

SALE ANNOUNCEMENT

\$35.9 Million Commercial Loan Relationship Sale

Greater Los Angeles Area

INDICATIVE BID DATE: WEDNESDAY, May 4, 2022

FINAL BID DATE: TUESDAY, MAY 24, 2022



Sale: \$35,912,512 Loan Relationship Sale

Collateral: Five (5) Hotels, One (1) Mixed-Use Asset, One (1) Multi-Family Asset

Location: Greater Los Angeles

Performance: Performing

Overview Summary

\$35,912,512 Loan Relationship Sale (the “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 seven loans with an aggregate unpaid principal balance of \$35,912,512 secured by properties located in the greater Los Angeles area (the “Loans”, “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 the entire Portfolio pursuant to the Asset Sale timeline attached hereto. **Due to the nature of the Loans being related to the same sponsor, Mission Capital is accepting bids on a full Portfolio basis only (no carve-out bids will be considered).**

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 Loan Sale offers Prospective Bidders the opportunity to acquire seven Loans secured by various commercial real estate properties located throughout the greater Los Angeles area.

- The Portfolio is comprised of seven performing CRE Loans across one Loan relationship. While the payments are current, the Loans are in breach of their debt service covenants.
- Loans in the Portfolio have a weighted average coupon of 3.88% and a weighted average default rate of 8.88%.
- 88.8% of the Portfolio consist of hospitality Loans, 10.1% of the portfolio is secured by a mixed-use asset, and the remaining 1.1% of the Portfolio is collateralized by a multi-family asset.
- The Portfolio has a weighted average LTV of 52.1%.
- All Loans are fully guaranteed by the Loan sponsor.
- Detailed Portfolio Stratifications can be found in Exhibit A (page 5).

Portfolio Data	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon	WA Default	
									Rate	WA LTV
Loan Relationship	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%
Grand Total	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%

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 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 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”).

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

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 a pre-negotiated Loan Purchase Agreement by Prospective Bidder 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.**

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.

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. 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 Announcement Distributed	Wednesday, April 13, 2022
Initial Data Distribution	Thursday, April 14, 2022
Indicative Bid Date	Wednesday, May 4, 2022
Best & Final Bid Date	Tuesday, May 24, 2022
Winning Bidder Selected	Wednesday, May 25, 2022
10% Non-Refundable Deposit Due	Thursday, May 26, 2022
Closing Date (On or Before)	Thursday, June 9, 2022

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.

Transaction Team Contact Information

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									Rate	WA LTV
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Grand Total	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%

Loan Performance	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon	WA Default	
									Rate	WA LTV
Current	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%
Grand Total	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%

Asset Type	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon	WA Default	
									Rate	WA LTV
Hotel	5	\$31,900,619	88.8%	\$6,380,124	\$36,740,000	6/28/2014	8/24/2023	3.82%	8.82%	52.5%
Mixed-Use	1	\$3,621,306	10.1%	\$3,621,306	\$4,600,000	1/31/2013	1/31/2023	4.35%	9.35%	51.3%
Multi-Family	1	\$390,587	1.1%	\$390,587	\$650,000	6/26/2015	6/29/2022	4.50%	9.50%	27.9%
Grand Total	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%

Rate Type	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon	WA Default	
									Rate	WA LTV
Variable	4	\$14,085,111	39.2%	\$3,521,278	\$16,800,000	1/9/2014	12/10/2023	3.84%	8.84%	54.9%
Fixed	2	\$12,867,257	35.8%	\$6,433,628	\$15,400,000	3/13/2013	3/13/2023	4.60%	9.60%	53.7%
Swap	1	\$8,960,145	24.9%	\$8,960,145	\$9,790,000	7/20/2016	7/21/2023	2.94%	7.94%	45.4%
Grand Total	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%

Loan Guaranty	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon	WA Default	
									Rate	WA LTV
Full guaranty	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%
Grand Total	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%

Asset Location	Count	UPB	% UPB	Average Balance	Original Balance	WA Orig Date	WA Maturity	WA Coupon	WA Default	
									Rate	WA LTV
Los Angeles	6	\$26,952,368	75.1%	\$4,492,061	\$32,200,000	8/18/2013	8/2/2023	4.20%	9.20%	54.3%
Hawthorne	1	\$8,960,145	24.9%	\$8,960,145	\$9,790,000	7/20/2016	7/21/2023	2.94%	7.94%	45.4%
Grand Total	7	\$35,912,512	100.0%	\$5,130,359	\$41,990,000	5/11/2014	7/30/2023	3.88%	8.88%	52.1%