U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

|X| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

Commission File Number 001-13957

WESTCOAST HOSPITALITY CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

WASHINGTON	91-1032187
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

201 W. NORTH RIVER DRIVE, SUITE 100 SPOKANE WASHINGTON	99201-2293
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (509) 459-6100

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

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, par value $.01 per share	New York Stock Exchange

Securities registered under Section 12(g) of the Exchange Act: None

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 |X| 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. |_|

The aggregate market value of the Registrant's voting common stock held by non-affiliates was $39,243,439 as of March 15, 2001. There were 12,948,396 of the Registrant's common stock outstanding as March 15, 2001.

DOCUMENTS INCORPORATED BY REFERENCE.

Documents incorporated by reference herein: Portion's of the Registrant's Proxy Statement for its 2001 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days of the end of the Registrant's 2000 fiscal year is incorporated by reference herein in Part III.

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PART I

ITEM 1. BUSINESS

THE COMPANY

WestCoast Hospitality Corporation ("WestCoast" or the "Company") is a hotel operating company that owns, operates, franchises, acquires, develops, renovates and repositions full service hotels in the Western United States under its proprietary brand name, "WestCoast(R)". Substantially all of WestCoast's assets, including the hotels, are owned by or for the benefit of WestCoast Hospitality Limited Partnership, a Delaware limited partnership, ("the Operating Partnership" or "WHLP"). WestCoast Hospitality Corporation and WestCoast Hospitality Limited Partnership were formerly known as Cavanaughs Hospitality Corporation and Cavanaughs Hospitality Limited Partnership, respectively, until February 2000 (see "Recent Events"). WestCoast manages the day to day operations of the Operating Partnership in its capacity as sole general partner. The Company currently has ownership interests and operates 23 hotel properties, manages an additional 10 properties and franchises an additional 12 properties, totaling 45 hotels in 9 states, including Alaska, Arizona, California, Hawaii, Idaho, Montana, Oregon, Utah and Washington. The Company re-branded 13 of its 19 Cavanaughs hotels to the WestCoast brand during 2000 (see "Recent Events"). Additionally, the Company provides computerized ticketing for entertainment events and arranges Broadway and other entertainment event productions. Further, during the second quarter 1999, the Company announced the launch of www.TicketsWest.com(TM), an Internet ticketing service offering consumers up-to-the-minute information on live entertainment and the ability to make real-time ticket purchases of the best available seats to events through the website. The Company owns and manages ticketing operations in Washington, Oregon, Idaho, Montana and Colorado. The Company also leases retail and office space in buildings owned by the Company and manages residential and commercial properties in Washington, Idaho and Montana. We are seeking to become the dominant full service Hotel Company in the Western United States and Canada by providing customers with access to a WestCoast brand hotel in multiple locations throughout the region. Our growth strategy focuses on:

- franchising of the WestCoast brand to third party hotel owners and operators.
- the management of third party owned hotels; and
- the acquisition and re-branding of full service hotels with the WestCoast name;
- the acquisition, conversion and redevelopment of non-hotel properties into WestCoast brand hotels;
- the construction of new WestCoast hotels;
- the expansion of existing WestCoast hotels;

Our operating strategy is designed to enhance our revenue and operating margins by increasing revenue per available room, average daily rate occupancy and operating efficiencies at our hotels. This strategy includes:

- building brand name recognition by maintaining our strategic focus on the Western United States and Canada;
- promoting a coordinated marketing program utilizing corporate level sales and marketing departments in conjunction with local hotel-based sales and marketing personnel;
- controlling operating expenses and achieving cost reductions through operating efficiencies and economies of scale;
- enhancing guest satisfaction and loyalty by providing high quality service;
- utilizing our yield management and proprietary management information systems to enable the general managers of each hotel to optimize revenue per available room (REVPAR), average daily rates (ADR), occupancy and net income;
- maintaining a consistent level of quality at the hotels through our maintenance and capital expenditure programs;
- emphasizing the quality of our food and beverage services to attract convention, group and special event business and to create local awareness of the hotels;
- providing valuable guest benefit programs that promote customer loyalty, such as frequent flier mileage and repeat guest programs; and
- attracting and retaining qualified employees by providing ongoing training and incentive programs at all levels of employment to enhance productivity and align the efforts of employees with our objectives.

For the calendar year ended December 31, 2000, the Company's revenues were $125.8 million, operating income was $23.5 million, net income was $5.8 million, REVPAR for combined Hotels (owned, managed and franchised) was $54.94 and ADR was $86.98.

The Company has a $120 million Revolving Credit facility provided by U.S. Bank N.A., as agent, which is used by the Company to finance property acquisitions, development and capital improvements and for general corporate purposes. As an alternative to debt financing, the Company may issue shares of Common Stock or limited partnership interests in the Operating Partnership ("OP Units") as consideration in future hotel acquisitions. The issuance of OP Units in exchange for hotels may allow the current owners of such hotels to achieve certain tax advantages when selling such hotels to the Company.

In addition to the Hotels and Restaurant division, the Company operates three other divisions: (i) Franchise, Central Services and Development (ii) TicketsWest and (iii) Real Estate Division. The Franchise, Central Services and Development division was newly created with the acquisition of WestCoast Hotels, Inc., and focuses on franchising the WestCoast brand to third party hotel owners and providing centralized purchasing and support services to these properties. The TicketsWest division includes computerized event ticketing through G&B Select A Seat, Fastixx, Colorado Neighborhood Box Office (CNBO), and the WWW.TICKETSWEST.COM website. The TicketsWest division was founded in 1987 with the G&B Select A Seat operation in Eastern Washington. The division acquired the operations of Fastixx, CNBO, and certain software license rights in 1999 and expanded its operations in the King Soopers store chain of Colorado in 2000. Ticket sales for the combined distribution in 2000 was 3.1 million tickets. The division also is the presenter of shows and special events through WestCoast Entertainment, formerly G&B Presents, which was founded in 1987 and has presented over 120

Broadway theatrical presentations and special events in the last thirteen years. These services generate income from ticket sales and handling fees as well as additional room occupancy at the Hotels. The TicketsWest division includes the Company-operated toll-free call center (the "Toll-Free Call Center") which services the hotel reservations. The Company's Real Estate Division includes ownership of four office properties and one retail property containing in excess of 590,000 square feet of leasable space, the majority of which are located near the Hotels, and third-party management and/or leasing agent of more than 2.8 million square feet of retail and office properties and approximately, 1,980 residential units in the Northwest.

STRUCTURE OF THE COMPANY

The Company is the sole general partner of the Operating Partnership. The Company conducts substantially all of its business and holds substantially all of the Hotels, through the Operating Partnership. As sole general partner of the Operating Partnership, the Company has exclusive power to manage and conduct the operations of the Operating Partnership. The Company and third party owners owned 97.8% and 2.2% of the Operating Partnership as of December 31, 2000. Subject to certain holding period requirements, OP Units will be exchangeable, at the option of the holders thereof, for cash in an amount equal to the market value of an equivalent number of shares of Common Stock. The Company has the right, however, if OP Units are presented for exchange, to deliver to the holder of such OP Units, in lieu of cash, shares of Common Stock, on a one-for-one basis (subject to adjustment in the event of stock splits, stock dividends, combinations and reorganizations). As general partner of the Operating Partnership, whenever the Company shall issue shares of capital stock, the Company will contribute the net proceeds therefrom to the Operating Partnership and the Operating Partnership will issue to the Company an equivalent number of OP Units with rights corresponding to the shares of capital stock issued by the Company. In addition to the Operating Partnership, the Company holds a 50% general partner interest in Cowley Street Limited Partnership, a Washington limited partnership which owns the Budget Inn, formerly Cavanaughs Fourth Avenue.

RECENT EVENTS

Effective December 31, 1999 the Company acquired WestCoast Hotels Inc., which was headquartered in Seattle, Washington. On March 1, 2000 the Company changed its name from Cavanaughs Hospitality Corporation to WestCoast Hospitality Corporation and began trading under the symbol WEH on the New York Stock Exchange.

In July 2000, the Company converted 13 of its Cavanaughs Hotels to the WestCoast Hotels brand.

On December 1, 2000, the Company opened the Ashland Springs Hotel, a WestCoast Hotel in Ashland, Oregon. The property is being operated under a management and franchise agreement.

In December 2000, the Company entered into a ticketing service and distribution agreement with the Colorado Rockies Major League baseball team. The tickets are distributed through the Company's outlet distribution system located in all King Sooper stores throughout Colorado and Wyoming.

On January 1, 2001, the Company added the Cape Fox Lodge which is located in Ketchikan, Alaska to the Company portfolio under a management and franchise agreement.

In January 2001, the Company leased approximately 20,500 square feet of its Crescent Court mixed use building to XO Communications. The additions of this lease brings the total occupancy of the office portion of the building to approximately 95%.

On February 2001, the Company entered into an exclusive ticket service and distribution agreement with Pikes Peak International Raceway located in Fountain, Colorado. Pikes Peak International Raceway is the only superspeedway in Colorado and has a capacity of 43,000.

Since 1968, when Donald K. Barbieri, the Company's Chairman, President and Chief Executive Officer, joined the Company, the Company has grown from five employees to approximately 2,500 employees as of December 31, 2000. WestCoast's principal executive offices are located at 201 W. North River Drive, Suite 100, Spokane, Washington 99201 and its telephone number is (509) 459-6100. Our website addresses are WWW.WESTCOASTHOTELS.COM and WWW.TICKETSWEST.COM.

INDUSTRY OVERVIEW

The domestic lodging industry completed its seventh year of record profitability in 2000, during which time it produced an estimated profit of $24.2 billion. Smith Travel Research indicated that the average U.S. hotel occupancy ended in 2000 slightly up from 1999, due to demand growth exceeding supply growth. ADR growth ended 2000 with 4.9% growth over 1999, while REVPAR grew by 5.71%. With the net addition of 114,000 rooms to the existing inventory, the industry increased its overall revenue growth to 8.9% in 2000.

The following table reflects the percentage changes in REVPAR, ADR and occupancy for the years ended December 31, 2000 and 1999 compared to the respective prior fiscal year, for (i) hotels owned, operated and franchised by WestCoast Hospitality Corporation, (ii) U.S. full service hotels and (iii) all U.S. hotels.

	PERCENTAGE CHANGE VERSUS PRIOR PERIOD					
	REVPAR (1)		ADR		OCCUPANCY	
	2000	1999	2000	1999	2000	1999
WestCoast Hotels (2)	3.4%	0.5%	2.9%	3.2%	0.3%	(1.5)%
U.S. Full Service Hotels (3)	6.6%	3.4%	6.0%	4.1%	0.5%	(0.7)%
U.S. Hotels (3) (4)	5.7%	3.5%	4.9%	4.3%	0.8%	(0.6)%

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(1) Determined by dividing annual room revenue by annual available rooms.
(2) Includes Combined Hotels (hotels owned, managed and franchised) for fiscal year ended December 31, 2000. Includes Comparable Hotels (hotels owned by the company for more than one year) for fiscal year ended December 31, 1999.
(3) Source: Smith Travel Research.
(4) Included both full service and limited service hotels.

COMPETITION IN LODGING INDUSTRY

The lodging industry is highly competitive. The Company competes with other national limited and full service hotel companies, as well as with various regional and local hotels. Many of the Company's competitors have a larger network of locations and greater financial resources than the Company. Competition in the United States lodging industry is based generally on brand name recognition, convenience of location, price, range of services and guest amenities offered, quality of customer service and overall product. We believe our brand recognition is good in the markets we serve and should be enhanced by reflagging our Cavanaughs brand hotels to the WestCoast brand. We also believe the addition of guest affinity programs such as the Company's WestAwards program will enhance

guest loyalty. We have an advantage of having good locations, service and value. Demographic or other changes in one or more of the Company's markets could impact the convenience or desirability of the sites of certain of the Hotels which would adversely affect the operations of those Hotels. Further, there can be no assurance that new or existing competitors will not offer significantly lower rates or greater convenience, services or amenities or significantly expand or improve facilities in a market in which the Hotels compete, thereby adversely affecting the Company's operations.

RISK FACTORS

This document and the documents we incorporate by reference contain forward-looking statements that involve risks and uncertainties. The statements in this document that are not purely historical are forward-looking statements. These statements may include, among others, statements regarding (i) the acquisition and re-branding of full service hotels with the WestCoast name, (ii) the acquisition, conversion and redevelopment of non-hotel properties into WestCoast brand hotels, (iii) the construction of new WestCoast hotels (iv) the expansion of TicketsWest. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions also identify forward-looking statements, but the absence of these words does not mean a statement is not forward-looking. We cannot guarantee the accuracy of these statements, which are subject to risks, uncertainties and assumptions that are difficult to predict. Our actual results may differ materially from those we forecast in forward-looking statements due to a variety of factors, including those set forth in the following risk factors, elsewhere in this document and in the documents we have incorporated by reference. Before investing in the common stock, you should consider carefully the following factors, as well as the information contained in the rest of this document and in the documents we incorporate by reference.

WE ARE SUBJECT TO CONDITIONS AFFECTING THE LODGING INDUSTRY.

Our revenues and our operating results are subject to conditions affecting the lodging industry. These include:

- changes in the national, regional and local economic climate;
- local conditions such as an oversupply of, or a reduction in demand for, hotel rooms;
- the attractiveness of our hotels to consumers and competition from comparable hotels;
- the quality philosophy and performance of the managers of our hotels;
- changes in room rates and increases in operating costs due to inflation and other factors;
- changes in travel patterns, extreme weather conditions, cancellation of or changes in, events scheduled to occur in our markets; and
- the need to periodically to repair and renovate our hotels.

Adverse changes in these conditions could adversely affect our financial performance.

DUE TO THE GEOGRAPHIC CONCENTRATION OF OUR HOTELS, OUR RESULTS OF OPERATIONS ARE SUBJECT TO FLUCTUATIONS IN REGIONAL ECONOMIC CONDITIONS.

Many of our hotels are currently located in the Pacific Northwest 34 of 45 hotels are located in Oregon, Washington, Idaho and Montana. As a result, our results of operations and financial condition are significantly dependent on the economy of the Pacific Northwest. The Pacific Northwest economy is dependent in large part on a number of major industries, including agriculture, tourism, technology, timber and aerospace. These industries may be affected by:

- changes in governmental regulations and economic conditions;
- the relative strength of national and local economy; and
- the rate of national and local unemployment.

In addition, participants in these industries may decide to relocate all or part of their businesses outside the Pacific Northwest. Any of these factors could materially affect the local economies in which these industries operate.

To the extent that general economic or other conditions in the Pacific Northwest decline and result in a decrease in customer demand in this region, our performance and results of operations will be adversely affected. In addition, we operate or market multiple hotels within several cities including Portland, Oregon; Seattle, Spokane and Yakima, Washington; Kalispell, Montana and Boise, Idaho. A downturn in general economic or other relevant conditions in these specific markets or in any other market in which we operate could adversely impact our results of operations and financial condition.

OUR EXPENSES MAY REMAIN CONSTANT EVEN IF OUR REVENUES DROP.

The expenses of owning property are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from a hotel. Our financial condition and ability to service debt could be adversely affected by:

- interest rate levels;
- the availability of financing;
- the cost of compliance with government regulations, including zoning and tax laws; and
- changes in government regulations, including those governing usage, zoning and taxes.

