

SALE ANNOUNCEMENT

\$105,724,991 PERFORMING HOSPITALITY LOAN PORTFOLIO SALE

INDICATIVE BID DATE: MONDAY, JUNE 7, 2021

FINAL BID DATE: MONDAY, JUNE 21, 2021



Marcus & Millichap

Sale: \$105,724,991 Hospitality Loan Portfolio Sale

Collateral: Hospitality (100%)

Location: CA (48.4%), NY (26.1%), WA (25.5%)

Performance: Performing (100%)*

*See "Highlights & Sale Summary" below for payment relief details

Overview Summary

\$105,724,991 Performing Hospitality Loan Portfolio Sale (the "Portfolio Sale") conducted by Mission Capital Advisors, LLC ("Mission Capital" or "Asset Sale Advisor") on behalf of an undisclosed Seller ("Seller").

Sale Structure

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of a portfolio of performing hospitality loans located in California, New York and Washington (the "Portfolio" or "Assets"). The Assets are 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 **(i) the entire Portfolio, (ii) any Asset individually, or (iii) any combination of Assets**, pursuant to the Portfolio 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 final bidders (the "Final Bidders") to the Final Bid round to complete due diligence and submit non-contingent bids for the Assets.

Highlights & Sale Summary

The Portfolio Sale offers Prospective Bidders the opportunity to acquire performing loans secured by hospitality real estate properties located in CA, NY and WA. Additional Portfolio highlights include the following:

- The Portfolio consists of 10 performing hospitality loans which have been, or are currently, in COVID-19 related payment relief plans.
- 24.7% of the Portfolio (by UPB) is out of its payment relief plan and the Borrower is paying according to the terms of the note.
- All but one of the loans that are currently under a payment relief plan have a payment relief end date between May 2021 – August 2021.
- The Portfolio contains a mix of select-service and limited-service hotels as collateral (the "Collateral")
- The Portfolio has a weighted average coupon of 4.50%.
- The Portfolio is 49 months seasoned on a weighted average basis.
- Detailed Portfolio Stratifications can be found in Exhibit A (pages 5-6).

Asset Type	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
Hospitality Loan	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%

Sale Process

Prospective Bidders are subject to qualification by Mission Capital and/or the Seller (qualification process will be initiated by Mission Capital as deemed necessary). Access to the Due Diligence Materials will be provided to 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 www.missioncap.com/transactions. Included in the Due Diligence Materials will be a data tape for the Assets (the “Data Tape”) prepared by Mission Capital, comprehensive bidding instructions, the terms of sale and the Seller’s required form of Loan Purchase Agreement for Sale and Purchase of the Assets (the “Loan Purchase Agreement”).

Mission Capital 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 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 Purchase Agreement by Prospective Bidder accompanied by a 10% non-refundable wire funds deposit).

Additional information will be provided to Prospective Bidders via Mission Capital’s online due diligence site, MissionMarket. Such information may include detailed loan documents, pay histories, litigation documents (if applicable), and financial statements, in both computer file and imaged formats.

Please e-sign or return an executed Confidentiality Agreement to Katie Juarez at kjuarez@missioncap.com. **PLEASE NOTE THAT E-SIGNATURES WILL BE PROCESSED IN TOP PRIORITY WHILE EMAIL SIGNATURES ARE PROCESSED AT THE END OF EACH BUSINESS DAY.**

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 Purchase Agreement

The Seller will make its required form of Loan Purchase Agreement available to Bidders. Comments to the Loan Purchase Agreement are due prior to the Final Bid Date on Monday, June 21, 2021. Pursuant to the Loan Purchase Agreement, the Seller is selling its Loans subject only to those representations and warranties explicitly stated in the Loan Purchase 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 Loan Purchase Agreement is signed and delivered by Seller and Seller has received the earnest money in accordance with the Loan Purchase Agreement.

