

## LOAN PARTICIPATION AGREEMENT

THIS LOAN PARTICIPATION AGREEMENT (this “Agreement”) is made and entered into by and between LSM Initiatives, LLC (“Lead Lender”), a Texas limited liability company, and those participants listed on Exhibit “A” attached hereto. Lead Lender, the participants listed on Exhibit “A” and any and all of their permitted successors and/or assigns, are collectively referred to as the Participants”. Lead Lender and the Participants are sometimes hereinafter each called a “Lender” and collectively are called the “Lenders”. Capitalized terms used herein and not otherwise defined shall have the meanings associated to such terms in the Note (as defined below).

WITNESSETH:

### RECITALS

WHEREAS, Lead Lender has invited the Participants to participate in, and the Participants desire to participate in, a loan (the “Loan”) by Lead Lender to Gentry Mills Capital, LLC, a Texas limited liability company (referred to herein as the “Borrower”), which Loan is evidenced by a promissory note (the “Note”), payable to the order of the Lead Lender and is described as follows; and

Date	Interest Rate	Amount	Maturity
May 22, 2018	10.00% per annum	\$5,000,000.00	May 21, 2019

WHEREAS, the Loan is made pursuant to the provisions of a Credit Agreement (herein so called) of even date with the Note; and

WHEREAS, as collateral security for the Loan, Borrower has pledged and granted to Lead Lender, as secured party, a second priority security interest in and to Borrower’s limited partner interest in GMI-Harrison 165, LP, a Texas limited partnership (the “GMI LP”), and membership interest in GMI-Harrison 165 GP, LLC, a Texas limited liability company, together with certain other specified assets of Borrower (the “Collateral”), pursuant to a Pledge Agreement (herein so called) of even date with the Note; and

WHEREAS, William P. Glass and Scott Palmer, both of which are Participants, have financial and/or ownership interests in all or part of the Borrower and the Collateral; and

WHEREAS, certain persons have provided their personal guaranties of the Loan pursuant to a Guaranty Agreement (herein so called) of even date with the Note; and

WHEREAS, the first lien on the Collateral is held by CrossFirst Bank (“Senior Lender”) in order to secure Senior Lender’s promissory note of even date with the Note from Borrower in the amount of \$5,000,000.00 (the “Senior Lender Note”), and Lead Lender’s rights in and to the Loan and the Collateral are subject to the provisions of a Subordination and Standstill Agreement (herein so called) of even date with the Note by and between Senior Lender and Lead Lender; and

WHEREAS, Borrower will utilize the proceeds of the Note and the Senior Lender Note to make a capital contribution to GMI LP which in turn will use such proceeds to make a capital contribution to Excel Holdings 11 LLC (“Excel LLC”), a Delaware limited liability company formed to acquire a Hampton Inn & Suites Newark-Harrison-Riverwalk hotel located at 100 Passaic Avenue, Harrison, New Jersey 07029; and

WHEREAS, the Credit Agreement provides that the Borrower will pay Lead Lender, in addition

to interest on the Loan, certain fees (collectively, the “Loan Fees”), being a fee equal to 2% of the Loan amount, a fee equal to the excess of 10% per annum interest on the Senior Note over the interest charged by the Senior Lender on the Senior Note, and a 2.5% share of the net cash flow of Excel LLC after GMI LP has received a 10% compounded annual return on an amount equal to its aggregate capital contributions, followed by the return of such capital contributions; and

WHEREAS, the documents governing, evidencing and securing the Loan (the “Loan Documents”) are listed on Exhibit “B”, and include but are not limited to the Note, the Credit Agreement, the Pledge Agreement, the Guaranty Agreement and the Subordination and Standstill Agreement together with any amendments thereto; and

WHEREAS, the Lenders desire to establish their respective undivided interests in the Loan and memorialize other agreements among them relating to the Loan.

