

Lending Proposal
Exhibit A
\$19.5 Million of Senior Secured Term Loan(s)

The information contained herein is for discussion purposes only and does not represent a commitment to lend by Wells Fargo Bank. The actual terms and conditions upon which Wells Fargo Bank might extend credit is subject to satisfactory completion of due diligence, necessary credit approval and such other terms and conditions as determined by Wells Fargo Bank, in its sole discretion. The terms discussed herein are confidential and, except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you, or as may be required by law, may not be disclosed in whole or in part to any other person or entity without our prior written consent.

Borrower(s): To be determined, single purpose entity (the “*Borrower*”, “*Borrowers*” or the “*Company*”).

Lender: Wells Fargo Bank, N.A. (“*WFB*”).

Guarantees: Non-recourse, except for standard bad boy carve-outs and completion guaranty on any future property improvement plan.

Term Loan: The lessor of \$19,500,000 or 65.0% of appraised value of the real property collateral. The Loan(s) will be used to finance the following:

- Finance the acquisition of the Hampton Inn & Suites located at 100 Passaic Avenue, Harrison, NJ 07029.
- Closing costs associated with the loan

Final Maturity: 60 months (5 years) following the Closing Date (the “*Final Maturity Date*”).

Amortization: 300 months (25 years) following the Closing Date

Interest Only Period: 12 months following the Closing Date

Property Improvement Plan: \$1,000,000 of the Term Loan to be held back and used towards the completion of the Property Improvement Plan.

Indicative Pricing: **Variable Rate Option:** Pricing on borrowings under the Term Loan will be based upon a Variable Rate. “*Variable Rate*” means a per annum interest rate equal to: (a) 2.50%; plus (b) the One (1) Month LIBOR Rate, as of the 2nd Business Day prior to the Closing Date. Borrower will be allowed to purchase an interest rate cap or an interest rate swap.

Variable Rate Term Loan Indicative Rate: 4.38% (One (1) Month LIBOR rate of 1.88% + 2.50%). The indicative monthly payment for the loan amount of \$19,500,000 would be \$107,063.43.

Interest Rate SWAP Protection Option: Borrower may elect to hedge the variable interest rate expense of this credit facility for the full term with an interest rate swap acquired from Wells Fargo or another swap provider, it being a condition of this facility that the terms, conditions

and provider of such swap be acceptable to Wells Fargo, and each party to the swap and each of Borrower's credit support providers satisfy all eligibility, suitability and other requirements under the Commodity Exchange Act and CFTC regulations.

Any swap with Wells Fargo shall be secured and guaranteed by the same collateral and guarantors, if any, securing and guaranteeing the credit facility.

If Borrower would like information about swaps or hedging with Wells Fargo, we can refer you to our swap specialists.

Prepayment Fees:

Variable Rate Loans: For each Term Loan accruing interest at a variable rate may be prepaid at any time in whole or in part, subject to a prepayment penalty of 2% in the first year following closing, 0.5% in the second year, and 0% thereafter.

Security:

The Term Loan(s) shall be secured by a first mortgage on the fee interest in the real property and improvements on the site(s) being financed, together with a first lien security interest in all tangible and intangible personal property wherever located, of Borrower's and any other party that owns or operates the site, and including any franchise agreement relating to each site.

Appraisals:

Appraised values would be determined by WFB engaged, reviewed, and approved FIRREA and USPAP compliant third party appraisals.

Financial Reporting:

Borrower to provide customary financial and other reporting requirements, including tax returns and quarterly and annual financial statements produced in a timely manner.

Financial Covenants:

Financial covenants to include the following, with covenant testing to be on a quarterly basis, calculated using a trailing 12-month period:

- Starting 12 months after closing, DSCR minimum of 1.30:1*
- Starting 12 months after closing, Debt Yield minimum of 9.0%*
- Starting 18 months after closing, Debt Yield minimum of 10.0%*

*DSCR and Debt Yield testing to be adjusted for (a) management fees equal to the greater of (i) 3% of total revenues, or (ii) actual amount of such fees; and (b) replacement reserves equal to the greater of (i) 4% of total revenues, or (ii) actual amount of such fees. Lender may also make additional adjustments to calculations for acquisitions or other similar circumstances where operating performance history is limited.

