

SALE ANNOUNCEMENT

\$63,000,000 NON-PERFORMING LOAN SALE

347,743-SF STREET FRONT / BIG BOX RETAIL

DOWNTOWN LONG BEACH, CA

INDICATIVE BID DATE: TUESDAY, AUGUST 25, 2020

FINAL BID DATE: TUESDAY, SEPTEMBER 15, 2020



Sale:	\$63,000,000 Mortgage Loan Sale
Collateral:	Street Front / Big Box Retail
Location:	Downtown Long Beach, CA (DTLB)
Performance:	Non-Performing (Payment Default)

Overview

This Sale Announcement presents the sale of a \$63,000,000 non-performing loan secured by a retail property located in downtown Long Beach, CA (the "Loan 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 non-performing loan with an unpaid principal balance of \$63,000,000 (the "Loan"). The Loan is secured by a Deed of Trust on a street front & big box retail property located in Long Beach, CA (the "Property"). The Loan is 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 securing the Property pursuant to the Loan Sale timeline attached hereto.

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.

Loan Sale Timeline

The potential transaction contemplated herein has been scheduled as follows:

Event	Date
Sale Announcement Distributed	Monday, August 3, 2020
Initial Data Distribution	Monday, August 3, 2020
Indicative Bid Date	Tuesday, August 25, 2020
Best & Final Bid Date	Tuesday, September 15, 2020
Winning Bidder Selected	Wednesday, September 16, 2020
10% Non-Refundable Deposit Due	Friday, September 18, 2020
Closing Date	Friday, September 25, 2020

Sale Highlights

The Loan Sale offers Prospective Bidders the opportunity to acquire a defaulted loan secured by a street front and big box retail property located in downtown Long Beach.

- The Loan is currently in monetary default for failure to make the June and July 2020 debt service payments.
- The Property is located in an Opportunity Zone.
- The Property includes both street level and big box retail stores across a site covering nearly six square blocks improved with nine buildings.
- The Property site is located in an infill location on the periphery of a major development boom centered around the waterfront in downtown Long Beach.
- The Property is ripe for redevelopment with value-add potential associated with future lease-up and management of the existing improvements.
- Tenant mix consists of local, regional, and national retailers; restaurants; and a prominent office tenant.
- The effects of COVID-19 and a vandalism incident have contributed to economic occupancy declining to 79.6% at the 347,743-sf property, while physical occupancy is 22.2%.
- A national credit anchor tenant (134,147-sf) went dark in 2016 but continues to remit monthly rental payments. Rental payments amount to over \$1.2 million annually, with a stated maturity of October 2022.
- The Property has an abundance of available parking spaces with a ratio of 6.76 spaces per 1,000-sf.
- The immediate neighborhood surrounding the Property consists of a mix of multifamily and commercial uses and is less than a mile from the Aquarium of the Pacific, the Long Beach Convention and Entertainment Center, as well as the new Civic Center.

LOAN SUMMARY	
Status	Non-Performing (Payment Default)
Original Balance	\$63,000,000
Original Balance PSF	\$181.17
Current Balance	\$63,000,000
Current Balance PSF	\$181.17
Origination Date	8/11/2015
Maturity Date	9/6/2025
Last Payment Date	5/6/2020
Interest Rate	4.430%
Default Rate	+5.000%
Rate Type	Fixed
Payment Type	IO to P&I
Interest Only Period (Months)	60
Amortization Start Date	10/6/2020
Amortization Term (Months)	360
Day Count Method	Act/360
Pre-Payment Penalty	Greater of YM or 5% of UPB

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 the Seller and may be withheld for any reason.

The Seller, in conjunction with Mission, has 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 Loan (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 initially soliciting indicative bids for the Loan. 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, in conjunction with the Seller, will select Final Bidders to complete final due diligence before submitting **non-contingent offers on the**

COLLATERAL SUMMARY	
Property Type	Street Front / Big Box Retail
City, State	Long Beach, CA
County	Los Angeles County
NRA (SF)	347,743
Buildings	9
Stories	1
Site Size (Acres)	10.285
Year Built / Renovated	2002
Economic Occupancy	79.6%
Physical Occupancy	22.2%
Occupancy Date	July-2020
Appraisal Value As-Is	\$88,400,000
Appraisal Value As-Is PSF	\$249.41
Appraisal Value As-Stabilized	\$96,000,000
Appraisal Value As-Stabilized PSF	\$270.86
Appraisal Date	June-2018
Parking Spaces	2,350
Parking Ratio per 1,000 SF	6.76

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, 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 will be 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 LOAN 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 LOAN. 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 LOAN SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.

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