

SALE ANNOUNCEMENT

\$26,488,941 NON-PERFORMING COMMERCIAL LOAN SALE

TWO UPSCALE, LIMITED-SERVICE
EXTENDED STAY HOTELS (FLAGGED)
BOSTON AREA, MASSACHUSETTS

INDICATIVE BID DATE: TUESDAY, APRIL 6, 2021

FINAL BID DATE: THURSDAY, APRIL 22, 2021



Sale:	\$26,488,941 Commercial Loan Sale
Collateral:	Two Upscale, Limited-Service Extended Stay, Flagged Hotels
Location:	Boston Area, Massachusetts
Performance:	Non-Performing / Maturity Default

Overview Summary

Mission Capital Advisors, LLC (“Mission Capital” or “Loan Sale Advisor”) is pleased to present the opportunity to acquire a \$26,488,941 non-performing note secured by a) a first-lien Deed of Trust on a 125-key, upscale, limited-service extended stay, flagged hotel, and b) a first-lien Deed of Trust on a 96-key, upscale, limited-service extended stay, flagged hotel, both located in the Boston area, Massachusetts (collectively, the “Loan Sale” or “Asset Sale”). The Loan Sale is being conducted on behalf of an undisclosed Seller (“Seller”).

Sale Structure

Mission Capital has been retained as the exclusive Loan Sale Advisor to the Seller for the sale of a non-performing loan in maturity default with a current unpaid principal balance of \$26,488,941 secured by a first-lien on two upscale, limited-service extended stay hotels in the Boston area, Massachusetts (collectively, the “Note”, “Loan” or “Asset”). The Loan is being offered on a sealed bid basis.

On behalf of the Seller, Mission Capital is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the purchase of the Loan pursuant to the Loan Sale timeline attached hereto.

Mission Capital, 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 transaction contemplated herein has been scheduled as follows:

Loan Sale Timeline	
Event	Date
Sale Announcement Distributed	Tuesday, March 16, 2021
Initial Data Distribution	Wednesday, March 17, 2021
Indicative Bid Date	Tuesday, April 6, 2021
Best & Final Bid Date	Thursday, April 22, 2021
Winning Bidder Selected	Friday, April 23, 2021
10% Non-Refundable Deposit Due	Monday, April 26, 2021
Closing Date	Monday, May 3, 2021

Sale Highlights

The Loan Sale offers Prospective Bidders the opportunity to acquire a non-performing Note secured by a) a first-lien Deed of Trust on a 125-key, upscale, limited-service extended stay, flagged hotel, and b) a first-lien Deed of Trust on a 96-key, upscale, limited-service extended stay, flagged hotel, both located in the Boston area, Massachusetts (the “Properties” or “Hotels”).

- The Loan was originated in November 2016 with a three-year term and two, 1-year extension options.
- The Loan was originated to acquire the Property and facilitate renovations, which included \$1.6 million of Borrower funds and were completed in 2018.
- The Loan carries an Interest Rate of L+8.00%, which is comprised of the original Interest Rate of L+300, plus a 5.00% Default Rate premium.
- The Seller had granted the Guarantors two 120-day extensions to refinance the Loan, which then matured on July 4, 2020, after COVID-19 had become a universal concern and impediment to hotels across the country. The Loan is currently in Maturity Default.
- The Loan was structured as Sharia compliant, so the Properties are subject to master leases with operating companies.
- The 125-key, upscale, limited-service extended stay hotel features an indoor swimming pool, a fitness center, a business center, free breakfast, a sundry/convenience store, on-site laundry, and 640 SF of meeting event space.
- The 96-key, upscale, limited-service extended stay hotel features an indoor swimming pool, a fitness center, a business center, free breakfast, a sundry/convenience store, and an outdoor sport court.
- Combined 2020 Property NOI was \$1,032,994 (\$609,677 for the 125-key hotel and \$423,317 for the 96-key hotel), resulting in a total debt yield of 3.90%.

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/or 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. 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 Capital is initially soliciting indicative bids for the Loan. 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 Capital, 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, 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. 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.

Transaction Team Contact Information

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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, IF ANY, 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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