

# SALE ANNOUNCEMENT

## \$11.6 MILLION FRANCHISE LOAN POOL SALE

<b>Sale:</b>	\$11.6 Million Franchise Loan Pool
<b>Collateral:</b>	CRE – Fee Simple (63.49% of UPB), CRE – Leasehold Interest (18.73%), & UCCs (17.78%)
<b>Locations:</b>	Midwest (64.56% IN, 18.73% MI, 5.37% IA, 11.34% Other)
<b>Loan Performance:</b>	100% Performing

### OVERVIEW

On behalf of an undisclosed seller (the “**Seller**”), Mission Capital Advisors, LLC (“**Mission Capital**” or “**Loan Sale Advisor**”) is pleased to announce the sale (the “**Loan Sale**”) of twenty-five (25) newly-originated performing loans totaling \$11,634,404 in UPB (the “**Loans**,” “**Portfolio**,” or “**Assets**”) secured by CRE – Fee Simple, CRE – Leasehold Interest, and Business Assets of a coffee-focused franchise (the “**Franchise**”) located in the Midwest (collectively, the “**Properties**” or “**Collateral**”).

### SALE STRUCTURE

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of twenty-five CRE and UCC loans of a franchise with 750 stores located predominantly in the Midwest. **The Loans are being offered on a sub-pool basis, and/or full portfolio basis via a sealed bid process.**

On behalf of the Seller, Mission Capital is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the purchase of the Loans pursuant to the Asset Sale timeline below.

Mission Capital, in conjunction with the Seller, and at the sole and absolute discretion of the Seller, will then invite multiple final bidders (the “Final Bidders”) to the Final Bid round to complete due diligence and submit non-contingent bids on the Loans.

Sale Timeline	
Event	Date
Sale Announcement Distributed	Thursday, March 6, 2024
Initial Data Distribution	Thursday, March 7, 2024
Indicative Bid Date	Tuesday, March 26, 2024
Best & Final Bid Date	Tuesday, April 16, 2024
Winning Bidder Selected	Wednesday, April 17, 2024
Executed Contract/Deposit Due	Friday, April 19, 2024
Closing Date (On or Before)	Thursday, April 25, 2024

### HIGHLIGHTS & SALE SUMMARY

The Loan Sale offers Prospective Bidders the opportunity to acquire twenty-five (25) performing loans (the “Loans”) totaling \$11,634,404 in Unpaid Principal Balance. The Loans are secured by fee simple property interests, leasehold property interests, and business assets of an established coffee franchise headquartered in the Midwest.

#### Loan Sale highlights are as follows:

- The Loans are being offered in three sub-pools: Pool 1 – Fee Simple; Pool 2 – Leasehold; and Pool 3 – UCC Loans. Investors can bid on specific sub-pools and/or the entire Portfolio.
- The Loans have a weighted average origination date in October 2023 and a weighted average maturity date in January 2027. The loans call for a balloon payment at maturity, though the note holder has sole discretion to amortize the loan over a longer period.
- The eight loans secured by a fee simple interest (6) and a leasehold interest (2) have an 8% fixed rate, a 15% default rate, and call for monthly P&I payments. These loans are also fully guaranteed.
- The 17 loans collateralized by business assets carry a monthly royalty of 2% of the store’s net sales (no set P&I payments). In 2023, over \$200,000 was collected in royalties off of \$2.07mm in Total Loan Balance.
- Additional details on the Portfolio are shown in the table on the following page.

Pool	Loan Count	Original Balance	UPB	UPB %	WA Orig Date	WA Maturity Date	WA Rate %
Pool 1 - CRE – Fee Simple	6	\$7,386,179	\$7,386,179	63.49%	12/29/2023	2/1/2027	8.00%
Pool 2 - CRE - Leasehold	2	\$2,179,225	\$2,179,225	18.73%	12/30/2023	1/1/2027	8.00%
Pool 3 - UCC Loans	17	\$2,069,000	\$2,069,000	17.78%	10/3/2022	2/18/2027	2% of Net Sales
<b>Grand Total</b>	<b>25</b>	<b>\$11,634,404</b>	<b>\$11,634,404</b>	<b>100.00%</b>	<b>10/9/2023</b>	<b>1/29/2027</b>	<b>8.00%</b>

## LOAN SALE PROCESS

Bidders are subject to qualification by Mission Capital and/or Seller (qualification process will be initiated by Mission Capital as deemed necessary). Access to the Due Diligence Materials will be provided to Prospective Bidders solely at the discretion of Mission Capital and/or the Seller and may be withheld for any reason.