WE MAY BE UNABLE TO SELL HOTEL PROPERTIES WHEN APPROPRIATE.

Real estate investments generally cannot be sold quickly. We may not be able to vary our portfolio promptly in response to economic or other conditions. This inability to respond promptly to changes in the performance of our investments could adversely affect our financial condition and ability to service debt. In addition, sales of appreciated real property could generate material adverse tax consequences, which may make it disadvantageous for us to sell hotels.

OUR GROWTH IS DEPENDENT ON OUR ABILITY TO INCREASE THE NUMBER OF OUR HOTELS.

We intend to continue to pursue an aggressive growth strategy for the foreseeable future. Our ability to successfully pursue new growth opportunities will depend on a number of factors. These include our ability to:

- identify suitable hotels for acquisition, development, management or franchise;
- finance acquisitions and renovations; and
- successfully integrate new hotels into our operations.

There is no assurance that suitable hotels for acquisition, development, management or franchise will be available or, if available, will be on acceptable terms or that capital will be available on acceptable terms. While we believe that we have sufficient capital to fund our growth strategy in the near term, this belief is based on adequate cash being generated from operations and the availability of a revolving credit facility. There is no assurance that we will generate adequate cash from operations. Even if we generate anticipated cash from operations, we may seek to obtain additional debt or equity financing, depending upon the amount of capital required to pursue future growth opportunities or address other liquidity needs.

WE MAY NOT BE ABLE TO EFFECTIVELY INTEGRATE NEW HOTELS INTO OUR OPERATIONS.

We cannot assure you that:

- we will be able to successfully integrate new hotels or new hotel products into our operations;
- new hotels or new hotel products will achieve revenue and profitability levels comparable to our existing hotels; or
- the combined business will be profitable. Newly acquired, developed or converted hotels typically begin with lower occupancy and room rates.

Furthermore, our expansion within our existing markets could adversely affect the financial performance of our existing hotels in those markets or our overall results of operations. Expansion into new markets may present operating and marketing challenges that are different from those we currently encounter in our existing markets. There is no assurance that we will be able to anticipate all of the changing demands that expanding operations will impose on our management and management information and reservation systems. The failure to adapt our systems and procedures could have a material adverse effect on our business.

WE MAY NOT BE ABLE TO IMPLEMENT OUR GROWTH STRATEGY.

We intend to pursue a full range of growth opportunities, including acquisitions, new construction, management for third party owners and franchise agreements. We compete for growth opportunities with national and regional hospitality companies, some of which have greater name recognition, marketing support, reservation system capacity and financial resources than we do. Our ability to make acquisitions is dependent upon our relationships with owners of existing hotels and certain major hotel investors. Our failure to compete successfully for acquisitions or to attract or maintain relationships with hotel owners and major hotel investors could adversely affect our ability to expand our

portfolio of hotels. Our inability to implement our external growth strategy would limit our ability to grow our revenue base.

OUR GROWTH IS DEPENDENT ON OUR ABILITY TO EXPAND OUR OPERATIONS.

We intend to acquire additional hotels, ticket, and entertainment operations in the future. Acquisitions entail the risk that investments will fail to perform in accordance with our expectations. We also intend to continue the redevelopment and re-branding of other acquired hotels into "WestCoast" hotels. In addition, we expect to develop new hotels in the future, depending on market conditions. Hotel redevelopment and new project development is subject to a number of risks, including:

- construction delays or cost overruns;
- risks that the hotels will not achieve anticipated performance levels; and
- new project commencement risks such as receipt of zoning, occupancy and other required governmental permits and authorizations.

As a result, we could incur substantial costs for a project that is never completed. There is no assurance that financing for these projects will be available or, if available, will be on acceptable terms. In addition, the renovation of our hotels is subject to a number of risks, including, without limitation, construction delays or cost overruns due to various factors. Any unanticipated delays or expenses in connection with the renovation of our hotels could have an adverse effect on our results of operations and financial condition.

WE ARE SUBJECT TO REAL ESTATE OWNERSHIP RISKS.

Our ownership portfolio at December 31, 2000, contained 28 properties, including 23 hotels, two office properties, 1 retail property and 2 mixed-use office and retail properties. Accordingly, we are subject to varying degrees of risk generally related to owning real estate. These risks, many of which are beyond our control, include:

- changes in national, regional and local economic conditions; local real estate market conditions;
- changes in interest rates, and the availability, cost and terms of financing and lease obligations;
- the impact of present or future environmental legislation and adverse changes in zoning laws and other regulations; and
- compliance with environmental laws.

MANAGEMENT'S CONTROL OF THE COMPANY MAY LIMIT YOUR ABILITY TO CHANGE THE COMPOSITION OF THE BOARD OF DIRECTORS, AND MAY DETER A CHANGE IN CONTROL.

Donald K. Barbieri, our Chairman, President and Chief Executive Officer, has sole voting and investment power with respect to 27.7% of our outstanding shares of common stock. Our directors and executive officers of the Company own or control a total of 40.4% of our outstanding shares of common stock. As long as management owns a substantial portion of the outstanding common stock, it will have the ability to control our management and affairs and will have the power to approve or block most

actions requiring the approval of our shareholders, including a merger, or a sale of all the assets of the Company.

COMPLIANCE WITH GOVERNMENTAL REGULATIONS COULD AFFECT OUR RESULTS OF OPERATIONS.

The lodging industry is subject to numerous federal, state and local government regulations, including building and zoning requirements. Also, the Company is subject to laws governing its relationship with employees, including minimum wage requirements, overtime, working conditions and work permit requirements. An increase in the minimum wage rate, employee benefit costs or other costs associated with employees could adversely affect the company. Under the Americans with Disabilities Act of 1990, all public accommodations are required to meet certain federal requirements related to access and use by disabled persons. Although we believe we are in compliance with the ADA, there is no assurance that a material ADA claim will not be asserted against us.

WE COULD EXPERIENCE SEASONAL FLUCTUATIONS IN OUR RESULTS OF OPERATIONS.

The lodging industry is seasonal in nature, with the months from May through October generally accounting for a greater portion of annual revenues than the months from November through April. For example, for the year ended December 31, 2000, our revenues in the first through fourth quarters were 21.6%, 26.3%, 29.3% and 22.8%, respectively, of our total revenue for such year and our net income (loss) for the first through fourth quarters was (2.5)%, 33.3%, 63.3% and 5.9%, respectively, of our total net income for that year. Quarterly earnings also may be adversely affected by events beyond our control, such as extreme weather conditions, economic factors and other considerations affecting travel.

WE ARE DEPENDENT ON OUR SENIOR MANAGEMENT.

We place substantial reliance on the lodging industry experience and the continued availability of our senior management led by Donald K. Barbieri, Chairman, President and Chief Executive Officer, Arthur M. Coffey, Executive Vice President and Chief Financial Officer, Richard L. Barbieri, Senior Vice President and General Counsel, Thomas M. Barbieri, Executive Vice President of Hotel Operations, and David M. Bell, Executive Vice President Development. We believe that our future success and our ability to manage future growth depend in large part upon the efforts of the senior management and on our ability to attract and retain other highly qualified personnel. Competition for such personnel is intense, and there can be no assurance that we will be successful in attracting and retaining such personnel. The Company does not carry key man insurance on any of its senior management.

WE MAY BE UNABLE TO LOCATE LESSEES FOR OUR RENTAL PROPERTY.

We own approximately 590,000 square feet of office and retail space in Spokane, Washington and Kalispell, Montana. We are subject to the risk that upon expiration, leases may not be renewed, the space may not be relet or the terms of renewal or reletting (including the cost of required renovations) may be less favorable than current lease terms. There is no assurance that we will be able to locate tenants for rental spaces vacated in the future or receive satisfactory rents from tenants. Delays or difficulties in attracting tenants and costs incurred in preparing for tenants could reduce cash flow, decrease the value of a property or jeopardize our ability to pay our expenses. Vacancies could subsequently result due to termination of a tenant's tenancy, the tenant's financial failure or a breach of the tenant's obligations.

WE ARE SUBJECT TO RISKS ASSOCIATED WITH MANAGING AND LEASING PROPERTIES OWNED BY THIRD PARTIES.

We plan to continue to manage and lease properties owned by third parties. Risks associated with these activities include the risk that the related contracts (which are typically cancelable upon 30-days' notice or upon certain events, including sale of the property) will be terminated by the property owner or will be lost in connection with a sale of such property, that contracts may not be renewed upon expiration or may not be renewed on terms consistent with current terms and that the rental revenues upon which management and leasing fees are based will decline as a result of general real estate market conditions or specific market factors affecting properties managed or leased by WestCoast, resulting in decreased management or leasing fee income.

THE PERFORMANCE OF OUR TICKETSWEST DIVISION IS PARTICULARLY SUBJECT TO FLUCTUATIONS IN ECONOMIC CONDITIONS.

Our entertainment services include computerized event ticketing and the presentation of touring Broadway shows. In addition, we attract additional hotel guests through cross-selling the products of our TicketsWest division. This division is vulnerable to risks associated with changes in general regional and economic conditions, the potential for significant competition and a change in consumer trends, among others. In addition, there is no assurance that Broadway shows will continue to tour the Northwest or that such productions will use the Company as a promoter.

CERTAIN TYPES OF LOSSES MAY EXCEED INSURANCE COVERAGE.

We carry comprehensive liability, public area liability, fire, flood, boiler and machinery, extended coverage and rental loss insurance covering our properties. There are, however, certain types of losses that are not generally insured because it is not economically feasible to insure against such losses. Should an uninsured loss or a loss in excess of insured limits occur with respect to any particular property, we could lose our capital invested in the property, as well as the anticipated future revenue from the property and, in the case of debt which is with recourse to WestCoast, would remain obligated for any mortgage debt or other financial obligations related to the property. Although we believe that our properties are adequately insured, any such loss would adversely affect us. There is no assurance that material losses in excess of insurance proceeds will not occur in the future.

WE ARE SUBJECT TO ENVIRONMENTAL RISKS WHICH COULD BE COSTLY.

Our operating costs may be affected by the obligation to pay for the cost of complying with existing environmental laws, ordinances and regulations, as well as the cost of compliance with future legislation. Under current federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. In addition, the presence of contamination from hazardous or toxic substances, or the failure to remediate such contaminated property properly, may adversely affect the ability of the owner of the property to borrow using such property as collateral for a loan or to sell such property. Environmental laws also may impose restrictions on the manner in which a property may be used or transferred or in which businesses may be operated, and may impose remedial or compliance costs. The costs of defending against claims of liability or remediating contaminated property and the

cost of complying with environmental laws could materially adversely affect our results of operations and financial condition.

In connection with our acquisition of a property, a Phase I environmental assessment is conducted by a qualified independent environmental engineer. Phase I environmental assessments have been performed on all of our properties and we expect that all of our future hotel acquisitions will be subject to a Phase I environmental assessment. A Phase I environmental assessment involves researching historical usage's of a property, databases containing registered underground storage tanks and other matters, including an on-site inspection, to determine whether an environmental issue exists with respect to the property which needs to be addressed. If the results of a Phase I environmental assessment reveal potential issues, a Phase II environmental assessment, which may include soil testing, ground water monitoring or borings to locate underground storage tanks, may, depending upon the circumstances, be ordered for further evaluation.

It is possible that Phase I environmental assessments will not reveal all environmental liabilities or compliance concerns or that there will be material environmental liabilities or compliance concerns of which WestCoast will not be aware. While we have not been notified by any governmental authority and we have no other knowledge of any material noncompliance, liability or claim relating to hazardous or toxic substances or other environmental substances in connection with any of our properties, no assurances can be given that future laws, ordinances or regulations will not impose any material environmental liability or the current environmental condition of our existing and future properties will not be affected by the condition of neighboring properties (such as the presence of leaking underground storage tanks) or by third parties (whether neighbors such as dry cleaners or others) unrelated to WestCoast.

WE HAVE INCURRED DEBT FINANCING AND MAY INCUR INCREASED INDEBTEDNESS IN CONNECTION WITH ACQUISITIONS.

Our outstanding indebtedness as of December 31, 2000 was approximately $162.9 million. Substantially all of our outstanding indebtedness is secured by individual properties, including our hotels. Borrowings under the Revolving Credit Facility are used by us to repay existing indebtedness, to fund the acquisition of hotels, to fund renovations and capital improvements to hotels and for general working capital needs. The Revolving Credit Facility is secured by deeds of trust on certain of our properties. At December 31, 2000, our outstanding indebtedness had a weighted average annual interest rate of 8.91%. At December 31, 2000, our ratio of long-term debt (including capital lease obligations) to equity was 1.45 to 1.

Neither our Articles of Incorporation nor our Bylaws limit the amount of indebtedness that we may incur. Subject to limitations in our debt instruments, we expect to incur additional debt in the future to finance acquisitions and renovations and for general corporate purposes. Our continuing indebtedness could increase our vulnerability to general economic and lodging industry conditions (including increases in interest rates) and could impair our ability to obtain additional financing in the future and to take advantage of significant business opportunities that may arise. Our indebtedness is, and will likely continue to be, secured by mortgages on our hotels. There is no assurance that we will be able to meet our debt service obligations and, to the extent that we cannot, we risk the loss of some or all of our assets, including our hotels, to foreclosure. Adverse economic conditions could cause the terms on which borrowings become available to be unfavorable. In such circumstances, if we are in need of capital to repay indebtedness in accordance with its terms or otherwise, we could be required to liquidate one or more investments in our hotels at times which may not permit realization of the maximum return on such investments.

Most of our outstanding indebtedness bears interest at a variable rate. Economic conditions could result in higher interest rates, which would increase debt service requirements on variable rate debt and could reduce the amount of cash available for various corporate purposes.

TRADEMARKS

"WestCoast Hotels(R)" and "TicketsWest(R)" are registered trademarks of the Company in the United States and reserved in Canada.

SEGMENT REVENUES

The information required by this item is contained in, and incorporated by reference from the Financial Statements and supplementary data, Note 15, contained herein.

ITEM 2. PROPERTIES

HOTEL PROPERTIES

The Company's hotel portfolio currently contains 45 full service Hotels, with 8,704 guestrooms and approximately 436,500 square feet of meeting space, located in the Western United States. The following table sets forth certain information regarding the Company's hotel portfolio at December 31, 2000.

