

Term Sheet: Pharos Hospitality LLC.: General Partner and Asset Manager
Investor Return IRR Target (%): 35%

Description	
Asset Class	Branded hotels
Class Type	Upscale and upper upscale
Fund Type	Opportunistic, value-added
Geographic Focus	U.S., east of the Rockies, excluding urban cores: Boston, NYC, DC, Chicago, Philadelphia
Pharos Hotel Fund I	
Size	\$300 million
Target	\$120 million
Initial Closing	\$35 million
Management Terms (Fee)	
Investment Period (%)	Employment
Thereafter (%)	Employment
Pharos Hospitality Capital Raise	
Size	\$1.8 million
Return Water Fall	
Hurdle (%)	9 and cumulative
Catch-up Provision	Yes
Split After Management Return of Investment Plus Coupon	Member: 80%; Founder & Management: 20%
Minimum Member (Investor Commitments)	
Institutions	\$600,000
Accredited investors	\$60,000
Other	
LP Capital Call Over Commitment	None
LP Guaranty	None
Capital Formation Costs (%) Approx	\$125,000
Fund Manager Investment	\$4.0 million
Hotel Management Company (%)	None
Terms	
Investment Period	3 years
Fund Life	7 years
Extensions	Two 1-year periods