

# SALE ANNOUNCEMENT

## \$5,168,647 Commercial Loan Sale

|       |                                  |
|-------|----------------------------------|
| Sale: | \$5,168,647 Commercial Loan Sale |
|-------|----------------------------------|

|             |                    |
|-------------|--------------------|
| Collateral: | Full Service Hotel |
|-------------|--------------------|

|           |            |
|-----------|------------|
| Location: | Gurnee, IL |
|-----------|------------|

|              |            |
|--------------|------------|
| Performance: | Performing |
|--------------|------------|

### Overview

\$5,168,647 Commercial Loan Sale (the “Loan Sale”) conducted by Mission Capital Advisors, LLC (“Mission” or “Loan Sale Advisor”) on behalf of an undisclosed seller (“Seller”).

### Sale Structure

Mission has been retained as the exclusive Loan Sale Advisor to the Seller for the sale of a loan secured by a first-lien mortgage on a 210-key full service hotel located in Gurnee, IL (the “Loan” or “Asset”). The Loan is being offered on a sealed bid basis.

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

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

The sale must be completed according to the timeline attached hereto.

### Highlights & Loan Summary

The Loan Sale offers Prospective Bidders an opportunity to acquire a performing loan secured by a 210-key full service hotel located in Gurnee, IL.

- The collateral is proximate to several demand generators including Gurnee Mills Mall, KeyLime Cove Waterpark, Six Flags Great America Gurnee, and Great Lakes Naval Station. Combined, these attractions draw over 25 million visitors per year.
- Hotel management has been active in pursuing corporate contracts, securing leases covering more than 9,000 room nights per year.
- The hotel underwent a \$12mm renovation and complete upgrade in 2012 by the current sponsor and is in excellent condition.
- The Loan has a Debt Yield of 13.9% and NOI DSCR of 2.17x based on 2016 financials. Per the February 2017 STR Report, trailing 12 month ADR was \$92.69 and occupancy was 56.24%.
- The subject collateral is a full service hotel and features a breakfast and dining area, seven meeting rooms, exhibit hall, indoor pool, whirlpool, fitness room, business center, market pantry, and guest laundry room.

### Loan Information

|                              |             |
|------------------------------|-------------|
| Status                       | Performing  |
| Unpaid Principal Balance     | \$5,168,647 |
| Original Principal Balance   | 5,200,000   |
| Origination Date             | 9/30/2016   |
| Maturity Date                | 10/1/2026   |
| Rate                         | 4.90%       |
| Rate Type                    | Fixed       |
| Amortization Period (Months) | 360         |
| Loan Purpose                 | Refinance   |
| NOI Debt Yield               | 13.9%       |
| DSCR NOI                     | 2.17x       |

### Loan Sale Process

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

The Seller, in conjunction with Mission, have prepared a comprehensive array of due diligence data (the “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 [www.missioncap.com/transactions](http://www.missioncap.com/transactions). Included in the Due Diligence Materials will be an Offering Memorandum for the Asset (the “Offering Memorandum”) prepared by Mission, comprehensive bidding instructions, the terms of sale and the Seller’s required form of Agreement for Sale and Purchase of Loan (the “Loan Sale Agreement”).

Mission is soliciting non-contingent final bids for the Asset. Prospective Bidders are required to complete final due diligence before submitting **non-contingent offers on the Bid Date (the acceptance of which by Seller will require immediate execution of Loan Sale Agreement by Prospective Bidder accompanied by a 10% non-refundable wire funds deposit). No obligation to sell shall be binding on Seller unless and until a written contract of sale or loan sale agreement is signed and delivered by Seller.**

### Collateral Information

|                         |                    |
|-------------------------|--------------------|
| Collateral Type         | Full Service Hotel |
| Location                | Gurnee, IL         |
| Total Site Size (acres) | 5.38               |
| Keys                    | 210                |
| Number of Buildings     | 1                  |
| Parking Spaces          | 330                |
| Year Built / Renovated  | 1970 / 2012        |
| Occupancy TTM*          | 56.24%             |
| ADR TTM*                | \$92.69            |
| RevPAR TTM*             | \$52.13            |
| TTM Date*               | February 2017      |

\*Per February 2017 STR Report

Additional information will be provided to Bidders via Mission’s online due diligence site. Such information may include detailed loan documents, pay histories, environmental reports, litigation documents (if applicable), and financial statements, in both computer file and imaged formats.

Please e-sign or return an executed Confidentiality Agreement to Katie Juarez at [kjuarez@missioncap.com](mailto:kjuarez@missioncap.com). **PLEASE NOTE THAT E-SIGNATURES WILL BE PROCESSED IN TOP PRIORITY WHILE EMAIL SIGNATURES ARE PROCESSED AT THE END OF EACH BUSINESS DAY.**

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

### Loan Sale Agreement

**The Seller will make its required form of Loan Sale Agreement available to Final Bidders. Pursuant to the Loan Sale Agreement, the Seller is selling its Loan 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.**

## Timeline

The transaction contemplated herein has been scheduled as follows:

| Loan Sale Timeline                   |                           |
|--------------------------------------|---------------------------|
| Event                                | Date                      |
| Sale Announcement Distributed        | Wednesday, April 05, 2017 |
| Initial Data Distribution            | Friday, April 07, 2017    |
| Indicative Bid Date                  | Wednesday, April 26, 2017 |
| Acceptance of or Comments to LSA Due | Tuesday, May 16, 2017     |
| Best & Final Bid Date                | Wednesday, May 17, 2017   |
| Winning Bidder Selected              | Thursday, May 18, 2017    |
| 10% Non-Refundable Deposit Due       | Friday, May 19, 2017      |
| Closing Date                         | Friday, May 26, 2017      |

## Mission Capital Contacts

### Loan Sale Discussions

Michael Britvan  
mbritvan@missioncap.com

### Data Requests

Jonathan Schwartz  
jschwartz@missioncap.com

## Disclaimer

NO OBLIGATION TO SELL SHALL BE BINDING ON SELLER UNLESS AND UNTIL A WRITTEN CONTRACT OF SALE OR LOAN SALE AGREEMENT IS SIGNED AND DELIVERED BY SELLER. THE SELLER RESERVES THE RIGHT, AT ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THE ASSETS 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 ASSETS. WHILE THE INFORMATION INCLUDED HEREIN IS BELIEVED TO BE ACCURATE AND RELIABLE, SELLER, MISSION AND THEIR RESPECTIVE SUBSIDIARIES, AFFILIATES, AGENTS, 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 APPLICABLE SELLER TO A PROSPECTIVE BIDDER IN A DEFINITIVE, EXECUTED LOAN SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.

## Additional Contacts

Wm. David Tobin  
dtobin@missioncap.com

Will Sledge  
wsledge@missioncap.com

Chad Coluccio  
ccoluccio@missioncap.com

Adam Grant  
agrant@missioncap.com

Joseph A. Runk  
jrunk@missioncap.com

Jason Cohen  
jcohen@missioncap.com

Tom Hall  
thall@missioncap.com

Balin Michael  
bmichael@missioncap.com

Stephen Emery  
semery@missioncap.com

Jordan Ray  
jray@missioncap.com

Kyle Kaminski  
kkaminski@missioncap.com

Don Pavlov  
dpavlov@missioncap.com