## AGREEMENT

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lenders hereby agree as follows:

1. Percentage Interest; Committed Sum. The “Percentage Interest” (herein so called) of each Lender shall equal the committed sum of such Lender set forth on Exhibit “A” (the “Committed Sum”) divided by the total of all the Committed Sums of all the Lenders. The Percentage Interest of each Lender is set forth on Exhibit “A”. Each Lender shall fund the amount of its Percentage Interest of the Loan when required to be advanced to the Borrower under the Loan Documents up to the amount of each such Lender’s Committed Sum. Upon such contribution(s), each Lender shall be entitled to its Percentage Interest in:

- (a) all principal and interest payable in connection with the Loan;
- (b) the Loan Fees; and
- (c) the Collateral (and proceeds and income therefrom).

2. Agreement to Participate; Effective Date. This Agreement shall be deemed effective as of the date of the Credit Agreement evidencing the Loan. Each Lender agrees to fund its Percentage Interest of the Loan amount when required to be advanced to the Borrower under the Loan Documents, up to the amount of its Committed Sum.

3. Obligations Several. The obligations of the Lenders hereunder are several, and no Lender shall be responsible for any obligation of any other Lender hereunder, nor shall the failure of any Lender to perform any of its obligations in any way relieve the other Lenders from the performance of their obligations.

4. Loan Documents. All Loan Documents executed and delivered in connection with the Loan shall be held by Lead Lender for the benefit of all of the Lenders to the extent of the respective Percentage Interest of each such Lender. Duplicate digital copies of the Loan Documents shall be furnished to each Participant promptly following their execution, and upon the completion of all necessary filings contemplated by the Loan Documents in the case of filed documents.

5. Administration of Loan.

(a) Lead Lender shall have the authority to make decisions in accordance with the Loan Documents in connection with the day-to-day administration, servicing and collection of the Loan.

(b) In addition to the foregoing, Lead Lender is authorized to and may do any and all actions it is permitted to do under any of the Loan Documents, or refrain from taking any such actions, without the consent of the other Lenders, including any of the following as permitted pursuant to the terms of the Loan Documents:

(i) proceed against, foreclose upon or accept a deed in lieu of foreclosure with respect to the Collateral;

(ii) modify or amend the Loan or extend the maturity date of the Loan as set forth in the Note;

(iii) release any Collateral; or

(iv) extend or postpone the date for payment of principal or interest under the Note beyond the date such payment would be due and payable under the Note.

(c) Lead Lender shall promptly notify the Participants should Lead Lender receive actual knowledge in writing of the any of the following:

(i) any material adverse change in the financial condition of the Borrower, or of any co-maker, guarantor or endorser under the Loan that may have a material adverse affect upon continuation of payments under such Loan or such Loan's ultimate collectability;

(ii) any change in lien status affecting the Collateral;

(iii) any request by Borrower for any change in the terms and conditions of the Loan, or in the terms of the Loan Documents;

(iv) any action by Lead Lender in accordance with Section 5(b) above; and/or

(v) any failure by Borrower to pay principal and/or interest payments under the Loan when due.

(d) Each Participant shall promptly notify Lead Lender should such Participant receive actual knowledge of any material adverse change in the financial condition of the Borrower, or of any co-maker, guarantor or endorser under the Loan that may have a material adverse affect upon continuation of payments under such Loan or such Loan's ultimate collectability.

## 6. Accounting; Records.

(a) Lead Lender agrees that all funds received by Lead Lender as payments of Loan Fees, interest and/or principal on the Loan shall be disbursed to each of the Lenders in accordance with their respective Percentage Interests within two (2) business days of receipt by the Lead Lender.

(b) The Participants shall have a right to an accounting of all payments received by Lead Lender from the Borrower in connection with the Loan. Lead Lender agrees to account promptly to each Participant upon written request for all payments received from the Borrower in connection with the

Loan; provided however, that if any of the Collateral is acquired by Lead Lender as a result of foreclosure or transfer in lieu of foreclosure, the Collateral so acquired shall be held and sold by Lead Lender on behalf of the Lenders in accordance with the Loan Documents and this Agreement and the proceeds of any sale after such foreclosure or transfer in lieu thereof shall be credited to the principal and interest owing on the Loan and distributed to the Lenders in accordance with their Percentage Interests.

