

SALE ANNOUNCEMENT

\$42,615,791 NON-PERFORMING LOAN RELATIONSHIP SALE HARTFORD, CT

MULTIFAMILY, STUDENT HOUSING, AND PARKING GARAGE DEVELOPMENT

INDICATIVE BID DATE: SEPTEMBER 25, 2018

FINAL BID DATE: OCTOBER 18, 2018



\$42,615,791 NON-PERFORMING LOAN RELATIONSHIP SALE HARTFORD, CT



Sale:	\$42,615,791 Non-Performing Loan Relationship Sale
Collateral:	Multifamily, Student Housing, and Parking Garage Development
Location:	Hartford, CT
Performance:	Non-Performing

Overview Summary

This Sale Announcement presents the sale of a \$33,292,829 non-performing co-first loan and a \$9,322,962 non-performing co-first loan (the “Loan Sale” or “Asset Sale”) conducted exclusively by Mission Capital Advisors, LLC (“Mission” or “Loan Sale Advisor”) on behalf of an undisclosed seller (“Seller”).

Sale Structure

Mission has been retained as the exclusive Loan Sale Advisor to the Seller for the sale of a \$33,292,829 non-performing co-first loan and a \$9,322,962 non-performing co-first loan, totaling a \$42,615,791 loan relationship (the “Loans” or “Loan Relationship”). The Loans are secured by a co-first lien mortgage on a multifamily rental housing, student housing, and parking garage development located in Hartford, CT (the “Property”). The Loans are being offered on a sealed bid basis.

On behalf of the Seller, Mission is initially soliciting indicative bids from prospective bidders (the “Prospective Bidders”) for the purchase of the Loan pursuant to the Loan Sale timeline attached below.

Mission, in conjunction with the Seller, and at the sole and absolute discretion of the Seller, will then invite multiple bidders (the “Final Bidders”) to complete due diligence and submit non-contingent final bids for the Loan.

The sale must be completed according to the timeline below; investors will be required to finalize the Loan Sale Agreement prior to the final bid date.

Loan Sale Timeline

The transaction contemplated herein has been scheduled as follows:

Event	Date
Sale Announcement Distributed	Thursday, September 6, 2018
Initial Data Distribution	Thursday, September 6, 2018
Indicative Bid Round	Tuesday, September 25, 2018
Acceptance of or Comments to LSA Due	Friday, October 12, 2018
Final Bid Date	Thursday, October 18, 2018
Winning Bidder Selected	Thursday, October 18, 2018
10% Non-Refundable Deposit Due	Monday, October 22, 2018
Closing On or Before	Monday, October 29, 2018

Sale Highlights

The Loan Sale offers Prospective Bidders an opportunity to acquire a Loan Relationship secured by a multifamily rental, student housing, and parking garage development in Hartford, CT.

- The Loans were originated as construction to permanent loans to fund the acquisition and development of a multifamily rental housing property and supporting parking garage in Hartford, CT.
- The Loans were modified in 2005 with additional proceeds to fund construction of the student housing component.
- The Seller has authorized a Moratorium Agreement, as amended, that provides for no payments of principal and interest and replacement reserve deposits through November 15, 2018. Payments in accordance with the terms of the Loans, as modified, are to resume on December 1, 2018.
- As of December 2017 the residential apartment occupancy is 89.7%. The trailing 12 month occupancy for the student housing is 79.7% with a most recent occupancy of 62.9%, offering investors the opportunity to add value by leasing up the Property.
- A parking garage constructed below the student housing component generates additional revenue for the property separate from the residential tenancy interest. The garage is accessible via controlled gate access from Temple and Market streets and features 343 parking spaces which range from \$60 to \$180 per month.
- The Property is situated within the center of the Hartford Central Business District, within walking distance to colleges, employers, restaurants, entertainment, and area retailers.
- The Property’s student housing component is in close proximity to various local colleges that offer undergraduate, graduate, and professional level academics.

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Loan Information (1)	
Original Loan Amount	\$34,100,000
UPB	\$33,292,829
Interest Rate	5.29%
Default Rate	+3.00%
Maturity	7/1/47
Monthly P&I Payment	\$161,885.91
Deferred Interest Balance as of 7/31/18	\$935,355

Loan Information (2)	
Original Loan Amount	\$9,348,000
UPB	\$9,322,962
Interest Rate	1.00%
Default Rate	+3.00%
Maturity	7/1/47
Monthly P&I Payment	\$7,769.15
Deferred Interest Balance as of 7/31/18	\$280,440

Collateral Information (1)	
Property Type	Multifamily
City, State	Hartford, CT
Year Built / Renovated	1935 / 2006
SF (GBA)	83,295
# of Units	78
# of Buildings	1
# of Stories	8
Occupancy	89.7%

Collateral Information (2)	
Property Type	Student Housing
City, State	Hartford, CT
Year Built / Renovated	2008
# of Units	42
# of Beds	170
# of Buildings	3
# of Stories	3
Occupancy	62.9%

Collateral Information (3)	
Property Type	Garage
Units	343 Spaces

Loan Sale Process

Prospective Bidders are subject to qualification by Mission and/or Seller (qualification process will be initiated by Mission as deemed necessary). Access to the Due Diligence Materials will be provided to Prospective Bidders solely at the discretion of Mission and/or the Seller and may be withheld for any reason.

The Seller, in conjunction with Mission, have prepared a comprehensive array of due diligence data (the "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 Offering Memorandum for the Asset (the "Offering Memorandum") prepared by Mission, comprehensive bidding instructions, the terms of sale and the Seller's required form of Agreement for Sale and Purchase of the Loan (the "Loan Sale Agreement").

Mission is soliciting non-contingent final bids for the Loan. Prospective Bidders are encouraged 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 pre-negotiated Loan Sale Agreement by Prospective Bidder accompanied by a 10% non-refundable wire funds deposit).**

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

Please e-sign or return an executed Confidentiality Agreement to nda@missioncap.com

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

Loan Sale Agreement

The Seller will make its required form of Loan Sale Agreement available for review to Bidders. Pursuant to the Loan Sale Agreement, the Seller is 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.

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Due diligence information can be found in the data room at market.missioncap.com

Disclaimer:

NO OBLIGATION TO SELL SHALL BE BINDING ON SELLER UNLESS AND UNTIL A WRITTEN CONTRACT OF SALE OR PURCHASE AND SALE AGREEMENT IS SIGNED AND DELIVERED BY SELLER. THE SELLER RESERVES THE RIGHT, AT ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THE ASSET FROM THE ASSET 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 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 ASSET SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.

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