

CONSENT AND SECOND SUPPLEMENT

DATED MARCH 5, 2018

TO

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

OF

ALPHARETTA HOLDINGS LLC

This Consent and Second Supplement (“**Supplement**”) supplements and amends the Confidential Private Placement Memorandum dated October 31, 2017 (as amended and/or supplemented, the “**Offering Memorandum**”) in connection with the Offering (as defined below) of Alpharetta Holdings LLC, a Florida limited liability company (the “**Company**”).

This Supplement should be read in conjunction with the Offering Memorandum, which has been delivered to you prior to or simultaneously with this Supplement. This Supplement is qualified by reference to the Offering Memorandum, except to the extent that the information in this Supplement is intended to update and/or supersede the information contained in the Offering Memorandum. Terms defined in the Supplement have the same meaning as in the Offering Memorandum, unless the context provides otherwise.

Class B ROI

The Offering Memorandum describes the Class B ROI as being calculated based on an “annual” rate of return rather than on an “annualized” rate of return. As such, the Manager has determined that it is necessary and desirable to modify the definition of Class B ROI by substituting the term “annual” with “annualized” (that is, the total return on investment received during the term of the investment, including any Class B Preferred Return, divided by the term of the investment).

Class B Participating Members

The Manager has determined that it is in the best interest of the Company to modify the Operating Agreement of the Company (the “**Operating Agreement**”) to create a special category of Class B Members for those investors (including a group of family members) wishing to fully participate in the “back-end” (and thus not be capped by the Class B ROI limitation) upon investing at least One Million Dollars (\$1,000,000) worth of Class B Units (each a “**Class B Participating Member**”). Other than their right to participate fully in back-end distributions, Class B Participating Members will have the same rights, preferences and obligations of any current Class B Member (each a “**Class B Non-Participating Member**”).

In light of the rights to proposed to be granted Class B Participating Members, Section 7.3(a)(iii) of the Operating Agreement must be modified to clarify that distributions of Net Cash Flow¹ to Class B Members will be made in proportion to their Class B Percentage Interests.² As such, Section 7.3(a)(iii) of the Operating Agreement must be replaced in its entirety to read as follows:

- (iii) *Third*, the remaining balance, pro rata, as follows: (a) 75% to the Class B Members in proportion to their Class B Percentage Interests; (b) 10% to the Class C Member; and (c) 15% to the Class D Member.

Additionally, Section 7.3(b) of the Operating Agreement, must be modified to provide for the new “back-end” distribution mechanism for the benefit of Class B Non-Participating Members, as follows:

- (vi) *Sixth*, the remaining balance, pro rata, as follows:
 - (A) 75% to the Class B Members in proportion to their Class B Percentage Interests, as follows: (1) to the Class B Non-Participating Members until each such Class B Non-Participating Member has received an amount up to the Class B ROI (with any amounts available for distribution to Class B Non-Participating Members that exceed the Class B ROI being hereinafter referred to as the “**Remaining Capital Transaction Proceeds**”); and (2) to the Class B Participating Members; and
 - (B) 25% as follows: (1) 40% to the Class C Member; and (2) 60% to the Class D Member; and
- (vii) *Seventh*, the Remaining Capital Transaction Proceeds, if any, as follows: (a) 40% to the Class C Member; and (b) 60% to the Class D Member.

The following example illustrates how distributions would be made to Class B Members following a Capital Transaction:

If the Company has two (2) Class B Non-Participating Members that each contributed \$500,000 and one (1) Class B Participating Member that contributed \$1,000,000, Net Proceeds From Capital Transaction would be distributed to Class B Members based on the following Class B Percentage Interests:³

Class B Non-Participating Member #1: 25%
Class B Non-Participating Member #2: 25%
Class B Participating Member: 50%

¹ As defined in the Operating Agreement.

² The term “Class B Percentage Interests” shall mean, with respect to any Class B Member, a fraction, expressed as a percentage, (a) the numerator of which is the total number of Class B Units held by such Class B Member and (b) the denominator of which is the total number of Class B Units owned by all Class B Members.

³ The following percentage interests assume the Company has no other Class A Members or Class B Members and that Class C Members and Class D Members own 25% of the Company’s membership interests.

