11.25	12.58	17.39
DiamondRock	260	10.0%	237	2,366	2,602	2,839	870	1,496	1,732	1,969	201	7.46	8.64	9.82	12.73
Hersha	171	10.0%	155	1,554	1,710	1,865	1,494	61	216	371	43	1.40	5.01	8.61	21.27
Pebblebrook	228	10.0%	208	2,076	2,283	2,491	1,287	789	996	1,204	69	11.39	14.39	17.39	40.82
RLJ	567	10.0%	515	5,151	5,667	6,182	2,572	2,579	3,094	3,609	175	14.72	17.66	20.60	23.40
Chesapeake	168	10.0%	153	1,531	1,684	1,837	805	726	879	1,032	60	12.02	14.56	17.09	32.23
Summit	193	10.0%	175	1,751	1,926	2,101	1,217	534	709	884	105	5.08	6.75	8.41	15.29
Chatham	131	10.0%	119	1,193	1,313	1,432	535	658	778	897	46	14.35	16.95	19.56	20.79
Apple	440	10.0%	400	3,999	4,399	4,799	1,332	2,667	3,067	3,467	230	11.58	13.31	15.05	19.03
Xenia	279	10.0%	254	2,540	2,794	3,048	1,106	1,434	1,688	1,942	107	13.42	15.80	18.18	25.17
AHIP	90	10.0%	82	816	898	980	690	127	208	290	78	1.62	2.67	3.71	6.51
Condor	19	10.0%	17	173	190	208	157	16	33	50	12	1.32	2.77	4.22	10.17
Sotherly	47	10.0%	43	426	468	511	403	23	66	108	16	1.45	4.13	6.81	6.81
High												18.98	22.64	26.94	
Weighted Average												14.03	16.17	18.44	
Low												(2.16)	1.21	3.71	
Other Hotel Companies															
Hilton	1,930	10.0%	1,755	17,545	19,300	21,055	7,349	10,196	11,951	13,706	299	34.08	39.95	45.81	80.71
Marriott	3,154	10.0%	2,867	28,668	31,535	34,402	8,014	20,654	23,521	26,388	365	56.65	64.52	72.38	135.36
Wyndham	1,398	10.0%	1,271	12,709	13,980	15,251	3,598	9,111	10,382	11,653	100	91.31	104.05	116.78	108.44
Hyatt	698	10.0%	635	6,345	6,980	7,614	450	5,895	6,529	7,164	115	51.32	56.84	62.37	81.73
InterContinental	865	10.0%	786	7,862	8,648	9,434	1,899	5,963	6,749	7,535	206	28.89	32.70	36.51	64.51
Extended Stay	614	10.0%	558	5,583	6,141	6,700	2,827	2,756	3,315	3,873	190	14.51	17.45	20.39	21.05
La Quinta	327	10.0%	297	2,973	3,270	3,567	1,574	1,399	1,696	1,993	117	11.93	14.46	17.00	21.62
Ryman	361	10.0%	328	3,280	3,608	3,936	1,590	1,690	2,018	2,346	51	32.95	39.35	45.74	83.88
Choice	312	10.0%	284	2,837	3,121	3,405	760	2,077	2,361	2,645	57	36.66	41.67	46.68	80.35
Belmond	130	10.0%	118	1,182	1,300	1,419	611	571	689	807	121	4.72	5.70	6.68	11.95
Red Lion Hotels	18	10.0%	17	165	182	198	75	91	107	124	24	3.74	4.42	5.11	10.90
High												91.31	104.05	116.78	
Weighted Average												49.93	56.72	63.53	
Low												3.74	4.42	5.11	

Summary of Comparables Analysis - 2018 EBITDA Illustrative Decline Analysis

Analysis calculates an adjusted share price for each company by applying the respected company's 2017 and 2018 multiples to Adjusted 2018 EBITDA;
Adjusted EBITDA is calculated as 2018 EBITDA discounted by 10.0%

