



Capital Advisors
Real Estate Financial Services

Capital Advisors, Inc.
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November 22, 2013

Via Email

Mr. Buddy Watson
Chief Executive Officer
Pharos Hospitality
320 S. Tryon Street, Ste. 202
Charlotte, NC 28202

Re: Hotel Financing for Pharos Hotels

Dear Buddy,

Please accept this letter as a high level outline of the hotel financing for your projects as we see it today.

After reviewing each project, we are extremely impressed with the high institutional quality of all the properties you have in various stages of your pre-development process.

Pharos Hospitality, LLC would be a construction and mini-perm loan borrower for a single hotel asset entity secured by a bank at 50% loan to cost, as we have discussed. We are highly confident that such a loan package for each hotel could be secured in today's market by any number of institutions.

As background for those associated with each project, our company has a track record with the principals of Pharos Hospitality, LLC dating back 15 years or so. We know your group to be well respected in the hospitality industry and to be considered a best in class hotelier. We have every confidence in their ability to perform here.

If you have any questions after reviewing this information, please do not hesitate to contact me. Thank you again for giving us the opportunity to work with you and your team on all Pharos' projects.

Respectfully submitted,
Capital Advisors, Inc.

Shippen W. Browne
Executive Vice President