

SALE ANNOUNCEMENT

\$7,475,113 SUB-PERFORMING LOAN SALE

**MEMORY CARE FACILITY
DALLAS, TX**

INDICATIVE BID DATE: TUESDAY, JULY 28, 2020

FINAL BID DATE: TUESDAY, AUGUST 18, 2020



Sale:	\$7,475,113 Sub-Performing Loan Sale
Collateral:	Memory Care Facility (60 Units / 70 Beds)
Location:	Dallas, TX
Performance:	Sub-Performing

Overview Summary

This Sale Announcement presents the sale of a \$7,475,113 sub-performing loan secured by a memory care facility in Dallas, TX (the “Loan Sale” or “Asset Sale”) conducted exclusively 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 sub-performing loan with an unpaid principal balance of \$7,475,113 (the “Loan” or “Asset”). The Loan is secured by a Deed of Trust on a memory care facility located in Dallas, TX (the “Property” or “Facility”) and additional collateral pledged by the borrower in March 2019. 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 securing the Property 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 final bids for the Loan.



Sale Highlights

The Loan Sale offers Prospective Bidders the opportunity to acquire a sub-performing Loan secured by a memory care facility located in Dallas, TX and other additional collateral.

- The Loan carries an unpaid principal balance of \$7,475,113 and accrued interest of \$91,252, as of June 30, 2020. The Loan was granted a 90-day deferral in March 2020 due to COVID-19.
- The Facility, built in 2015, is one of the newest in its market and contains a total GBA of 37,215 square feet. The Facility is improved with 60 units and is licensed for 70 operational beds.
- The offering affords potential investors with strong upside opportunity, as the Facility currently operates at a below-market occupancy. As of the May 31, 2020, the Facility had 29 residents, resulting in a 41.4% occupancy by operating bed count.
- A January 2020 appraisal of the subject Facility indicated an “As-Is” value of \$7,200,000 and an “As-Stabilized” value of \$8,900,000. Additional collateral valued at \$1.48 million was pledged for the Loan in March 2019 in order to extend the maturity date to October 2020.
- The Loan is guaranteed by several high net worth individuals who pledged additional collateral in March 2019.
- The Property is located approximately 14 miles north of downtown Dallas and 5 miles northeast of the Dallas Medical Center.
- The Facility has not had any COVID-19-positive residents or staff as of July 3, 2020.

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 market.missioncap.com. 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 the Loan (the “Loan Sale Agreement”).

Mission is initially soliciting indicative bids for the Assets. Prospective Bidders are encouraged review the Due Diligence Materials and submit indicative bids in accordance with the proposed timeline.

After receipt of indicative bids, Mission, in conjunction with the Seller, will select Final Bidders to complete final due diligence before submitting **non-contingent offers on the Final Bid Date (the acceptance of which by Seller will require immediate execution of pre-negotiated Loan Sale Agreement by Prospective Bidder accompanied by a 10% non-refundable wire funds deposit).**

Loan Sale Timeline

The transaction contemplated herein has been scheduled as follows:

Event	Date
Sale Announcement Distributed	Wednesday, July 8, 2020
Initial Data Distribution	Wednesday, July 8, 2020
Indicative Bid Date	Tuesday, July 28, 2020
Comments to LSA Due	Tuesday, August 4, 2020
Best & Final Bid Date	Tuesday, August 18, 2020
Winning Bidder Selected	Wednesday, August 19, 2020
10% Non-Refundable Deposit Due	Friday, August 21, 2020
Closing Date	Friday, August 28, 2020

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 nda@missioncap.com

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 for review to 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.

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Due diligence information can be found in the data room at market.missioncap.com

Disclaimer:

NO OBLIGATION TO SELL SHALL BE BINDING ON SELLER UNLESS AND UNTIL A WRITTEN CONTRACT OF SALE OR PURCHASE AND 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 ASSET 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 ASSET SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.

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