Company	2018 EBITDA	Illustrative Discount	Adjusted 2018 EBITDA		EV Multiples		Illustrative EV		Debt/Preferred	Illustrative Equity Value		Shares Outstanding	Equity Value Per Share		Price As of 5/31
			2018 EBITDA	2018 EBITDA	2017	2018	2017	2018		2017	2018		2017	2018	
Hotel REITs															
Host	\$1,538	10.0%	\$1,398		13.0x	13.0x	\$18,234	\$18,208	\$3,972	\$14,262	\$14,236	742	\$19.21	\$19.18	\$21.63
Park	731	10.0%	665		12.8x	12.5x	8,515	8,341	2,695	5,820	5,646	201	28.94	28.07	32.22
HPT	861	10.0%	783		11.3x	10.2x	8,874	8,017	4,061	4,813	3,956	164	29.28	24.07	28.95
Ashford	419	10.0%	381		11.7x	11.5x	4,447	4,379	3,995	452	384	112	4.05	3.44	7.37
Braemar	115	10.0%	105		12.4x	11.7x	1,299	1,228	972	327	256	34	9.50	7.43	11.00
LaSalle	310	10.0%	282		14.9x	15.8x	4,190	4,459	1,114	3,075	3,345	111	27.82	30.27	34.30
Sunstone	326	10.0%	296		14.2x	14.4x	4,207	4,259	761	3,446	3,498	226	15.27	15.50	17.39
DiamondRock	262	10.0%	238		13.2x	13.1x	3,135	3,112	870	2,265	2,242	201	11.29	11.18	12.73
Hersha	167	10.0%	151		14.1x	14.5x	2,136	2,192	1,494	642	698	43	14.90	16.19	21.27
Pebblebrook	240	10.0%	218		18.0x	17.1x	3,931	3,740	1,287	2,644	2,453	69	38.18	35.42	40.82
RLJ	543	10.0%	494		11.8x	12.3x	5,813	6,065	2,572	3,241	3,493	175	18.50	19.94	23.40
Chesapeake	179	10.0%	162		16.3x	15.4x	2,653	2,501	805	1,848	1,696	60	30.61	28.09	32.23
Summit	199	10.0%	181		14.7x	14.2x	2,651	2,567	1,217	1,434	1,350	105	13.65	12.85	15.29
Chatham	130	10.0%	118		11.3x	11.5x	1,340	1,353	535	805	818	46	17.56	17.84	20.79
Apple	452	10.0%	411		13.0x	12.7x	5,335	5,196	1,332	4,002	3,864	230	17.37	16.77	19.03
Xenia	283	10.0%	257		13.6x	13.4x	3,490	3,450	1,106	2,385	2,344	107	22.32	21.94	25.17
AHIP	95	10.0%	87		13.3x	12.6x	1,155	1,090	690	466	400	78	5.96	5.12	6.51
Condor	23	10.0%	21		14.7x	12.1x	308	254	157	151	96	12	12.58	8.05	10.17
Sotherly	43	10.0%	39		10.9x	11.9x	425	465	403	22	62	16	1.40	3.89	6.81
High												38.18	35.42		
Weighted Average												21.89	21.19		
Low												1.40	3.44		
Other Hotel Companies															
Hilton	2,083	10.0%	1,894		16.3x	15.1x	30,901	28,632	7,349	23,552	21,283	299	78.73	71.14	80.71
Marriott	3,524	10.0%	3,203		18.2x	16.3x	58,271	52,149	8,014	50,257	44,135	365	137.85	121.06	135.36
Wyndham	1,416	10.0%	1,287		10.3x	10.2x	13,276	13,108	3,598	9,678	9,510	100	97.00	95.30	108.44
Hyatt	780	10.0%	709		14.1x	12.6x	9,995	8,944	450	9,545	8,494	115	83.09	73.94	81.73
InterContinental	922	10.0%	838		17.6x	16.5x	14,739	13,831	1,899	12,840	11,932	206	62.21	57.81	64.51
Extended Stay	616	10.0%	560		11.1x	11.1x	6,227	6,205	2,827	3,400	3,378	190	17.90	17.78	21.05
La Quinta	322	10.0%	293		12.6x	12.8x	3,676	3,735	1,574	2,102	2,161	117	17.93	18.43	21.62
Ryman	389	10.0%	353		16.3x	15.2x	5,770	5,356	1,590	4,180	3,766	51	81.51	73.44	83.88
Choice	333	10.0%	303		17.0x	16.0x	5,150	4,830	760	4,390	4,070	57	77.48	71.83	80.35
Belmond	141	10.0%	129		15.8x	14.5x	2,031	1,868	611	1,419	1,257	121	11.75	10.40	11.95
Red Lion Hotels	21	10.0%	19		18.6x	16.3x	352	308	75	278	233	24	11.48	9.63	10.90
High												137.85	121.06		
Weighted Average												99.57	88.60		
Low												11.48	9.63		

