

# SALE ANNOUNCEMENT

## \$15.1 MILLION NON-PERFORMING LOAN RELATIONSHIP SALE

<b>Sale:</b>	\$15,141,757 Non-Performing Loan Relationship Sale
<b>Collateral:</b>	Two Closed Skilled Nursing Facilities
<b>Location:</b>	Greater Nashville, TN Metro Area
<b>Loan Performance:</b>	Payment 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 two non-performing loans totaling \$15,141,757 (the “**Loans**,” or “**Assets**”) secured by two closed skilled nursing Facilities located in Tennessee (the “**Properties**,” “**Facilities**,” or “**Collateral**”).

### SALE STRUCTURE

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of two non-performing Loans secured by two closed skilled nursing Facilities located in the greater Nashville, TN metro 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	Thursday, March 21, 2024
Due Diligence Materials Available	Monday, March 25, 2024
Indicative Bid Date	Tuesday, April 9, 2024
Final Bid Date	Tuesday, April 30, 2024
Winning Bidder Selected	Wednesday, May 1, 2024
Executed Contract/Deposit Due	Friday, May 3, 2024
Closing Date (On or Before)	Friday, May 17, 2024

### HIGHLIGHTS & SALE SUMMARY

The Loan Sale offers Prospective Bidders the opportunity to acquire two non-performing Loans totaling \$15.1 million secured by two closed skilled nursing Facilities in the greater Nashville, TN metro area. Loan Sale highlights are as follows:

- The Loans went into payment default shortly after the state regulatory body issued notices of immediate jeopardy on the two Facilities in December 2023. The licenses on both Facilities have been suspended, but not formally terminated.
- Certificates of need are in place on both Properties.
- The larger Property contains 136 beds in 76 rooms across 44,961 sf, while the smaller Property has 100 beds throughout 52 units across 36,597 sf.
- The Loans are fully guaranteed by the Sponsor, various corporate entities, and a family trust.
- The \$14.26 million commercial mortgage is currently accruing at the default rate of 14.25%, while the \$881k line of credit is accruing at a 14.50% default rate.
- Foreclosure on the collateral will likely be quick as Tennessee follows a non-judicial foreclosure process.
- At origination, while the Facilities were in operation, the relationship carried a 49% LTV with a combined appraised value of \$30.9mm.

Loan Information	Comm Mortgage	Line of Credit
<b>Loan Status</b>	Non-Performing	Non-Performing
<b>Original Balance</b>	\$18,000,000	\$2,500,000
<b>UPB</b>	\$14,260,000	\$881,757
<b>UPB Per Bed</b>	\$60,424	\$64,160
<b>Rate Type</b>	Prime + 0.75%	Prime + 1.00%
<b>Interest Rate</b>	9.25%	9.50%
<b>Default Rate</b>	Base Rate + 5.00%	Base Rate + 5.00%
<b>Origination Date</b>	5/21/2021	5/21/2021
<b>Maturity Date</b>	5/21/2024	5/21/2024
<b>Payment Due Date</b>	10/1/2023	11/1/2023

Loan Information	Comm Mortgage	Line of Credit
<b>Property Type</b>	Skilled Nursing	Skilled Nursing / IL
<b>Square Feet</b>	36,597	44,961
<b>Beds</b>	100	130 (SNF), 6 (IL)
<b>Rooms</b>	52	76
<b>Licensed Capacity</b>	100	130
<b>Site Size (Acres)</b>	1.80	3.79
<b>Year Built</b>	1969	1978 (SNF) / 1994 (IL)
<b>Appraisal Value</b>	\$6,050,000	\$12,280,000
<b>Value Per Bed</b>	\$60,500	\$90,294
<b>Appraisal Date</b>	Jul-23	Mar-21

## 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.

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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.