

Pharos Hotel Fund I: 8 Hotels Proforma Investment Analysis ('000s)								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Debt	\$ 87,231	\$ 41,550	\$ 15,400	\$ -	\$ -	\$ -	\$ -	\$ 144,181
Equity	63,893	41,550	15,400	-	-	-	-	120,843
<b>Total capital</b>	<b>\$ 151,124</b>	<b>\$ 83,100</b>	<b>\$ 30,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 265,024</b>
Unlevered property cash flow	(405)	14,729	26,564	32,039	33,415	34,756	35,699	176,797
Levered property cash flow	(3,074)	9,646	16,406	21,881	23,257	24,598	25,541	118,255
Asset management fee 2%	(1,278)	(2,109)	(2,417)	(2,417)	(2,417)	(2,417)	(2,417)	(15,471)
Fund annual expenses	(250)	(150)	(150)	(150)	(150)	(150)	(150)	(1,150)
Sale (exit) net proceeds	-	-	-	-	-	-	284,782	284,782
Unlevered fund cash flow	\$ (153,056)	\$ (70,630)	\$ (6,803)	\$ 29,472	\$ 30,848	\$ 32,189	\$ 317,915	\$ 179,935
Levered fund cash flow	\$ (68,495)	\$ (34,163)	\$ (1,561)	\$ 19,314	\$ 20,691	\$ 22,031	\$ 307,757	\$ 265,574

Pharos Hotel Fund I	
Key Performance Metrics	
Unlevered IRR	11.8%
Levered IRR	27.3%
Investment multiple	3.0x
DSCR (Year 4)	3.2x
Cash on cash yield (Year 4)	17.1%
Key Statistics (Year 4)	
Hotels	8
Rooms	1,498
Cost/room	\$176,918
Exit price/room	\$190,108
ADR	\$164
Occupancy	70%
RevPAR	\$115
Key Exit Assumptions (Year 7)	
Cap rate	7.50%
ADR	\$172
Occupancy	72%
3rd-party mgmt fee	3.00%
Sales costs	3.00%
FFE	3.00%
RevPAR	\$124
LP Investor Return*	
Equity invested	\$ 117,893
Returns after equity	\$ 223,683
<b>LP levered IRR</b>	<b>25.1%</b>
Investment multiple	2.9x

\*dollars in millions