Based on these Class B Percentage Interests, if the Company has \$3,000,000 available for distribution to Class B Members following a Capital Transaction (after accounting for 25% of the Capital Transaction proceeds being distributed to the Class C Member and Class D Member), such Capital Transaction proceeds would be distributed amongst the Class B Members as follows:⁴

- An amount equal to \$461,538 to Class B Non-Participating Member #1 ($25\% \times \$3,000,000 \times 16/26$), with the remaining balance of \$288,462 deemed Remaining Capital Transaction Proceeds that will be distributed 40% to Class C Member and 60% to the Class D Member.
- An amount equal to \$461,538 to Class B Non-Participating Member #2 ($25\% \times \$3,000,000 \times 16/26$), with the remaining balance of \$288,462 deemed Remaining Capital Transaction Proceeds that will be distributed 40% to Class C Member and 60% to the Class D Member.
- An amount equal to \$1,500,000 to the Class B Participating Member ($50\% \times \$3,000,000$).

Additional Indebtedness

For the avoidance of doubt, in accordance with the Operating Agreement the Company may, in the Manager's sole discretion, incur indebtedness to meet its obligations under the Operating Agreement.

Updated Budget and Sources and Uses

In addition to the information contained in this Supplement, the Manager has also determined it is in the Company's best interests to provide investors with the Project's updated development budget and sources and uses of funds, copies of which are attached hereto as **Exhibit A**.

Extended Offering Period

The Memorandum provides that the Offering would remain open until January 31, 2018 (the "Offering Period"), provided, that the Manager reserves the right to extend the Offering Period up to six (6) months. The Manager determined to extend the Offering Period to July 31, 2018, which date may be further extended by the Manager in its sole and absolute discretion ("Extended Offering Period").

* * * *

Except as amended hereby, no other term, condition or provision of the Offering Memorandum shall be deemed modified or amended.

⁴ This example assumes that equity holders would receive an annualized return on investment equal to 26%. Based on the Class B ROI, Class B Non-Participating Members' annualized return on investment would be capped at 16%. As such, this example accounts for the Class B ROI by multiplying the Class B Non-Participating Members' applicable return on investment by 16/26.

In reviewing this Supplement, you should also keep in mind the risk factors and other cautionary statements contained in the Offering Memorandum.

Any questions concerning this Supplement or the Offering Memorandum should be directed to: Noel Epelboim or Luigi Blasi, 20200 West Dixie Highway, Suite # 908, Miami, Florida 33180; Telephone Number: (305) 677-5147; Facsimile: (305) 742-0752; Email: noel@epelboim.com or luigi@epelboim.com.

If you consent to and agree with the information contained in this Supplement, please indicate your acceptance of the terms hereof by returning an executed counterpart to the Manager at the address set forth above. By signing where indicated below, each investor acknowledges and agrees that the provisions of the Operating Agreement shall be deemed and hereby are modified as set forth above and further authorizes and directs the Manager to issue a conformed Amended and Restated Operating Agreement containing such modifications.

CONSENTED TO AND AGREED:

Name: _____

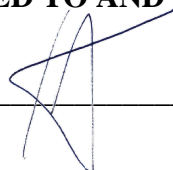
A handwritten signature in blue ink, consisting of a stylized 'A' or 'L' shape, is written over a horizontal line.

Exhibit A

Updated Sources and Uses

[See attached.]