The Seller, in conjunction with Mission Capital, has prepared an array of due diligence materials which will be made available to Prospective Bidders that have executed, and are subject to the terms of, the Confidentiality Agreement (the “**Confidentiality Agreement**”), which can be accessed on the transaction offering email or by visiting [market.missioncap.com](http://market.missioncap.com). Included in the Due Diligence Materials will be an information memorandum for the Assets, pay histories, financials, and comprehensive bidding instructions.

Additional Due Diligence Materials will be provided to Prospective Bidders via Mission Capital’s online due diligence site. Such additional Due Diligence Materials will include detailed loan documents, and the Seller’s required form of loan sale agreement (the “**Loan Sale Agreement**”).

Mission Capital is initially soliciting indicative bids for the Loans. Prospective Bidders are encouraged to review the Due Diligence Materials and submit indicative bids in accordance with the proposed timeline. After receipt of indicative bids, Mission Capital, in conjunction with the Seller, will select Final Bidders to complete due diligence before submitting non-contingent offers on the Final Bid Date (the acceptance of which by Seller will require immediate execution of a pre-negotiated Loan Sale Agreement accompanied by a 10% non-refundable wire funds deposit).

Please e-sign or return an executed Confidentiality Agreement to [assetsales@missioncap.com](mailto:assetsales@missioncap.com). **INVESTORS SHOULD NOTE THAT E-SIGNATURES OF UNMODIFIED CONFIDENTIALITY AGREEMENTS WILL BE PROCESSED IN TOP PRIORITY, WHILE REVISED CONFIDENTIALITY AGREEMENTS ARE PROCESSED AT THE END OF EACH BUSINESS DAY. THE SELLER RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO ACCEPT OR REJECT COMMENTS TO THE CONFIDENTIALITY AGREEMENT.**

**No obligation to sell shall be binding on Seller unless and until a Loan Purchase Agreement is signed and delivered by Seller and Seller has received the Hard Earnest Money Deposit in accordance with the Loan Sale Agreement**

## LOAN SALE AGREEMENT

The Seller will make its required form of Loan Sale Agreement available to Prospective Bidders. Comments to the Loan Sale Agreement are discouraged and, in any event, must be submitted and approved, in Seller’s sole and absolute discretion, prior to the Final Bid Date. **The Seller will be selling the Loans subject only to those representations and warranties explicitly stated in the Loan Sale Agreement. No other representations or warranties, either expressed or implied, shall apply.**

All inquiries should be directed through Mission Capital. Neither the Seller, any borrower, borrower affiliates or guarantors are to be contacted. Investors are required to strictly adhere to the terms of the Confidentiality Agreement.

## TRANSACTION TEAM CONTACT INFORMATION

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## DISCLAIMER

NO OBLIGATION TO SELL SHALL BE BINDING ON SELLER UNLESS AND UNTIL A WRITTEN CONTRACT OF SALE OR LOAN PURCHASE AGREEMENT IS SIGNED AND DELIVERED BY SELLER. THE SELLER RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THE LOANS FROM THE LOAN SALE, AT ANY TIME. THIS SALE ANNOUNCEMENT HAS BEEN PREPARED TO ASSIST THE RECIPIENT IN DECIDING WHETHER TO PROCEED WITH FURTHER INVESTIGATION OF THE LOANS. WHILE THE INFORMATION INCLUDED HEREIN IS BELIEVED TO BE ACCURATE AND RELIABLE, SELLER, MISSION CAPITAL AND THEIR RESPECTIVE SUBSIDIARIES, AFFILIATES, AGENTS, ATTORNEYS, ASSIGNEES, OFFICERS, TRUSTEES, DIRECTORS, SERVICERS AND EMPLOYEES MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, INCLUDING BUT NOT LIMITED TO THE VALIDITY OR PRIORITY OF ANY LIENS AND THE VALUE OF ANY COLLATERAL. ONLY THOSE REPRESENTATIONS AND WARRANTIES THAT ARE MADE BY THE SELLER TO A PROSPECTIVE BIDDER IN A DEFINITIVE, EXECUTED LOAN PURCHASE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.