

# SALE ANNOUNCEMENT

## \$9.5 MILLION PERFORMING COMMERCIAL LOAN SALE

<b>Sale:</b>	\$9,537,608 Performing Commercial Loan Sale
<b>Collateral:</b>	Hampton Inn Hotel
<b>Location:</b>	Charleston Metropolitan Area
<b>Loan Performance:</b>	Fully Performing

### 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 first and second lien, totaling \$9,537,608 in Unpaid Principal Balance (“**UPB**”), secured by (the “**Loans**,” or “**Assets**”) a Hampton Inn (the “**Property**”) located in the Charleston Metropolitan area.

### SALE STRUCTURE

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of first and second lien, performing loans secured by a limited-service hotel located in the Charleston Metropolitan area. 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 on the Loans.

Event	Date
Sale Announcement Distributed	Tuesday, January 24, 2023
Due Diligence Materials Available	Tuesday, January 24, 2023
Indicative Bid Date	Wednesday, February 8, 2023
Final Bid Date	Wednesday, March 1, 2023
Winning Bidder Selected	Thursday, March 2, 2023
Executed Contract/Deposit Due	Monday, March 6, 2023
Closing Date (On or Before)	Tuesday, March 14, 2023

### HIGHLIGHTS & SALE SUMMARY

The Loan Sale offers Prospective Bidders the opportunity to acquire a \$9.34mm first lien & related \$195k second lien on a 128-key Hampton Inn located in South Carolina. Loan Sale highlights are as follows:

- The first lien was originated in September 2013, in the amount of \$12,400,000. The second lien was originated in April 2020, in the amount of \$400,000.
- Monthly P&I payments on the Loans have remained Current throughout the term and are Current through December 2022.
- The Loans have a floating rate of LIBOR + 200. An extension was granted in January 2020 which extended the maturity to January 23, 2027. The extension re-amortized the existing first lien loan based on a 25-year amortization schedule.
- The Loan has an interest coverage ratio of 1.87x as well as a debt yield of 12.9%.
- The Property appraised in August 2019 for \$20,750,000, or approximately \$162,000 per key. The Loan basis makes for a 45.1% LTV.
- The Sponsor, a high net worth individual, provides a 50% personal guarantee of the Loan obligations.
- The 2022 YTD NOI of \$1,728,391 has nearly recovered to the 2019 pre-pandemic level of \$1,779,239.
- The Franchise Agreement is in place through September 2028. The most recent PIP was completed in 2014 and another is not expected to be necessary in the near term, based on the Property’s \$115.72 RevPAR (as-of July 2022).

Loan Summary	
Original Balance	\$12,400,000
Original Balance Per Key	\$96,875
Current Principal Balance (1 <sup>st</sup> Lien)	\$9,342,536
Current Principal Balance (2 <sup>nd</sup> Lien)	\$195,072
Origination Date	9/18/2013
Maturity Date	1/23/2027
Current Rate (Both Loans)	LIBOR + 200
Payment Type	Principal and Interest

Collateral Summary	
Property Type	Hospitality
Location	South Carolina
Keys	128
Stories	4
Year Built / Renovated	2001 / 2014
Appraisal Value As-Is	\$20,750,000
Appraisal Value As-Is Per Key	\$162,109
Appraisal Date	August 2019
Occupancy Rate (July 2022 YTD)	67.3%

## 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](http://market.missioncap.com). Included in the Due Diligence Materials will be an information memorandum for the Asset, pay histories, financials, and comprehensive bidding instructions.

Additional Due Diligence Materials will be provided to Prospective Bidders via Mission Capital’s online due diligence site. Such additional Due Diligence Materials will include detailed loan documents, and the Seller’s required form of loan sale agreement (the “**Loan Sale Agreement**”).

Mission Capital 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 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](mailto:assetsales@missioncap.com). **INVESTORS SHOULD NOTE THAT E-SIGNATURES OF UNMODIFIED CONFIDENTIALITY**

**AGREEMENTS WILL BE PROCESSED IN TOP PRIORITY, WHILE REVISED 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 Hard 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 the Loans 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.

## TRANSACTION TEAM CONTACT INFORMATION

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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.