(c) Lead Lender agrees to maintain customary books and records relating to the Loan, which shall be made available to the Participants at the principal office of Lead Lender at all reasonable times for the purpose of inspection, and Lead Lender will mark its books to show the Percentage Interest of each Lender in the Loan. Copies of any of Lead Lender's records relating to the Loan will be furnished to the Participants upon request. In addition, Lead Lender will promptly forward copies of any notices or communications which Lead Lender receives from or delivers to the Borrower, including notices of default, requests for extension or modification and all other matters relating to the Loan.

7. Administrative Fee; Expenses.

(a) Each Lender shall pay to Lead Lender its Percentage Interest of any reasonable expenses or liabilities incurred by Lead Lender and not otherwise reimbursed by Borrower in connection with Lead Lender's exercise of any remedies upon the occurrence of a default by the Borrower under the Loan Documents, and the ownership, operation, maintenance or disposition of any of the Collateral, including, but not limited to, reasonable legal fees, court costs and disbursements. Notwithstanding any other provision hereof, Lead Lender shall have a right to deduct each Lender's Percentage Interest in any such expenses from any sums otherwise payable to a Lender hereunder if a Lender does not fund its Percentage Interest of such expenses to Lead Lender prior to the date such sums are to be distributed to such Lender.

8. Fraudulent Transfers; Preferences. Each Lender shall be obligated for and upon request shall repay to Lead Lender its Percentage Interest in any sums paid to Lead Lender by either of the Borrowers and distributed by Lead Lender to such Lender if Lead Lender shall be required to return such sums to the Borrower or to any receiver or trustee for the Borrower because such sums are finally determined by a court of competent jurisdiction to be a transfer by the Borrower in fraud of creditors or a preference given by the Borrower under the Bankruptcy Code of 1978, as amended or recodified from time to time.

9. Participant Representations. Each Participant severally represents and warrants to the other Participants on and as of the date hereof that, solely as to his/her/itself:

(a) Such Participant, if an entity, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has the full power and authority, to execute, deliver and perform its obligations under this Agreement;

(b) This Agreement and the transactions contemplated hereby do not violate or breach the terms of any agreement to which such Participant is a party;

(c) Such Participant has received copies of the Loan Documents and all such other documents as it has requested; otherwise has adequate information concerning the business and financial condition of the Borrower and Guarantors and their affiliates to make an informed decision regarding the Loan; and has independently and without reliance upon other Participants and based on such information as such Participant has deemed appropriate, made its own analysis and decision to enter into this Agreement, and such Participant shall continue to make its own analyses and decisions with respect to its

participation;

(d) Lead Lender has furnished such Participant with such information as such Participant has requested in connection with this Agreement and such Participant is assuming all risk with respect to the completeness, accuracy or sufficiency of such information;

(e) Such Participant hereby acknowledges financial and/or ownership interests in all or part of the Borrower and the Collateral of William P. Glass and Scott Palmer, both of which are Participants, as stated in the recitals to this Agreement;

(f) Such Participant is satisfied that Participant has received information on all matters which Participant considers material to Participant's decision to become a Participant, including answers to all questions concerning the Loan;

(g) No promises or representations have been made to such Participant or Participant's advisors concerning the Loan other than those set forth in this Agreement;

(h) No oral or written information has been furnished to such Participant or Participant's advisors in connection with the Loan which is in any way inconsistent with the information stated in this Agreement; and

(i) Such Participant understands the financial and tax consequences of entering into this Agreement and has relied upon such Participant's own knowledge of financial and federal and state tax matters or such knowledge of Participant's own financial and tax adviser in making Participant decision to become a Participant.

