

## HOSPITALITY OVERVIEW

<b>Eligible Properties:</b>	National franchises, full and limited service hotel properties, extended stay and all suite properties, independent hotels
<b>Eligible Property Locations:</b>	Nationwide; downtown, suburban, airports, highway, resorts. Added plus with property has solid market strength as determined by RevPAR trends, ADR comps, occupancy/breakeven, and demographics.
<b>Loan Types:</b>	Acquisition, Development, Refinance, Repositioning Unless loan is funded completely by a conventional lender, most hotel loans are structured with SBA 504 guarantees, as follows: <i>50% loan from conventional lender, 30-40% loan from local gov't appointed CDC (guaranteed by SBA 504), remaining down payment from borrower</i>
<b>Loan Size:</b>	\$1 Million to \$7 Million
<b>Debt Service Coverage Ratio:</b>	Generally, 1.20 – 1.30, depending on the quality of the location and market. If previous year's tax returns don't meet DSCR, Reliant Capital Funding will create supportable projections.
<b>Loan-to-Value Ratio:</b>	Up to 90% maximum LTV. (80% for new construction)
<b>Loan Term:</b>	10 to 25 years conventional, 10 or 20 years SBA 504
<b>Amortization:</b>	Full amortization over term
<b>Interest Rates:</b>	Conventional rate is pegged to the 30 day LIBOR or similar index, and can range from 1.5% to 3% over LIBOR, fixed for 5 or 10 years. SBA rate is pegged to 5 or 10 year Treasury, and is fixed for 20 years. Rates range from 5% to 7%.
<b>Fees:</b>	<b>Reliant Capital Funding Fees:</b> We will price adjust our fees according to level of difficulty and other underwriting considerations- typically 1-2% of the loan amount- paid only if a Commitment Letter is issued. <b>Third Party Fees:</b> The following fees can be included in the financing. An appraisal report can cost \$5000. A Phase 1 environmental can cost \$2000. A survey, recording/filing fees and title search is also the responsibility of the borrower. <b>SBA Fees:</b> SBA 504 can range from .5% to 1.5% of the SBA loan amount.
<b>Other:</b>	Subject property can be used as sole collateral. All owners over 19% must personally guarantee loan. Both conventional and SBA loans are fully assumable. SBA portion loan has a 10 year prepayment penalty, conventional can range from 3-5 years. Previous experience is not needed, but preferred.

**NOI Calculation:** Strongly prefer to receive three full years of operating history.

**Revenues:** Underwrite revenues based on the greater of last full fiscal year or trailing 12 months. Supportable projections using market data, management experience, new initiatives, etc. can be used in place of historical revenues if needed (determined by RCF prior to package submission to bank).

**Expenses:** Underwrite expenses based on the last full year or trailing 12 months. Expense projections based on actual figures and can be re-casted using industry data averages and normalization techniques.

## PROCESS OVERVIEW:

Upon Reliant Capital Funding's (RCF) receipt of the documentation contained in the *Pre-Application (Term Sheet) Punch List* below, we will conduct preliminary due-diligence and underwriting in order to determine our level of interest in your project. If we feel that we can structure your loan successfully and take the deal to the closing table, we will submit a preliminary package to our preferred lenders and obtain a Term Sheet(s) for your review and consideration.

Until a Term Sheet is issued and accepted by you, no commitment to RCF or any lender exists. Upon your review and acceptance of a Term Sheet, a Client-Agent Agreement must be dually signed, and a non-refundable application fee of \$750 will be due to RCF. At this point, we will create and submit a complete package with the loan structure, underwriting analysis, industry trends and projections. Once the loan is approved, the Commitment Letter will be signed by the borrower and fees for the appraisal and environmental will be due to the bank (financing will be contingent on those two items). RCF will assist the borrower until the loan closes and is not fully compensated until the loans closes.

Pre-Application (Term Sheet) Punch List		
REQUIREMENT	PENDING	RECEIVED
Complete the ' <b>Information Request Form</b> ' on the next page*	<b>X</b>	
3 Years Personal Tax Returns from each borrower	<b>X</b>	
Personal Financial statement from each borrower**	<b>X</b>	
Management Resume from each borrower**	<b>X</b>	
3 Years Tax Returns from business	<b>X</b>	
Purchase Agreement / Letter of Intent	<b>X</b>	
Financial statement for past 24 months including Occupancy and ADR	<b>X</b>	
Most current STAR Reports***	<b>X</b>	
Photographs of property***	<b>X</b>	
Other documents as required by RCF depending on deal	<b>X</b>	

\* RCF can take this information from you over the phone if you desire

\*\* RCF will help you create if needed

\*\*\* Preferred if available

## HOSPITALITY INFORMATION REQUEST FORM

Applicant Information										
Applicant Name										
Address										
City					State			Zip		
Phone				Fax				Email		
Company Information										
Trade Name (Flag)						Total Franchise Term				
Number of Rooms						Number of Floors				
Number of Parking						<input type="checkbox"/> Interior		<input type="checkbox"/> Exterior		
Size of land (including building) 1 Acre = 1.0										
Address										
City					State			Zip		
Ownership										
Name				Title				Ownership %		
1										
2										
3										
Loan Information										
Purpose		<input type="checkbox"/> Acquisition <input type="checkbox"/> Refinance <input type="checkbox"/> Construction <input type="checkbox"/> Other: _____								
If Acquisition, is property/business under contract? <input type="checkbox"/> Yes (closing date): _____ <input type="checkbox"/> No										
If business is leased, provide lease details (term/options): _____										
Estimated Project Costs (fill out only the fields that apply to your Purpose)										
Land Value (new construction only)				\$						
Construction Costs (new construction only)				\$						
Purchase Equipment (new construction only)				\$						
Land and Building Value (acquisition only)				\$						
Goodwill / Business Allocation (acquisition only)				\$						
Purchase Inventory (new construction or acquisitions)				\$						
Renovations/Remodeling/PIP (refinance or				\$						
Debt Refinance/Cash out (refinance only)				\$						
Closing Costs				\$						
Working Capital (new construction or acquisitions)				\$						
Other Specify: _____				\$						
<b>Total Project Cost</b>				\$						
<b>Less: Your Cash Injection</b>				\$						
<b>Less: Seller Financing</b>				\$						
<b>Less: Other</b>				\$						
<b>Loan Request</b>				\$						
Other Information (Mgt. Experience, recent renovations, explanation of PIP, other )										

If you would like us to complete this form over the phone, contact Neal Patel or Rohul Patel at 908-698-0498.