Agenda:

1. Industry overview
2. Local Market update
3. Forecast
### Total US - Key Statistics

Twelve Month Moving Average January 2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hotels</strong></td>
<td>52 k</td>
<td></td>
</tr>
<tr>
<td><strong>Room Supply</strong></td>
<td>1.8 bn</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>Room Demand</strong></td>
<td>1.2 bn</td>
<td>2.6%</td>
</tr>
<tr>
<td><strong>Occupancy</strong></td>
<td>65.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>ADR</strong></td>
<td>$120.23</td>
<td>4.3%</td>
</tr>
<tr>
<td><strong>RevPAR</strong></td>
<td>$78.75</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Room Revenue</strong></td>
<td>$143 bn</td>
<td>7.1%</td>
</tr>
</tbody>
</table>
Total United States
Occupancy
Twelve Month Moving Average – 2000 to January 2016

- Aug ‘02: 58.5
- June ‘06: 63.6
- Jan ’10: 54.5
- Jan’16: 65.5
Chain Scales
Occupancy / ADR Percent Change
Twelve Month Moving Average January 2016

Luxury  Upper Upscale  Upscale  Upper Midscale  Midscale  Economy
Occupancy 0.4  0.6  0.6  1.6  1.6  1.0
ADR 3.7  3.9  4.8  4.2  3.9  5.0
Agenda:

1. Industry overview
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Buncombe Co. Hotel Census
As of Jan 2016

Properties (70)

- Luxury: 4
- Upper Upscale: 10
- Upscale: 14
- Upper Midscale: 8
- Midscale: 13
- Economy: 22
- Unaffiliated: 1,059

Rooms (6,856)

- Luxury: 1,059
- Upper Upscale: 1,272
- Upscale: 1,324
- Upper Midscale: 869
- Midscale: 1,115
- Economy: 1,217
- Unaffiliated: 6,027
Development Activity

• 16 properties in the active pipeline
  – Either in construction or planning stages
  – Approx. 878 rooms slated for 2016 (~13% of current stock)

<table>
<thead>
<tr>
<th>Property Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hyatt Place Asheville Downtown</td>
</tr>
<tr>
<td>Country Inn and Suites By Carlson - Asheville–Westgate</td>
</tr>
<tr>
<td>Hilton Garden Inn City Center</td>
</tr>
<tr>
<td>Holiday Inn Express Blue</td>
</tr>
<tr>
<td>AC Hotel</td>
</tr>
<tr>
<td>Hilton Curio/Foundry</td>
</tr>
<tr>
<td>Holiday Inn &amp; Suites - Biltmore</td>
</tr>
<tr>
<td>La Quinta Inn</td>
</tr>
<tr>
<td>TownePlace Suites by Marriott</td>
</tr>
</tbody>
</table>
Buncombe County Performance Snapshot

Key Performance Indicators

Twelve Month Moving Average percentage change January 2014 -2016

- Occupancy
- ADR
- RevPAR

Graph showing changes in Occupancy, ADR, and RevPAR from 2014 to 2016.
Buncombe County Performance Snapshot

Key Performance Indicators

Twelve Month Moving Average January 2016 vs. 2015

- 70 Hotels
- 6,856 Rooms
- 84.4% of Rooms in STAR Program

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy</td>
<td>4.2</td>
<td>8.3</td>
</tr>
<tr>
<td>ADR</td>
<td>$140.44</td>
<td>$102.53</td>
</tr>
<tr>
<td>RevPAR</td>
<td>12.8</td>
<td>73.0%</td>
</tr>
</tbody>
</table>

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In April 2010, supply growth rate was 7.1%.
Buncombe County
Room Nights Available & Demand
Twelve Month Moving Average 2004-2016

Supply
Demand

January 2016
Demand
1.8 m room nights

Prior Peak:
Mar 2007
1.45 m
Buncombe County

Occupancy Rate by Month
2014 vs. 2015
Buncombe County

Day of Week Occupancy

Annual 2012 - 2015

Sunday: 48.9, 52.6, 54.5, 57.2, 78.2, 81.0, 81.9, 83.2, 82.0
Monday: 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90

2012 2013 2014 2015
Buncombe County/Western NC
ADR Percent Change
Twelve Month Moving Average 2005-2016

Western NC
Buncombe Co

May 2008
16.5%

Jan 2016: 8.3%
Buncombe County
Average Daily Rate (ADR) by Month
2014 vs. 2015

Jan 2014: 103.27, 2015: 105.65
Feb 2014: 105.65, 2015: 113.69
Mar 2014: 113.69, 2015: 131.59
Apr 2014: 131.59, 2015: 140.80
May 2014: 140.80, 2015: 149.73
Jun 2014: 149.73, 2015: 148.20
Jul 2014: 148.20, 2015: 143.70
Aug 2014: 143.70, 2015: 175.96
Sep 2014: 175.96, 2015: 146.58
Oct 2014: 146.58, 2015: 147.88
Nov 2014: 147.88, 2015: 147.88
Dec 2014: 147.88, 2015: 147.88
Buncombe County
Occupancy & Average Daily Rate % Change by Month
2015