Sale Timeline

The transaction contemplated herein has been scheduled as follows:

Sale Timeline	
Event	Date
Sale Announcement Distributed	Tuesday, May 25, 2021
Initial Data Distribution	Tuesday, May 26, 2021
Indicative Bid Date	Monday, June 7, 2021
Best & Final Bid Date	Monday, June 21, 2021
Winning Bidder Selected	Tuesday, June 22, 2021
10% Non-Refundable Deposit Due	Wednesday, June 23, 2021
Closing Date	Wednesday, June 30, 2021

Disclaimer

NO OBLIGATION TO SELL SHALL BE BINDING ON SELLER UNLESS AND UNTIL A WRITTEN CONTRACT OF SALE OR LOAN PURCHASE AGREEMENT IS SIGNED AND DELIVERED BY SELLER. THE SELLER RESERVES THE RIGHT, AT ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THE LOANS 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 LOANS. 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 PURCHASE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.

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Asset Type	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
Hospitality Loan	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%

Property State	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
CA	5	\$51,133,679	48.4%	\$10,226,736	\$53,440,000	12/30/2016	6/18/2024	5.02%
NY	1	\$27,618,687	26.1%	\$27,618,687	\$29,000,000	12/18/2017	12/15/2024	3.25%
WA	4	\$26,972,626	25.5%	\$6,743,156	\$32,860,000	1/22/2017	3/12/2025	4.78%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%

Payment Relief Flag (Current)	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
Y (IO)	5	\$41,206,298	39.0%	\$8,241,260	\$47,610,000	12/1/2015	2/16/2024	4.93%
Y (P&I Deferral)	2	\$38,428,463	36.3%	\$19,214,232	\$40,050,000	4/3/2018	2/3/2026	3.91%
N	3	\$26,090,230	24.7%	\$8,696,743	\$27,640,000	12/11/2017	11/15/2023	4.68%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%

Payment Type (Current)	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
PI	5	\$64,518,694	61.0%	\$12,903,739	\$67,690,000	2/16/2018	3/12/2025	4.22%
IO	5	\$41,206,298	39.0%	\$8,241,260	\$47,610,000	12/1/2015	2/16/2024	4.93%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%

Rate Type	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
Fixed	8	\$73,133,312	69.2%	\$9,141,664	\$80,800,000	1/26/2017	8/12/2024	5.02%
Variable	2	\$32,591,680	30.8%	\$16,295,840	\$34,500,000	9/13/2017	2/22/2025	3.33%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%

Balance Bucket	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
\$1,000,000 - \$1,500,000	1	\$1,203,913	1.1%	\$1,203,913	\$5,000,000	9/12/2018	9/12/2043	4.25%
\$3,000,000 - \$3,500,000	1	\$3,161,764	3.0%	\$3,161,764	\$3,200,000	9/17/2019	9/13/2024	5.25%
\$4,500,000 - \$5,000,000	1	\$4,972,993	4.7%	\$4,972,993	\$5,500,000	3/29/2016	3/18/2026	3.75%
\$5,500,000 - \$6,000,000	1	\$5,511,280	5.2%	\$5,511,280	\$6,030,000	8/1/2016	7/26/2021	4.75%
> \$8,000,000	6	\$90,875,041	86.0%	\$15,145,840	\$95,570,000	4/5/2017	8/24/2024	4.50%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%

Rate Bucket	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
3.01% - 4.00%	2	\$32,591,680	30.8%	\$16,295,840	\$34,500,000	9/13/2017	2/22/2025	3.33%
4.01% - 5.00%	6	\$59,161,771	56.0%	\$9,860,295	\$66,550,000	7/30/2016	10/23/2023	4.90%
5.01% - 6.00%	2	\$13,971,541	13.2%	\$6,985,770	\$14,250,000	2/27/2019	1/10/2028	5.52%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%

Amort Bucket	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon
0.01% - 10.00%	9	\$104,521,078	98.9%	\$11,613,453	\$110,300,000	4/1/2017	7/24/2024	4.50%
70.01% - 80.00%	1	\$1,203,913	1.1%	\$1,203,913	\$5,000,000	9/12/2018	9/12/2043	4.25%
Grand Total	10	\$105,724,991	100.0%	\$10,572,499	\$115,300,000	4/7/2017	10/11/2024	4.50%