	YEAR BUILT/	YEAR	GUEST	MEETING SPACE

OWNED:(1)	LOCATION	ACQUIRED	RENOVATED	ROOMS	(SQ. FT.)
WestCoast Grand Hotel on Fifth Avenue	Seattle, WA	1996	1996	297	13,800
WestCoast Grand Hotel at the Park	Spokane, WA	1983	1999	402	26,300
WestCoast River Inn	Spokane, WA	1976	1999	245	2,800
Budget Inn	Spokane, WA	1991	1997	153	2,600
WestCoast Ridpath Hotel	Spokane, WA	1998	2000	342	16,000
WestCoast Yakima Center Hotel	Yakima, WA	1991	1997	154	11,000
WestCoast Yakima Gateway Hotel	Yakima, WA	1997	2000	172	8,000
WestCoast Tri-Cities Hotel	Kennewick, WA	1978	1997	162	9,700
WestCoast Olympia Hotel	Olympia, WA	1998	1998	190	16,500
WestCoast Idaho Falls Hotel	Idaho Falls, ID	1998	1994	138	8,800
Best Western Templins Resort	Post Falls, ID	1998	2000	167	11,000
WestCoast Park Center Suites	Boise, ID	1998	2000	238	2,200
Best Western Twin Falls Hotel	Twin Falls, ID	1998	1999	112	5,085
WestCoast Pocatello Hotel	Pocatello, ID	1998	2000	150	13,000
Best Western Colonial Hotel	Helena, MT	1998	2000	149	15,000
WestCoast Kalispell Center Hotel	Kalispell, MT	1986	1999	132	10,500
Best Western Outlaw Hotel	Kalispell, MT	1998	2000	220	11,000
WestCoast Salt Lake Hotel	Salt Lake City, UT	1998	1998	393	12,000
Best Western Hillsboro Hotel	Hillsboro, OR	1998	1997	123	3,500
Best Western Executive Park Hotel	Phoenix, AZ	1999	1993	107	3,000
Best Western Bellevue Inn	Bellevue, WA	1999	1998	181	5,750
WestCoast Vance Hotel	Seattle, WA	1999	1990	165	N/A
WestCoast Sea-Tac Hotel	Seattle, WA	1999	1997	146	4,500
TOTAL OWNED:				4,538	212,035

(1) Listings under "owned" incorporate: owned and leased properties and properties owned by partnership in which the Company holds interests.

MANAGED:	LOCATION	YEAR BUILT/ ACQUIRED	YEAR RENOVATED	GUEST ROOMS	MEETING SPACE (SQ. FT.)
WestCoast International Inn	Anchorage, AK	1999	1992	141	5,700
WestCoast Long Beach Hotel & Resort	Long Beach, CA	1999	1997	195	7,400
Cathedral Hill Hotel	San Francisco, CA	1999	2000	400	30,000
The Grove Hotel/a WestCoast Grand Hotel	Boise, ID	1999	1997	250	36,000
Ashland Springs Hotel/a WestCoast Hotel	Ashland, OR	2000	2000	70	4,500
Valley River Inn/a WestCoast Hotel	Eugene, OR	1999	2000	257	15,000
The River Place Hotel/a WestCoast Grand Hotel	Portland, OR	1999	1998	84	2,800
Camlin Hotel	Seattle, WA	1999	1991	146	500
WestCoast Cape Fox Lodge	Ketchikan, AK	2000	1999	72	1,800
WestCoast Silverdale Hotel	Silverdale, WA	1999	1999	150	5,234
TOTAL MANAGED:				1,765	108,934
FRANCHISED:					
WestCoast Anaheim Hotel	Anaheim, CA	1999	2000	498	30,000
WestCoast Anabelle Hotel	Burbank, CA	1999	1998	47	500
WestCoast Santa Cruz Hotel	Santa Cruz, CA	1999	1999	163	4,548
The Park Shore Hotel/a WestCoast Hotel	Honolulu, HI	1999	1970	227	400
Maui Coast Hotel/a WestCoast Hotel	Maui, HI	1999	1999	260	900
The Benson Hotel/a WestCoast Grand Hotel	Portland, OR	1999	1991	287	16,000
The Paramount Hotel, Portland/ a WestCoast Hotel	Portland, OR	1999	1999	154	1,500
WestCoast Bellevue Hotel	Bellevue, WA	1999	1999	176	6,400
The Roosevelt Hotel/a WestCoast Hotel	Seattle, WA	1999	1993	151	2,400
The Paramount Hotel, Seattle/ a WestCoast Hotel	Seattle, WA	1999	1996	146	1,300
WestCoast Gateway Hotel	Seattle, WA	1999	1999	145	625
WestCoast Wenatchee Center Hotel	Wenatchee, WA	1999	1994	147	51,000
TOTAL FRANCHISED:				2,401	115,573
TOTAL:				8,704	436,542

FRANCHISE, CENTRAL SERVICES AND DEVELOPMENT

The Franchise, Central Services and Development Division oversees the franchise operations of the Company and provides the marketing and management coordination of the WestCoast Hotel brand. Franchise royalty fees are recorded as revenue in this division along with development fees and net discounts retained at the corporate level for central purchasing programs. Franchise revenues are collected for all WestCoast branded owned, managed and franchised hotels. Due to intercompany consolidation eliminations, only those revenues for the managed and franchised hotels are reported. This division was formed following the acquisition of WestCoast Hotels, Inc. As of December 31, 2000, there were 35 hotels with over 6900 guest rooms carrying the WestCoast flag, with five of the properties being WestCoast Grand Hotels.

TICKETSWEST

The TicketsWest division of the Company is comprised of: (i) G&B Select A Seat, Fastixx, CNBO theatrical, ski lift tickets and event ticketing agencies, (ii) WestCoast Entertainment, formerly G&B Presents, a promoter of touring Broadway shows and other special events, (iii) the 800 Reservations Center for entertainment events and hotel information, and (iv) WWW.TICKETSWEST.COM, the Company's internet portal that provides international leisure, entertainment, and ticketing services. The combination of event ticketing, presentation of Broadway shows, hotel event packages and a centralized reservations system enables the Company to offer packages for hotel guests, generating additional room night occupancy and income from ticket distribution service fees.

During 1999, the TicketsWest division's acquisitions increased its geographic coverage into markets including Portland, Oregon; Seattle, Washington; Colorado Springs and Denver, Colorado. These acquisitions increased the content available for sale via the Company's website, which allows ticket purchases to be transacted in real-time, a functionality that was developed and launched by the Company in 1999.

The selected financial data set forth below reflects operating results for the Company's TicketsWest division for the fiscal years ended December 31, 2000, 1999, and 1998. Revenues and direct operating expenses in this chart do not eliminate inter-company revenues and charges, primarily related to reservation services provided to the Hotels. Please see Note 15 - Business Segments in the consolidated financial statements, included herein, for further detail of eliminations of inter-company charges.

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
INCOME STATEMENT:			
Revenue	$ 6,908	$ 7,959	$ 2,280
Direct operating expenses	6,905	7,461	1,755
Depreciation and amortization	410	110	46
Total direct expenses	7,315	7,571	1,801
Operating income (loss)	$ (407)	$ 388	$ 479

REAL ESTATE DIVISION

The Company is the owner and manager of approximately 590,000 square feet of leasable office and retail space located in Spokane, Washington and Kalispell, Montana, and third-party management and/or leasing agent of more than 3.4 million square feet of retail and office properties and approximately 2,096 residential units in the Northwest. The Company's corporate headquarters is located in the Spokane WHC Building and occupies 24,777 square feet of this 100,350 square foot building.

ITEM 3. LEGAL PROCEEDINGS

At any given time, the Company is subject to claims and actions incident to the operation of its business. While the outcome of these proceedings cannot be predicted, it is the opinion of management that none of such proceedings, individually or in the aggregate, will have a material adverse effect on the Company's business, financial condition, cash flow or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF THE SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 2000.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

Donald K. Barbieri has been President and Chief Executive Officer and a director of the Company since 1978 and Chairman of the Board since 1996. Mr.

Barbieri joined the Company in 1969 and is responsible for the Company's development activities in hotel, entertainment and real estate areas. Mr. Barbieri is currently chair-elect for the Spokane Regional Chamber of Commerce and will become Chair on September 1, 2001. Mr. Barbieri served as president of the Spokane Chapter of the Building Owners and Managers Association from 1974 to 1975 and served as president of the Spokane Regional Convention and Visitors Bureau from 1977 to 1979. He also served on the Washington Tourism Development Council from 1983 to 1985 and the Washington Economic Development Board while chairing the State of Washington's Quality of Life Task Force from 1985 to 1989. Mr. Barbieri is the brother of Richard L. and Thomas M. Barbieri and the brother-in-law of David M. Bell.

Arthur M. Coffey has been Chief Financial Officer and Executive Vice President of the Company since June 1997 and a director of the Company since 1990. Mr. Coffey served as Chief Operating Officer of the Company from 1990 to June 1997. Mr. Coffey has been in the hotel business since 1971 and joined the Company in 1981. Mr. Coffey is currently a director of the Association of Washington Business, served as a trustee of the Spokane Area Chamber of Commerce, served as a director of the Washington State Hotel Association from 1996 to 1997, served as director of the Spokane Regional Convention and Visitors Bureau from 1982 to 1985 and served as president of the Spokane Hotel Association from 1989 to 1990.

Thomas M. Barbieri has been Executive Vice President of Hotel Operations of the Company since January 1, 2000, and a director of the Company since 1985. From 1985 to 1997, Mr. Barbieri served as a Vice President of the Company. Mr. Barbieri joined the Company in 1979 and from 1987 through 1998 oversaw the management, supervision, and development of the Company's real estate portfolio. From 1982 to 1987, Mr. Barbieri was Operations Manager of the Company's hospitality division. He has served on Washington State Governor Lowery's Real Estate Advisory Council, as Director of the Spokane Convention and Visitors Bureau, as a trustee of the Spokane Area Chamber of Commerce, as a Director of the Spokane Economic Development Council and as a Trustee of Washington State University and Advisor to WSU Hotel School. Mr. Barbieri is the brother of Donald K. and Richard L. Barbieri and the brother-in-law of David M. Bell.

Richard L. Barbieri has been a Senior Vice President of the Company since September 1997, full-time General Counsel of the Company since 1995 and a Director of the Company since 1978. From 1994 to 1997, Mr. Barbieri served as a Vice President of the Company. From 1978 to 1995, Mr. Barbieri served as outside counsel and Secretary of the Company, during which time he was engaged in the practice of law at Edwards and Barbieri, a Seattle law firm, and then at Riddell Williams, a Seattle law firm, where he chaired the real estate practice group. Mr. Barbieri has also served as chairman of various

committees of the State and County Bar Association and as a member of the governing board of the County Bar Association. He also served as vice chairman of the Citizens' Advisory Committee to the Major League Baseball Stadium Public Facilities District in Seattle in 1996 and 1997. Mr. Barbieri is the brother of Donald K. and Thomas M. Barbieri and the brother-in-law of David M. Bell.

David M. Bell has been Executive Vice President, Development since February 2000. He was Senior Vice President of Development for the Company from September 1997 to February 2000, and served as Vice President and Director of the Company from 1985 to 1997. Mr. Bell is in charge of the Franchise and Central Services Division as well as new project development, property renovations and major building construction. The Marketing Department, responsible for marketing and management of the WestCoast Hotel brand, the Central Purchasing Department, and the Human Resources Department report to Mr. Bell. Since joining the Company in 1984, Mr. Bell has been responsible for numerous construction projects, including the development of the WHC Building, the Cavanaughs at Kalispell Center hotel and the Kalispell Center Mall, two major room tower additions to Cavanaughs Inn at the Park and the conversion of the U.S. Bank of Washington office building in Seattle into Cavanaughs on Fifth Avenue. Mr. Bell is a registered Professional Engineer, and is on the Board of the Pacific Science Center, in Seattle, Washington. Mr. Bell is the brother-in-law of Donald K., Richard L. and Thomas M. Barbieri.

Shannon E. Kapek has been the Vice President, Financial Reporting since June, 1997, and has been a Vice President since September 1988. Ms. Kapek is responsible for directing the Company's financial reporting activities. Ms. Kapek joined the Company in 1975 and has held several positions within the Company including Residential Division Manager from 1980 to 1997.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock is listed on the New York Stock Exchange ("NYSE") under the symbol "WEH". From April 3, 1998 to February 29, 2000 the Company was traded under the symbol CVH on the NYSE. The following table sets forth for the periods indicated the high and low closing sale prices for the Common Stock on the NYSE.

	High	Low
2000:		
Fourth Quarter (ended December 31, 2000)..........	5.81	5.00
Third Quarter (ended September 30, 2000)..........	7.19	6.00
Second Quarter (ended June 30, 2000)..............	8.38	6.69
First Quarter (ended March 31, 2000)..............	8.31	6.69
1999:		
Fourth Quarter (ended December 31, 1999)..........	8.50	6.50
Third Quarter (ended September 30, 1999)..........	8.63	6.94
Second Quarter (ended June 30, 1999)..............	10.63	7.00
First Quarter (ended March 31, 1999)..............	12.00	7.63

The last reported sale price of the Common Stock on the NYSE on March 15, 2001 was $5.10. As of March 15, 2001, there were approximately 96 shareholders of record of the Common Stock.

The Company does not anticipate paying any cash dividends on the Common Stock in the foreseeable future. The Company intends to retain earnings to provide funds for the continued growth and development of its business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources." Any determination to pay cash dividends in the future will be at the discretion of the Board of Directors and will depend upon, among other things, the Company's results of operations, financial condition, contractual restrictions and other factors deemed relevant by the Board. In addition, the Revolving Credit Facility includes restrictions on the payment of dividends. As of December 31, 2000, the Company was restricted from paying dividends under the terms and conditions of the Revolving Credit Facility.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected combined financial data of the Company as of and for the years ended December 31, 1998, 1999 and 2000, the two months ended December 31, 1996 and 1997, and each of the two years in the period ended October 31, 1997. The selected combined statement of operations data for the two months ended December 31, 1996 and the selected combined balance sheet as of December 31, 1996 are derived from the Company's unaudited financial statements and reflect all normal recurring adjustments, which in the opinion of management, are necessary for a fair presentation. The selected combined statement of operations data for the fiscal years ended October 31, 1996, 1997, the two months ended December 31, 1997, and years ended December 31, 1998, 1999, and 2000 and the selected combined balance sheet data as of October 31, 1996 and 1997, and December 31, 1997, 1998, 1999, and 2000 are derived from the Company's audited financial statements. The audited consolidated financial statements for certain of these periods are included elsewhere in this Report.

The selected combined financial data set forth below should be read in conjunction with, and are qualified in their entirety by, the Consolidated Financial Statements and related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included elsewhere in this Report.

	FISCAL YEAR ENDED OCTOBER 31, (1)		TWO MONTHS ENDED DECEMBER 31,		FISCAL YEAR ENDED DECEMBER 31,		
	1996	1997	1996	1997	1998	1999	2000
	(In Thousands, Except Per Share Data)						
STATEMENTS OF OPERATIONS DATA:							
Total revenues	$ 45,163	$ 52,043	$ 7,357	$ 8,838	$ 86,333	$ 110,055	$ 125,806
Operating income (2)	8,914	10,635	924	1,343	20,310	21,035	23,548
Net income (loss) (2)(3)	1,175	1,709	(170)	6	7,508	8,029	5,821
Dividends per share (4)	--	--	--	--	--	--	--
Net income per share-basic and diluted (5)	--	--	--	--	0.66	0.63	0.45
Pro forma net income per share	--	0.24	--	--	--	--	--
BALANCE SHEET DATA:							
Total assets	120,087	124,104	119,941	125,117	244,903	309,132	304,834
Long-term debt and capital leases	99,308	100,810	99,522	100,650	130,550	167,950	162,940
OTHER DATA:							
EBITDA (2)(6)	13,129	15,410	1,683	2,141	26,425	28,967	34,000
Net cash provided by operating activities	5,200	6,610	287	1,094	14,271	19,067	11,954
Cash Flow (7)	5,615	7,051	575	773	15,452	18,793	18,019

(1) The summary combined financial and other data has been presented as though (i) the predecessor businesses of WestCoast Hospitality Corporation, Barbieri Investment Company, G&B: Lincoln Building Partnership and their respective subsidiaries and partnerships which they controlled had been combined as of October 31, 1996 and 1997 and (ii) the spin-off of certain subsidiaries engaged in businesses not related to the core hospitality business of the Company had occurred as of October 31, 1996 and 1997.