EVEN Hotel Alpharetta

DEVELOPMENT BUDGET as of March 2018

| | Number of Rooms | 131 | | 131 | |
|--|--------------------------------|---------------------|------------------------|------------------------|--------------------|
| | HOTEL Building Size | 77,000 | sf | 77,000 | sf |
| | Land Size | 2.41 | acres | 2.41 | acres |
| DETAIL | BUDGET | | | Budget | Differential |
| | EDG Hospitality Alpharetta LLC | | | EDG Alpharetta EH, LLC | |
| LAND COST | | | | | |
| PURCHASING PRICE | | 1,993,416 | | 1,993,416 | 0 |
| ESTIMATED CLOSING COSTS | | 35,000 | | 35,000 | 0 |
| ENTITLEMENTS (IHG) | | 179,000 | | 179,000 | 0 |
| LAND COST | | \$2,207,416 | \$16,851 / Key | \$2,207,416 | \$0 |
| HARD COSTS | | | | | |
| CONSTRUCTION COSTS - HOTEL BUILDING | 140. \$/sf | 10,780,000 | \$82,290 / Key | 10,780,000 | 0 |
| IT | | 524,000 | \$ 4,000 / Key | 524,000 | 0 |
| SITE PREPARATION | | 1,260,000 | \$9,618 / Key | 1,260,000 | 0 |
| FF&E / OS&E | | 2,161,500 | \$ 16,500 / Key | 2,161,500 | 0 |
| CONTINGENCIES | | 720,000 | \$5,496 / Key | 720,000 | 0 |
| TOTAL HARD COSTS | | \$15,445,500 | \$117,905 / Key | \$15,445,500 | \$0 |
| SOFT COSTS | | | | | |
| IMPACT FEES, UTILITY FEES, & BUILDING PERMIT FEES | | 220,000 | \$1,679 / Key | 220,000 | 0 |
| CONSTRUCTION DOCS, INTERIOR DESIGN & CONST. ADMIN | 7.53 \$/sf | 580,000 | \$4,427 / Key | 580,000 | 0 |
| CIVIL ENGINEER | | 95,000 | \$725 / Key | 95,000 | 0 |
| DUE DILIGENCE | | 122,000 | \$931 / Key | 0 | 122,000 |
| MISCELLANEOUS HOTEL CONSULTANTS | | 0 | \$00 / Key | 0 | 0 |
| GEOTECHNICAL, ENVIRONMENTAL & MAT. TESTING | | 50,000 | \$382 / Key | 50,000 | 0 |
| SURVEY | | 25,000 | \$191 / Key | 25,000 | 0 |
| REAL ESTATE TAXES | | 80,000 | \$611 / Key | 80,000 | 0 |
| INSURANCE | | 85,000 | \$649 / Key | 85,000 | 0 |
| ACCOUNTING AND LEGAL | | 247,000 | \$1885 / Key | 247,000 | 0 |
| APPRAISAL & MARKET REPORT | | 30,000 | \$229 / Key | 30,000 | 0 |
| LICENSES, PERMITS MISCELLANEOUS | | 20,000 | \$153 / Key | 20,000 | 0 |
| WORKING CAPITAL | | 150,000 | \$1,145 / Key | 150,000 | 0 |
| FRANCHISEE PRE-OPENING | | 650,000 | \$4,962 / Key | 650,000 | 0 |
| OFFERING EXPENSES | | 595,000 | \$4542 / Key | 40,000 | 555,000 |
| PROJECT MANAGEMENT & OWNER'S REP | | 450,000 | \$3,435 / Key | 170,000 | 280,000 |
| CONTINGENCIES | | 90,000 | \$687 / Key | 90,000 | 0 |
| TOTAL SOFT COSTS | | \$3,489,000 | \$26,634 / Key | \$2,532,000 | \$957,000 |
| DEVELOPMENT FEES | | \$838,980 | \$6,404 / Key | \$760,000 | \$78,980 |
| FINANCING COSTS (CONSTRUCTION LOAN) | | | | | |
| ORIGINATION FEE | | 292,000 | \$2,229 / Key | 292,000 | 0 |
| BROKERAGE FEE | | 146,000 | \$1,115 / Key | 146,000 | 0 |
| CLOSING COSTS | | 225,000 | | 225,000 | 0 |
| INTEREST RESERVE BRIDGE LOAN | | 0 | \$0,000 / Key | 0 | 0 |
| INTEREST RESERVE PREFERRED EQUITY | | 560,000 | | | |
| INTEREST RESERVE CONSTRUCTION LOAN (during Construction) | | \$996,450 | \$7,606 / Key | \$996,450 | \$0 |
| TOTAL FINANCING COSTS | | \$2,219,450 | \$16,942 / Key | \$1,659,450 | \$560,000 |
| TOTAL | | \$24,200,346 | | \$22,604,366 | \$1,595,980 |
| Cost per key | | | \$184,735 / Key | | |
| TOTAL (excluding land) | | \$21,992,930 | | | |
| Cost per key | | | \$167,885 / Key | | |
| CAPITAL STACK | | | | | |
| Construction Loan | | \$14,600,000 | 60% | \$14,600,000 | 0 |
| IHG Preferred Equity | | \$2,600,000 | 11% | \$2,600,000 | 0 |
| Preferred Equity (and Portfolio Loan) * | 60.0% | \$4,200,000 | 17% | | |
| Common Equity | 40.0% | \$2,800,000 | 12% | \$5,404,366 | 1,595,634 |
| | | \$7,000,000 | | | |

