

EVEN HOTEL ALPHARETTA, GEORGIA

REPORT THROUGH: November 30th, 2019

Dear Partners:

Please see below progress report for the most relevant aspects of the EVEN Hotel Alpharetta as of November 30th, 2019.

■ CONSTRUCTION PROGRESS

We are glad to confirm that the EVEN Hotel Alpharetta is officially set to open its doors to the public on Friday December 27th.

The opening, as is usual in development projects, will take place under a TCO (Temporary Certificate of Occupancy) pending construction punchout work that will be made prior to obtaining CO which we expect to have around three months from TCO.

■ PROJECT BUDGET

The final cost of the project is still pending the administrative closing as well as some undergoing negotiations with general contractor. However, we can predict with certainty that the estimated cost will end on the range of \$25.3MM to \$25.5MM max., which represents a 5% increase from the original total development budget:

Total Cost Parameters on a per/key basis

| | |
|---|----------------|
| Total Development Cost | \$191,206 /key |
| Total Development Cost W/O Financing | \$173,551 /key |
| Total Development Cost W/O Financing & W/O Land | \$157,094 /key |

Please follow the link below and refer to the financial report for more details.

■ SOURCES AND USES

Please see below a summary of sources and uses of the project:

SOURCES

| | |
|---|---------------------|
| Construction Loan | 14,600,000 |
| IHG Preferred Equity* | 3,600,000 |
| Common Equity - Class "B" Members | 3,250,000 |
| Class A members and Portfolio Loan - Unsecured Private Debt at 8% | 4,115,000 |
| Additional Unsecured Private Debt to be secured | <u>332,936</u> |
| TOTAL | \$25,897,936 |

USES

| | |
|--|---------------------|
| Final Project Cost** | 25,239,184 |
| Const. Loan & Unsecured Debt Interest Reserve until May 2020 | <u>655,352</u> |
| TOTAL | \$25,894,536 |

* Including Key Money

**Subject to final reconciliations and change orders negotiations with GC

■ **BUDGET PROJECTION**

On this report Exhibits (see link below) you will find the first round of the hotel's cash flow projections presented by IHG. This is a work in progress and will be updated as the conversation advances.

■ **PICTURES**

Latest advance pictures have been added to our drive. Please follow link.

PLEASE BE ADVISED THAT ALL OUR REPORTS ARE LOCATED IN OUR GOOGLE DRIVE WITH ALL THE EXHIBITS FOR YOUR REVIEW USING THE LINK BELOW:

https://drive.google.com/drive/folders/1SPwZHsrJRyMD-_DGKjyMlalMf3wkmicA?usp=sharing

As always, should you have any questions or concerns,
please do not hesitate to contact me.
Stay updated with our projects and brand by visiting our website at

<http://www.epelboim.com>

or following our social media channels



Please send any inquires to: investors_relations@epelboim.com

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