

SALE ANNOUNCEMENT

\$5,647,469 NON-PERFORMING LOAN SALE

MEMORY CARE FACILITY
MISSOURI CITY, TX

INDICATIVE BID DATE: THURSDAY, MAY 23, 2019

FINAL BID DATE: THURSDAY, JUNE 13, 2019



Sale:	\$5,647,469 Non-Performing Loan Sale
Collateral:	Memory Care Facility
Location:	Missouri City, TX
Performance:	Non-Performing

Overview Summary

This Sale Announcement presents the sale of a \$5,647,469 non-performing loan secured by a memory care facility in Missouri City, 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 a community bank with a footprint in the southern United States for the sale of a non-performing loan with an unpaid principal balance of \$5,647,469 (the “Loan” or “Asset”). The Loan is secured by a first lien Deed of Trust on a memory care facility located in Missouri City, TX (the “Property”). 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.



Downtown Missouri City, TX

Sale Highlights

The Loan Sale offers Prospective Bidders the opportunity to acquire a non-performing Loan secured by a memory care facility located in Missouri City, TX.

- The subject loan was originated to construct an assisted living facility located in Missouri City, TX and to provide mini-perm financing during the lease up of the Property.
- The borrower is an established developer and operator of over 40 senior living facilities throughout the United States.
- The Loan was modified in recent years due to impaired cash flows stemming from vacancies. Hurricane Harvey and slow lease up of the Property resulted in insufficient funds to cover debt service.
- The Loan matured on March 15, 2018 and is currently accruing interest at the default rate of 18%. No payments have been received since March 2018.
- The Loan is secured by a 40-unit, 47-bed 100% private pay memory care facility located in Missouri City, TX.
- Performance of the facility improved significantly since 2016 as occupancy by bed has increased from 48.9% to 61.7%.
- The facility consists of common areas and a secure central courtyard. Features of the common areas include a lobby/reception area, offices, beauty/barber shop, sundry store, resident laundry room, living room, billiards room, and wellness/therapy facilities. The food service area includes a kitchen, main dining room, loading dock, dietary storage, and dietary office. The memory care units feature full bathrooms with grab bars in tubs/showers; wall to wall carpeting, standard closets, individually controlled heating and air conditioning, and an emergency medical alert system. The resident corridors also feature sitting areas and living rooms.

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	Thursday, May 2, 2019
Initial Data Distribution	Thursday, May 2, 2019
Indicative Bid Date	Thursday, May 23, 2019
Acceptance of or Comments to LSA Due	Friday, May 31, 2019
Final Bid Date	Thursday, June 13, 2019
Winning Bidder Selected	Friday, June 14, 2019
10% Non-Refundable Deposit Due	Monday, June 17, 2019
Closing Date on or Before	Monday, June 24, 2019

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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