(2) Operating income, net income (loss), and EBITDA reflect a nonrecurring charge of $422,000 related to final settlement of litigation in 1997.

(3) The Company incurred $10,000 in 1999 and $546,378 in 1998 in extraordinary expense net of income taxes for the write-off of prepayment penalties and deferred loan fees in connection with the repayment of indebtedness out of the proceeds of the April 1998 initial public offering.

(4) Due to the Merger in November 1997, historical dividends per share are not relevant or meaningful and therefore are not presented.

(5) Due to the Merger, which was consummated in November 1997, the historical earnings per share is not relevant or meaningful. Therefore, pro forma earnings per share for the year ended October 31, 1997 has been presented based upon the number of shares of Common Stock of the Company, which were outstanding after the Merger.

(6) EBITDA represents income before income taxes, extraordinary item, cumulative effect of accounting changes, interest expense (net of interest income), depreciation, amortization, minority interests, and other income. EBITDA is not intended to represent cash flow from operations as defined by generally accepted accounting principles and such information should not be considered as an alternative to net income, cash flow from operations or any other measure of performance prescribed by generally accepted accounting principles. While not all companies calculate EBITDA in the same fashion and therefore EBITDA as presented may not be comparable to similarly titled measures of other companies, EBITDA is included herein because management believes that certain investors find it to be a useful tool for measuring the Company's ability to service debt. EBITDA is not necessarily available for management's discretionary use due to restrictions included in the Revolving Credit Facility and other considerations.

(7) Net cash provided by operating activities excluding changes in current assets and liabilities.

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

GENERAL

The following discussion and analysis addresses the results of operations for the Company for the years ended December 31, 2000, 1999 and 1998. The following should be read in conjunction with the Consolidated Financial Statements and the notes thereto and "Selected Financial Data" included elsewhere in this report. In addition to historical information, the following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ significantly from those anticipated in these forward-looking statements as a result of certain factors, including those discussed in "Risk Factors."

The Company's revenues are derived primarily from the Hotels and reflect revenue from rooms, food and beverage, third party management contracts, and other sources, including telephone, guest services, banquet room rentals, gift shops and other amenities. Hotel revenues accounted for 84.7% of total revenue in 2000 and increased at an annual rate of 14.8% from $92.8 million in 1999 to $106.5 million in 2000. This increase was primarily the result of the addition of WestCoast Hotels during the period. The balance of the Company's revenues is derived from its Franchise, Central Services and Development, TicketsWest, Real Estate, and Corporate Services divisions. These revenues are generated from franchise fees, ticket distribution handling fees, real estate management fees, sales commissions and rents. Franchise, Central Services and Development produced 2.9% of the revenue, TicketsWest accounted for 4.5% of total revenues and rental operations accounted for 7.6% of total revenues.

As is typical in the hospitality industry, REVPAR, ADR and occupancy levels are important performance measures. The Company's operating strategy is focused on enhancing revenue and operating margins by increasing REVPAR, ADR, occupancy and operating efficiencies of the Hotels. These performance measures are impacted by a variety of factors including national, regional and local economic conditions, degree of competition with other hotels in their respective market areas and, in the case of occupancy levels, changes in travel patterns.

For the year ended December 31, 1999, the Company redefined its operating segments as (1) Hotels and Restaurants; (2) TicketsWest; (3) Real Estate Division, and (4) Franchise, Central Services and Development. The Franchise, Central Services and Development segment represents the franchise and marketing division of the Company, which was acquired with the WestCoast Hotels, Inc. purchase. Due to the timing of the WestCoast Hotels, Inc. acquisition, this segment had identifiable assets and capital expenditures at December 31, 1999, but no operations were reported until 2000.

The following table sets forth selected items from the consolidated statements of operations as a percent of total revenues and certain other selected data:

	YEAR ENDED DECEMBER 31, 2000	1999	1998
Revenues			
Hotels and Restaurants	84.7%	84.3%	87.1%
Franchise, Central Services and Development	2.9	--	--
TicketsWest	4.5	6.5	2.0
Real Estate Division	7.6	8.8	10.6
Corporate Services and Other	0.3	0.4	0.03
Total Revenues	100.0%	100.0%	100.0%
Direct Operating Expenses	79.96%	79.4%	75.1%
Undistributed Corporate Operating Expense	1.3	1.5	1.4
Operating Income	18.7	19.1	23.5
Interest Expense	11.7	8.5	9.4
Income Tax Provision	2.6	3.4	5.0
Net Income	4.6%	7.3%	8.7%

Hotel Statistics (1)			
Hotels open at end of period	45	46	19
Available Rooms	8,704	8,749	3,933
REVPAR (2)(3)	$ 54.94	$ 44.86	$ 50.30
ADR (4)	86.98	80.80	82.07
Occupancy (5)	63.2%	55.5%	61.3%

(1) Hotel statistics for the fiscal year ended December 31, 2000 are presented for only combined hotels. Combined hotels includes owned, managed and franchised. Hotel statistics for the fiscal year ended December 31, 1999 and 1998, are presented for comparable hotels. Comparable hotels mean hotels owned by the Company for greater than one year.
(2) REVPAR represents the total room revenues divided by total available rooms, net of rooms out of service due to significant renovations.
(3) Rooms, which were under renovation, were excluded from REVPAR and average occupancy percentage. Due to the short duration of renovation, in the opinion of management, excluding these rooms did not have a material impact on REVPAR and average occupancy percentage.
(4) ADR represents total room revenues divided by the total number of rooms occupied by hotel guests on a paid basis.
(5) Average occupancy percentage represents total rooms occupied divided by total available rooms. Total available rooms represents the number of rooms available multiplied by the number of days in the reported period.

RESULTS OF OPERATIONS

COMPARISON OF YEAR ENDED DECEMBER 31, 2000 TO THE YEAR ENDED DECEMBER 31, 1999

Total revenues increased $15.8 million, or 14.3%, from $110.1 million in 1999 to $125.8 million in 2000. This increase is attributed primarily to revenue generated from the acquisition of WestCoast Hotels, Inc. which was effective December 31, 1999, increases in total rooms occupied and REVPAR increases at the Combined Hotels (Hotels owned, managed and franchised). REVPAR increased due to the increase of average daily rate.

Total hotel and restaurant revenues increased $13.7 million, or 14.8%, to $106.5 million in 2000 from $92.8 million in 1999. Comparable Hotel ADR increased $2.46, or 2.9%, to $86.98 in 2000 from $84.52 in 1999. Combined Hotel REVPAR increased $1.82, or 3.4%, to $54.94 in 2000 from $53.12 in 1999. The Company completed the acquisition of WestCoast Hotels, Inc., effective December 31, 1999. In 2000, there were 160,050 actual room nights under ownership, and 1,014,655 room nights for which the Company had management or franchise contracts. Due to the timing of the WestCoast Hotels, Inc. acquisition, it did not affect 1999 operating results

The Franchise, Central Services and Development division was acquired with the WestCoast Hotels Inc. acquisition, therefore no operations were reported in 1999. The year 2000 revenue was $3.6 million.

TicketsWest revenues decreased $1.5 million, or 20.6%, to $5.7 million in 2000 from $7.2 million in 1999. TicketsWest revenue decreased primarily due to decreased shows presented by the Company and decreased attendance at entertainment events.

Real Estate Division revenue decreased $0.1 million, or 1.1%, to $9.5 million in 2000 from $9.6 million in 1999 primarily due to a one time lease payment of $150,000 in 1999.

Direct operating expenses increased $13.2 million, or 15.1%, to $100.6 million in 2000 from $87.4 million in 1999, primarily due to the increase in the number of hotel guests served and the full year's cost effect of the WestCoast Hotels, Inc. acquisition, partially offset by the reduced costs of entertainment presented by the TicketsWest division. This represents an increase in direct operating expenses as a percentage of total revenues to 80.0% in 2000 from 79.4%

in 1999. The increase in direct operating expense percentages is primarily attributed to increased hotel operating expenses and depreciation for operating the acquired hotels associated with the WestCoast Hotels, Inc. acquisition.

Total undistributed corporate operating expenses increased $0.1 million or 3.8%, to $1.7 million in 2000 from $1.6 million in 1999. Total undistributed corporate operating expenses as a percentage of total revenues decreased 0.2% to 1.3% in 2000 from 1.5% in 1999.

Operating income increased $2.5 million, or 11.9%, to $23.5 million in 2000 from $21.0 million in 1999. As a percentage of total revenues, operating income decreased to 18.7% in 2000 from 19.1% in 1999. This decrease is primarily due to the increase in direct operating expenses of TicketsWest and the increased costs associated with WestCoast Hotels Inc. operations.

Interest expense increased $5.3 million, or 56.2%, to $14.7 million in 2000 from $9.4 million in 1999. This increase is primarily related to borrowings associated with the acquisition of

WestCoast Hotels Inc. and an increase in the weighted average interest rate charged the Company for its variable interest debt.

Income tax provision declined 11.5%, to $3.3 million in 2000 from $3.7 million in 1999, due to the decrease in income before taxes. The effective income tax provision rate was 36.2% for 2000 and 31.4% for 1999. The increase in the effective tax rate in 2000 is primarily due to goodwill amortization associated with the WestCoast Hotels, Inc. acquisition which is not deductible for federal income tax pruposes.

Net income decreased $2.2 million, or 27.5%, to $5.8 million in 2000 from $8.0 million in 1999.

Earnings per share before extraordinary item and cumulative effect of accounting change, decreased 29.7% to $0.45 in 2000 from $0.64 in 1999.

COMPARISON OF YEAR ENDED DECEMBER 31, 1999 TO THE YEAR ENDED DECEMBER 31, 1998

Total revenues increased $23.8 million, or 27.5%, from $86.3 million in 1998 to $110.1 million in 1999. This increase is attributed primarily to revenue generated from the full year's effect of the addition of eleven Hotels in 1998, increases in total rooms occupied and REVPAR increases at the Comparable Hotels (Hotels owned by the Company for greater than one year). REVPAR increased due to the increase of average daily rate.

Total hotel and restaurant revenues increased $17.6 million, or 23.5%, from $75.2 million in 1998 to $92.8 million in 1999. Comparable Hotel ADR increased $2.53, or 3.2%, from $78.26 in 1998 to $80.80 in 1999. Comparable Hotel REVPAR increased $0.21, or 0.5%, from $44.65 in 1998 to $44.86 in 1999. The Company acquired eleven Hotels in 1998, which added 559,808 available rooms, in 1998 and in 1999 added 300,329 rooms over 1998. The Company completed the acquisition of WestCoast Hotels, Inc., effective December 31, 1999 which adds 258,055 roomnights under ownership, and 1,511,830 room nights which the Company has management or franchise contracts. Due to the timing of the WestCoast Hotels, Inc. acquisition, it did not affect 1999 operating results.

TicketsWest revenues increased $5.5 million, or 324.9%, from $1.7 million in 1998 to $7.2 million in 1999. TicketsWest revenue increased primarily from increased shows presented by the Company, increased attendance at entertainment events and the addition of revenue from the expansion of the Company through the acquisition of Fastixx, Colorado Neighborhood Box Office, and the expansion of Internet services and fees.

Real Estate Division revenue increased $0.5 million, or 5.1%, from $9.2 million in 1998 to $9.6 million in 1999 primarily from lease escalations and new lease contracts in the Company's office and retail buildings.

Direct operating expenses increased $22.6 million, or 34.9%, from $64.8 million in 1998 to $87.4 million in 1999, primarily due to the increase in the number of hotel guests served, the full year's cost effects, of the addition of eleven hotels during 1998, and the increased costs of entertainment presented by the TicketsWest division. This represents an increase in direct operating expenses as a percentage of total revenues from 75.1% in 1998 to 79.4% in 1999. The increase in direct operating expense percentages is primarily attributed to the increase in entertainment costs for events presented by the Company, and increased hotel operating expenses and depreciation for operating the eleven acquired hotels for the full year including the seasonally lower profit portions of the year in 1999.

Total undistributed corporate operating expenses increased $0.4 million, or 33.2%, from $1.2 million in 1998 to $1.6 million in 1999. Total undistributed corporate operating expenses as a percentage of total revenues increased 0.1% from 1.4% in 1998 to 1.5% in 1999.

Operating income increased $0.7 million, or 3.6%, from $20.3 million in 1998 to $21.0 million in 1999. As a percentage of total revenues, operating income decreased from 23.5% in 1998 to 19.1% in 1999. This decrease is due primarily due to the increase in direct operating expenses of TicketsWest and seasonality of operating income margins for the eleven hotels acquired in the higher profit period of 1998.

Interest expense increased $1.3 million, or 15.5%, from $8.1 million in 1998 to $9.4 million in 1999. This increase is primarily related to borrowings associated with the acquisition of the eleven hotels during 1998 and an increase in the weighted average interest rate charged the Company for its variable interest debt.

Income tax provision declined 13.3%, from $4.3 million in 1998 to $3.7 million in 1999, due to the Company qualifying for a historical restoration tax credit and the decrease in income before taxes. The effective income tax provision rate was 34.9% and 31.4% for 1998 and 1999 respectively.

The Company recorded a charge related to a change in accounting principle for unamortized startup costs required by Statement of Position 98-5 of $133,000, net of income taxes.

Net income increased $0.5 million, or 6.9%, from $7.5 million in 1998 to $8.0 million in 1999.

Earnings per share before extraordinary item and cumulative effect of accounting change, decreased 9.9% from $0.71 in 1998 to $0.64 in 1999.

LIQUIDITY AND CAPITAL RESOURCES

Historically, the Company's principal sources of liquidity have been cash on hand, cash generated by operations and borrowings under a $120.0 million revolving credit facility. Cash generated by operations in excess of operating expenses is used for capital expenditures and to reduce amounts outstanding under the Revolving Credit Facility. Hotel acquisitions, development and expansion have been and will be financed through a combination of internally generated cash, borrowing under credit facilities, and the issuance of Common Stock or OP Units.

The Company's short-term capital needs include food and beverage inventory, payroll and the repayment of interest expense on outstanding mortgage indebtedness. Historically, the Company has met these needs through internally generated cash. The Company's long-term capital needs include funds for property acquisitions, scheduled debt maturities and renovations and other non-recurring capital improvements. The Company anticipates meeting its future long-term capital needs through additional debt financing secured by the Hotels, by unsecured private or public debt offerings or by additional equity offerings or the issuances of OP Units, along with cash generated from internal operations.