Illustrative EBITDA Multiple Decrease

Analysis assumes that 2018 EV/EBITDA multiples for each company decrease by -1.0x; an implied share price is calculated based on the pro forma Enterprise Value

Company	2018 Multiple	Illustrative Decrease	Pro Forma Multiple	2018 EBITDA	Pro Forma EV	Less: Debt & Pref.	Pro Forma Equity Value	Shares Outstanding	Implied Share Price	Current Share Price	\$ Change	% Change
Hotel REITs												
Host	13.0x	-1.0x	12.0x	\$1,538	\$18,491	(\$3,972)	\$14,519	742	\$19.56	\$21.63	(\$2.07)	-9.6%
Park	12.5x	-1.0x	11.5x	731	8,444	(2,695)	5,749	201	28.58	32.22	(3.64)	-11.3%
HPT	10.2x	-1.0x	9.2x	861	7,957	(4,061)	3,897	164	23.71	28.95	(5.24)	-18.1%
Ashford	11.5x	-1.0x	10.5x	419	4,398	(3,995)	403	112	3.61	7.37	(3.76)	-51.0%
Braemar	11.7x	-1.0x	10.7x	115	1,235	(972)	263	34	7.65	11.00	(3.35)	-30.5%
LaSalle	15.8x	-1.0x	14.8x	310	4,595	(1,114)	3,481	111	31.50	34.30	(2.80)	-8.2%
Sunstone	14.4x	-1.0x	13.4x	326	4,359	(761)	3,597	226	15.95	17.39	(1.44)	-8.3%
DiamondRock	13.1x	-1.0x	12.1x	262	3,161	(870)	2,291	201	11.42	12.73	(1.31)	-10.3%
Hersha	14.5x	-1.0x	13.5x	167	2,244	(1,494)	751	43	17.41	21.27	(3.86)	-18.2%
Pebblebrook	17.1x	-1.0x	16.1x	240	3,874	(1,287)	2,587	69	37.35	40.82	(3.47)	-8.5%
RLJ	12.3x	-1.0x	11.3x	543	6,129	(2,572)	3,557	175	20.30	23.40	(3.10)	-13.2%
Chesapeake	15.4x	-1.0x	14.4x	179	2,572	(805)	1,767	60	29.27	32.23	(2.96)	-9.2%
Summit	14.2x	-1.0x	13.2x	199	2,625	(1,217)	1,408	105	13.40	15.29	(1.89)	-12.4%
Chatham	11.5x	-1.0x	10.5x	130	1,359	(535)	824	46	17.96	20.79	(2.83)	-13.6%
Apple	12.7x	-1.0x	11.7x	452	5,264	(1,332)	3,932	230	17.07	19.03	(1.96)	-10.3%
Xenia	13.4x	-1.0x	12.4x	283	3,512	(1,106)	2,407	107	22.52	25.17	(2.65)	-10.5%
AHIP	12.6x	-1.0x	11.6x	95	1,104	(690)	414	78	5.30	6.51	(1.22)	-18.7%
Condor	12.1x	-1.0x	11.1x	23	256	(157)	99	12	8.24	10.17	(1.93)	-19.0%
Sotherly	11.9x	-1.0x	10.9x	43	468	(403)	65	16	4.11	6.81	(2.70)	-39.6%
High									\$37.35	\$40.82	(\$1.22)	-8.2%
Weighted Average									21.71	24.40	(2.69)	-11.7%
Low									3.61	6.51	(5.24)	-51.0%
Other Hotel Companies												
Hilton	15.1x	-1.0x	14.1x	2,083	29,412	(7,349)	22,063	299	73.75	80.71	(\$6.96)	-8.6%
Marriott	16.3x	-1.0x	15.3x	3,524	53,840	(8,014)	45,826	365	125.69	135.36	(\$9.67)	-7.1%
Wyndham	10.2x	-1.0x	9.2x	1,416	13,002	(3,598)	9,404	100	94.25	108.44	(14.19)	-13.1%
Hyatt	12.6x	-1.0x	11.6x	780	9,058	(450)	8,608	115	74.94	81.73	(6.79)	-8.3%
InterContinental	16.5x	-1.0x	15.5x	922	14,292	(1,899)	12,393	206	60.05	64.51	(4.46)	-6.9%
Extended Stay	11.1x	-1.0x	10.1x	616	6,209	(2,827)	3,382	190	17.81	21.05	(3.24)	-15.4%
La Quinta	12.8x	-1.0x	11.8x	322	3,787	(1,574)	2,213	117	18.88	21.62	(2.74)	-12.7%
Ryman	15.2x	-1.0x	14.2x	389	5,503	(1,590)	3,913	51	76.30	83.88	(7.58)	-9.0%
Choice	16.0x	-1.0x	15.0x	333	4,980	(760)	4,220	57	74.48	80.35	(5.87)	-7.3%
Belmod	14.5x	-1.0x	13.5x	141	1,914	(611)	1,302	121	10.78	11.95	(1.17)	-9.8%
Red Lion Hotels	16.3x	-1.0x	15.3x	21	318	(75)	243	24	10.04	10.90	(0.86)	-7.9%
High									\$125.69	\$135.36	(\$9.66)	-6.9%
Weighted Average									91.52	99.60	(8.07)	-8.5%
Low									10.04	10.90	(0.86)	-7.9%