Other Covenants:

Usual and customary for a transaction of this type and size, including:

- Limitations on assets sales
- Limitations on liens and additional indebtedness

Closing Date:

To be determined.

Title Company:

Residential Title & Escrow Company

Governing Law: State of New York

Conditions Precedent to Initial Funding:

Usual and customary for a transaction of this type and for a borrower of the Company's size and credit quality, including but not limited to:

- Completion of, and satisfaction with, the due diligence related to the Borrower and its affiliates;
- No material adverse change in the business, assets, financial condition, income or prospects of the Borrower and its affiliates;
- No material misstatements in or omissions from the materials previously furnished to WFB for their review;
- The absence of any litigation or other proceeding the result of which could reasonably be expected to materially impair or prevent the consummation of the transactions contemplated hereby;
- Acceptable site tour;
- Acceptable review of all franchise agreements;
- Execution and delivery of definitive loan documentation and other customary closing documentation (including, but not limited to, reasonably satisfactory opinions of counsel) and evidence satisfactory to WFB that the Facilities are secured by first priority, perfected liens on the collateral;
- Payment to WFB of all fees and out-of-pocket expenses required to be paid to WFB at closing of the Credit Facilities;
- Satisfactory background checks on Borrowers and Guarantors.

Commitment Fee: On the closing date of the Term Loan, the Borrower will pay a fee to WFB of 0.25%. Based upon the Term Loan amount of \$19,500,000, the Commitment Fee would be \$48,750.

Expenses: The Borrower will pay all reasonable costs and expenses associated with the preparation, due diligence, administration, and enforcement of all documents executed in connection with the Facilities, whether or not the loan closes, and including without limitation, the legal fees of WFB's counsel which shall be paid at the closing of the Facilities.

Loan Costs: Notwithstanding whether a commitment is issued or the proposed Credit Facilities close, Borrower shall pay all out-of-pocket fees, costs, and expenses incurred by WFB associated with the Credit Facilities. Such fees, costs, and expenses shall include: 1) the costs incurred by WFB (or on behalf of WFB) directly in association with underwriting the Credit Facilities, 2) the costs associated with documenting, negotiating, and closing the Credit Facilities (including the reasonable fees and costs associated with attorney's, consultants, and other professional advisors, if any), and 3) filing and recording fees, title and survey costs, transfer fees, or taxes, if any.

Deposit: \$40,000 as a non-interest bearing deposit (known as the "**Deposit**"), due at the time Borrower executes and returns this Loan Proposal in accordance with Deposit Submission Form attached hereto. The Deposit will be used to pay Loan Costs, as defined above, and will be returned, net of any Loan Costs. The Deposit will be returned under the following circumstances: 1) WFB terminates the commitment; 2)

upon closing of the loan; 3) if WFB issues a loan commitment and the Borrower does not return the signed commitment with the specified period of time; or 4) if WFB does not issue a commitment for financing. If the Deposit is not sufficient to cover all Loan Costs, Borrower shall promptly pay any deficiency to WFB.

Expiration:

This Loan Proposal will expire at 3:00 p.m. (Pacific time) on 4/4/2018 unless you execute this letter, submit Deposit, and return them to us prior to that time.

ACCEPTED AND AGREED TO
AS OF THE DATE FIRST ABOVE WRITTEN:

Borrower Name: Excel Holdings 11, LLC

By:  _____

Name: Shoham Amin

Title: Manager

DEPOSIT SUBMISSION FORM

The aggregate total of all Deposit amounts should be remitted to Wells Fargo Bank, using one of the alternatives:

1. By wire transfer:

Wells Fargo Bank
Account #: 00027124050720
ABA Routing #: 121000248
Bank: Wells Fargo Bank, NA
Reference: Attn: Denise Crouch

Loan Name: Excel Group Hampton Inn Harrison

2. By regular mail or overnight delivery service, addressed as follows:

Wells Fargo Hotel Franchise Finance
Attention: Loan Administration
1808 Aston Avenue, Suite 250
Carlsbad, CA 92008
1-888-2272-6333

PLEASE SUBMIT THIS PAGE WITH YOUR DEPOSIT REMITTANCE

Please note that Wells Fargo does not accept cash, cashier's checks, certified checks, official bank checks, teller's checks, traveler's checks or money orders. Deposits sent in such form will be returned at Borrower's risk.