

SALE ANNOUNCEMENT

\$38,734,996 COMMERCIAL LOAN PORTFOLIO SALE

Property Types: Office, Retail, Hospitality, Special Purpose, Medical Office

Location: Nationwide (CA, PA, AK, NJ, NY, WA)

Performance: Performing (Classified)

Overview Summary

\$38,734,996 Commercial Loan Portfolio Sale (the “Asset Sale”) conducted by Mission Capital Advisors, LLC (“Mission” or “Asset Sale Advisor”) on behalf of an unidentified Seller (“Seller”).

Sale Structure

Mission has been retained as the exclusive Asset Sale Advisor to the Los Angeles-based bank Seller for the sale of a portfolio of performing commercial loans secured by real estate located throughout the United States (each a “Loan”, or “Asset”, collectively the “Portfolio”, “Loans”, or “Assets”). The Assets are being offered on a sealed bid basis.

On behalf of the Seller, Mission is soliciting final bids from bidders (the “Bidders”) for the purchase of: **(i) ~ \$25mm of the Portfolio, (ii) any Asset individually, or (iii) any combination of Assets** 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, invites Bidders to complete due diligence and submit non-contingent bids for the Assets, with the intention of selling ~ \$25mm of the portfolio.

Highlights & Sale Summary

- The Asset Sale offers Bidders the opportunity to acquire loans secured by real estate located in or near to major metropolitan areas of the United States from the originating bank directly.
- Average loan balance is approximately \$3.5mm with the largest Loan having a balance of nearly \$9mm.
- The Portfolio has a weighted average rate of 5.6% and a weighted average maturity of 2/6/23. In certain cases, the acquiror may have opportunities to charge higher default rates of interest. Default rate for all Loans is 5% in excess of the note rate.
- Properties securing the loans are primarily located in California (41.3%) and Pennsylvania (23.1%).
- Loans in the Portfolio are primarily secured by hospitality (40.7%), retail (26.4%), and office (23.1%) properties.
- While the Loans are generally current, they are special mention due to underlying properties generating insufficient cash flow to support debt service. Borrowers and guarantors are covering shortfalls out of pocket.

Asset	Loan Count	UPB	Origination Date	Maturity Date	Rate	Performance	Collateral Type	Location
OFC-1	1	\$8,930,728	4/28/17	4/28/24	4.6%	Performing	Office	Philadelphia, PA
RET-1	3	\$7,138,075	12/19/14	3/14/20	4.1%	Performing	Mixed Use	Los Angeles, CA
HOS-1	1	\$5,417,024	6/11/14	6/11/19	4.5%	Matured	Hospitality	Flushing, NY
HOS-2	1	\$5,059,224	5/13/14	5/13/24	6.5%	Performing	Hospitality	Temecula, CA
HOS-3	1	\$3,606,366	6/19/15	6/25/25	4.4%	Performing	Hospitality	Anchorage, AK
RET-2	1	\$3,097,585	4/25/13	4/25/23	6.5%	Performing	Retail	Lodi, NJ
SPC-1	1	\$2,019,673	1/15/16	1/19/23	4.5%	Performing	Special Purpose	Walnut, CA
OFC-2	1	\$1,774,190	12/24/14	12/24/21	4.8%	Performing	Medical Office	Newport Beach, CA
HOS-4	1	\$1,692,131	7/27/07	7/30/32	5.5%	Performing	Hospitality	Bellingham, WA
Grand Total	11	\$38,734,996	12/12/14	2/6/23	5.6%			

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Sale Structure

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 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 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 data tape for the Assets (the “Data Tape”) prepared by Mission, comprehensive bidding instructions, the terms of sale and the Seller’s required form of Asset Sale Agreement for Sale and Purchase of Assets (the “Asset Sale Agreement”).