WACC - Based on Subject Company

Company	10 Year Treasury	1 Year Levered Beta	Market Risk Premium	Small Cap Premium	Equity Value	Cost of Equity	Equity / EV	Cost of Preferred ⁽¹⁾	Preferred / EV	Cost of Debt ⁽²⁾	Debt / EV	Tax Rate	WACC
Large Cap (\$8.0B+ EV)													
Hilton	2.84%	0.98	6.0%	0.00%	\$24,146	8.7%	76.7%	0.0%	0.0%	3.9%	23.3%	30.0%	7.3%
Park	2.84%	0.92	6.0%	0.74%	6,480	9.1%	70.6%	0.0%	0.0%	4.0%	28.8%	5.0%	7.5%
HPT	2.84%	0.97	6.0%	0.74%	4,758	9.4%	54.0%	0.0%	0.0%	4.4%	46.0%	5.0%	7.0%
Hyatt	2.84%	0.93	6.0%	0.74%	9,388	9.1%	95.4%	0.0%	0.0%	4.9%	4.5%	30.0%	8.9%
Marriott	2.84%	0.97	6.0%	0.00%	49,350	8.6%	86.0%	0.0%	0.0%	2.4%	14.0%	30.0%	7.7%
Host	2.84%	1.02	6.0%	0.74%	16,057	9.7%	80.2%	0.0%	0.0%	3.6%	19.7%	5.0%	8.4%
Intercontinental	2.84%	1.00	6.0%	0.74%	13,315	9.6%	87.5%	0.0%	0.0%	3.9%	12.4%	30.0%	8.7%
Wyndham	2.84%	1.14	6.0%	0.74%	10,820	10.4%	75.0%	0.0%	0.0%	4.1%	24.9%	30.0%	8.5%
High		1.14			\$49,350	10.4%	95.4%	0.0%	0.0%	4.9%	46.0%		8.9%
Average		0.99			16,789	9.3%	78.2%	0.0%	0.0%	3.9%	21.7%		8.0%
Low		0.92			4,758	8.6%	54.0%	0.0%	0.0%	2.4%	4.5%		7.0%
Mid-Cap (\$1.0B-\$8.0B EV)													
Extended Stay	2.84%	1.10	6.0%	1.15%	\$3,999	10.6%	58.6%	0.0%	0.0%	5.1%	33.5%	30.0%	7.4%
Ashford	2.84%	1.34	6.0%	2.49%	822	13.4%	17.1%	7.5%	11.7%	5.6%	71.2%	5.0%	6.9%
LaSalle	2.84%	1.13	6.0%	1.15%	3,791	10.8%	77.3%	6.3%	5.3%	4.0%	17.3%	5.0%	9.3%
Choice	2.84%	0.88	6.0%	1.15%	4,553	9.3%	85.7%	0.0%	0.0%	5.6%	14.3%	30.0%	8.5%
Ryman	2.84%	1.12	6.0%	1.15%	4,301	10.7%	73.0%	0.0%	0.0%	4.5%	27.0%	5.0%	8.9%
Sunstone	2.84%	1.04	6.0%	1.15%	3,923	10.2%	83.8%	6.8%	4.1%	4.3%	11.1%	5.0%	9.3%
LaQuinta	2.84%	0.91	6.0%	1.73%	2,535	10.0%	61.7%	0.0%	0.0%	3.0%	38.2%	5.0%	7.3%
Belmond	2.84%	1.19	6.0%	1.73%	1,443	11.7%	70.2%	0.0%	0.0%	3.5%	29.7%	30.0%	9.0%
Apple	2.84%	0.81	6.0%	1.73%	4,383	9.4%	76.7%	0.0%	0.0%	3.8%	23.3%	5.0%	8.1%
Xenia	2.84%	1.02	6.0%	1.73%	2,689	10.7%	70.9%	0.0%	0.0%	4.2%	28.3%	5.0%	8.7%
DiamondRock	2.84%	1.11	6.0%	1.73%	2,553	11.2%	74.6%	0.0%	0.0%	3.8%	25.4%	5.0%	9.3%
Hersha	2.84%	1.04	6.0%	1.73%	917	10.8%	38.0%	6.6%	15.2%	4.3%	44.1%	5.0%	6.9%
Pebblebrook	2.84%	1.25	6.0%	1.73%	2,827	12.1%	68.7%	6.4%	6.1%	3.1%	25.1%	5.0%	9.4%
RLJ	2.84%	1.17	6.0%	1.73%	4,100	11.6%	61.4%	0.0%	4.8%	4.0%	33.4%	5.0%	8.4%
Braemar	2.84%	1.11	6.0%	2.49%	378	12.0%	28.0%	5.5%	9.2%	4.7%	62.4%	5.0%	6.7%
Chatham	2.84%	1.22	6.0%	1.73%	954	11.9%	64.1%	0.0%	0.0%	4.6%	35.5%	5.0%	9.2%
AHIP	2.84%	0.59	6.0%	2.49%	509	8.9%	42.5%	0.0%	0.0%	4.6%	57.5%	5.0%	6.3%
Chesapeake	2.84%	0.93	6.0%	1.73%	1,946	10.1%	70.7%	0.0%	0.0%	4.2%	29.3%	5.0%	8.3%
Summit	2.84%	1.01	6.0%	1.73%	1,607	10.6%	56.9%	6.5%	11.3%	4.3%	31.7%	5.0%	8.1%
High		1.34			\$4,553	13.4%	85.7%	7.5%	15.2%	5.6%	71.2%		9.4%
Average		1.05			2,538	10.8%	62.1%	2.4%	3.6%	4.3%	33.6%		8.2%
Low		0.59			378	8.9%	17.1%	0.0%	0.0%	3.0%	11.1%		6.3%
Small Cap (<\$1.0B EV)													
Red Lion Hotels	2.84%	0.73	6.0%	9.05%	264	16.3%	78.0%	0.0%	0.0%	6.6%	12.5%	30.0%	13.3%
Condor	2.84%	0.78	6.0%	9.05%	122	16.5%	43.6%	6.3%	3.3%	4.8%	52.5%	5.0%	9.8%
Sotherly Hotels	2.84%	0.68	6.0%	12.66%	108	19.6%	21.2%	12.0%	14.2%	4.7%	64.4%	5.0%	8.7%
High		0.78			\$264	19.6%	78.0%	12.0%	14.2%	6.6%	64.4%		13.3%
Average		0.73			165	17.5%	47.6%	6.1%	5.9%	5.4%	43.1%		10.6%
Low		0.68			108	16.3%	21.2%	0.0%	0.0%	4.7%	12.5%		8.7%