* This is under the assumption that the final capital mix is 60% Preferred Equity or Portfolio Loan and 40% Clas B Members

EVEN Hotel Alpharetta

DEBT SCHEDULE

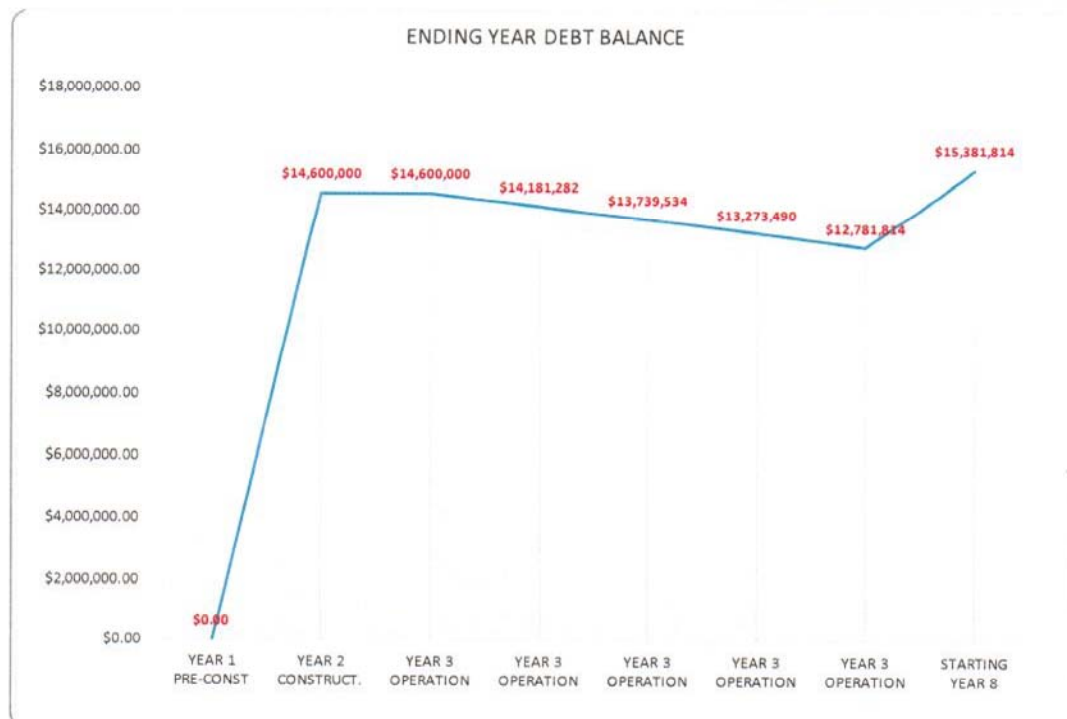
| CONSTRUCTION LOAN | | Pre-Const | Construction | YEAR 1 Operation |
|-------------------|--------------|-----------|--------------|---------------------|
| Principal | \$14,600,000 | | | |
| INTEREST RATE | 9.25% | | | |
| Initial balance | | \$0 | \$0 | \$14,600,000 |
| Ending Balance | | \$0 | \$14,600,000 | \$14,600,000 |
| Interest Expense | | \$0 | 860,944 | 1,350,500 |

| MINI PERM LOAN | YEAR 2 Operation | YEAR 3 Operation | YEAR 4 Operation | YEAR 5 Operation |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| Principal | \$14,600,000 | | | |
| Interest | 5.50% | | | |
| Origination Fee | 1% | | | |
| 2nd. Year Forecasted Value | \$23,020,687 | | | |
| LTV | 63% | | | |
| Amount to Refinance | \$14,600,000 | | | |
| Amortization | 20 | | | |
| Period | | | | |
| Beginning Ppal. Balance | Operation | Operation | Operation | Operation |
| Interest Expense | \$14,600,000 | \$14,181,282 | \$13,739,534 | \$13,273,490 |
| Principal Amortization | \$803,000 | \$779,970 | \$755,674 | \$730,042 |
| Total Debt Service | \$418,718 | \$441,748 | \$466,044 | \$491,676 |
| Ending Ppal. Balance | \$1,221,718 | \$1,221,718 | \$1,221,718 | \$1,221,718 |
| | \$14,181,282 | \$13,739,534 | \$13,273,490 | \$12,781,814 |