Mission, in conjunction with the Seller, is soliciting 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 pre-negotiated 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 Katie Juarez at kjuarez@missioncap.com. **PLEASE NOTE THAT E-SIGNATURES WILL BE PROCESSED IN TOP PRIORITY WHILE EMAIL SIGNATURES ARE PROCESSED AT THE END OF EACH BUSINESS DAY.**

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.

Asset Sale Agreement

The Seller will make its required form of Asset Sale Agreement available to Bidders. Pursuant to the Asset Sale Agreement, the Seller is selling its Assets subject only to those representations and warranties explicitly stated in the Asset Sale Agreement. No other representations or warranties, either expressed or implied, shall apply.

Sale Timeline

The transaction contemplated herein has been scheduled as follows:

Sale Announcement Distributed	Friday, September 6, 2019
Initial Data Distribution	Friday, September 6, 2019
Comments to LSA Due	Tuesday, September 10, 2019
Final Bid Date	Thursday, September 26, 2019
Winning Bidder Selected	Wednesday, October 2, 2019
10% Non-Refundable Deposit Due	Thursday, October 3, 2019
Closing Date	Tuesday, October 15, 2019

Disclaimer

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

Mission Capital Contacts

MISSION CAPITAL ADVISORS, LLC

Asset Sale Discussions

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Loan Table

Asset	Loan Count	Loan Purpose	UPB	% UPB	Original Balance	Origination Date	Maturity Date	Rate Type	Rate	Spread	Amortization Term
OFC-1	1	Refinance	\$8,930,728	23.1%	\$9,400,000	4/28/17	4/28/24	Fixed to Floating	4.6%	1.0%	300
RET-1	3	Purchase and Refinance	\$7,138,075	18.4%	\$8,795,000	12/19/14	3/14/20	Fixed	4.1%	NAP	300
HOS-1	1	Refinance	\$5,417,024	14.0%	\$7,800,000	6/11/14	6/11/19	Fixed	4.5%	NAP	240
HOS-2	1	Purchase	\$5,059,224	13.1%	\$5,750,000	5/13/14	5/13/24	Floating	6.5%	1.0%	300
HOS-3	1	Purchase	\$3,606,366	9.3%	\$4,000,000	6/19/15	6/25/25	Fixed to Floating	4.4%	1.0%	300
RET-2	1	Refinance	\$3,097,585	8.0%	\$4,050,000	4/25/13	4/25/23	Floating	6.5%	1.0%	240
SPC-1	1	Refinance	\$2,019,673	5.2%	\$2,200,000	1/15/16	1/19/23	Fixed to Floating	4.5%	0.8%	300
OFC-2	1	Cash Out	\$1,774,190	4.6%	\$2,000,000	12/24/14	12/24/21	Floating	4.8%	1.0%	300
HOS-4	1	Purchase	\$1,692,131	4.4%	\$2,450,000	7/27/07	7/30/32	Floating	5.5%	NAP	300
Grand Total	11		\$38,734,996	100.0%	\$46,445,000	12/12/14	2/6/23		5.6%	0.9%	

Collateral Table

Asset	Location	Collateral Type	Property Sub Type	# of Buildings	Units	Unit Type	Year Built/Renovated
OFC-1	Philadelphia, PA	Office	Commercial	1	87,830	NRSF	1990/2019
RET-1	Los Angeles, CA	Retail	Retail/Industrial	1	63,628	NRSF	1969, 1997, 1998
HOS-1	Flushing, NY	Hospitality	Boutique Hotel	1	30	Keys	2014
HOS-2	Temecula, CA	Hospitality	Hotel	1	94	Keys	2007
HOS-3	Anchorage, AK	Hospitality	Flagged Limited Service Hotel	2	102	Keys	1975
RET-2	Lodi, NJ	Retail	Strip	1	53,305	NRSF	1975
SPC-1	Walnut, CA	Special Purpose	Child Daycare Service	1	15,618	NRSF	2001
OFC-2	Newport Beach, CA	Office	Medical Office	1	11,646	NRSF	1968
HOS-4	Bellingham, WA	Hospitality	Motel	1	74	Keys	1993