At December 31, 2000, the Company had $3.5 million in cash and cash equivalents. The Company has made extensive capital expenditures over the last three years, $8.5 million, $63.3 million, and $123.6 million in owned and joint venture properties in 2000, 1999, and 1998, respectively. These expenditures included guest room, lounge and restaurant renovations, public area refurbishment, telephone and computer system upgrades, tenant improvements, property acquisitions, construction, and corporate expenditures and were funded from the initial public offering, issuance of operating partnership units, operating cash flow and debt. The Company establishes reserves for capital replacement in the amount of 4.0% of the prior year's actual gross hotel income to maintain the Hotels at acceptable levels. Acquired hotel properties have a separate capital budget for purchase, construction, renovation, and branding costs. Capital expenditures planned for Hotels in 2001 are expected to be approximately $7.2 million. Management believes the consistent renovation and upgrading of the Hotels and other properties is imperative to its long-term reputation and customer satisfaction.

To fund its acquisition program and meet its working capital needs, the Company has a Revolving Credit Facility. The Revolving Credit Facility has a term ending May 2003 and an annualized fee for the unutilized portion of the facility. The Company selects from four different interest rates when it draws funds: the lender's prime rate or one, three, or six month LIBOR plus the applicable margin of 180 to 325 basis points, depending on the Company's ratio of EBITDA-to-total funded debt. The Revolving Credit Facility allows for the Company to draw funds based on the trailing 12 months performance on a pro forma basis for both acquired and owned properties. Funds from the Revolving Credit Facility may be used for acquisitions, renovations, construction and general corporate purposes. The Company believes the funds available under the Revolving Credit Facility and additional debt instruments will be sufficient to meet the Company's near term growth plans. The Operating Partnership is the borrower under the Revolving Credit Facility. The obligations of the Operating Partnership under the Revolving Credit Facility are fully guaranteed by the Company. Under the Revolving Credit Facility, the Company is permitted to grant new deeds of trust on any future acquired properties. Mandatory prepayments are required to be made in various circumstances including the disposition of any property, or future acquired property, by the Operating Partnership.

The Revolving Credit Facility contains various representations, warranties, covenants and events of default deemed appropriate for a Credit Facility of similar size and nature. Covenants and provisions in the definitive credit agreement governing the Revolving Credit Facility include, among other things, limitations on: (i) substantive changes in the Company's and Operating Partnership's current business activities, (ii) liquidation, dissolution, mergers, consolidations, dispositions of material property or assets involving the Company and its affiliates or their assets, as the case may be, and acquisitions of property or assets of others, (iii) the creation or existence of deeds of trust or other liens on property or assets, (iv) the addition or existence of indebtedness, including guarantees and other contingent obligations, (v) loans and advances to others and investments in others, (vi) redemption of subordinated debt, (vii) amendment or modification of certain material documents or of the Company's Articles of Incorporation in a manner adverse to the interests of the lenders under the Revolving Credit Facility, (viii) payment of dividends or distributions on the Company's capital stock, and (ix) maintenance of certain financial ratios. Each of the covenants described above provide for certain ordinary course of business and other exceptions. If the Company breaches any of these covenants and does not obtain a waiver of that breach, the breach will constitute an event of default under the Revolving Credit Facility. At December 31, 2000, the Company had $106.5 million outstanding under the Revolving Credit Facility and was in compliance with all

required covenants. The Revolving Credit Facility restricted the Company from paying any dividends as of December 31, 2000.

In addition to the Revolving Credit Facility, as of December 31, 2000, the Company had debt and capital leases outstanding of approximately $56.4 million consisting of primarily variable and fixed rate debt secured by individual properties.

In February 2001, the Company has obtained a commitment to refinance one of it properties on a non-recourse basis for $11.5 million. The refinancing is scheduled to be funded in May 2001. The Company is also in the process of negotiating non-recourse financing on four of its hotel properties with total proceeds of approximately $63.5 million. The net proceeds after expenses will be applied to the Revolving Credit Facility. Converting recourse debt to non-recourse will provide the Company with additional flexibility and options under its Revolving Credit Facility.

The Company has identified approximately $68 million of its non-core real estate assets that are targeted for sale. We expect that some of these assets will be sold during 2001. Proceeds from the sale of these assets may be utilized to reduce the outstanding debt balance under the Company's Revolving Credit Facility, acquisition of hotels, repurchase of the Company's stock, and other corporate purposes.

The Company believes that cash generated by operations will be sufficient to fund the Company's operating strategy for the foreseeable future, and that any remaining cash generated by operations, together with capital available under the Revolving Credit Facility (subject to the terms and covenants to be included therein) and additional debt financing, will be adequate to fund the Company's growth strategy in the near term. Thereafter, the Company expects that future capital needs, including those for property acquisitions, will be met through a combination of net cash provided by operations, borrowings and additional issuances of Common Stock or OP Units.

SEASONALITY

The lodging industry is seasonal in nature, with the months from May through October generally accounting for a greater portion of annual revenues than the months from November through April. For example, for the year ended December 31, 2000, our revenues in the first through fourth quarters were 21.6%, 26.3%, 29.3% and 22.8%, respectively, of our total revenue for such year and our net income (loss) for the first through fourth quarters was (2.5)%, 33.3%, 63.3% and 5.9% respectively, of our total net income for that year. Quarterly earnings also may be adversely affected by events beyond our control, such as extreme weather conditions, economic factors and other considerations affecting travel.

INFLATION

The effect of inflation, as measured by fluctuations in the Consumer Price Index, has not had a material impact on the Company's revenues or net income during the periods under review.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following tables summarize the financial instruments held by the Company at December 31, 2000 and 1999, which are sensitive to changes in interest rates. At December 31, 2000, approximately 76% of the Company's debt and capital lease obligations are subject to changes in

market interest rates and are sensitive to those changes. The Company purchased an interest rate cap agreement to offset the risk of interest rate changes which limits the interest charges on $36.0 million of the Revolving Credit Facility when the 30 day LIBOR exceeds 9.0% plus the applicable margin. In the future, the Company may choose to use additional derivative instruments, such as interest rate swaps to manage the risk associated with interest rate changes.

The following table presents principal cash flows for debt and capital leases outstanding at December 31, 2000, by maturity date and the related average interest rate.

	OUTSTANDING DEBT AND CAPITAL LEASE OBLIGATIONS (IN THOUSANDS)							
	2001	2002	2003	2004	2005	THERE-AFTER	TOTAL	FAIR VALUE
Note payable to bank (a)	$ --	$ --	$106,500	$ --	$ --	$ --	$ 106,500	$ 106,500
Long-term debt:								
Fixed rate	1,616	2,214	3,883	2,119	5,913	22,052	37,797	37,797
Weighted-average interest rate	7.10%	7.11%	7.12%	7.12%	7.13%	7.00%	-- %	-- %
Variable rate	777	843	912	985	1,069	12,871	17,457	17,457
Weighted-average interest rate	7.93%	7.74%	7.78%	7.82%	7.87%	7.94%	-- %	-- %
Capital lease obligations	529	389	268	--	--	--	1,186	1,186
Weighted-average interest rate	7.89%	8.23%	8.34%	-- %	-- %	-- %	-- %	-- %

(a) The interest rate on the note payable is based on LIBOR plus a variable interest margin based on the Company's funded debt ratio. The interest margin can vary from 180 - 325 basis points. At December 31, 2000, the interest margin was 290 basis points.

The following table presents principal cash flows for debt and capital leases outstanding at December 31, 1999, by maturity date and the related average interest rate.

	OUTSTANDING DEBT AND CAPITAL LEASE OBLIGATIONS (IN THOUSANDS)							
	2000	2001	2002	2003	2004	THERE AFTER	TOTAL	FAIR VALUE
Note payable to bank (a)	$ --	$ --	$ --	$101,263	$ --	$ --	$ 101,263	$ 101,263
Long-term debt:								
Fixed rate	1,359	1,477	2,630	3,198	1,954	21,234	31,852	31,852
Weighted-average interest rate	7.56%	7.31%	7.31%	7.24%	7.13%	6.64%	-- %	-- %
Variable rate	1,387	965	1,042	1,121	1,400	20,243	26,158	26,158

Weighted-average interest rate	7.74%	7.54%	7.60%	7.59%	7.62%	7.19%	-- %	-- %
Capital lease obligations	623	485	359	259	--	--	1,726	1,726
Weighted-average interest rate	7.99%	8.21%	8.64%	8.64%	-- %	-- %	-- %	-- %

(a) The interest rate on the note payable is based on LIBOR plus a variable interest margin based on the Company's funded debt ratio. The interest margin can vary from 180 - 250 basis points. At December 31, 1999, the interest margin was 250 basis points.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 14 of this Report for information with respect to the financial statements filed as a part hereof, including financial statements filed pursuant to the requirements of this Item 8.

SELECTED QUARTERLY DATA

UNAUDITED - DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2000				
Revenues	$ 27,209	$ 33,031	$ 36,910	$ 28,656
Operating Income	3,164	6,754	9,591	4,040
Income before extraordinary item and Cumulative effect of change in accounting principle	(147)	1,939	3,684	345
Net income (loss)	(147)	1,939	3,684	345
Income per share before extraordinary item and Cumulative effect of change in accounting principle	(0.01)	0.15	0.28	0.03
1999				
Revenues	$ 22,148	$ 27,978	$ 33,758	$ 26,171
Operating income	2,920	6,760	8,191	3,164
Income before extraordinary item and Cumulative effect of change in accounting principle	495	3,013	3,924	740
Extraordinary item, net of income tax benefit	(10)	--	--	--
Cumulative effect of change in accounting principle, net of income tax benefit	(133)	--	--	--
Net income	352	3,013	3,924	740
Income per share before extraordinary item and Cumulative effect of change in accounting principle	0.04	0.24	0.31	0.06

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
WestCoast Hospitality Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, changes in stockholders' and partners' equity and of cash flows present fairly, in all material respects, the financial position of WestCoast Hospitality Corporation and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for start-up activities in 1999 as required by a Statement of Position issued by the American Institute of Certified Public Accountants.

PricewaterhouseCoopers LLP

February 1, 2001
Spokane, Washington

WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2000 AND 1999
(IN THOUSANDS, EXCEPT SHARE DATA)

	2000	1999
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 3,476	$ 4,357
Accounts receivable	6,232	7,548
Income taxes refundable	5	--
Inventories	1,130	1,110
Prepaid expenses and deposits	733	883
Total current assets	11,576	13,898
Property and equipment, net	242,548	243,237
Intangible assets, net	28,897	29,613
Other assets, net	21,813	22,384
Total assets	$304,834	$309,132

LIABILITIES:		
Current liabilities:		
Accounts payable	$ 3,432	$ 4,739
Accrued payroll and related benefits	2,453	3,024
Accrued interest payable	708	721
Income taxes payable	--	457
Other accrued expenses	5,052	8,994
Long-term debt, due within one year	2,393	7,445
Capital lease obligations, due within one year	529	623
Total current liabilities	14,567	26,003
Long-term debt, due after one year	52,861	57,516
Notes payable to bank	106,500	101,263
Capital lease obligations, due after one year	657	1,103
Deferred income taxes	16,631	15,617
Minority interest in partnerships	2,881	2,798
Total liabilities	194,097	204,300
Commitments and contingencies (Notes 10 and 11)		
STOCKHOLDERS' EQUITY:		
Preferred stock - 5,000,000 shares authorized; $0.01 par value; no shares issued and outstanding	--	--
Common stock - 50,000,000 shares authorized; $0.01 par value; 12,933,106 and 12,925,276 shares issued and outstanding	129	129
Additional paid-in capital	83,845	83,761
Retained earnings	26,763	20,942
Total stockholders' equity	110,737	104,832
Total liabilities and stockholders' equity	$304,834	$309,132

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	2000	1999	1998
REVENUES:			
Hotels and Restaurants	$ 106,540	$ 92,808	$ 75,172
Franchise, Central Services and Development	3,643	--	--
TicketsWest	5,705	7,181	1,690
Real Estate Division	9,540	9,649	9,183
Corporate Services	378	417	288
Total revenues	125,806	110,055	86,333
OPERATING EXPENSES:			
Direct:			
Hotels and Restaurants	78,626	68,150	53,843
Franchise, Central Services and Development	1,207	--	--
TicketsWest	5,702	6,683	1,165
Real Estate Division	4,378	4,469	3,687
Corporate Services	227	181	8
Depreciation and amortization of tangible assets	9,578	7,904	6,079
Amortization of goodwill	874	28	36
Total direct expenses	100,592	87,415	64,818
Undistributed corporate expenses	1,666	1,605	1,205
Total expenses	102,258	89,020	66,023
Operating income	23,548	21,035	20,310
OTHER INCOME (EXPENSE):			
Interest expense, net of amounts capitalized	(14,660)	(9,384)	(8,127)
Interest income	315	367	346

Other income	186	21	90
Conversion expenses	(246)	--	--
Equity in investments	100	--	--
Minority interest in partnerships	(116)	(130)	(255)
Income before income taxes	9,127	11,909	12,364
Income tax provision	3,306	3,737	4,310
Income before extraordinary item and cumulative effect of change in accounting principle	5,821	8,172	8,054
Extraordinary item, net of tax benefit	--	(10)	(546)
Cumulative effect of change in accounting principle, net of tax benefit	--	(133)	--
Net income	$ 5,821	$ 8,029	$ 7,508

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME, CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	2000	1999	1998
Income per share:			
Income per share before extraordinary item and cumulative effect of change in accounting principle	$ 0.45	$ 0.64	$ 0.71
Extraordinary item	--	--	(0.05)
Cumulative effect of change in accounting principle	--	(0.01)	--
Net income per share - basic and diluted	$ 0.45	$ 0.63	$ 0.66
Weighted-average shares outstanding - basic	12,941	12,755	11,347
Weighted-average shares outstanding - diluted	13,237	13,096	11,666

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' AND PARTNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(IN THOUSANDS, EXCEPT SHARE DATA)

	COMMON STOCK			ADDITIONAL	
	SHARES	AMOUNT	PARTNERS' DEFICIT	PAID-IN CAPITAL	RETAINED EARNINGS
BALANCES, DECEMBER 31, 1997	7,072,025	$ 71	$ (879)	$ 3,935	$ 5,405
Net income					7,508
Stock issued for acquisition of partnership interest	12,228		879	(879)	
Stock issued for cash, net of issuance costs	5,951,250	59		81,269	
Stock issued under employee stock purchase plan	18,752			184	
Stock issued to directors and certain senior management	11,692			174	
Income tax effect of stock grants				(25)	
Purchase and retirement of stock	(405,100)	(4)		(3,766)	
BALANCES, DECEMBER 31, 1998	12,660,847	126	--	80,892	12,913
Net income					8,029
Stock issued under employee stock purchase plan	14,245			101	
Stock issued for acquisition of subsidiaries	138,884	2		1,050	
Stock issued to directors and certain senior management	11,300			167	
Income tax effect of stock grants				(26)	
Stock issued for redemption of operating partnership units	100,000	1		1,577	
BALANCES, DECEMBER 31, 1999	12,925,276	129	--	83,761	20,942
Net income					5,821
Stock issued under employee stock purchase plan	26,429			175	
Stock issued to directors and certain senior management	1,578			12	
Retirement of stock	(20,177)			(103)	
BALANCES, DECEMBER 31, 2000	12,933,106	$ 129	$ --	$ 83,845	$ 26,763

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(IN THOUSANDS)