REFINANCING OPTION AT YEAR 6 (LONG TERM)

| | |
|-------------------|--------------|
| Forecasted value | \$27,096,226 |
| LTV: | 57% |
| Total Loan Amount | \$15,381,814 |
| Amortization | 25 years |

| | |
|-----------------------------------|----------------|
| New Loan Amount (long term) | \$15,381,814 |
| Minus Principal Balance on Senior | (\$12,781,814) |
| Minus IHG Component | (\$2,600,000) |
| Loan Balance | \$0 |



EVEN Hotel Alpharetta HOTEL PROJECTIONS

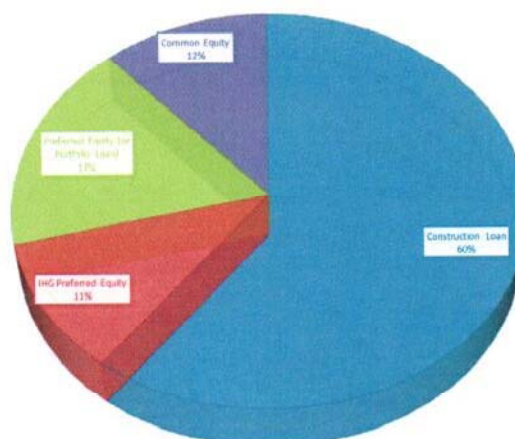
| Summary P&L Year Beginning | Year 1 1-Jul-19 | Year 2 1-Jul-20 | Year 3 1-Jul-21 | Year 4 1-Jul-22 | Year 5 1-Jul-23 | Year 6 1-Jul-24 | Year 7 1-Jul-25 | Year 8 1-Jul-26 | Year 9 1-Jul-27 | Year 10 1-Jul-28 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Hotel Room Count | 366 | 365 | 365 | 365 | 366 | 365 | 365 | 365 | 366 | 365 |
| Condo Room Count | 131 | 131 | 131 | 131 | 131 | 131 | 131 | 131 | 131 | 131 |
| Available Rooms | 47,946 | 47,815 | 47,815 | 47,815 | 47,846 | 47,815 | 47,815 | 47,815 | 47,846 | 47,815 |
| Occupied Rooms | 28,600 | 32,036 | 34,427 | 34,427 | 34,427 | 34,427 | 34,427 | 34,427 | 34,427 | 34,427 |
| Occupancy Rate (AOP) | 60.0% | 67.0% | 72.0% | 72.0% | 72.0% | 72.0% | 72.0% | 72.0% | 72.0% | 72.0% |
| Average Daily Rate (ADR) | 154.00 | 163.24 | 169.77 | 173.25 | 176.80 | 180.43 | 184.12 | 187.00 | 191.75 | 195.68 |
| Change from Previous Year | - | 6.0% | 4.0% | 2.0% | 2.1% | 2.1% | 2.1% | 2.0% | 2.1% | 2.1% |
| RevPAR | 92.40 | 109.37 | 122.23 | 124.74 | 127.30 | 129.31 | 132.57 | 135.29 | 138.06 | 140.89 |
| Change from Previous Year | - | 18.4% | 11.8% | 2.0% | 2.1% | 2.1% | 2.1% | 2.0% | 2.1% | 2.1% |
| Revenue | | | | | | | | | | |
| Rooms | 4,430,210 | 5,229,565 | 5,844,624 | 5,964,439 | 6,103,386 | 6,211,487 | 6,338,823 | 6,468,769 | 6,619,464 | 6,736,707 |
| Condominium-Hotel Rental | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Food & Beverage | 402,867 | 457,859 | 502,114 | 512,407 | 524,344 | 533,631 | 544,571 | 555,734 | 566,681 | 578,753 |
| Bar/Lounge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Spa/Pool | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Telephone | 1,550 | 1,761 | 1,931 | 1,971 | 2,017 | 2,053 | 2,095 | 2,136 | 2,178 | 2,226 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rentals and Other Income | 3,108 | 3,532 | 3,873 | 3,992 | 4,116 | 4,209 | 4,287 | 4,386 | 4,464 | 4,561 |
| Total Revenue | 4,837,755 | 5,692,716 | 6,352,542 | 6,482,769 | 6,633,791 | 6,751,287 | 6,889,659 | 7,030,927 | 7,184,719 | 7,372,150 |
| Departmental Expenses | | | | | | | | | | |
| Rooms | 1,007,898 | 1,088,136 | 1,158,723 | 1,182,477 | 1,203,701 | 1,231,456 | 1,256,700 | 1,282,463 | 1,310,905 | 1,335,583 |
| Condominium-Hotel Rental | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Food & Beverage | 398,264 | 427,449 | 451,902 | 461,166 | 471,265 | 480,268 | 490,113 | 500,161 | 511,111 | 520,878 |
| Bar/Lounge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Spa/Pool | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Telephone | 23,730 | 15,312 | 25,469 | 27,478 | 28,980 | 28,616 | 29,203 | 29,801 | 30,454 | 31,036 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenses | 1,429,892 | 1,541,054 | 1,637,552 | 1,671,121 | 1,709,345 | 1,740,340 | 1,776,017 | 1,812,425 | 1,852,472 | 1,887,498 |
| Gross Operating Income | 3,417,863 | 4,151,662 | 4,714,990 | 4,811,648 | 4,924,446 | 5,010,948 | 5,113,642 | 5,218,502 | 5,342,247 | 5,484,652 |