Note: Includes JF Capital Advisors assumptions

Note: Betas as of April 30, 2018 from Bloomberg versus the S&P 500, Wilshire 5000 and TSE indexes, where appropriate

Note: 10 Year Treasury rate based on current market information from CNBC.com

(1) Weighted average cost of Preferred Shares

(2) Weighted average cost of debt

WACC - Optimal Industry Capital Structure

Company	10 Year Treasury	1 Year Levered Beta	Market Risk Premium	Small Cap Premium	Equity Value	Cost of Equity	Equity / EV	Cost of Preferred	Preferred / EV	Cost of Debt	Debt / EV	Tax Rate	WACC
Large Cap (\$8.0B+ EV)													
Hilton	4.0%	0.98	6.0%	0.00%	\$24,146	9.9%	75.0%	0.0%	0.0%	3.9%	25.0%	30.0%	8.1%
Park	4.0%	0.92	6.0%	0.74%	6,480	10.3%	55.0%	8.0%	10.0%	4.0%	35.0%	5.0%	7.8%
HPT	4.0%	0.97	6.0%	0.74%	4,758	10.5%	65.0%	0.0%	0.0%	4.4%	35.0%	5.0%	8.3%
Hyatt	4.0%	0.93	6.0%	0.74%	9,388	10.3%	75.0%	0.0%	0.0%	4.9%	25.0%	30.0%	8.6%
Marriott	4.0%	0.97	6.0%	0.00%	49,350	9.8%	75.0%	0.0%	0.0%	2.4%	25.0%	30.0%	7.8%
Host	4.0%	1.02	6.0%	0.74%	16,057	10.8%	55.0%	8.0%	10.0%	3.6%	35.0%	5.0%	8.0%
Intercontinental	4.0%	1.00	6.0%	0.74%	13,315	10.7%	75.0%	0.0%	0.0%	3.9%	25.0%	30.0%	8.7%
Wyndham	4.0%	1.14	6.0%	0.74%	10,820	11.6%	75.0%	0.0%	0.0%	4.1%	25.0%	30.0%	9.4%
High		1.14			\$49,350	11.6%		8.0%		4.9%			9.4%
Average		0.99			16,789	10.5%		2.0%		3.9%			8.3%
Low		0.92			4,758	9.8%		0.0%		2.4%			7.8%
Mid-Cap (\$1.0B-\$8.0B EV)													
Extended Stay	4.0%	1.10	6.0%	1.15%	\$3,999	11.8%	75.0%	0.0%	0.0%	5.1%	25.0%	30.0%	9.7%
Ashford	4.0%	1.34	6.0%	2.49%	822	14.5%	55.0%	8.0%	10.0%	5.6%	35.0%	5.0%	10.6%
LaSalle	4.0%	1.13	6.0%	1.15%	3,791	11.9%	55.0%	8.0%	10.0%	4.0%	35.0%	5.0%	8.7%
Choice	4.0%	0.88	6.0%	1.15%	4,553	10.4%	75.0%	0.0%	0.0%	5.6%	25.0%	30.0%	8.8%
Ryman	4.0%	1.12	6.0%	1.15%	4,301	11.8%	65.0%	0.0%	0.0%	4.5%	35.0%	5.0%	9.2%
Sunstone	4.0%	1.04	6.0%	1.15%	3,923	11.4%	55.0%	8.0%	10.0%	4.3%	35.0%	5.0%	8.5%
LaQuinta	4.0%	0.91	6.0%	1.73%	2,535	11.2%	75.0%	0.0%	0.0%	3.0%	25.0%	5.0%	9.1%
Belmond	4.0%	1.19	6.0%	1.73%	1,443	12.9%	75.0%	0.0%	0.0%	3.5%	25.0%	30.0%	10.3%
Apple	4.0%	0.81	6.0%	1.73%	4,383	10.6%	65.0%	0.0%	0.0%	3.8%	35.0%	5.0%	8.2%
Xenia	4.0%	1.02	6.0%	1.73%	2,689	11.8%	65.0%	0.0%	0.0%	4.2%	35.0%	5.0%	9.1%
DiamondRock	4.0%	1.11	6.0%	1.73%	2,553	12.4%	55.0%	8.0%	10.0%	3.8%	35.0%	5.0%	8.9%
Hersha	4.0%	1.04	6.0%	1.73%	917	12.0%	55.0%	8.0%	10.0%	4.3%	35.0%	5.0%	8.8%
Pebblebrook	4.0%	1.25	6.0%	1.73%	2,827	13.2%	55.0%	8.0%	10.0%	3.1%	35.0%	5.0%	9.1%
RLJ	4.0%	1.17	6.0%	1.73%	4,100	12.8%	55.0%	8.0%	10.0%	4.0%	35.0%	5.0%	9.2%
Braemar	4.0%	1.11	6.0%	2.49%	378	13.2%	55.0%	8.0%	10.0%	4.7%	35.0%	5.0%	9.6%
Chatham	4.0%	1.22	6.0%	1.73%	954	13.0%	55.0%	8.0%	10.0%	4.6%	35.0%	5.0%	9.5%
AHIP	4.0%	0.59	6.0%	2.49%	509	10.0%	55.0%	8.0%	10.0%	4.6%	35.0%	5.0%	7.8%
Chesapeake	4.0%	0.93	6.0%	1.73%	1,946	11.3%	55.0%	8.0%	10.0%	4.2%	35.0%	5.0%	8.4%
Summit	4.0%	1.01	6.0%	1.73%	1,607	11.8%	55.0%	8.0%	10.0%	4.3%	35.0%	5.0%	8.7%
High		1.34			\$4,553	14.5%		8.0%		5.6%			10.6%
Average		1.05			2,538	12.0%		5.1%		4.3%			9.1%
Low		0.59			378	10.0%		0.0%		3.0%			7.8%
Small Cap (<\$1.0B EV)													
Red Lion Hotels	4.0%	0.73	6.0%	9.05%	264	17.4%	65.0%	8.0%	10.0%	6.6%	25.0%	30.0%	13.3%
Condor	4.0%	0.78	6.0%	9.05%	122	17.7%	55.0%	8.0%	10.0%	4.8%	35.0%	5.0%	12.1%
Sotherly Hotels	4.0%	0.68	6.0%	12.66%	108	20.8%	65.0%	0.0%	0.0%	4.7%	35.0%	5.0%	15.1%
High		0.78			\$264	20.8%		8.0%		6.6%			15.1%
Average		0.73			165	18.6%		5.3%		5.4%			13.5%
Low		0.68			108	17.4%		0.0%		4.7%			12.1%

Note: Includes JF Capital Advisors assumptions

Note: Betas as of April 30, 2018 from Bloomberg versus the S&P 500, Wilshire 5000 and TSE indexes, where appropriate