	2000	1999	1998
OPERATING ACTIVITIES:			
Net income	$ 5,821	$ 8,029	$ 7,508
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	10,452	7,932	6,115
(Gain) loss on disposition of property and equipment	194	--	(80)
Deferred income tax provision	1,524	2,392	934
Minority interest in partnerships	116	130	255
Equity in investments	(100)	--	--
Extraordinary item, write-off of deferred loan fees	--	10	546
Cumulative effect of change in accounting principle	--	133	--
Compensation expense related to stock issuance	12	167	174
Change in assets and liabilities, net of effects of purchase of subsidiaries:			
Accounts receivable	1,316	(524)	(2,642)
Inventories	(20)	(158)	(431)
Prepaid expenses, deposits and income taxes refundable	145	(1,559)	(2)
Accounts payable and income taxes payable	(2,275)	875	(430)
Accrued payroll and related benefits	(571)	(51)	494
Accrued interest payable	(13)	(896)	829
Other accrued expenses	(4,647)	2,587	1,001
Net cash provided by operating activities	11,954	19,067	14,271
INVESTING ACTIVITIES:			
Additions to property and equipment	(7,739)	(10,829)	(7,772)
Proceeds from disposition of property and equipment	--	--	172
Cash paid for acquisition of property and equipment or			

subsidiaries, net of cash received	--	(1,079)	(99,356)
Issuance of note receivable	--	(358)	(17,112)
Payment received on note receivable	--	--	17,112
Other, net	257	(1,306)	(1,789)
Net cash used in investing activities	(7,482)	(13,572)	(108,745)
FINANCING ACTIVITIES:			
Distributions to stockholders and partners	(33)	(118)	(93)
Proceeds from note payable to bank	15,137	8,680	84,405
Repayment of note payable to bank	(9,900)	(11,260)	(3,135)
Proceeds from long-term debt	--	--	8,433
Repayment of long-term debt	(9,707)	(1,633)	(70,655)
Proceeds from sale of stock, net of issuance costs	--	--	81,328
Purchase and retirement of common stock	--	--	(3,770)
Proceeds from issuance of common stock under employee stock purchase plan	175	101	184
Principal payments on capital lease obligations	(648)	(656)	(537)
Payments to affiliate	--	--	(1,133)
Additions to deferred financing costs	(377)	(519)	(1,241)
Net cash provided by (used in) financing activities	(5,353)	(5,405)	93,786
CHANGE IN CASH AND CASH EQUIVALENTS:			
Net increase (decrease) in cash and cash equivalents	(881)	90	(688)
Cash and cash equivalents at beginning of year	4,357	4,267	4,955
Cash and cash equivalents at end of year	$ 3,476	$ 4,357	$ 4,267

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(IN THOUSANDS)

	2000	1999	1998
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during year for:			
Interest (net of amount capitalized)	$ 14,673	$ 10,280	$ 7,297
Income taxes	1,791	2,043	3,554
Noncash investing and financing activities:			
Assumption of capital leases	$ 108	$ --	$ 278
Issuance of operating partnership units for property acquisitions	--	--	3,677
Acquisitions of property through debt, liabilities or reduction of note receivable	602	43,896	10,066
Stock issued for partial acquisition of partnership interest	--	--	879
Issuance of stock for acquisition of subsidiaries	--	1,052	--
Issuance of stock for operating partnership units	--	1,578	--
Redemption of stock for satisfaction of receivable	103	--	--

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

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1. ORGANIZATION

Effective December 31, 1999, Cavanaughs Hospitality Corporation acquired all of the outstanding stock of WestCoast Hotels, Inc. In February 2000, the Company changed its name to WestCoast Hospitality Corporation. All references herein to WestCoast Hospitality Corporation or WestCoast refer to the consolidated entity including Cavanaughs Hospitality Corporation as the predecessor entity. WestCoast Hospitality Corporation is a hotel operating company that owns, operates, franchises, acquires, develops, renovates and repositions full service hotels in the Western United States under its proprietary brand names, "Cavanaughs (R)" and "WestCoast (R)". Substantially all of WestCoast's assets, including the hotels, are owned by or for the benefit of WestCoast Hospitality Limited Partnership (WHLP) (formerly Cavanaughs Hospitality Limited Partnership), a Delaware limited partnership. WestCoast Hospitality Corporation manages the day to day operations of the partnership in its capacity as sole general partner and also owns limited partnership interests of WHLP.

As of December 31, 2000, the Company has ownership interests and operated 23 hotel properties, managed an additional 10 properties and franchised an additional 12 properties, totaling 45 hotels in 9 states, including Alaska, Arizona, California, Hawaii, Idaho, Montana, Oregon, Utah and Washington. Additionally, the Company provides computerized ticketing for entertainment events and arranges Broadway and other entertainment event productions. Also, during the second quarter of 1999, the Company launched TicketsWest, an Internet ticketing service offering consumers up-to-the-minute information on live entertainment and the ability to make real-time ticket purchases to events through the website. The Company owns and manages ticketing operations in Colorado, Idaho, Montana, Oregon and Washington. The Company also leases retail and office space in buildings owned by the Company and manages residential and commercial properties for others in Idaho, Montana and Washington.

The consolidated financial statements include the accounts of WestCoast Hospitality Corporation, its wholly owned subsidiaries, its general and limited partnership interest in WHLP, a 50% interest in a limited partnership and its equity basis investment in two limited partnerships. All of these entities are collectively referred to as "the Company" or "WestCoast"." All significant intercompany transactions and accounts have been eliminated in the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS
Cash equivalents consist of short-term, highly liquid investments with remaining maturities at time of purchase of three months or less. The Company places its cash with high credit quality institutions. At times, cash balances may be in excess of federal insurance limits.

The Company maintains several trust accounts for owners of real properties which it manages. These cash accounts are not owned by the Company and therefore, are not included in the consolidated financial statements. At December 31, 2000, these accounts totaled approximately $1,652,000.

INVENTORIES
Inventories consist primarily of food and beverage products held for sale at the restaurants operated by the Company. Inventories are valued at the lower of cost, determined on a first-in, first-out basis, or net realizable value.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Depreciation is provided using the straight-line method over the lesser of the estimated useful lives of the related assets or the lease term as follows:

Buildings	25-40 years
Equipment	5-20 years
Furniture and fixtures	15 years
Landscaping and land improvements	15 years

Major additions and betterments are capitalized. Costs of maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently. When items are disposed of, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized in operations. Management of the Company periodically reviews the net carrying value of all properties to determine whether there has been a permanent impairment of value and assesses the need for any write-downs in carrying value.

INTEREST CAPITALIZATION

The Company capitalizes interest costs during the construction period for qualifying assets. During the years ended December 31, 2000, 1999 and 1998, the Company capitalized approximately $468,000, $550,000 and $363,000 of interest costs, respectively.

INTANGIBLE ASSETS

Intangible assets consist of brand name and goodwill attributable to the purchase prices of acquisitions which were in excess of the estimated fair values of net tangible and identifiable intangible assets acquired. These assets are being amortized over 20-40 years. Accumulated amortization at December 31, 2000 and 1999 was approximately $1,239,000 and $365,000, respectively. Intangible assets are reviewed for impairment whenever events or changes in business circumstances indicate the carrying value of the assets may not be recoverable. Impairment losses are recognized if expected future cash flows from the use or sale of the assets are less than their carrying values.

OTHER ASSETS

Other assets primarily include amounts expended for management and marketing contracts, deferred loan fees, purchase option payments, straight-line rental income, a minority interest in a limited liability company and investments in partnerships. The cost of management and marketing contracts are amortized over the weighted-average remaining term of the contracts. Deferred loan fees are amortized using the interest method over the term of the related loan agreement. The Company has deferred purchase option payments made pursuant to purchase agreements for hotel properties which are currently being leased and operated by the Company. If the options are exercised, the option payments will be amortized as part of the purchase price of the hotels. If the options are not exercised, the option payments will be charged to operations.

The Company's investment in the limited liability company is accounted for under the cost method. Investment in a partnership over which the Company can exercise significant influence is accounted for by the equity method, under which the Company recognizes its proportionate share of partnership earnings and treats distributions as a reduction in its investment.

INCOME TAXES

WHLP and the other partnerships which are partially or wholly owned by WestCoast Hospitality Corporation are not tax paying entities. However, the income tax attributes of these partnerships flow through to the respective partners of the partnerships.

LEASE INCOME

The Company records rental income from operating leases which contain fixed escalation clauses on the straight-line method. The difference between income earned and lease payments received from the tenants is included in other assets on the consolidated balance sheets. Rental income from retail lessees which is contingent upon the lessees' revenues is recorded as income in the period earned.

EARNINGS PER SHARE

Net income per share-basic is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Net income per share-diluted is computed by adjusting net income by the effect of the minority interest related to Operating Partnership Units (OP Units) and increasing the weighted-average number of common shares outstanding by the effect of the OP Units and the additional common shares that would have been outstanding if the dilutive potential common shares (stock options and convertible notes) had been issued, to the extent that such issuance would be dilutive. There is no difference between basic and diluted earnings per share because the stock options and convertible notes are antidilutive in 2000, 1999 and 1998.

ACCOUNTING FOR STOCK OPTIONS

As permitted by Statement of Financial Accounting Standards No. 123 (SFAS 123), "Accounting for Stock-Based Compensation", the Company has chosen to measure compensation cost for stock-based employee compensation plans using the intrinsic value method of accounting prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and to provide the disclosure only requirements of SFAS 123.

NEW ACCOUNTING PRONOUNCEMENT

In April 1998, Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-up Activities" was issued. The SOP requires that all costs of start-up activities and organization costs be expensed as incurred. The Company adopted the provisions of SOP 98-5 on January 1, 1999 and reported the change as a cumulative effect of an accounting change in the consolidated statement of income. The adoption of SOP 98-5 resulted in a charge to operations of $133,000, which is net of $68,000 of income taxes.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform with the 2000 presentation. These reclassifications had no effect on net income or retained earnings as previously reported.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2000 and 1999 is summarized as follows (in thousands):

	2000	1999
Buildings and equipment	$ 215,548	$ 207,595
Furniture and fixtures	17,561	15,953
Equipment acquired under capital leases	4,052	4,197
Landscaping and land improvements	1,995	1,477
	239,156	229,222
Less accumulated depreciation and amortization	(55,849)	(47,612)
	183,307	181,610
Land	54,056	54,056
Construction in progress	5,185	7,571

$ 242,548	$ 243,237

Depreciation expense for the years ended December 31, 2000, 1999 and 1998 was approximately $8,301,000, $7,336,000, and $5,691,000, respectively.

4. LONG-TERM DEBT

Long-term debt consists of mortgage notes payable and notes and contracts payable, collateralized by real property, equipment and the assignment of certain rental income. Long-term debt as of December 31, 2000 and 1999 is as follows (amounts outstanding in thousands):

	2000	1999
Note payable in monthly installments of $91,373 including interest at 7.25%, through June 2006, collateralized by real property	$ 10,191	$ 10,535
Note payable in monthly installments of $55,817 including interest at 7.36%, through September 2007, collateralized by assignment of certain rental income	7,365	7,488
Note payable in monthly installments of principal and interest at 7%, through January 2010 convertible into common stock of the Company at $15 per share	6,706	7,000
Note payable in monthly installments of $62,102, including interest at a variable rate (8.75% at December 31, 2000 and 7.25% at December 31, 1999), through May 2008, collateralized by real property	6,651	6,819
Industrial revenue bonds payable in monthly installments of $66,560 including interest at 5.9%, through October 2011, collateralized by real property	6,412	6,818
Note payable in monthly installments of $53,517, including interest at 8%, through July 2005, collateralized by real property	5,084	5,310
Note payable in monthly installments of $45,407, including interest at a variable rate (9.0% at December 31, 2000 and 1999), through April 2010, collateralized by real property	4,380	4,523
Note payable in monthly installments of $23,663, including interest at a variable rate (8.75% at December 31, 2000 and 7.50% at December 31, 1999), through January 2008, collateralized by real property	2,513	2,569
Industrial revenue bonds payable in monthly installments of $21,250 including interest at a variable rate (4.6% at December 31, 2000 and 4.4% at December 31, 1999), through January 2007, collateralized by real property	1,795	2,041

	2000	1999
Note payable in monthly installments of $19,259 including interest at an index rate plus 1.5%, subject to a minimum of 9.5% and a maximum of 12.0% (10.5% at December 31, 2000 and 10.0% at December 31, 1999), through December 2011, collateralized by real property	$ 1,494	$ 1,564
Note payable in monthly installments of $10,430, including interest at 7.42%, through December 2003	1,375	1,396
Note payable in monthly installments of $8,049, including interest at a variable rate (8.64% at December 31, 2000 and 7.15% at December 31, 1999), through November 2009, collateralized by certain equipment and furniture and fixtures	623	669
Note payable of interest only at 8% until maturity in October 2002, collateralized by letter of credit	500	500
Note payable in monthly installments of interest only at a variable rate (8.5% at December 31, 1999) paid in full January 2000	--	4,500
Commercial loan payable in monthly installments of interest only at a variable rate of LIBOR plus 2.5% (7.75% at December 31, 1999) plus annual principal installments of $200,000, paid in full January 2000	--	2,450
Note payable in monthly installments of $7,024 including interest at a variable rate (8.75% at December 31, 1999), paid in full in March 2000	--	485
Other	165	294
	55,254	64,961
Less current portion	(2,393)	(7,445)
Non current portion	$ 52,861	$ 57,516

The Company used the net proceeds of its initial public offering of common stock to repay approximately $68.6 million of debt during the year ended December 31, 1998. Additionally, certain debt was also repaid during the year ended December 31, 1999. In connection with the debt repayment, approximately $546,000 of deferred loan fees and prepayment penalties, net of $282,000 income taxes, were charged to operations during the year ended December 31, 1998. During the year ended December 31, 1999, $10,000 of deferred loan fees, which is net of $5,000 income taxes were charged to operations. These charges are presented as an extraordinary item on the consolidated statements of income.

The Company has received a commitment to refinance the note payable with a balance of $10.2 million as of December 31, 2000. The commitment allows for the Company to obtain additional funds which will increase the total loan to $11.5 million. The loan will be modified to be non-recourse and carry an interest rate of 7.39% and the term will be extended to a maturity of 2011.

Contractual maturities for long-term debt outstanding at December 31, 2000 are summarized by year as follows (in thousands):

YEARS ENDING DECEMBER 31,	
2001	$ 2,393
2002	3,057
2003	4,795
2004	3,104
2005	6,982
Thereafter	34,923
	$ 55,254

5. CAPITAL LEASE OBLIGATIONS

The Company leases certain equipment under capital leases. The imputed interest rates on the leases range from 8.0% to 8.6%. Cost and accumulated amortization of this equipment as of December 31, 2000 are approximately $4,052,000 and $2,069,000, respectively. Cost and accumulated amortization of the equipment as of December 31, 1999 are approximately $4,197,000 and $1,812,000, respectively.