#### 10. Indemnification.

(a) Except as set forth in Section 10(b) below, and provided the Lead Lender has acted in good faith and used commercially reasonable efforts in exercising its rights and performing its obligations under this Agreement, each Participant shall indemnify Lead Lender and each affiliate thereof and their respective officers, directors, employees, attorneys and agents to the extent of its Percentage Interest, from, and hold each of them harmless against, any and all losses, liabilities, claims, damages, costs and expenses (including reasonable attorneys' fees) to which any of them may become subject which arise from or relate to this Agreement, the Loan, the Loan Documents or any of the Collateral or the transactions contemplated hereby or thereby, or any action taken or omitted to be taken by Lead Lender hereunder or thereunder or from any investigation, litigation, or other proceeding including, without limitation, any threatened investigation, litigation, or other proceeding relating to any of the foregoing.

(b) Lead Lender hereby indemnifies each Participant and their respective officers, directors, employees, members, partners, attorneys and agents from, and holds each of them harmless against, any and all losses, liabilities, claims, damages, costs and expenses (including attorneys' fees) to which any of them may become subject which arise from or relate to a breach by Lead Lender of its obligations under this Agreement or its gross negligence or willful misconduct.

(c) Notwithstanding anything else set forth in this Agreement, the obligations and indemnities under this Section 10 shall survive the payment in full of the Loan and the termination of the Loan Documents and this Agreement for a period of eighteen months.

#### 11. Reliance by Lead Lender. Lead Lender and its officers, directors, employees, attorneys,

and agents shall be entitled to rely and shall be fully protected in relying on any written resolution, notice, consent, certificate, affidavit, letter, fax, email, court order or other documents believed by it or them to be genuine and correct and signed by an authorized representative of a Participant. With respect to legal matters, Lead Lender and its officers, directors, employees, attorneys and agents shall be entitled to rely upon and will be fully protected in relying upon the opinion of counsel selected by Lead Lender. As of the date of this Agreement, the authorized representatives of the Participants are identified on Exhibit "C" attached hereto and incorporated herein by reference. The Participants' authorized representatives may be modified by written notice delivered to Lead Lender.

12. No Partnership or Joint Venture. Neither the execution of this Agreement by the parties nor the rights granted hereunder is intended to be, nor shall it be construed as, the formation of a joint venture or partnership between such parties with respect to the Loan or otherwise.

13. Miscellaneous Provisions.

(a) This Agreement may not be amended except upon the written agreement of all parties hereto.

(b) The parties hereto agree to execute and deliver, or cause to be executed and delivered; all such further instruments or documents and take such actions as are reasonably required in order to effectuate the purposes and to carry out the terms of this Agreement.

(c) The headings in this Agreement are for convenience or reference only and shall not define or limit the provisions hereof.

(d) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS AND APPLICABLE FEDERAL LAW. VENUE WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT SHALL BE IN DALLAS COUNTY, TEXAS.

(e) All the terms, covenants and conditions herein contained shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns. The rights of the parties under this Agreement and to the Loan are non-transferable in whole or in part except with the prior written consent of all Participants. Any attempted transfer of any interest herein or of the Loan in violation of any of the provisions hereof shall confer no rights upon the transferee.

(f) Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission) and mailed, faxed or delivered, to the address, facsimile number or, subject to the last sentence hereof, electronic mail address specified for notices below the signatures hereon or to such other address as shall be designated by such party in a notice to the other parties. All such notices and other communications shall be deemed to have been given or made upon the earliest to occur of (i) actual receipt by the intended recipient or (ii) (A) if delivered by hand or courier, when signed for by the designated recipient or other authorized signatory; (B) if delivered by mail, three (3) business days after deposit in the United States mail, sent registered or certified mail, postage prepaid, return receipt requested; (C) if delivered by facsimile, when sent and receipt has been confirmed; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of the last sentence below), when delivered. Electronic mail and intranet websites may only be used to distribute routine communications and to distribute Loan Documents or this Agreement for execution by the parties hereto, and may not be used for any other purpose. Furthermore, notwithstanding anything contained in this Agreement to the contrary, any notice of default delivered by one party to another must be sent only pursuant to the terms of clause (B) above.