Note: 10 Year Treasury rate based on long term yield

WACC - Optimal Industry Capital Structure with Re-Levered Beta

Company	10 Year Treasury	1 Year Re-Levered Beta	Market Risk Premium	Small Cap Premium	Equity Value	Cost of Equity	Equity / EV	Cost of Preferred	Preferred / EV	Cost of Debt	Debt / EV	Tax Rate	WACC
Large Cap (\$8.0B+ EV)													
Hilton	4.0%	1.00	6.0%	0.00%	\$24,146	10.0%	75.0%	0.0%	0.0%	3.9%	25.0%	30.0%	8.2%
Park	4.0%	1.06	6.0%	0.74%	6,480	11.1%	70.0%	8.0%	10.0%	4.0%	20.0%	5.0%	9.3%
HPT	4.0%	0.81	6.0%	0.74%	4,758	9.6%	70.0%	0.0%	0.0%	4.4%	30.0%	5.0%	8.0%
Hyatt	4.0%	1.11	6.0%	0.74%	9,388	11.4%	60.0%	0.0%	0.0%	4.9%	40.0%	30.0%	8.2%
Marriott	4.0%	1.07	6.0%	0.00%	49,350	10.4%	75.0%	0.0%	0.0%	2.4%	25.0%	30.0%	8.2%
Host	4.0%	1.32	6.0%	0.74%	16,057	12.7%	60.0%	8.0%	10.0%	3.6%	30.0%	5.0%	9.4%
Intercontinental	4.0%	1.12	6.0%	0.74%	13,315	11.5%	75.0%	0.0%	0.0%	3.9%	25.0%	30.0%	9.3%
Wyndham	4.0%	1.14	6.0%	0.74%	10,820	11.6%	75.0%	0.0%	0.0%	4.1%	25.0%	30.0%	9.4%
High		1.32			\$49,350	12.7%		8.0%		4.9%			9.4%
Average		1.08			16,789	11.0%		2.0%		3.9%			8.8%
Low		0.81			4,758	9.6%		0.0%		2.4%			8.0%
Mid-Cap (\$1.0B-\$8.0B EV)													
Extended Stay	4.0%	0.97	6.0%	1.15%	\$3,999	11.0%	75.0%	0.0%	0.0%	5.1%	25.0%	30.0%	9.1%
Ashford	4.0%	0.43	6.0%	2.49%	822	9.1%	60.0%	8.0%	10.0%	5.6%	30.0%	5.0%	7.8%
LaSalle	4.0%	1.49	6.0%	1.15%	3,791	14.1%	60.0%	8.0%	10.0%	4.0%	30.0%	5.0%	10.4%
Choice	4.0%	0.97	6.0%	1.15%	4,553	11.0%	75.0%	0.0%	0.0%	5.6%	25.0%	30.0%	9.2%
Ryman	4.0%	1.25	6.0%	1.15%	4,301	12.6%	75.0%	0.0%	0.0%	4.5%	25.0%	5.0%	10.5%
Sunstone	4.0%	1.48	6.0%	1.15%	3,923	14.0%	65.0%	8.0%	10.0%	4.3%	25.0%	5.0%	10.9%
LaQuinta	4.0%	0.75	6.0%	1.73%	2,535	10.3%	75.0%	0.0%	0.0%	3.0%	25.0%	5.0%	8.4%
Belmond	4.0%	1.14	6.0%	1.73%	1,443	12.5%	75.0%	0.0%	0.0%	3.5%	25.0%	30.0%	10.0%
Apple	4.0%	0.95	6.0%	1.73%	4,383	11.5%	75.0%	0.0%	0.0%	3.8%	25.0%	5.0%	9.5%
Xenia	4.0%	1.12	6.0%	1.73%	2,689	12.4%	75.0%	0.0%	0.0%	4.2%	25.0%	5.0%	10.3%
DiamondRock	4.0%	1.35	6.0%	1.73%	2,553	13.8%	65.0%	8.0%	10.0%	3.8%	25.0%	5.0%	10.7%
Hersha	4.0%	0.80	6.0%	1.73%	917	10.5%	65.0%	8.0%	10.0%	4.3%	25.0%	5.0%	8.7%
Pebblebrook	4.0%	1.49	6.0%	1.73%	2,827	14.7%	65.0%	8.0%	10.0%	3.1%	25.0%	5.0%	11.1%
RLJ	4.0%	1.24	6.0%	1.73%	4,100	13.2%	65.0%	8.0%	10.0%	4.0%	25.0%	5.0%	10.3%
Braemar	4.0%	0.57	6.0%	2.49%	378	9.9%	65.0%	8.0%	10.0%	4.7%	25.0%	5.0%	8.4%
Chatham	4.0%	1.28	6.0%	1.73%	954	13.4%	60.0%	8.0%	10.0%	4.6%	30.0%	5.0%	10.2%
AHIP	4.0%	0.41	6.0%	2.49%	509	9.0%	60.0%	8.0%	10.0%	4.6%	30.0%	5.0%	7.5%
Chesapeake	4.0%	1.07	6.0%	1.73%	1,946	12.2%	65.0%	8.0%	10.0%	4.2%	25.0%	5.0%	9.7%
Summit	4.0%	1.06	6.0%	1.73%	1,607	12.1%	60.0%	8.0%	10.0%	4.3%	30.0%	5.0%	9.3%
High		1.49			\$4,553	14.7%		8.0%		5.6%			11.1%
Average		1.04			2,538	12.0%		5.1%		4.3%			9.6%
Low		0.41			378	9.0%		0.0%		3.0%			7.5%
Small Cap (<\$1.0B EV)													
Red Lion Hotels	4.0%	0.83	6.0%	9.05%	264	18.0%	60.0%	8.0%	10.0%	6.6%	30.0%	30.0%	13.0%
Condor	4.0%	0.58	6.0%	9.05%	122	16.5%	60.0%	8.0%	10.0%	4.8%	30.0%	5.0%	12.1%
Sotherly Hotels	4.0%	0.27	6.0%	12.66%	108	18.3%	75.0%	0.0%	0.0%	4.7%	25.0%	5.0%	14.8%
High		0.83			\$264	18.3%		8.0%		6.6%			14.8%
Average		0.56			165	17.6%		5.3%		5.4%			13.3%
Low		0.27			108	16.5%		0.0%		4.7%			12.1%

Note: Includes JF Capital Advisors assumptions

Note: Betas as of April 30, 2018 from Bloomberg versus the S&P 500, Wilshire 5000 and TSE indexes, where appropriate

Note: Beta was unlevered and relevered based on the optimal capital structure to approximate the most efficient WACC

Note: 10 Year Treasury rate based on long term yield

Industry Outputs

(\$ in millions)

-
- All statistics are weighted averages

Publicly Traded Hotel REITs

- Own 1,508 hotels and 335,415 rooms
- Total Equity Market Cap of \$63,227; Host accounts for 25.4%
- Total Enterprise Value of \$94,856; Host accounts for 21.1%
- 2017 and 2018 EV / EBITDA multiples of 13.4x and 13.2x
- 67.4% fixed rate debt
- 4.3 years average debt maturity
- Compound annual EBITDA growth over 3 and 5 years for a 11.0x EV / EBITDA multiple is 6.7% and 3.9%
- 2017 Implied Cap Rate excluding Host is 6.7%
- 2018 Implied Cap Rate based on 7.5% NOI growth excluding Host is 7.1%
- Current weighted average dividend yield of 5.1%