<table>
<thead>
<tr>
<th>Month</th>
<th>Occupancy</th>
<th>ADR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>14.1%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Feb</td>
<td>11.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Mar</td>
<td>10.2%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Apr</td>
<td>14.8%</td>
<td>7.2%</td>
</tr>
<tr>
<td>May</td>
<td>9.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Jun</td>
<td>9.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Jul</td>
<td>9.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Aug</td>
<td>10.6%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Sep</td>
<td>8.5%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Oct</td>
<td>10.3%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Nov</td>
<td>7.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Dec</td>
<td>7.9%</td>
<td></td>
</tr>
</tbody>
</table>
Buncombe County Hotel Class Segments

Occupancy/ADR/RevPAR Percent Change
Twelve Month Moving Average 2016 vs. 2015

Lux/Upper Up
- Occupancy: 0.2%
- ADR: 6.0%
- RevPAR: 6.3%

Upscale/Upper Mid
- Occupancy: 4.3%
- ADR: 9.3%
- RevPAR: 13.9%

Midscale/Econ
- Occupancy: 5.1%
- ADR: 11.3%
- RevPAR: 17.0%

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Regional Market Comparison
Twelve Month Moving Average January 2016 RevPAR % Change

- Pigeon Forge: RevPAR: +19.3%
- Asheville: RevPAR: 13.0%
- Raleigh: RevPAR: +7.0%
- Wilmington: RevPAR: +2.3%
- Myrtle Beach: RevPAR: +5.4%
- Greenville: RevPAR: +13.0%
- Myrtle Beach: RevPAR: +5.4%
Comparable Markets

Weekday Occupancy

Total Year 2015

Buncombe 68.0%
Chattanooga 60.1%
Charleston 70.8%
Myrtle Beach 50.0%
Gatlinburg/Pigeon Forge 49.8%
Comparable Markets
Weekend Occupancy
Total Year 2015

- Buncombe: 85.0%
- Chattanooga: 76.8%
- Charleston: 80.7%
- Myrtle Beach: 71.4%
- Gatlinburg/Pigeon Forge: 80.7%
Agenda:

1. Industry overview
2. Local Market update
3. Forecast
### Total United States Key Performance Indicator Outlook (% Change vs. Prior Year) 2016 - 2017

<table>
<thead>
<tr>
<th></th>
<th>2016 Forecast</th>
<th>2017 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>1.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Demand</td>
<td>2.3%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>0.6%</td>
<td>0.2%</td>
</tr>
<tr>
<td>ADR</td>
<td>4.4%</td>
<td>4.3%</td>
</tr>
<tr>
<td>RevPAR</td>
<td>5.0%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>
## Total United States

Chain Scale Key Performance Indicator Outlook

2016F by Chain Scale

<table>
<thead>
<tr>
<th>Chain Scale</th>
<th>Occupancy (% chg)</th>
<th>ADR (% chg)</th>
<th>RevPAR (% chg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury</td>
<td>0.4%</td>
<td>4.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Upper Upscale</td>
<td>0.5%</td>
<td>4.6%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Upscale</td>
<td>-0.2%</td>
<td>4.5%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Upper Midscale</td>
<td>0.4%</td>
<td>4.1%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Midscale</td>
<td>0.5%</td>
<td>3.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Economy</td>
<td>0.9%</td>
<td>3.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Independent</td>
<td>0.6%</td>
<td>4.4%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Total United States</td>
<td>0.6%</td>
<td>4.4%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
Total United States
Chain Scale Key Performance Indicator Outlook
2017F by Chain Scale

<table>
<thead>
<tr>
<th>Chain Scale</th>
<th>2017 Year End Outlook</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Occupancy (% chg)</td>
</tr>
<tr>
<td>Luxury</td>
<td>0.1%</td>
</tr>
<tr>
<td>Upper Upscale</td>
<td>0.1%</td>
</tr>
<tr>
<td>Upscale</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Upper Midscale</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Midscale</td>
<td>0.6%</td>
</tr>
<tr>
<td>Economy</td>
<td>0.4%</td>
</tr>
<tr>
<td>Independent</td>
<td>0.3%</td>
</tr>
<tr>
<td>Total United States</td>
<td>0.2%</td>
</tr>
</tbody>
</table>
Hospitality Outlook
Asheville, NC

Karrie Keen
STR