(g) In any action brought by a party hereto to enforce the obligations of any other party hereto, the prevailing party shall be entitled to collect from the opposing party to such action such party's reasonable litigation costs and attorneys' fees and expenses (including court costs, reasonable fees of accountants and experts, and other expenses incidental to the litigation).

(h) This Agreement is not intended to benefit or confer any rights upon the Borrower or any other third party.

(i) Whenever the context shall so require, the singular shall include the plural and vice versa.

(j) This Agreement may be executed in any number of identical counterparts, each of which shall constitute an original and all of which shall constitute one agreement. This Agreement may be executed by telecopier, portable document format or other facsimile signature and any such signature is an original for all purposes, and delivery of an executed signature page to this Agreement by electronic transmission will be effective as delivery of an executed counterpart of this Agreement.

(k) THIS INSTRUMENT EMBODIES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND SUPERSEDES ALL PRIOR WRITTEN OR ORAL AGREEMENTS AND UNDERSTANDING RELATING TO THE SUBJECT MATTER THEREOF.

(l) If any provision hereof would be invalid under applicable law, then such provision shall be deemed to be modified to the extent necessary to render it valid while most nearly preserving the original intent of the parties. If any one or more of the covenants, agreements, provisions or terms of this Agreement are deemed to be invalid, unenforceable, or unlawful in any respect, then such invalidity, unenforceability, or unlawfulness of such provision or provisions shall in no way affect the validity enforceability or lawfulness of the remaining provisions hereof.

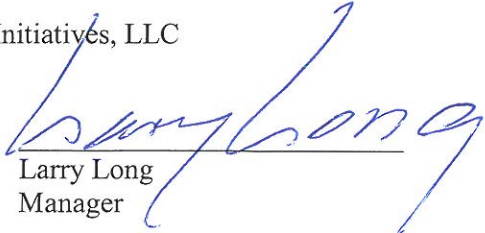
(m) In the event of any conflict between the provisions of this Agreement and the Loan Documents, the provisions of the Loan Documents shall control.

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EXECUTED as of May 22, 2018.

LEAD LENDER:

LSM Initiatives, LLC

By:   
Name: Larry Long  
Title: Manager

Address for notices:  
3831 Turtle Creek Blvd., Apt. 16B  
Dallas, Texas 75219

PARTICIPANT 1:

\_\_\_\_\_  
William P. Glass

Address for notices:  
251 O'Connor Ridge Boulevard  
Suite 100  
Irving, Texas 75038

PARTICIPANT 2:

\_\_\_\_\_  
Scott Palmer

Address for notices:  
251 O'Connor Ridge Boulevard  
Suite 100  
Irving, Texas 75038

PARTICIPANT 3:

\_\_\_\_\_  
John Boaz

Address for notices:  
5226 Kelsey Rd  
Dallas TX 75229



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EXHIBIT "A"  
COMMITTED SUM AND PERCENTAGE INTERESTS

<u>Participant Number</u>	<u>Participant</u>	<u>Committed Sum</u>	<u>Percentage Interest</u>
(1)	LSM Initiatives, LLC	\$2,070,000.00	41.4%
(2)	William P. Glass	\$600,000.00	12.0%
(3)	Scott Palmer	\$260,000.00	5.2%
(4)	John Boaz	\$2,070,000.00	41.4%
	TOTAL	\$5,000,000.00	100.00%

EXHIBIT "B"  
LIST OF LOAN DOCUMENTS

- i. Credit Agreement;
- ii. Promissory Note;
- iii. Pledge Agreement;
- iv. UCC-1 Exhibit;
- v. Guaranty Agreement; and
- vi. Subordination and Standstill Agreement.

EXHIBIT "C"  
AUTHORIZED REPRESENTATIVES

Participant No. 1	Larry Long
Participant No. 2	William P. Glass
Participant No. 3	Scott Palmer
Participant No. 4	John Boaz