

SALE ANNOUNCEMENT

\$32.0 MILLION HOSPITALITY LOAN PORTFOLIO SALE

LOCATION:	Texas (100% of UPB)
PERFORMANCE:	Performing (100% of UPB)
COLLATERAL TYPE:	Hospitality (100% of UPB)

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 of a \$32.0 million hospitality loan portfolio (the “Loans” or the “Portfolio”). Mission Capital is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the purchase of (i) the entire Portfolio, or (ii) individual asset(s), pursuant to the Asset Sale timeline attached hereto.

Mission Capital has been retained as the exclusive Loan Sale Advisor to the Seller for the sale of the Loan Portfolio, which consists of three (3) loans across one relationship.

SALE STRUCTURE

Mission Capital is initially soliciting indicative bids from prospective bidders (the “**Prospective Bidders**”) for the purchase of the (i) the entire Portfolio, or (ii) individual asset(s) in the Portfolio. Entire Portfolio bids are preferred and will be prioritized.

Mission Capital and the Seller, in the sole and absolute discretion of the Seller, will then invite final bidder(s) (the “**Final Bidder(s)**”) to complete due diligence and submit non-contingent final bid(s) on the final bid date (the “**Final Bid Date**”) pursuant to the timeline set forth below. All redlined versions of the Mortgage Loan Purchase Agreement (“MLPA”) must be submitted along with final bids.

Loan Sale Timeline	
Event	Date
Sale Announcement Distributed	Thursday, May 4, 2023
Initial Data Distribution	Friday, May 5, 2023
Indicative Bid Date	Thursday, May 18, 2023
Best & Final Bid Date	Wednesday, June 7, 2023
Winning Bidder(s) Selected	Thursday, June 8, 2023
Executed Contract/10% Deposit Due	Monday, June 12, 2023
Closing Date (On or Before)	Monday, June 19, 2023

HIGHLIGHTS & SALE SUMMARY

- The Portfolio is comprised of three loans across one relationship, totaling \$32,006,528 in UPB. The Loans were originated between 2016-2017 by a community bank and refinanced in 2019 for property improvements.
- Each loan is fully guaranteed by different individuals, though the three borrowing entities are related; all three guarantors are managing members of the same Real Estate Development Firm. Combined guarantor net worth is ~\$157 million, based on the latest financials provided.
- The Borrowers made catch-up payments to bring the Loans current in November 2022 and agreed to new forbearance terms in January 2023. The forbearance brought in the maturity dates from 2036 & 2037 to December 2024, and scheduled payments to be made bi-monthly (doubling monthly cash-flow) at a fixed, 4.50% rate. Loan acceleration was agreed to after the Borrowers became delinquent on Property Taxes, which are now all current. All loans have been fully performing since the forbearance was executed.
- Two of the hotels are located in Midland, TX and the other is located in Amarillo, TX. Each hotel carries a mid-to-upper scale flag. Weighted-Average LTV on the Portfolio is 64.4%, based on October 2019 appraisal values.
- For FY 2022, Calculated NOI across each of the hotels was \$944,538, \$488,397, and (\$49,285), respectively.

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 (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 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.

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 of funds as a purchase deposit (the “Earnest Money Deposit”).

Please e-sign or return an executed Confidentiality Agreement to assetsales@missioncap.com. **PLEASE NOTE THAT E-SIGNATURES OF AS-IS CONFIDENTIALITY AGREEMENTS WILL BE PROCESSED AS 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 prior to the Final Bid Date. 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(s), borrower affiliate(s), sponsor(s) or guarantor(s) 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 SALE AGREEMENT IS SIGNED AND DELIVERED BY SELLER. THE SELLER RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THE ASSET FROM THE LOAN PORTFOLIO SALE, AT ANY TIME. THIS SALE ANNOUNCEMENT HAS BEEN PREPARED TO ASSIST THE RECIPIENT IN DECIDING WHETHER TO PROCEED WITH FURTHER INVESTIGATION OF THE ASSET. 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 SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.