

Pharos Hotel Fund I: 8 Hotels Proforma P&L Summary ('000s)							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Number of hotels	-	4	7	8	8	8	8
Guest rooms online	208	1,098	1,298	1,498	1,498	1,498	1,498
ADR (Wtd. Avg.)	n/a	\$150	\$158	\$164	\$169	\$173	\$176
Occupancy	n/a	52%	69%	70%	71%	72%	72%
RevPAR	n/a	\$78	\$109	\$115	\$120	\$124	\$126
Room revenue	\$ 7,789	\$ 31,096	\$ 51,891	\$ 62,750	\$ 65,508	\$ 67,636	\$ 69,221
Other hotel income	2,337	10,653	22,562	25,795	26,840	27,663	28,278
<b>Total revenue</b>	<b>\$ 10,126</b>	<b>\$ 41,749</b>	<b>\$ 74,454</b>	<b>\$ 88,545</b>	<b>\$ 92,347</b>	<b>\$ 95,300</b>	<b>\$ 97,498</b>
Room expenses	1,714	6,841	11,416	13,805	14,412	14,880	15,229
Other hotel expenses	4,635	18,927	34,240	40,045	41,750	42,804	43,646
<b>Total expenses</b>	<b>\$ 6,348</b>	<b>\$ 25,768</b>	<b>\$ 45,656</b>	<b>\$ 53,850</b>	<b>\$ 56,161</b>	<b>\$ 57,684</b>	<b>\$ 58,874</b>
<b>NOI</b>	<b>\$ 3,778</b>	<b>\$ 15,981</b>	<b>\$ 28,797</b>	<b>\$ 34,695</b>	<b>\$ 36,186</b>	<b>\$ 37,615</b>	<b>\$ 38,624</b>
% of revenue		38%	39%	39%	39%	39%	40%
FF&E reserve (3.00%)	405	1,252	2,234	2,656	2,770	2,859	2,925
Unlevered net cash flow	\$ 3,373	\$ 14,729	\$ 26,564	\$ 32,039	\$ 33,415	\$ 34,756	\$ 35,699
Debt service	2,669	5,083	10,158	10,158	10,158	10,158	10,158
Levered net cash flow	\$ 704	\$ 9,646	\$ 16,406	\$ 21,881	\$ 23,257	\$ 24,598	\$ 25,541
% of revenue		23%	22%	25%	25%	26%	26%
Debt service coverage ratio	n/a	2.90x	2.62x	3.15x	3.29x	3.42x	3.51x

Pharos Hotel Fund I: 2 Hotels			
Exit Calculations			
	Hotel 1 (Midtown)	Hotel 2 (Langtree)	Total
Rooms	170	220	390
Exit year	7	7	7
Exit NCF year 7*	\$3,639,678	\$5,839,335	\$9,479,013
Exit cap	7.50%	8.00%	8.04%
Sales cost	3.00%	3.00%	3.00%
Net proceeds	\$47,073,171	\$70,801,935	\$117,875,106
Exit val./key	\$276,901	\$321,827	\$302,244
Net Cash Calculations			
Net proceeds	\$47,073,171	\$70,801,935	\$117,875,106
Debt pay-off	(13,362,146)	(17,012,996)	(30,375,142)
Net cash	\$33,711,025	\$53,788,939	\$87,499,964

\*Exit NCF: After 3% management fee and 3% reserve