

Term Sheet: Pharos Hotel Fund I LP Return IRR Target (%): 25%

Description

Operating Purpose	General Partner for Pharos Hotel Fund I, performing all investment sourcing, hotel operations and fund management
Asset Class	Branded hotels
Class Type	Upscale and upper upscale
Strategy	Development, brand compliance, repositioning and adaptive reuse
Fund Type	Opportunistic, value-added
Geographic Focus	U.S., east of the Rockies, excluding urban cores: Boston, NYC, DC, Chicago, Philadelphia

Fund

Size	\$300 million
Target	\$120 million
Initial Closing	\$35 million

Management Terms (Fee)

Investment Period (%)	2.00 of commitments
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Carry

Percentage (%)	20
Hurdle (%)	9 and compounded
Catch-up Provision	Yes

Minimum Investor Commitment

Institutions	\$1,000,000
Accredited Investors	\$500,000

Other

LP Capital Call Over Commitment	None
LP Guaranty	None
Fund Formation Costs (%)	0.80
Capital Formation Costs (%)	0
Transactions Fee Rebate (%)	0
Fund Manager Commitments (%)	3.00 cash
Hotel Management Company (%)	None
Fund Manager Development Fee (% total costs)	3.75
Fund Manager Renovation, Reposition and Adaptive Reuse Compensation (% total cost)	2.75

Term

Investment Period	3 years
Fund Life	7 years
Extensions	Two 1-year periods