Future minimum lease payments due under capital leases at December 31, 2000 are as follows (in thousands):

YEARS ENDING DECEMBER 31,	
2001	$ 615
2002	430
2003	277
Total minimum lease payments	1,322
Less amounts representing interest	(136)
Total obligations under capital lease	1,186
Less current portion	(529)
	$ 657

6. NOTES PAYABLE TO BANK

In May 1998, the Company obtained an $80 million revolving credit facility with a consortium of banks. In December 1998, the Company received a commitment to amend the credit facility to increase the total amount available under the facility to $100 million. In December 1999, in connection with the WestCoast Hotels, Inc. acquisition (see Note 13), the credit facility was amended to increase the total amount available under the facility to $120 million. At December 31, 2000 and 1999, $106.5 million and $101.3 million was outstanding under the credit facility. The credit facility is collateralized by certain properties and requires that the Company maintain certain financial ratios, minimum levels of cash flows and restricts the payment of dividends. Any outstanding borrowings bear interest based on the prime rate or LIBOR. At December 31, 2000, the interest rate on outstanding borrowings ranged from 9.59% to 9.65%. The weighted-average interest rate on outstanding borrowings was 9.61% and 8.47% at December 31, 2000 and 1999, respectively. Interest only payments are due monthly. The credit facility matures in 2003. The credit facility requires the initial payment of a 1% fee plus an annual standby fee ranging from 0.25% to 0.50% (0.50% in 2000). Additionally, in connection with the December 1999 amendment, a $950,000 fee was paid. The Company was in compliance with all required financial covenants at December 31, 2000. The debt agreement allows the Company to pay dividends as long as certain minimum financial ratios are maintained. At December 31, 2000, 1999 and 1998, the Company was restricted from paying any dividends.

In January 2000, the Company obtained an interest rate cap protection contract for $36 million of its credit facility. For a period of 3 years, the Company is protected from LIBOR exceeding 9%. The rate protection contract is transferable.

7. STOCKHOLDERS' EQUITY AND INITIAL PUBLIC OFFERING

The Articles of Incorporation of the Company authorize 50 million common shares and 5 million preferred shares. The preferred stock rights, preferences and privileges will be determined by the Board of Directors.

In April 1998, the Company completed an initial public offering of 5,951,250 shares of its common stock at $15 per share. The net proceeds, after deducting the underwriting discount and offering expenses, of approximately $81,328,000 were primarily used to repay certain debt and acquire hotel properties.

8. INCOME TAXES

Major components of the Company's income tax provision for the years ended December 31, 2000, 1999 and 1998 are as follows (in thousands):

	2000	1999	1998
Current:			
Federal	$ 1,677	$ 1,175	$ 3,249
State	105	170	127
Deferred	1,524	2,392	934
	$ 3,306	$ 3,737	$ 4,310

The income tax provisions shown in the consolidated statements of income differ from the amounts calculated using the federal statutory rate applied to income before income taxes as follows (in thousands):

	2000		1999		1998	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Provision at federal statutory rate	$ 3,103	34.0	$ 4,049	34.0	$ 4,204	34.0
Effect of tax credits	(77)	(0.9)	(671)	(5.6)	(59)	(0.4)
State taxes, net of federal benefit	69	0.8	113	0.9	84	0.7
Other	(51)	(0.6)	246	2.1	81	0.6
Goodwill amortization	262	2.9	--	--	--	--
	$ 3,306	36.2	$ 3,737	31.4	$ 4,310	34.9

Components of the net deferred tax assets and liabilities at December 31, 2000 and 1999 are as follows (in thousands):

	2000		1999	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Depreciation on property and equipment	$ --	$ 14,830	$ --	$ 15,459
Rental income	--	604	--	578
Management contracts	--	1,641	--	--
Other	444	--	420	--
	$ 444	$ 17,075	$ 420	$ 16,037

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9. OPERATING LEASE INCOME

The Company leases shopping mall space to various tenants over terms ranging from one to ten years. The leases generally provide for fixed minimum monthly rent as well as tenants' payments for their pro rata share of taxes and insurance, common area maintenance and expenses associated with the shopping mall. In addition, the Company leases commercial office space over terms ranging from one to eighteen years. The cost and accumulated depreciation of these properties at December 31, 2000 was approximately $34,682,000 and $11,274,000, respectively. The cost and accumulated depreciation of the commercial office properties at December 31, 1999 was approximately $34,350,000 and $10,352,000, respectively.

Future minimum lease income under existing noncancellable leases at December 31, 2000 is as follows (in thousands):

YEARS ENDING DECEMBER 31,	
2001	$ 7,581
2002	7,028
2003	6,619
2004	5,709
2005	4,480
Thereafter	13,388
	$ 44,805

Rental income for the years ended December 31, 2000, 1999 and 1998 was approximately $8,896,000, $7,594,000 and $7,155,000, respectively, which included contingent rents of approximately $200,000, $149,000 and $147,000, respectively.

10. OPERATING LEASE COMMITMENTS

The Company leases building space under an operating lease agreement which requires monthly payments of $4,500 through March 2009. The monthly payments can be increased yearly for inflation.

In 1998, the Company began leasing land at one of its hotel properties which requires monthly payments based on either gross receipts from the hotel or a monthly minimum, whichever is greater, through July 2014, with two 10-year renewal options. At December 31, 2000, monthly minimum lease payments were $5,617. The monthly minimum payments can be adjusted every three years based on the average monthly payments. In 1998, the Company began leasing land at one of its hotel properties, which requires monthly payments of $5,454 through May 2062. The monthly payments are subject to adjustment every five years.

In October 1997, the Company began operating a hotel in Yakima, Washington under an operating lease and purchase option agreement. The lease agreement is for a period of 15 years with two five-year renewal options. The Company pays all operating costs of the hotel plus monthly lease payments of $35,000 through September 2003. Commencing October 2003, the monthly lease requirement will be $52,083 and monthly payments shall increase by $5,208

each year thereafter. The Company agreed to a $1.0 million option payment which allows the purchase of this hotel at a fixed price. One-half of this option payment was paid in cash and the remaining $500,000 is payable in

October 2002. The option is exercisable by the Company between March and September 2003 for a total purchase price of $6,250,000. If the Company exercises its purchase option, the option payments made by the Company will be applied against the total purchase price.

Through the WestCoast Hotels, Inc. acquisition, the Company began operating a hotel in Bellevue, Washington in January 2000 with an operating lease and purchase option agreement. The lease agreement expires on December 31, 2003. The Company pays monthly lease payments of $27,951 plus "additional rent" as defined in the agreement. Additional rent includes hotel operating and other costs. The purchase option is exercisable from January 1, 2000 through July 1, 2002 at the lessor's option and the Company's mutual consent and from July 2002 through December 2003 solely at the Company's option. The total purchase price of the hotel under option is $12 million.

Assuming the Company exercises its purchase options for the Bellevue hotel in July 2002 and the Yakima hotel in March 2003, total payments due under all of the Company's leases at December 31, 2000 are as follows (in thousands):

YEARS ENDING DECEMBER 31,	
2001	$ 1,816
2002	1,647
2003	1,165
2004	292
2005	292
Thereafter	6,390
	$ 11,602

Total rent expense under the leases for the years ended December 31, 2000, 1999 and 1998 was $1,816,000, $675,000 and $573,000, respectively.

11. RELATED-PARTY TRANSACTIONS

The Company had the following transactions with related parties:

- The Company recorded management fee and other income of approximately $145,000, $109,000 and $177,000 during the years ended December 31, 2000, 1999 and 1998, respectively, for performing management and administrative functions for entities which are owned by key stockholders and management of the Company, but are excluded from the consolidated financial statements.

- The Company received commissions for real estate sales from entities which are owned or partially owned by key stockholders and management of the Company, but are excluded from the consolidated financial statements of $110,000, $114,000 and $42,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

- During 2000, 1999, and 1998, the Company held certain cash and investment accounts in a bank and had notes payable to the same bank. The bank's chairman, chief executive officer and president became a director of the Company in April 1998. At December 31, 2000 and 1999, total cash and investments of approximately $1,202,000 and $1,811,000, respectively, and a note payable totaling approximately $6,412,000 and $6,818,000, respectively, were outstanding with this bank. Total interest income of $41,000, $75,000 and $74,000, respectively, and interest expense of $391,000, $206,000 and $128,000, respectively, was recorded related to this bank during the years ended December 31, 2000, 1999 and 1998.

- At December 31, 2000 and 1999, the Company guaranteed $235,000 of a note which is payable by a limited liability company, in which the Company holds a minority interest.

- At December 31, 1997, the Company had a $1,133,000 payable to an affiliated entity due to common control. The payable bore interest at the prime rate and was paid in full during 1998. During the year ended December 31, 1998, the Company incurred $26,000 of interest expense associated with this note.

12. EMPLOYEE BENEFIT AND STOCK PLANS

1998 STOCK INCENTIVE PLAN
The 1998 Stock Incentive Plan (the Plan) was adopted by the Board of Directors in 1998. The Plan authorizes the grant or issuance of various option or other awards. The Company amended the Plan in 2000 to increase the maximum number of shares which may be awarded under the Plan from 1,200,000 to 1,400,000 shares, subject to adjustment for stock splits, stock dividends and similar events. The Compensation Committee of the Board of Directors administers the Plan and establishes to whom, the type and the terms and conditions, including the exercise period, the awards are granted.

Nonqualified stock options may be granted for any term specified by the Compensation Committee and may be granted at less than fair market value, but not less than par value on the date of grant. Incentive stock options may be granted only to employees and must be granted at an exercise price at least equal to fair market value on the date of grant and have a ten year exercise period. The maximum fair market value of shares which may be issued pursuant to incentive stock options granted under the Plan to any individual in any calendar year may not exceed $100,000. Stock Appreciation Rights (SARs) may also be granted in connection with stock options or other awards. SARs typically will provide for payments to the holder based upon increases in the price of the common stock over the exercise price of the related option or award, but alternatively may be based upon other criteria such as book value. Other awards such as restricted stock awards, dividend equivalent awards, performance awards or deferred stock awards may also be granted under the Plan by the Compensation Committee.

All options granted have been designated as nonqualified options, with an exercise price equal to or in excess of fair market value on the date of grant and for a term of ten years. For substantially all options granted, fifty percent of each recipients' options will vest on the fourth anniversary of the date of grant and the remaining 50% will vest on the fifth anniversary of the date of grant. The vesting schedule will change if, beginning one year after the option grant date, the stock price of the common stock reaches the following target levels (measured as a percentage increase over the exercise price) for 60 consecutive trading days:

STOCK PRICE INCREASE	PERCENT OF OPTION SHARES VESTED
25%	25%
50%	50%
75%	75%
100%	100%

Stock option transactions are summarized as follows:

	NUMBER OF SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	EXERCISE PRICE PER SHARE	EXPIRATION DATE
Balance, December 31, 1997	--	$ --	$ --	--
Options granted	889,919	15.00	15.00	2008
Options forfeited	(54,050)	15.00	15.00	
Balance, December 31, 1998	835,869	15.00	15.00	2008
Options granted	263,915	12.02	7.50-15.00	2009
Options forfeited	(122,035)	14.16	10.94-15.00	

Balance, December 31, 1999	977,749	14.30	7.50-15.00	2008-2009
Options granted	109,395	9.18	8.31-15.00	2010
Options forfeited	(89,319)	14.21	10.94-15.00	
Balance, December 31, 2000	997,825	$ 13.75	$ 7.50-15.00	2008-2010

Remaining options available for grant at December 31, 2000 were 402,175. At December 31, 2000, options totaling 19,000 are exercisable at a weighted average exercise price of $15.00. There were no options exercisable at December 31, 1999 and 1998.

The Company uses the intrinsic value method versus the fair value method of recording compensation expense associated with its stock options. Accordingly, since all options were granted at exercise prices equal to or greater than the fair market value of the common stock on the grant date, no compensation expense has been recognized in the consolidated statement of income. Had compensation cost for the Company's stock option plan been determined based on the fair value at the grant date consistent with the provisions of SFAS 123, the Company's net income and income per share for the years ended December 31, 2000, 1999 and 1998 would have been decreased to the pro forma amounts indicated below (in thousands, except per share amounts):

	2000		1999		1998	
	AS REPORTED	PRO FORMA	AS REPORTED	PRO FORMA	AS REPORTED	PRO FORMA
Income before extraordinary item and cumulative effect of change in accounting principle	$ 5,821	$ 5,005	$ 8,172	$ 7,232	$ 8,054	$ 7,392
Extraordinary item	--	--	(10)	(10)	(546)	(546)
Cumulative effect of change	--	--	(133)	(133)	--	--
Net income	$ 5,821	$ 5,005	$ 8,029	$ 7,089	$ 7,508	$ 6,846
Income per share:						
Before extraordinary item and cumulative effect of change in accounting principle	$ .45	$ .39	$ .64	$ .57	$ .71	$ .65
Extraordinary item	--	--	--	--	(.05)	(.05)
Cumulative effect of change in accounting principle	--	--	(.01)	(.01)	--	--
Net income per share - basic and diluted	$ .45	$ .39	$ .63	$ .56	$ .66	$ .60

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 2000, 1999 and 1998:

	2000	1999	1998
Dividend yield	0%	0%	0%
Expected volatility	33%	33%	33%
Risk free interest rates	5.71%	5.45%	5.55%
Expected option lives	4 years	4 years	4 years

The weighted-average life of options outstanding at December 31, 2000 was 7.46 years. The weighted-average fair value of all options granted during 2000, 1999 and 1998 was $4.12, $4.43 and $7.25 per share, respectively. The weighted-average fair value and exercise price for options granted at market value and for those options granted above market value on the date of grant in 2000, 1999 and 1998 are as follows:

	WEIGHTED-AVERAGE FAIR VALUE			WEIGHTED-AVERAGE EXERCISE PRICE		
	2000	1999	1998	2000	1999	1998
Options granted at market price	$ 4.32	$ 5.61	$ 7.65	$ 8.31	$10.94	$15.00
Options granted above market price	$ 2.76	$ 2.49	$ 3.99	$15.00	$12.98	$15.00

In connection with the Company's initial public offering in 1998, the Company also granted 55,000 restricted shares of common stock to certain members of senior management. Twenty percent of these shares were issued in 1998 and 1999. Twenty percent will be issued in each subsequent year provided such employee is an employee of the Company at that time. Management stock grants in 2000 were canceled and paid in cash. The Company recorded compensation expense of approximately $55,000, $165,000 and $165,000 during the years ended December 31, 2000, 1999 and 1998, respectively, associated with these grants.

EMPLOYEE STOCK PURCHASE PLAN
In 1998, the Company adopted the Employee Stock Purchase Plan to assist employees of the Company in acquiring a stock ownership interest in the Company. A maximum of 300,000 shares of common stock is reserved for issuance under this plan. The Employee Stock Purchase Plan permits eligible employees to purchase common stock at a discount through payroll deductions. No employee may purchase more than $25,000 worth of common stock under this plan in any calendar year. During the years ended December 31, 2000, 1999 and 1998, 26,429, 14,245 and 18,752 shares were purchased under this plan for approximately $175,000, $101,000 and $184,000, respectively.

DEFINED CONTRIBUTION PLAN
The Company and employees contribute to the WestCoast Hospitality Corporation Amended and Restated Retirement and Savings Plan. The defined contribution plan was created for the benefit of substantially all employees of the Company. The Company makes contributions of up to 3% of an employee's compensation based on a vesting schedule and eligibility requirements set forth in the plan document. Company contributions to the plan for the years ended December 31, 2000, 1999 and 1998 were approximately $240,000, $204,000 and $161,000, respectively.