Publicly Traded Hotel C-Corps

- Total Equity Market Cap of \$119,812; Hilton and Marriott account for 20.2%, 41.2%, respectively
 - Total Enterprise Value of \$146,970; Hilton and Marriott account for 21.4%, 39.0%, respectively
 - 2017 and 2018 EV / EBITDA multiples of 16.1x and 14.8x
 - 70.0% fixed rate debt
 - 3.6 years average debt maturity
 - Compound annual EBITDA growth over 3 and 5 years for a 11.0x EV / EBITDA multiple is 13.2% and 7.7%
 - 2017 Unlevered Yield of 6.4%
 - 2018 Unlevered Yield based on 7.5% EBITDA growth is 7.3%
 - Current weighted average dividend yield of 1.3%
-

Public Company Comparables

JF Capital Advisors

May 31, 2018

CONFIDENTIAL

Prepared for AAHOA



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AAHOA Description

- The attached package is a detailed financial analysis of the trading levels, valuations, and credit statistics of the publicly traded hotel companies (both REITs and C-Corps) in the United States. There is a detailed supporting financial analysis for every single publicly traded hotel company and what is presented herein is just the summary version.
 - The descriptions below explain generally what is being presented on each page and reference Host (REIT) and Hilton (C-Corp) as illustrative examples
 - **Pages 3 and 4** of the enclosed package provide the same information though in a different order. **Page 3 - Summary of Comparables - Analysis By Enterprise Value** shows the company valuation and leverage data sorted by company size, and **Page 4 - Summary of Comparables Analysis - REITs vs. Hotel Companies** shows the company valuation and leverage data sorted by REITs and C-Corps.
 - Equity Market Cap is the fully diluted outstanding share count of the company multiplied by the stock trading price.
 - Host has an Equity Market Cap of \$16.1 billion, and Hilton has an Equity Market Cap of \$24.1 billion
 - Net Debt is the total amount of Debt less any Unrestricted Cash available.
 - Host has Net Debt of \$3.9 billion, and Hilton has Net Debt of \$7.3 billion
 - Enterprise Value is the total value of the company and is the combination of Equity Market Capitalization, Net Debt, and Preferred Stock
 - Host has an Enterprise Value of \$20.0 billion, and Hilton has an Enterprise Value of \$31.5 billion
 - The Enterprise Value/EBITDA Multiple is calculated as Enterprise Value divided by either 2017 or 2018 EBITDA and reflects how many times the market values each dollar of that Company's EBITDA. EBITDA is Earnings Before Interest Taxes Depreciation and Amortization and is a good proxy for pre-tax cash flow
 - Host has a 2018 Enterprise Value to EBITDA multiple of 13.0x, and Hilton has a 2018 Enterprise Value to EBITDA multiple of 15.1x
 - Dividend Yield is the annualized dividend paid out on the common stock divided by the current stock price.
 - Host has a Dividend Yield of 3.9%, and Hilton has a Dividend Yield of 0.7%
 - Recently, valuation multiple for C-Corps got a significant boost as the reductions in corporate tax rates are generating significant increases in free cash flows. This has pushed the Enterprise Value to EBITDA levels higher and has also pushed share prices higher. Additionally, larger companies such as Marriott and Hilton have had significant amounts of untaxed earnings overseas which is now being repatriated with very low tax rates and with the taxes spread over a lengthy period.
-

AAHOA Description

- **Page 5 - Capitalization and Leverage** illustrates the debt and preferred stock levels and metrics. Debt/EBITDA is calculated as the Total Debt divided by EBITDA. It is a reflection of how many years of run-rate EBITDA would be required to repay all of the Debt.
 - Host has a Debt to 2017 EBITDA multiple of 2.6x, and Hilton has a Debt to 2017 EBITDA multiple of 3.8x
 - Debt Yield is calculated as NOI divided by the outstanding Debt and is essentially a cap rate through the Total Debt (rather than value)
 - Host has a Debt Yield of 33.4%, and Hilton has a Debt Yield of 26.3%
 - Debt to Enterprise Value is calculated as Net Debt divided by Total Enterprise Value and is a measure of what percentage of the capital stack is comprised of Debt, as opposed to Equity and Preferred Stock
 - Debt per key is calculated as Net Debt divided by Total Number of Rooms and is a measure of the value of Net Debt a company has with respect to each of its owned rooms
-
- **Page 6 - Preferred Analysis** illustrates the preferred stock metrics for those REITs that have outstanding preferred shares. Debt+Pref/EBITDA is calculated as the (Total Debt plus Preferred Stock) divided by EBITDA. It is a reflection of how many years of run-rate EBITDA would be required to repay all of the Debt and all of the Preferred Stock.
 - Ashford has a (Debt + Preferred Stock) to 2017 EBITDA multiple of 9.2x
 - Neither Host nor Hilton have any outstanding preferred shares
 - Preferred Yield is calculated as NOI divided by (Debt + Preferred Stock) and is essentially a cap rate through the Preferred Stock.
 - Ashford has a Preferred Yield of 9.4%
-
- **Page 7 - Liquidity - Cash Availability** illustrates the amount of unrestricted cash plus immediate borrowing capacity of each of the REITs and Hotel Companies
 - Total Availability is calculated as amount undrawn under existing revolving credit facilities plus unrestricted cash on the balance sheet
 - Host has Total Availability of \$1,340, and Hilton has Total Availability of \$1,839
-

AAHOA Description

- **On Page 8 - Trading**, we examine the current trading price relative to 52-week and 5-year high and low data. We also look at the overall trading volume liquidity by examining the average trading volume over a 3-month period, and what percentage that is of the total equity market capitalization. We compile the Beta for each company which measure the volatility and riskiness of each stock price vs. the market as a whole. A Beta of 1.0 is in line with the overall market as a whole. A Beta greater than 1.0 is riskier and more volatile than the market as a whole.

