

SALE ANNOUNCEMENT

**\$21,827,240 PERFORMING
HOSPITALITY LOAN SALE**

INDICATIVE BID DATE: TUESDAY, DECEMBER 7, 2021

FINAL BID DATE: TUESDAY, DECEMBER 21, 2021



Sale: \$21,827,240 Hospitality Loan Sale (Two Notes)

Collateral: Hotel – Sheraton Flag

Location: Texas – Central Business District

Performance: Performing (Near Term Maturity)

Overview Summary

\$21,827,240 Performing Hospitality Loan Sale (the “Asset Sale” or “Loan 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 two performing hospitality loans located in Texas (the “Loans” or “Assets”). The Loans 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 the Loans pursuant to the Asset 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 Loans.

The transaction contemplated herein has been scheduled as follows:

Sale Timeline	
Event	Date
Sale Announcement Distributed	Friday, November 19, 2021
Initial Data Distribution	Friday, November 19, 2021
Indicative Bid Date	Tuesday, December 7, 2021
Best & Final Bid Date	Tuesday, December 21, 2021
Winning Bidder Selected	Wednesday, December 22, 2021
10% Non-Refundable Deposit	Thursday, December 23, 2021
Closing Date	Wednesday, December 29, 2021

Highlights & Sale Summary

The Loan Sale offers Prospective Bidders the opportunity to acquire two performing Loans secured by a first lien deed of trust on a 322-key, Sheraton flagged Hotel located in Texas (the “Property”).

- The Loans were originated in June 2015 and contain a 7-year term with a June 2022 maturity date.
- There are two notes in the Loan relationship: A \$21,615,658 term loan and a \$211,583 note (remaining balance) originated to fund renovations.
- The Loans are performing as agreed based at a 3.25% interest rate and a 25-year amortization term. Currently, payments are being fully applied to pay down the accrued interest on the Loans.
- The Borrower received two P&I deferrals due to the COVID-19 pandemic. These deferrals ended in June 2021. The current deferred interest balance is \$276,378.
- The Property was constructed in 1909 and is listed on the National Register of Historic Places. The Property underwent extensive renovations in 2014.
- The Property is in a Central Business District. Museums, theatres, and other tourist attractions surround the Hotel.
- The Property generated over \$14 million in revenue each year from 2017-2019. 2019 was the first full year the Property operated under the Marriott umbrella.

LOAN SUMMARY	
Loan Status	Performing
Original Balance – Deed of Trust	\$24,150,000
Original Balance – Renovation Note	\$700,000
Original Balance – Total Debt	\$24,850,000
Original Balance Per Key – Total Debt	\$77,174
Current Principal Balance – Deed of Trust	\$21,615,658
Current Principal Balance – Renovation Note	\$211,583
Current Principal Balance – Total Debt	\$21,827,240
Current Principal Balance Per Key – Total Debt	\$67,786
Origination Date	6/8/2015
Maturity Date	6/8/2022
Current Rate	3.25%
Rate Type	WSJP
Monthly Payment	\$132,728
Accrued Interest	\$276,378
COVID Modification Flag	Y
COVID Deferral End Date	6/8/2021
Accrual Basis	Act / 360

COLLATERAL SUMMARY	
Property Type	Hotel – Sheraton Flag
State	Texas – CBD
GBA SF	312,480
# of Keys	322
Stories	12
Meeting Space SF	22,895
Site Size (Acres)	1.18
Year Built/Renovated	1909/2014
Appraisal Value – Real Property	\$29,265,000
Appraisal Value – FF&E	\$6,035,000
Total Appraisal Value	\$35,300,000
Appraisal Value Per Key	\$109,627
Appraisal Date	3/9/2015
Zoning	D (Downtown District)
Sep 2021 YTD Occupancy	31.90%
Sep 2021 YTD ADR	\$122.74

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. Included in the Due Diligence Materials will be an Information Memorandum for the Loans (the “Information Memorandum”) prepared by Mission Capital, comprehensive bidding instructions, the terms of sale and the Seller’s required form of loan sale agreement (the “Loan Sale Agreement”).

Mission is initially soliciting indicative bids for the Loans. 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 Prospective Bidders via Mission Capital’s online due diligence site. Such information may include detailed loan documents, pay histories, third party reports, 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 Purchase Agreement available to Bidders. Comments to the Loan Purchase Agreement are due prior to the bid date on Tuesday, December 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.

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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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