

SALE ANNOUNCEMENT

\$12,826,239 SUB-PERFORMING LOAN RELATIONSHIP SALE

**MEMORY CARE FACILITIES
SUWANEE, GA AND SAN ANTONIO, TX**

INDICATIVE BID DATE: TUESDAY, MAY 21, 2019

FINAL BID DATE: TUESDAY, JUNE 11, 2019



Sale:	\$12,826,239 Sub-Performing Loan Relationship Sale
Collateral:	Memory Care Facilities
Location:	Suwanee, GA & San Antonio, TX
Performance:	Sub-Performing

Overview Summary

This Sale Announcement presents the sale of a sub-performing loan secured by a memory care facility in Suwanee, GA and a sub-performing loan secured by a memory care facility in San Antonio, 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 two loans with a common sponsor as follows: (I) one loan with unpaid principal balance of \$5,927,911 and (II) one loan with an unpaid principal balance of \$6,898,328 (together the “Loans” “Assets” or “Loan Relationship”). The Loans are secured by two memory care facilities located in Suwanee, GA and San Antonio, TX, respectively, (the “Properties”). The Loans are 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 **(I) either loan individually, or (II) the entire Loan Relationship** pursuant to the Loan Sale timeline attached below.

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 Loans.

Asset Summaries						
Loan	UPB	Rate	Maturity	Collateral City, State	# Beds	Occ %
GA- 1	\$5,927,911	WSJP + 3.00%	7/31/19	Suwanee, GA	46	80.4
TX – 1	\$6,898,328	WSJP + 1.00%	2/10/20	San Antonio, TX	47	72.3

Sale Highlights

The Loan Sale offers Prospective Bidders the opportunity to acquire sub-performing Loans, each independently secured (not cross-collateralized nor cross-defaulted) by a memory care facility in Suwanee, GA (GA-1), and a memory care facility in San Antonio, TX (TX-1), respectively.

- The subject Loans were originated to construct assisted living facilities located in Suwanee, GA and San Antonio, TX respectively, and to provide mini-perm financing during the lease up of the Properties.
- The Loans share a common sponsor who is an established developer and operator of over 40 senior living facilities throughout the United States.
- The Loans were modified and extended multiple times in recent years due to maturity defaults. Neither property is producing sufficient cash flow to cover debt service.
- The Borrower is currently covering debt service shortfall out of pocket and has shown a commitment to the lease-up of the collateral.
- Each loan is independently secured by a 100% private pay memory care facility. GA-1 is secured by a 46 bed facility located in Suwanee, GA. TX-1 is secured by a 47 bed facility located in San Antonio, TX.
- Performance of both facilities improved significantly in 2017 but saw performance decline in 2018. The San Antonio property produced sufficient cash flow to cover debt service in 2017, but saw occupancy drop in 2018. The Suwanee property saw occupancy increase to 80% in 2018, but incurred higher costs than in previous years.
- The newly constructed facilities feature outdoor areas including walking paths, enclosed courtyards, and patios. Other property and unit amenities include a central community dining room, private dining room, full commercial kitchen, library, activity room, sunroom, salon, café, and laundry services.

Loan Information							
Loan	Original Loan Amount	UPB	UPB Per Unit	Interest Rate	Maturity	Payment Type	Monthly P&I Payments
GA-1	\$7,300,000	\$5,927,911	\$141,141	WSJP + 3.00%	7/31/19	P&I	\$66,989.37
TX-1	\$8,011,000	\$6,898,328	\$164,246	WSJP + 1.00%	2/10/20	IO (12 months), PI (12 months)	\$37,644.71

Collateral Information							
Loan	Property Type	City, State	Year Built/Renovated	SF (GBA)	# Beds	# of Buildings	Occupancy
GA-1	Memory Care Facility	Suwanee, GA	2013	29,461	46	1	80.4%
TX-1	Memory Care Facility	San Antonio, TX	2013	26,782	47	1	68.1%

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).**

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 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.

Contact Information

MISSION CAPITAL ADVISORS, LLC

Daniel O'Donnell*Managing Director*dodonnell@missioncap.com

214-912-6567

Jonathan Schwartz*Associate*jschwartz@missioncap.com

212 925 6692

Michael Britvan*Managing Director*mbritvan@missioncap.com

212 925 6692

Anna Baumeistser*Analyst*abaumeister@missioncap.com

212-925-6692

Loan Sale Timeline

The transaction contemplated herein has been scheduled as follows:

Event	Date
Sale Announcement Distributed	Tuesday, April 30, 2019
Initial Data Distribution	Tuesday, April 30, 2019
Indicative Bid Date	Tuesday, May 21, 2019
Acceptance of or Comments to LSA Due	Wednesday, May 29, 2019
Final Bid Date	Tuesday, June 11, 2019
Winning Bidder Selected	Wednesday, June 12, 2019
10% Non-Refundable Deposit Due	Friday, June 14, 2019
Closing Date on or Before	Monday, June 24, 2019

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.

NEW YORK

41 Madison Avenue
35th Floor
New York, NY 10010
Tel: 212-925-6692
Fax: 646-607-8132

CALIFORNIA

620 Newport Center Dr
Suite 680
Newport Beach, CA 92660
Tel: 949-706-3001
Fax: 646-607-8132

ALABAMA

118 North Royal Street
7th Floor
Mobile, AL 36602
Tel: 212-941-2269
Fax: 646-607-8132

FLORIDA

4741 Military Trail
Suite 202
Jupiter, FL 33458
Tel: 561-622-7022
Fax: 561-622-9959

TEXAS

1920 McKinney Avenue
7th Floor
Dallas, TX 75201
Tel: 469-333-8004
Fax: 512-327-0112