

SALE ANNOUNCEMENT

\$11 MILLION NON-PERFORMING COMMERCIAL LOAN SALE

Sale:	\$10,995,316 Non-Performing Commercial Loan Sale
Collateral:	Hospitality
Location:	Dallas – Fort Worth Metropolitan Area
Performance:	Maturity Default

OVERVIEW

On behalf of an undisclosed seller (the “**Seller**”), Mission Capital Advisors, LLC (“**Mission Capital**” or “**Loan Sale Advisor**”) is pleased to announce the sale (the “**Loan Sale**”) of a \$10,995,316 non-performing Loan (the “**Loan**,” or “**Asset**”) secured by a Holiday Inn Express (the “**Property**”) located in the Dallas – Fort Worth Metropolitan area.

SALE STRUCTURE

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of a non-performing Loan secured by a hospitality Property located in the Dallas – Fort Worth Metropolitan area. The Asset 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 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 Asset.

Event	Date
Sale Announcement Distributed	Tuesday, November 1, 2022
Due Diligence Materials Available	Wednesday, November 2, 2022
Indicative Bid Date	Wednesday, November 16, 2022
Final Bid Date	Wednesday, December 7, 2022
Winning Bidder Selected	Thursday, December 8, 2022
10% Non-Refundable Deposit Due	Friday, December 9, 2022
Closing Date (on or before)	Tuesday, December 20, 2022

HIGHLIGHTS & SALE SUMMARY

The Loan Sale offers Prospective Bidders the opportunity to acquire a non-performing Loan secured by a first lien deed of trust on a 121-key Holiday Inn Express located in Texas.

- The Loan was originated on May 21, 2018 in the amount of \$11,325,000. The Loan held an original maturity date of May 25, 2023. The Loan was modified several times and the maturity date has been changed to September 25, 2022.
- The Property has been partially closed since February 2021 due to water damage caused by a major winter storm. 36 rooms remain out of order and in the process of being renovated. 30 of the 36 units expect to be back online in the fourth quarter of 2022. An insurance claim by the Borrower was filed, but detail and status of claim is unknown.
- Monthly P&I payments have remained current throughout the term. The default rate of 15.00% was implemented in October 2022 due to a missed balloon payment.
- The Property appraised in September 2022 for \$13,763,000, or approximately \$114,000 per key. The Loan basis represents a modest \$90,870 per key.
- The franchise agreement expires in November 2022 per Borrower. A property improvement plan “PIP” is required in order to adhere to brand mandated standards.
- The Sponsor provides a full personal and corporate guarantee of the Loan obligations.
- The current ownership group invested approximately \$2,500,000 in capital to renovate the Property in 2012. Renovations included upgrades to the common area, roof, and guest rooms

Loan Summary	
Loan Status	Maturity Default
Original Balance	\$11,325,000
Original Balance Per Key	\$93,595
Current Principal Balance	\$10,995,316
Current Principal Balance Per Key	\$90,870
Origination Date	5/21/2018
Maturity Date	9/25/2022
Current Rate	7.50% Fixed
Default Rate	15.00% Fixed
Payment Type	Principal and Interest
Accrued Interest	\$75,565

Collateral Summary	
Property Type	Hospitality
Location	Texas
Keys	121
Stories	5
Year Built / Renovated	2006 / 2012
Appraisal Value As-Is	\$13,763,000
Appraisal Value As-Is Per Key	\$113,744
Appraisal Date	September 2022
Occupancy Rate (June 2022 YTD)	29.50%
ADR (June 2022 YTD)	\$95.18
RevPar (June 2022 YTD)	\$39.98

LOAN SALE PROCESS

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 an array of 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 Asset prepared by Mission Capital, comprehensive bidding instructions, and the Seller’s required form of loan sale agreement (the “**Loan Sale Agreement**”).

Additional Due Diligence Materials will be provided to Prospective Bidders via Mission Capital’s online due diligence site. Such additional Due Diligence Materials may include detailed loan documents, pay histories, and financial statements, in both computer file and imaged formats.

Mission Capital is initially soliciting indicative bids for the Asset. 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 Capital, in conjunction with the Seller, will select Final Bidders to complete due diligence before submitting non-contingent offers on the Final Bid Date (the acceptance of which by Seller will require immediate execution of a pre-negotiated Loan Sale Agreement accompanied by a 10% non-refundable wire funds deposit.

Please e-sign or return an executed Confidentiality Agreement to assetsales@missioncap.com. **PLEASE NOTE THAT E-SIGNATURES OF UNMODIFIED CONFIDENTIALITY AGREEMENTS WILL BE PROCESSED IN TOP PRIORITY, WHILE MODIFIED CONFIDENTIALITY AGREEMENTS ARE PROCESSED AT THE END OF EACH BUSINESS DAY. THE SELLER RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO ACCEPT OR REJECT COMMENTS TO THE CONFIDENTIALITY AGREEMENT.**

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 Deposit in accordance with the Loan Sale Agreement.

LOAN SALE AGREEMENT

The Seller will make its required form of Loan Sale Agreement available to Prospective Bidders. Comments to the Loan Sale Agreement are discouraged and in any event, must be submitted and approved, in Seller’s sole and absolute discretion, prior to the Final Bid Date. **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.**

All inquiries should be directed through Mission Capital. Neither the Seller, any borrower, borrower affiliates or guarantors are to be contacted. Investors are required to strictly adhere to the terms of the Confidentiality Agreement.

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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, IN 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, ATTORNEYS, 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 SELLER TO A PROSPECTIVE BIDDER IN A DEFINITIVE, EXECUTED LOAN PURCHASE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.