| Undistributed Operating Expense | | | | | | | | | | |
| Administrative & General | 514,088 | 545,000 | 570,814 | 582,515 | 594,346 | 605,643 | 619,080 | 631,771 | 645,252 | 657,939 |
| Marketing | 339,288 | 298,153 | 281,157 | 286,920 | 292,862 | 298,805 | 304,930 | 311,161 | 317,497 | 324,770 |
| Telephone | 190,499 | 224,871 | 251,319 | 256,471 | 262,446 | 267,094 | 272,569 | 277,811 | 282,938 | 288,078 |
| Energy Costs | 181,148 | 189,544 | 195,795 | 200,829 | 205,059 | 209,148 | 213,458 | 217,811 | 222,308 | 226,833 |
| Property Costs | 165,847 | 171,345 | 176,365 | 179,981 | 183,717 | 187,436 | 191,139 | 194,831 | 198,515 | 202,184 |
| Total Undistributed | 1,390,970 | 1,428,914 | 1,476,450 | 1,506,717 | 1,539,053 | 1,570,226 | 1,601,292 | 1,634,119 | 1,669,189 | 1,701,805 |
| Gross Operating Profit | 2,027,893 | 2,722,748 | 3,238,540 | 3,304,931 | 3,385,392 | 3,440,722 | 3,512,350 | 3,584,383 | 3,673,058 | 3,782,847 |
| Licenses and Fees | | | | | | | | | | |
| Franchise Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Base Mgmt Fee | 145,133 | 227,709 | 317,627 | 324,338 | 331,690 | 337,564 | 344,484 | 351,546 | 359,736 | 366,107 |
| Incentive Mgmt Fee (see below) | 1,876,761 | 2,495,040 | 2,920,914 | 2,980,793 | 3,055,003 | 3,104,258 | 3,167,895 | 3,232,837 | 3,313,322 | 3,386,742 |
| Total Licenses and Fees | 2,021,894 | 2,722,748 | 3,238,540 | 3,304,931 | 3,385,392 | 3,440,722 | 3,512,350 | 3,584,383 | 3,673,058 | 3,782,847 |
| Income Before Fixed Charges | | | | | | | | | | |
| Property Taxes | 263,954 | 266,594 | 296,185 | 299,147 | 305,130 | 311,233 | 317,457 | 323,806 | 330,282 | 336,888 |
| Insurance | 35,862 | 37,618 | 38,389 | 39,176 | 39,919 | 40,799 | 41,635 | 42,488 | 43,359 | 44,248 |
| Total Fixed Charges | 300,816 | 304,212 | 334,574 | 338,323 | 345,049 | 352,032 | 359,092 | 366,295 | 373,642 | 381,136 |
| Reserve For Replacement | 48,376 | 51,854 | 54,102 | 55,911 | 57,655 | 59,346 | 61,084 | 62,871 | 64,709 | 66,594 |
| Asset Mgmt Fee to Owner | 96,155 | 113,654 | 127,051 | 129,655 | 132,676 | 135,026 | 137,794 | 140,619 | 143,594 | 146,623 |
| Total Fixed Charges | 145,037 | 156,519 | 165,254 | 167,521 | 170,411 | 173,402 | 176,500 | 179,706 | 183,025 | 186,445 |
| Net Cash Available (NCA) pre-MF | 1,430,812 | 1,958,007 | 2,205,183 | 2,253,094 | 2,311,666 | 2,347,150 | 2,395,422 | 2,444,687 | 2,499,609 | 2,546,277 |
| Less: Owner's Priority | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Available Cash Flow (ACF) | 1,430,812 | 1,958,007 | 2,205,183 | 2,253,094 | 2,311,666 | 2,347,150 | 2,395,422 | 2,444,687 | 2,499,609 | 2,546,277 |
| Incentive Mgmt Fee (10% of ACF) | 0 | 5,112 | 29,319 | 34,150 | 39,987 | 43,515 | 48,342 | 53,269 | 59,660 | 63,427 |
| Net Cash Available (NCA) post-MF | 1,430,812 | 1,958,007 | 2,205,183 | 2,253,094 | 2,311,666 | 2,347,150 | 2,395,422 | 2,444,687 | 2,499,609 | 2,546,277 |
| Income Free Calculation | | | | | | | | | | |
| Net Cash Available (NCA) pre-MF | 1,430,812 | 1,958,007 | 2,205,183 | 2,253,094 | 2,311,666 | 2,347,150 | 2,395,422 | 2,444,687 | 2,499,609 | 2,546,277 |
| Less: Owner's Priority | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Available Cash Flow (ACF) | 1,430,812 | 1,958,007 | 2,205,183 | 2,253,094 | 2,311,666 | 2,347,150 | 2,395,422 | 2,444,687 | 2,499,609 | 2,546,277 |
| Incentive Mgmt Fee (10% of ACF) | 0 | 5,112 | 29,319 | 34,150 | 39,987 | 43,515 | 48,342 | 53,269 | 59,660 | 63,427 |

