

# SALE ANNOUNCEMENT

**\$8,754,757 NON-PERFORMING LOAN SALE**

**MEMORY CARE FACILITY  
HOUSTON, TX**

INDICATIVE BID DATE: THURSDAY, JULY 2, 2020

FINAL BID DATE: THURSDAY, JULY 23, 2020



<b>Sale:</b>	<b>\$8,754,757 Non-Performing Loan Sale</b>
<b>Collateral:</b>	<b>Memory Care Facility (42 Units / 50 Licensed Beds)</b>
<b>Location:</b>	<b>Houston, TX</b>
<b>Performance:</b>	<b>Non-Performing</b>

## Overview Summary

This Sale Announcement presents the sale of a \$8,754,757 non-performing loan secured by a memory care facility in Houston, 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 non-performing loan with a legal balance of \$8,754,757 (the “Loan” or “Asset”). The Loan is secured by a Deed of Trust on a memory care facility located in Houston, TX (the “Property” or “Facility”). 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 non-performing Loan secured by a memory care facility located in Houston, TX.

- The Loan carries a legal balance of \$8,754,757, which includes \$7,753,335 of UPB from the original loan, \$75,000 outstanding from an \$82,500 DIP loan, and \$926,422 of accrued interest and late fees.
- The Facility contains a total GBA of 26,308 square feet and is improved with 42 units and 46 operational beds. The Facility is licensed for a total of 50 beds.
- As of April 29, 2020, rent roll, the Facility had 33 residents, resulting in a 71.7% occupancy by current operating bed count.
- The Facility is located in the West Houston commercial district of Memorial City, approximately 20 miles west of downtown Houston. Houston is the fifth largest MSA in the United States, according to the U.S Census Bureau.
- The Facility is located just 2.5 miles northwest of the HCA Houston Healthcare West hospital. The hospital features more than 1,200 care-team members and 400 doctors and has been serving the West Houston community for over 30 years.
- As of 2018, 10.5% of Harris County’s population was over the age of 65 and 3.9% over the age of 75, according to the U.S. Census Bureau.
- As of 2020, the 5-mile radius of the Property featured a median home value of \$244,063, 46,724 adult-child households (aged 45-64), and 4,138 seniors aged 75 and up with a qualified income of \$50,000 or more, according to VisionLTC.
- Property taxes are delinquent for tax years 2017, 2018 and 2019 in the amount of \$415,536.72 as of June 5, 2020.
- A September 2019 appraisal indicated an “As-Is” value of \$5,900,000 and an “As-Stabilized” value of \$8,510,000.

## 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](http://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, June 10, 2020
Initial Data Distribution	Wednesday, June 10, 2020
Indicative Bid Date	Thursday, July 2, 2020
Comments to LSA Due	Thursday, July 9, 2020
Best & Final Bid Date	Thursday, July 23, 2020
Winning Bidder Selected	Friday, July 24, 2020
10% Non-Refundable Deposit Due	Tuesday, July 28, 2020
Closing Date	Wednesday, August 5, 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](mailto: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.**

## Contact Information

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Due diligence information can be found in the data room at [market.missioncap.com](http://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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