

# SALE ANNOUNCEMENT

**\$6.9MM NON-PERFORMING COMMERCIAL  
MORTGAGE LOAN SALE**

**VALUE-ADD MIXED-USE (OFFICE/RETAIL)**

**KATY, TX (HOUSTON MSA)**

INDICATIVE BID DATE: MONDAY, DECEMBER 7, 2020

FINAL BID DATE: MONDAY, DECEMBER 21, 2020



<b>Sale:</b>	<b>\$6.9MM Non-Performing Commercial Mortgage Loan Sale</b>
<b>Collateral:</b>	<b>Value-Add Mixed-Use (Office/Retail)</b>
<b>Location:</b>	<b>Katy, TX (Houston MSA)</b>
<b>Performance:</b>	<b>Non-Performing, Maturity Default</b>

## Overview Summary

This Sale Announcement presents the sale of an approximately \$6.9MM non-performing commercial mortgage loan secured by a mixed-use property located in Katy, TX (the “Loan Sale” or “Asset Sale”) conducted exclusively by Mission Capital Advisors, LLC (“Mission Capital” or “Loan Sale Advisor”) on behalf of an undisclosed seller (“Seller”).

## Sale Structure

On behalf of the Seller, Mission is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the potential 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 final bids for the Loan.

## Loan Sale Timeline

The potential transaction contemplated herein has been scheduled as follows:

Event	Date
Sale Announcement Distributed	Thursday, November 19, 2020
Initial Data Distribution	Friday, November 20, 2020
Indicative Bid Date	Monday, December 7, 2020
Best & Final Bid Date	Monday, December 21, 2020
Winning Bidder Selected	Tuesday, December 22, 2020
10% Non-Refundable Deposit Due	Wednesday, December 23, 2020
Closing Date	Tuesday, December 29, 2020

## Sale Highlights

The Loan Sale offers Prospective Bidders the opportunity to acquire a non-performing commercial mortgage loan secured by a value-add mixed-use property located in Katy, TX.

- The loan matured May 28th and is now non-performing. The Borrower sought Chapter 7 bankruptcy protection in June, but a lift from the automatic stay was granted on August 5th.
- Texas offers a quick path to title through a non-judicial process. Due to COVID-19 restrictions, the site for a trustee’s sale is currently closed, but it is expected that a foreclosure could be completed at the next available monthly auction.
- With occupancy of 49.6% as of September 2020, additional lease-up of the Property provides significant potential upside and allows a purchaser to obtain a high-quality asset at a discount to replacement value.
- Constructed in 2007, the Property consists of 48,621 sf in a four-story office tower as well as 11,035 sf of storefront office/retail space.
- The Property is part of a larger 9-acre mixed-use office and retail development that also includes an additional 68,865 sf of non-collateral retail and restaurant space.
- The Property is located along the Grand Parkway (TX-99), approximately one-mile south of the Katy Freeway (I-10). The western portion of unincorporated Harris County, which includes Katy, is among Houston’s fastest-growing population centers.

LOAN SUMMARY	
Loan Status	Non-Performing, Maturity Default
Original Balance	\$9,112,500
Original Balance PSF	\$152.75
Current Principal Balance	\$6,908,099
Current Principal Balance PSF	\$115.80
Origination Date	4/16/2009
Original Maturity Date	4/16/2012
Most Recent Modification Date	5/28/2018
Current Maturity Date	5/28/2020
Current Rate	4.750%
Default Rate	+5.000%
Current Rate Type	Fixed
Current Payment Type	Interest-Only
Accrual Basis	Act/360

COLLATERAL SUMMARY	
Property Type	Mixed-Use (Office/Retail)
City, County, State	Katy, Harris County, TX
GBA SF	62,108
NRA SF	59,656
Stories	4
# of Buildings	1
Site Size (Acres)	2.675
Year Built	2007
Appraisal Value As-Is	\$5,800,000
Appraisal Value As-Is PSF	\$97.22
Appraisal Value As-Stabilized	\$7,200,000
Appraisal Value As-Stabilized PSF	\$120.69
Appraisal Date	May-20
Zoning	None
Occupancy	49.6%
Occupancy Date	Sep-20

## Loan Sale Process

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

The Seller, in conjunction with Mission Capital, has 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 Loan (the “Offering Memorandum”) prepared by Mission Capital, comprehensive bidding instructions, the terms of sale and the Seller’s required form of agreement for Purchase & Sale of the Loan (the “Loan Sale Agreement”).

Mission is initially soliciting indicative bids for the Loan. Prospective Bidders are encouraged to 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 Capital’s online due diligence site. Such information may include detailed loan documents, pay histories, environmental reports, 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 will be 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

### MISSION CAPITAL ADVISORS, LLC

**Daniel O'Donnell**  
*Managing Director*

[ddonnell@missioncap.com](mailto:ddonnell@missioncap.com)  
214.912.6567

**Adam Grant**  
*Director*

[agrant@missioncap.com](mailto:agrant@missioncap.com)  
310.622.5697

**Alex Draganiuk**  
*Managing Director*

[adraganiuk@missioncap.com](mailto:adraganiuk@missioncap.com)  
917.302.2706

**Hugo Rapp**  
*Analyst*

[hrapp@missioncap.com](mailto:hrapp@missioncap.com)  
212.925.6692

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 LOAN 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 LOAN. WHILE THE INFORMATION INCLUDED HEREIN IS BELIEVED TO BE ACCURATE AND RELIABLE, SELLER, MISSION CAPITAL 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.

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#### NEW YORK

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

#### CALIFORNIA

530 Wilshire Blvd  
Suite 201  
Santa Monica, CA 90401  
Tel: 323-986-6602  
Fax: 646-607-8132

#### FLORIDA

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