13. ACQUISITIONS

YEAR ENDED DECEMBER 31, 1999
During 1999, the Company made the following acquisitions, all of which have been accounted for using the purchase method of accounting. Accordingly, the results of operations of these entities have been included in the consolidated statements of income since their respective dates of acquisition.

On October 26, 1999, WestCoast acquired substantially all of the assets of The Show Terminal, LLC (d.b.a. Colorado Neighborhood Box Office), headquartered in Colorado Springs, Colorado. Colorado Neighborhood Box Office sells tickets to entertainment events throughout the Colorado Springs area. On November 1, 1999, WestCoast acquired Oregon Ticket Company, Inc. (d.b.a. Fastixx), headquartered in Portland, Oregon. The acquisition increased the number of TicketsWest (TM) outlets from 23 to 116 and expanded the entertainment division's geographic presence into Oregon and Western Washington.

The total purchase price of Colorado Neighborhood Box Office and Fastixx of $3,456,000 was comprised of $2,149,000 cash, the issuance of a $255,000 note payable, and the issuance of 138,884 shares of the Company's common stock which was recorded at its fair value based on quoted market price of $1,052,000. Goodwill related to these acquisitions of approximately $3,282,000 is being amortized over 20 years.

Effective December 31, 1999, the Company acquired all of the outstanding stock of WestCoast Hotels, Inc. This acquisition resulted in the Company acquiring the following property interests and contracts:

- 100% interests in two hotels in the Seattle, Washington area
- Limited or co-general partnership interests and management agreements for three hotels in Seattle, Washington; La Jolla, California and Phoenix, Arizona
- Management contracts for 9 hotel properties
- Franchise agreements for 13 hotel properties

The total purchase price of approximately $45.5 million consisted of $21.4 million cash, issuance of $7 million bonds payable and the assumption of $17.2 million outstanding debt and other liabilities of WestCoast Hotels, Inc. The $7 million bonds payable are convertible into common stock of the Company at $15 per share. The purchase price has been allocated to the estimated fair values of assets acquired and liabilities assumed. Assets acquired consist of working capital accounts, management and franchise contracts of $5.1 million, property and equipment of $11.8 million and partnership interests and purchase option contracts of $10.9 million. The purchase price in excess of the fair value of the net assets acquired has been allocated to brand name and goodwill, which is amortized over 40 years using the straight-line method. Losses on rebranding the hotels to the WestCoast name are included in the statement of income as "conversion expenses."

YEAR ENDED DECEMBER 31, 1998
During 1998, the Company acquired certain property and equipment of hotels in the following locations (dollars in thousands):

MONTH ACQUIRED	LOCATION	NUMBER OF HOTELS	PURCHASE PRICE
January	Spokane, Washington	1	$ 11,500
February	Idaho Falls, Idaho	1	3,800
March	Post Falls, Idaho	1	9,500
April	Hillsboro, Oregon	1	5,500
May	Kalispell, Montana	1	9,600
June	Salt Lake City, Utah	1	31,600
July	Boise, Idaho; Twin Falls, Idaho; Pocatello, Idaho and Helena, Montana	4	30,300
December		1	11,700
			$ 113,500

The Spokane, Washington acquisition was a lease with purchase option. The purchase option was exercised in April 1998. The purchase prices for the hotels were satisfied through a combination of the payment of cash, the assumption of debt and the issuance of OP Units. As part of the total purchase price above, WHLP issued 245,148 OP Units which were valued at approximately $3.7 million.

All of these acquisitions have been accounted for using the purchase method of accounting. Accordingly, the results of operations of these hotels have been included in the consolidated statement of income since their respective dates of acquisition. Total property and equipment acquired was approximately $78.0 million and debt of approximately $8.7 million was assumed in these acquisitions. The excess purchase price of the assets over their historical cost bases has been allocated to property and equipment and is being depreciated over the estimated remaining useful life of the related assets (approximately 15-40 years).

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data and to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value. Potential income tax ramifications related to the realization of unrealized gains and losses that would be incurred in an actual sale or settlement have not been taken into consideration.

The carrying amounts for cash and cash equivalents, accounts receivable, current liabilities and variable rate long-term debt are reasonable estimates of their fair values. The fair values of fixed-rate long-term debt and capital lease obligations are based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for debt or capital lease obligations with similar remaining maturities.

The estimated fair values of financial instruments at December 31, 2000 and 1999 are as follows (in thousands):

	2000		1999	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets:				
Cash and cash equivalents	$ 3,476	$ 3,476	$ 4,357	$ 4,357
Accounts receivable	6,232	6,232	7,548	7,548
Financial liabilities:				
Current liabilities, excluding debt	11,645	11,645	17,935	17,935
Notes payable to bank	106,500	106,500	101,263	101,263
Long-term debt	55,254	55,254	64,961	64,961
Capital lease obligations	1,186	1,186	1,726	1,726

15. BUSINESS SEGMENTS

The Company has four operating segments: (1) Hotels and Restaurants; (2) TicketsWest; (3) Real Estate Division and (4) Franchise, Central Services and Development. The Franchise, Central Services and Development segment represents the franchise and marketing division of the Company which was acquired with the WestCoast Hotels, Inc. purchase. Due to the timing of the WestCoast Hotels, Inc. acquisition, this segment had identifiable assets and capital expenditures at December 31, 1999, but no operations were reported until 2000. Corporate services and other consists primarily of miscellaneous revenues and expenses, cash and cash equivalents, certain receivables and certain property and equipment which are not specifically associated with an operating segment.

TicketsWest has significant inter-segment revenues which are eliminated in the consolidated financial statements. Management reviews and evaluates the operations of TicketsWest including the inter-segment revenues. Therefore, the total revenues, including inter-segment revenues are included in the segment information below. Management reviews and evaluates the operating segments exclusive of interest expense. Therefore, interest expense is not allocated to the segments.

Selected information with respect to the segments is as follows for the years ended December 31, 2000, 1999 and 1998 (in thousands):

	2000	1999	1998
Revenues:			
Hotels and Restaurants	$ 106,540	$ 92,808	$ 75,172
Franchise, Central Services and Development	3,643	--	--
TicketsWest	6,908	7,959	2,280
Less: inter-segment revenues	(1,203)	(778)	(590)
Real Estate Division	9,540	9,649	9,183
Corporate Services and other	378	417	288
	$ 125,806	$ 110,055	$ 86,333
Operating income (loss):			
Hotels and Restaurants	$ 20,299	$ 18,707	$ 16,848
Franchise, Central Services and Development	2,035	--	--
TicketsWest	(407)	388	479
Real Estate Division	3,845	3,852	4,191
Corporate Services and other	(2,224)	(1,912)	(1,208)
	$ 23,548	$ 21,035	$ 20,310
Capital expenditures:			
Hotels and Restaurants	$ 6,623	$ 49,580	$ 118,899
Franchise, Central Services and Development	299	7,428	--
TicketsWest	912	4,766	155
Real Estate Division	310	442	1,056
Corporate Services and other	316	1,064	1,039
	$ 8,460	$ 63,280	$ 121,149
Depreciation and amortization:			
Hotels and Restaurants	$ 7,615	$ 5,951	$ 4,481
Franchise, Central Services and Development	401	--	--
TicketsWest	410	110	46
Real Estate Division	1,317	1,328	1,305
Corporate Services and other	709	543	283
	$ 10,452	$ 7,932	$ 6,115
Identifiable assets:			
Hotels and Restaurants	$ 232,762	$ 234,397	$ 209,539
Franchise, Central Services and Development	32,577	33,573	--
TicketsWest	6,239	4,936	1,628
Real Estate Division	25,216	25,765	26,327
Corporate Services and other	8,040	10,461	7,409
	$ 304,834	$ 309,132	$ 244,903

16. EARNINGS PER SHARE

The following table presents a reconciliation of the numerators and denominators used in the basic and diluted EPS computations for the years ended December 31, 2000, 1999 and 1998 (in thousands, except per share amounts). Also shown is the number of dilutive securities (stock options and convertible notes) that would have been included in the diluted EPS computation if they were not anti-dilutive.

	2000	1999	1998
Numerator:			
Income before extraordinary item and cumulative effect of change in accounting principle	$ 5,821	$ 8,172	$ 8,054
Extraordinary item	--	(10)	(546)
Cumulative effect of change in accounting principle	--	(133)	--
Net income-basic	5,821	8,029	7,508
Income effect of dilutive OP Units	71	208	223
Net income-diluted	$ 5,892	$ 8,237	$ 7,731
Denominator:			
Weighted-average shares outstanding - basic	$ 12,941	$ 12,755	$ 11,347
Effect of dilutive OP Units	296	341	319
Effect of dilutive common stock options and convertible notes	(A)	(A)	(A)
Weighted-average shares outstanding - diluted	$ 13,237	$ 13,096	$ 11,666
Earnings per share - basic and diluted:			
Income per share before extraordinary item and cumulative effect of change in accounting principle	$ .45	$ .64	$ .71
Extraordinary item	--	--	(.05)
Cumulative effect of change in accounting principle	--	(.01)	--
Net income per share - basic and diluted	$ .45	$ .63	$ .66

(A) At December 31, 2000, 1999 and 1998, 997,825, 977,749 and 835,869 stock options are outstanding, respectively. The effects of the shares which would be issued upon the exercise of these options have been excluded from the calculation of diluted earnings per share because they are anti-dilutive.

The effects of the shares which would be issued upon conversion of the convertible notes have been excluded from the calculation of diluted earnings per share because they are anti-dilutive.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

DIRECTORS AND EXECUTIVE OFFICERS

The information required by this item is contained in, and incorporated by reference from, the Proxy Statement for the Company's 2001 Annual Meeting of Shareholders under the caption "Directors and Officers of the Registrant."

COMPENSATION OF DIRECTORS

The information required by this item is contained in, and incorporated by reference from, the Proxy Statement for the Company's 2001 Annual Meeting of Shareholders under the caption "Compensation of Directors."

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is contained in, and incorporated by reference from, the Proxy Statement for the Company's 2001 Annual Meeting of Shareholders under the caption "Executive Compensation."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is contained in, and incorporated by reference from, the Proxy Statement for the Company's 2001 Annual Meeting of Shareholders under the caption "Security Ownership of Certain Beneficial Owners and Management."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is contained, and incorporated by reference from, the Proxy Statement for the Company's 2001 Annual Meeting of Shareholders under the caption "Certain Relationships and Related Transactions."

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

A. LIST OF DOCUMENTS FILED AS PART OF THIS REPORT.

1. Index to financial statements:

    a. WestCoast Hospitality Corporation - Consolidated Balance Sheets
    b. WestCoast Hospitality Corporation - Consolidated Statements of Income
    c. WestCoast Hospitality Corporation - Consolidated Statements of Changes in Stockholders' and Partners' Equity
    d. WestCoast Hospitality Corporation - Consolidated Statements of Cash Flows
    e. WestCoast Hospitality Corporation - Notes to Consolidated Financial Statements

2. Index to financial statement schedules:

    All schedules for which provisions are made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable or the information is contained in the Financial Statements and therefore has been omitted.

3. Index to exhibits:

EXHIBIT NO.	DESCRIPTION
3.1(1)	Amended and Restated Articles of Incorporation of the Company
3.2(1)	Amended and Restated By-Laws of the Company
4.1(1)	Specimen Common Stock Certificate
EXECUTIVE COMPENSATION PLANS AND AGREEMENTS	
10.1(3)	Employment Agreement between the Company and Arthur M. Coffey
10.2(3)	Employment Agreement between the Company and Richard L. Barbieri
10.3(3)	Employment Agreement between the Company and David M. Bell
10.4(3)	Employment Agreement between the Company and Thomas M. Barbieri
10.5(1)	Employee Stock Purchase Plan of Cavanaughs Hospitality Corporation
10.6(1)	1998 Stock Incentive Plan of Cavanaughs Hospitality Corporation
10.7(1)	Form of Stock Option Award Agreement
10.8(1)	Form of Restricted Stock Award Agreement
OTHER MATERIAL CONTRACTS	
10.10(1)	Amended and Restated Agreement of Limited Partnership of Cavanaughs Hospitality Limited Partnership
10.11(1)	Gateway Property Lease Agreement
10.12(1)	Gateway Property Option Agreement
10.13(1)	Ridpath Property Lease Agreement
10.14(4)	Form of Indemnification Agreement
10.15(2)	Purchase and Sale Agreement re: WC Holdings, Inc.
10.16(2)	Membership Interest Purchase Agreement re: October Hotel Investors, LLC
10.17(2)	First Amendment to Membership Interest Purchase Agreement re: October Hotel Investors, LLC
10.18(5)	Amended and Restated Revolving Credit Facility
21(3)	List of Subsidiaries of the Company
23.1	Consent of PricewaterhouseCoopers LLP

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(1) Previously filed with the Securities and Exchange Commission as an exhibit to the Company's Form S-1, dated January 20, 1998.

(2) Previously filed with the Securities and Exchange Commission as an exhibit to the Company's Form 8-K, dated January 4, 2000.

(3) Previously filed with the Securities and Exchange Commission as an exhibit to the Company's Form S-1/A, dated March 10, 1998.

(4) Previously filed with the Securities and Exchange Commission as an exhibit to the Company's Form S-1/A, dated March 27, 1998.

(5) Previously filed with the Securities and Exchange Commission as an exhibit to the Company's Form 10-K, dated March 30, 2000

SIGNATURES

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

WESTCOAST HOSPITALITY CORPORATION

REGISTRANT

BY: /S/ DONALD K. BARBIERI

DONALD K. BARBIERI
CHAIRMAN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

MARCH 30, 2001

DATE

BY: /S/ ARTHUR M. COFFEY

ARTHUR M. COFFEY
EXECUTIVE VICE PRESIDENT,
CHIEF FINANCIAL OFFICER AND DIRECTOR

MARCH 30, 2001

DATE

BY: /S/ THOMAS M. BARBIERI

THOMAS M. BARBIERI
EXECUTIVE VICE PRESIDENT HOTEL
OPERATIONS AND DIRECTOR

MARCH 30, 2001

DATE

BY: /S/ RICHARD L. BARBIERI

RICHARD L. BARBIERI
SENIOR VICE PRESIDENT,
GENERAL COUNSEL AND DIRECTOR

MARCH 30, 2001

DATE

BY: /S/ DAVID M. BELL

DAVID M. BELL
EXECUTIVE VICE PRESIDENT DEVELOPMENT

MARCH 30, 2001

DATE

BY: /S/ PETER F. STANTON

PETER F. STANTON
DIRECTOR

MARCH 30, 2001

DATE

BY: /S/ RONALD R. TAYLOR

RONALD R. TAYLOR
DIRECTOR

MARCH 30, 2001

DATE

BY: /S/ ROBERT G. TEMPLIN

ROBERT G. TEMPLIN
DIRECTOR

MARCH 30, 2001

DATE

BY: /S/ STEPHEN R. BLANK

STEPHEN R. BLANK
DIRECTOR

MARCH 30, 2001

DATE

BY: /S/ RODNEY D. OLSON

RODNEY D. OLSON
DIRECTOR

MARCH 30, 2001

DATE

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (File No. 333-30378) and Form S-8 (File No. 333-60791) of WestCoast Hospitality Corporation and subsidiaries of our report dated February 1, 2001 relating to the financial statements, which appears in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

Spokane, Washington
March 28, 2001