Investment Summary

| | | |
|--------------------------------------|-----------|--------------|
| Capital Stack | | |
| Construction Loan | \$111,450 | \$14,500,000 |
| IHG Preferred Equity | | \$2,600,000 |
| Preferred Equity (or Portfolio Loan) | | \$4,200,000 |
| Common Equity | | \$2,800,000 |

| | |
|---|-----------|
| Investment Profitability | |
| Undeveloped Internal Rate of Return (IRR) | 10% |
| Net IRR To Equity Partners | 17% |
| Total ROI | 172% |
| Equity Multiplier | 2.72x |
| Term of the Investment | 6.5 years |

CAPITAL STACK



| | | |
|--|-----|-----------------|
| Net Cash from Previous Periods | | |
| Net Cash Available (NCA) post-IMF | | |
| Plus: Interest Reserve on Preferred Equity | | |
| Plus: Interest Reserve Application on Construction Loan Drawdown | | |
| Plus: Temporary Loan** | | 10.0% |
| Plus: Key Money | | |
| Cash Available for Debt Service | | |
| Unleveraged Internal Rate of Return (IRR) | 10% | \$ (21,980,896) |

CASH AVAILABLE AFTER DEBT SERVICE
Cash-on-Cash Return Before Split with Manager

Disposition Price

Plus: Working Capital and Reserves
 Minus: Unamortized Key Money
 Minus: Unpaid Principal on Mini-Perm Loan
 Minus: Repayment of IHG Preferred Equity Contribution
 Minus: Repayment of Preferred Equity (and Portfolio Loan)

