PHAROS HOSPITALITY

pharoshospitality.com

Project Costs Assessed and Known Prior to Funding Draw-downs

Idea

1. **Project Identification**
   - Start compiling market information
   - Determine best hotel type
   - Explore mixed-use options

2. **Property Contract or Control**

3. **Concept Development**
   - Develop schematics
   - Develop initial pro-forma
   - Select hotel brand

4. **Market and Investment Feasibility**
   - Commission 3rd-party study
   - Determine market penetraion and rates
   - Evaluate business, group and leisure travel trends
   - Submit franchise application
   - Review hotel facilities program: # of rooms, food and beverage, meeting and public space

5. **Construction Loan Commitment**

6. **Design/Development Plans**
   - Finalize investment proforma and structure

7. **Contracts Final**
   - Finalize construction contract
   - Finalize architectural contract

8. **Present to Fund**
   - Complete working construction documents
   - Verify costs
   - Verify pro-forma
   - Verify investment

9. **Prepare Closing Documents**
   - Engage attorneys

$ **Investor Funding**
   - Construction begins
   - Pharos begins monthly coupon payments