 - **On Page 9 - Total Return**, we evaluate the current year to date, prior years, and cumulative total return to investors, factoring in any common stock share price appreciation or depreciation plus the dividends received.
 - Host has a cumulative return of 222.3%, and Hilton has a cumulative of 83.1% since their respective IPOs

 - **On Page 10 - Implied Share Prices**, we illustrate what the current stock price would be for the REITs, with an assumed NOI cap rate of 8.0% an EBITDA Multiple of 11.0x for the Hotel Companies
 - Host would have an Implied Share Price of \$16.81, and Hilton would have an Implied Share Price of \$46.40

 - **Page 11 - Relative Size** illustrates the Total Equity Value and Enterprise Value of each company with respect to the overall Sector (Overall Lodging Industry)
 - Host's Enterprise Value represents 8.3% of the Sector, and Hilton's Enterprise Value represents 13.0% of the Sector
 - While there are many companies in the universe that we track, there is a huge discrepancy in size so that for the REITs, the top 3 comprise 43.2% of the hotel REIT equity market capitalization and 40.1% of the hotel REIT Enterprise Value.
 - For the C-Corps, the top 5 companies account for 89.3% of the Hotel C-Corp equity market capitalization and 87.3% of the Hotel C-Corp Enterprise Value.
 - As a result, major institutional investors spend more time and effort trading in the larger cap stocks because they can accumulate a sizeable investment position and they can exit that position when appropriate, whereas with a smaller company, it may take an extended period of time to sell out of a significant position

 - **Page 12 - Stabilized EBITDA Analysis** shows much additional EBITDA each Company needs to achieve an Enterprise Value/EBITDA multiple of 11.0x
 - Host would need total EBITDA growth of only 18.6% and Hilton would need 48.4% in order to reach an Enterprise Value to EBITDA Multiple of 11.0x
-

AAHOA Description

- **Page 13 - EBITDA Growth Analysis** shows the Implied Enterprise Value for each company assuming an annual EBITDA growth of 5.0% over 3 years and the current Premium/Discount to the respective Enterprise Value
 - Host's Implied Enterprise Value would be \$19,557, representing a 7.6% premium to the current Enterprise Value
 - Hilton's Implied Enterprise Value would be \$24,576, representing a 14.0% discount to the current Enterprise Value

 - **Page 14 - Implied Cap Rates Based on Assumed Growth** calculates the REIT cap rate at various assumed annual growth rates (NOI / Enterprise Value) based on the Enterprise Values currently in the public marketplace. This factors in all of the property level NOI but also factors in the corporate G&A expense.
 - Host's Implied Cap Rate with an annual NOI growth rate of 2.5% is 6.9%

 - **Page 15 - Unlevered Yields Based on Assumed Growth** calculates the Hotel Company Unlevered Yields at various assumed annual growth rates (EBITDA / Enterprise Value) based on the Enterprise Values currently in the public marketplace. This factors in all of the property level EBITDA but also factors in the corporate G&A expense.
 - Hilton's Unlevered Yield with an annual EBITDA growth rate of 2.5% is 6.9%

 - **Page 16 - Summary of Comparables Analysis - 2017 EBITDA Illustrative Decline Analysis** shows the Implied Enterprise Value for each company assuming an overall decline in 2017 EBITDA of 10.0%.
 - Host's Implied Enterprise Value would be \$15,358 assuming an Enterprise Value / EBITDA Multiple of 11.0x, and its stock price would be \$15.34 versus the current price of \$21.63
 - Hilton's Implied Enterprise Value would be \$19,300 assuming an Enterprise Value / EBITDA Multiple of 11.0x, and its stock price would be \$39.95 versus the current price of \$80.71

 - **Page 17 - Summary of Comparables Analysis - 2018 EBITDA Illustrative Decline Analysis** calculates an adjusted share price for each company by applying the respective company's 2017 and 2018 multiples to Adjusted 2018 EBITDA.
 - Host's 2018 Implied Share Price would be \$19.18 using 2018 Adjusted EBITDA of \$1,398, which assumes a decline of 10.0%
 - Hilton's 2018 Implied Share Price would be \$71.14 using 2018 Adjusted EBITDA of \$1,894, which assumes a decline of 10.0%
-

AAHOA Description

- **Page 18 - Illustrative EBITDA Multiple Decrease** calculates an adjusted share price for each company by assuming a 1.0x EBITDA multiple decrease from the current trading levels
 - Host and Hilton's Implied Share Prices would be \$19.56 and \$73.75, respectively
-
- **Pages 19-21 - WACC - Based on Subject Company, WACC - Optimal Industry Capital Structure and WACC - Optimal Industry Capital Structure with Re-Levered Beta** calculate the Weighted Average Cost of Capital (WACC) is the blended cost of the company's debt and equity. We evaluate the WACC under 3 separate scenarios:
 - 1) Actual capital structure in place with current 10-Year Treasury Rates
 - 2) Capital structure with 4.00% for the 10-Year Treasury Rate with actual beta
 - 3) Capital structure with 4.00% for 10-Year Treasury Rate with re-levered betas
 - For purposes of calculating the WACC, we separately calculate the Cost of Equity and the Percentage of Equity and then the Cost of Equity.
 - To calculate the Cost of Equity, we use the Capital Asset Pricing Model (CAPM), where:
Cost of Equity = Risk Free Rate + (β * Risk Premium) + Liquidity Premium.
 - Risk Free Rate is generally the 10-Year Treasury Rate
 - Risk Premium is the long term market risk premium of 6.0%
 - Beta (β) is a measure of volatility of the specific stock or company to the market as a whole; it is essentially a measure of risk
 - Liquidity Premium is extra return that investors generally demand for investing in companies, with very small equity market capitalization and are illiquid in trading
 - As an example, Host's WACC of 8.4% implies that based on its current capital structure, it needs to earn a 8.4% return on all invested capital to provide sufficient compensation to its equity and debt capital providers
 - Host's WACCs are 8.4%, 8.0%, and 9.4% in each of the 3 scenarios
 - Hilton's WACCs are 7.3%, 8.1%, and 8.2% in each of the 3 scenarios
-
- **Page 22 - Industry Outputs** provides summary data and statistics on the combined set of publicly traded REITs and C-Corps.
-