CASH FLOW ANALYSIS

| | |
|---|--------------|
| ADJUSTED CASH TO EQUITY PARTNERS ON AN ANNUAL BASIS | (\$2,800.00) |
|---|--------------|

| | |
|--------------------------------------|-------------------|
| TOTAL RETURN TO COMMON EQUITY | \$4,819.0% |
|--------------------------------------|-------------------|

NET ANNUALIZED RETURN ON INVESTMENT 26%[illegible]

ADDITIONAL DISCLAIMERS

* 150,000 because it is assumed that potential is only well covered with the breast for up to 25 years from onset.

4. A company will have a low risk of bankruptcy if it has a high debt-to-equity ratio.

*** EDG Capital has bought all the interest of ED Varesa so in Daportuna Capital therefore any investment to Daportuna will be the same as EDG Capital.

***** This scenario is APPLICABLE ONLY for Common Equity Investors committing a total \$1MM.

EVEN Hotel Alpharetta
VALUATION

INCOME CAPITALIZATION APPROACH

"As Complete" DSF Analysis

| ASSUMPTIONS | | REVERSION CALCULATIONS | | | | |
|------------------------|--------------|------------------------|---------------|----------------------|-------------------|----------------------|
| Discount Rate | 10.0% | Stabilized Year 6 CF | \$2,438,660 | * | | |
| Residual Cap Rate | 9.00% | Gross Reversion | \$27,096,226 | \$206,841.42 | | |
| Cost of Sale | 3.0% | Cost of Sale | (\$812,887) | | | |
| Hold Period | 5 years | Net Reversion | \$26,283,339 | | | |
| Reversion year | first year | Year Complete | first year | | | |
| Total Development Cost | \$24,200,346 | | | | | |
| Analysis Year | Year | Net Cash Flow* | Net Reversion | Undiscount Cash Flow | Discount Factor | Discounted Cash Flow |
| 0 | 2019 | | | | 1.00 | |
| 1 | 2020 | \$1,527,567 | | \$1,527,567 | 0.91 | \$1,388,697 |
| 2 | 2021 | \$2,071,862 | | \$2,071,862 | 0.83 | \$1,712,282 |
| 3 | 2022 | \$2,302,920 | | \$2,302,920 | 0.75 | \$1,730,218 |
| 4 | 2023 | \$2,349,009 | | \$2,349,009 | 0.68 | \$1,604,405 |
| 5 | 2024 | \$2,404,555 | \$26,283,339 | \$28,687,895 | 0.62 | \$17,812,926 |
| Reversion NOI | | \$2,438,660 | | | Total Hotel Value | \$24,248,527 |
| | | | | | Value per Room | \$185,103.26 |

* Net of Owner Asset Mgt Fee

| Sensitivity Analysis | | NET HOTEL VALUE | | | | |
|----------------------|-------------------|-----------------|--------------|--------------|--------------|--|
| Discount Rate | Residual Cap Rate | | | | | |
| | 8.50% | 8.75% | 9.00% | 9.25% | 9.50% | |
| 8.0% | \$27,322,159 | \$26,781,010 | \$26,269,924 | \$25,786,465 | \$25,328,450 | |
| 8.5% | 26,772,774 | 26,243,979 | 25,744,562 | 25,272,140 | 24,824,582 | |
| 9.0% | 26,237,664 | 25,720,887 | 25,232,819 | 24,771,133 | 24,333,747 | |
| 9.5% | 25,716,388 | 25,211,302 | 24,734,276 | 24,283,035 | 23,855,544 | |
| 10.0% | 25,208,521 | 24,714,810 | 24,248,527 | 23,807,449 | 23,389,586 | |
| 10.5% | 24,713,653 | 24,231,011 | 23,775,183 | 23,343,994 | 22,935,499 | |
| 11.0% | 24,231,388 | 23,759,519 | 23,313,865 | 22,892,301 | 22,492,924 | |
| 11.5% | 23,761,344 | 23,299,961 | 22,864,210 | 22,452,013 | 22,061,511 | |
| 12.0% | 23,303,153 | 22,851,977 | 22,425,867 | 22,022,789 | 21,640,926 | |